

TAB 18

THIS IS **EXHIBIT " 18"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Harley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

Holdco

CERTIFIED RESOLUTION OF THE BOARD OF DIRECTORS

OF

URBANCORP HOLDCO INC. (the "Corporation")

WHEREAS Terra Firma Capital Corporation ("Lender") has established certain credit in favour of the Corporation for the purposes more particularly set out in the Commitment (as hereinafter defined) in connection with the loan more particularly described therein (the "Loan"), to be secured by (a) a mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham; (b) a mortgage on PIN No. 10126-1010 (LT); (c) Assignment of Proceeds from or in respect of PIN 07586-0258 (LT), Toronto and Pledge of Interest (collectively the "Properties");

WHEREAS by By-Law No. 2, the directors of the Corporation was authorized from time to time to borrow money upon the credit of the Corporation, to issue, re-issue, sell or pledge securities of the Corporation, including bonds, debentures, notes or other evidences of indebtedness and to mortgage, hypothecate, pledge or otherwise create a security interest in all or any of the assets of the Corporation to secure such monies for such sums, on such terms and at such prices as they may deem expedient and as the directors may determine.

AND WHEREAS it is expedient and in the interest of the Corporation that the directors should exercise the authority conferred upon them by the said By-law;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and it is hereby authorized to borrow up to TEN MILLION DOLLARS (\$10,000,000.00) (Cdn.) from the "Lender" upon the terms and conditions contained in a certain letter of intent dated March 6, 2016 between Terra Firma Capital Corporation and the Corporation, as amended or supplemented from time to time (the "Commitment").
2. The Corporation be and it is hereby authorized to secure the aforesaid loan by granting:
 - (a) Guarantee of a charge/mortgage, to and in favour of the Lender, by way of a fixed and specific Charge in favour of the Lender on the Properties; and
 - (b) such other security as the Lenders may reasonably require in connection with the Loan.

(the items in (a) through (b) above being hereinafter collectively referred to as the "Security").

3. The Security shall be in such form and shall contain such terms and provisions as may be required by the Lender and approved by the Authorized Signing Officer (as defined below) executing such Security. Execution and delivery of the Security by an Authorized Signing Officer shall be conclusive evidence of such approval and the Security so executed and delivered shall be a valid and binding obligation of, and shall be enforceable against, the Corporation.

- 2 -

4. The Security may be executed on behalf of the Corporation, under the corporate seal of the Corporation or otherwise, by any of the persons named below (each an "Authorized Signing Officer"), each of whom is a duly elected or appointed director and/or officer of the Corporation:

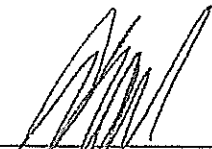
ALAN SASKIN

Notwithstanding any change in any of the persons holding such offices between the time of the actual signing and the delivery of the Security, and notwithstanding that the director or officer signing may not have held office at the date of the Security or at the date of execution or delivery thereof, the Security so signed shall be a valid and binding obligation of, and shall be enforceable against, the Corporation.

5. Any such Authorized Signing Officer is hereby authorized and directed for and on behalf of and in the name of the Corporation to do, sign and execute, under the corporate seal of the Corporation or otherwise, all such other agreements, documents, securities, notes, instruments, certificates, directions, powers of attorney (the "Additional Documents") and things as in his opinion may be provided for under the Commitment or the Security, or which may be advisable, necessary, or useful, or which may be requested by the Lender, in connection with the foregoing resolutions or in connection with the execution, delivery or registration of, or the performance of any of the Corporation's obligations under, any of the Security.

The undersigned officer of the Corporation hereby certifies that the foregoing is a true and correct copy of a resolution passed by the Board of Directors of the Corporation on March 9th, 2016 and that the said resolution remains in full force and effect, unamended as of the date hereof.

DATED this 9th day of March, 2016.



Alan Saskin – President, Secretary

TAB 19

THIS IS **EXHIBIT " 19"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

HARRIS, SHEAFFER LLP

BARRISTERS & SOLICITORS

YONGE CORPORATE CENTRE
4100 YONGE STREET, SUITE 610, TORONTO ONTARIO M2P 2B5
TELEPHONE (416) 250-5800 / FACSIMILE (416) 250-5300

March 9, 2016

Terra Firma Capital Corporation
22 St. Clair Avenue East, Suite 200
Toronto, Ontario M4T 2S3
Attention: Carolyn Montgomery

File No.: 151465

- and -

Law Offices of Norman H. Winter
801-1 St. Clair Avenue East
Toronto, ON M4T 2V7
Attention: Norman H. Winter

Dear Sir/Madam:

RE: TERRA FIRMA CAPITAL CORPORATION (the "Lender") – loan (the "Loan") to Urbancorp Holdco Inc. (the "Borrower"), pursuant to a Letter of Intent dated March 6, 2016, as amended or supplemented from time to time, secured by: (a) Mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham (collectively the "Woodbine Property"), from Urbancorp (Woodbine) Inc. (the "Woodbine Borrower"); (b) a Mortgage on PIN No. 10126-1010 (LT) (the "Bayview Property"), from Urbancorp (Bridlepath) Inc. (the "Bayview Borrower"); and (c) Assignment of Proceeds and Pledge of Co-Ownership Interest from or in respect of PIN 07586-0258 (LT), Toronto (the "Valermo Property") by way of Irrevocable Direction re Payment and Assignment of Interest from Urbancorp (Valermo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership (collectively the "Valermo Borrower"), Guaranteed by Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust (collectively the "Guarantors")

(the Woodbine Property, Bayview Property and Valermo Property are collectively referred to as the "Properties")

We have acted as counsel to Urbancorp (Woodbine) Inc. (the "Company") in connection with the loan to the Borrower from the above named lender (the "Loan") secured by various security documents, pursuant to a commitment letter issued by the Lender, dated March 6, 2016, as amended, renewed or restated from time to time, (the "Commitment Letter").

☐
BARRY ROTENBERG

☐
GARY H. HARRIS

☐
ROBERT D. SHEAFFER

☐
PHILIP J. DRAPER

☐
MARK F. FREEDMAN
(1981-2009)

☐
JEFFREY P. SILVER

☐
STEPHEN M. KARR

☐
MARTIN P. HOUSER

☐
MARK L. KAROLY

☐
GAVIN H. BIRER

☐
MICHAEL J. BAUM

☐
ROGER M. VINAYALINGAM

☐
ARI M. KATZ

☐
RAZVAN L. NICOLAE

☐
MANALI T. PRADHAN

In acting as such counsel, we have examined the following documents:

- (a) Commitment Letter;
- (b) Acknowledgment and Direction re Charge;
- (c) Acknowledgment of Standard Charge Terms;
- (d) PPSA Acknowledgment;
- (e) Assignment of Agreements of Purchase and Sale;
- (f) Assignment of Deposits, Levies and Fees;
- (g) Assignment of Letters of Credit;
- (h) Assignment of Plans, Agreements and Contracts;
- (i) Authorization to Complete;
- (j) Beneficial Owner Direction, Charge of Beneficial Interest and Acknowledgment Agreement;
- (k) Assignment of Insurance Proceeds;
- (l) Consent pursuant to *Personal Information Protection and Electronic Documentation Act* (Canada);
- (m) Cost Overrun and Completion Agreement;
- (n) Declaration under Construction Lien Act;
- (o) Environmental Representation, Warranty and Indemnity;
- (p) General Assignment of Leases and Rents; and
- (q) Non-Merger Acknowledgment;

(hereinafter collectively referred to as the "Security Documents").

For the purposes of the opinions expressed below, we have considered such questions of law as we have deemed necessary and have made such investigations and examined originals or copies, certified or otherwise identified to our satisfaction, of such certificates of public officials and such other certificates, documents and records as we have considered necessary or relevant and have

relied, without independent verification or investigation, on all statements as to matters of fact contained in such documents, including:

1. The incorporating documents (including any amendments thereto) and by-laws of the Company;
2. The minute book, which contains the corporate records of the Company;
3. A resolution of the directors of the Company authorizing, inter alia, the execution and delivery by the Company of the Security Documents;
4. A certificate executed by an officer of the Company dated as of the 9th day of March, 2016 (the "Officer's Certificate");
5. A Certificate of Status for the Company dated as of the 9th day of March, 2016 (the "Status Certificate"), issued by the Ministry of Government Services (Ontario); and
6. The Security Documents.

ASSUMPTIONS AND RELIANCE

For the purposes of the opinions expressed below, we have, without independent investigation or inquiry, with respect to all documents and certificates examined by us:

- (a) assumed the genuineness of all signatures and the authenticity and completeness of, all documents reviewed by us and the conformity to the original documents of all documents submitted to us as true, certified, conformed, photostatic or telecopied copies thereof;
- (b) assumed the due authorization, execution and delivery of the Security Documents by all parties save and except the Company;
- (c) if not dated as of the date hereof, assumed that the Status Certificate and Officer's Certificate continue to be accurate as of the date hereof;
- (d) assumed the completeness, truth and accuracy of all facts set forth in all records, certificates and other documents examined by us;
- (e) relied exclusively on the Officer's Certificate with respect to the accuracy of the factual matters contained therein, without independent investigation or verification; and
- (f) not undertaken an examination of any public records, including civil litigation indices, in any jurisdiction wherein the Company conducts business save and except the Status Certificate, nor have we examined the financial books and records of the Company.

LAW

The opinions expressed herein are rendered solely with respect to the laws of the Province of Ontario and the federal laws of Canada applicable therein and in existence on the date hereof (collectively, the "Applicable Laws") and no opinions are expressed herein with respect to the laws of any other jurisdiction.

OPINIONS

Based upon the foregoing examinations, statements and assumptions, and the qualifications referenced below, and believing and relying on them and the conclusions drawn therefrom, we are of the opinion that:

1. The Company is a corporation duly incorporated under the laws of the Province of Ontario and is a validly subsisting corporation with all necessary corporate power and capacity to own its properties and assets, to carry on its business and to perform the obligations on its part to be performed pursuant to all the Security Documents signed by it.
2. The Company has taken all necessary corporate or other action to authorize the execution and delivery of and performance of its obligations under the Security Documents executed by it. None of such execution, delivery or performance requires the consent or approval of any governmental authority or agency having jurisdiction over it or requires consent under any relevant Partnership Agreement, Articles of Incorporation, By-Laws, Unanimous Shareholders' Agreement or resolutions of the directors or shareholders or the provisions of any material agreement to which it is a party.
3. The Security Documents have been duly and validly executed and delivered by the Company and create valid and legally binding obligations of the Company enforceable against the Company in accordance with the terms thereof.

QUALIFICATIONS

The opinions expressed above are subject to the following qualifications, limitations and restrictions:

1. The enforceability of the Security Documents is subject to any applicable bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement, winding-up and other similar laws of general application affecting the enforcement of creditors' rights generally.
2. The enforceability of the Security Documents is subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of the court.

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3. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in Part VII of the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of federal Crown debts (except debts under the *Income Tax Act* (Canada)) which does not comply with that Act is ineffective as between the assignor and the assignee and as against the Crown.
 4. We express no opinion as to whether a security interest may be created in:
 - (a) property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively, "Special Property") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given; or
 - (b) permits, quotas or licences which are held by or issued to the Company.
 5. We express no opinion as to any security interest created by the Security Documents with respect to any property of the Company that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Company that are not identifiable or traceable.
 6. We have not registered the Security Documents or notice thereof in any land registry office or under any land registry statutes even though the Security Documents may create a security interest in the Company's real property or leases of real property or in property which is now or may hereafter become a fixture or a right to payment under a lease, mortgage or charge of real property.
 7. We have not effected any registrations, including *inter alia*, under any of the following:
 - (a) the *Patent Act* (Canada), the *Trade-marks Act* (Canada), the *Industrial Designs Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Copyright Act* (Canada) or the *Plant Breeders' Rights Act* (Canada),
 - (b) the *Canada Shipping Act*,
 - (c) the *Canada Transportation Act* or the *Railways Act* (Ontario),

and we express no opinion as to the creation or perfection of any security interest in any property or assets governed by any of those Acts or as to the perfection by registration under the PPSA of any security interest in any property or assets.

8. We express no opinion as to whether the Company has title to or any rights in any of the property in which the Security Documents purport to grant a security interest, mortgage, charge or other interest, nor as to the priority of any security interest, mortgage, charge or other interest created by the Security Documents. We express no opinion as to the title of any real property.
9. We express no opinion as to the enforceability of any provision of the Security Documents which purports to suspend, in the circumstances prescribed therein, the powers of the board of directors of the Company.
10. A receiver or receiver and manager appointed pursuant to the Security Documents may, for certain purposes, be treated as the agent of the Lender and not solely the agent of the Company notwithstanding any provision in such documents to the contrary.
11. We express no opinion as to any licences, permits, approvals or notices that may be required in connection with the enforcement of the Security Documents by the Lender or by a person on its behalf, whether such enforcement involves the operation of the business of the Company or a sale, transfer or disposition of its property and assets.
12. The Lender may be required to give the Company a reasonable time to repay following a demand for payment prior to taking any action to enforce its right of repayment or before exercising any of the rights and remedies expressed to be exercisable by the Lender in the Security Documents.
13. Pursuant to the provisions of Section 8 of the *Interest Act* (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears.
14. Interest on overdue payments at a rate greater than applicable to payments not overdue may be construed as a penalty and not enforceable.
15. The provisions for the payment of interest and other amounts under the Security Documents may not be enforceable if those provisions provide for the receipt of interest by the Lender at a "criminal rate" within the meaning of Section 347 of the *Criminal Code* (Canada).
16. Any certificate or determination provided for in the Security Documents may be subject to challenge in a court on the grounds of fraud, collusion, mistake on the face of the certificate, or mistake on the basis that the certificate differed in a material respect from the certificate contemplated in such provision, notwithstanding any provision stating such certificate or determination shall be treated as conclusive, final or binding.
17. We express no opinion as to the enforceability of any provision of the Security Documents:

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- (a) which purports to waive all defences which might be available to, or constitute a discharge of the liability of, the Company;
 - (b) to the extent it purports to exculpate, or provide indemnity to, the Lender, its agents or any receiver, manager or receiver-manager appointed by it from liability in respect of acts or omissions which may be illegal, fraudulent or involve willful misconduct; or
 - (c) which states that amendments or waivers of or with respect to the Security Documents that are not in writing will not be effective.
18. Provisions contained in the Security Documents which purport to sever from that document any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of that document may be enforced only in the discretion of a court.
19. We express no opinion as to the enforceability of any provision of the Security Documents which requires the Company to pay, or to indemnify the Lender for, the costs and expenses of the Lender since those provisions may derogate from a court's discretion to determine by whom and to what extent those costs should be paid.
20. A judgment of an Ontario court may only be awarded in Canadian currency.
21. Any provision which is considered to offend public policy or to contravene laws of public order may not be enforceable.

The opinions expressed herein are provided solely for the benefit of the addressees and their successors and assigns as permitted by the Commitment in connection with the financing transaction referred to above.

This opinion is rendered solely in connection with the transaction to which the Security Documents relate, may not be used for any other purpose without our prior written consent.

Yours very truly,

Harris Ashford LLP

Request ID: 018716700
Demande n° :
Transaction ID: 60487522
Transaction n° :
Category ID: CT
Catégorie :

Province of Ontario
Province de l'Ontario
Ministry of Government Services
Ministère des Services gouvernementaux

Date Report Produced: 2016/03/09
Document produit le :
Time Report Produced: 09:44:51
Imprimé à :

CERTIFICATE OF STATUS ATTESTATION DU STATUT JURIDIQUE

This is to certify that according to the records of the Ministry of Government Services

D'après les dossiers du Ministère des Services gouvernementaux, nous attestons que la société

URBANCORP (WOODBINE) INC.

Ontario Corporation Number

Numéro matricule de la société (Ontario)

002391256

is a corporation incorporated, amalgamated or continued under the laws of the Province of Ontario.

est une société constituée, prorogée ou née d'une fusion aux termes des lois de la Province de l'Ontario.

The corporation came into existence on

La société a été fondée le

OCTOBER 08 OCTOBRE, 2013

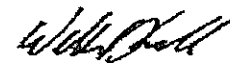
and has not been dissolved.

et n'est pas dissoute.

Dated

Fait le

MARCH 09 MARS, 2016



Director
Directeur

TAB 20

THIS IS **EXHIBIT " 20"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

Holdco & Land Owners

CERTIFICATE OF AN OFFICER
OF
URBANCORP (WOODBINE) INC. (the "Company")

To: Terra Firma Capital Corporation (the "Lender")

And to: Law Offices of Norman H. Winter

And to: Harris Sheaffer, LLP, the Company's solicitors

Re: TERRA FIRMA CAPITAL CORPORATION (the "Lender") – loan (the "Loan") to Urbancorp Holdco Inc. (the "Borrower"), pursuant to a Letter of Intent dated March 6, 2015, as amended or supplemented from time to time, secured by: (a) Mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham (collectively the "Woodbine Property"), from Urbancorp (Woodbine) Inc. (the "Woodbine Borrower"); (b) a Mortgage on PIN No. 10126-1010 (LT) (the "Bayview Property"), from Urbancorp (Bridlepath) Inc. (the "Bayview Borrower"); and (c) Assignment of Proceeds from or in respect of PIN 07586-0258 (LT), Toronto (the "Valermo Property") by way of Irrevocable Direction re Payment from Urbancorp (Valermo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership and pledge of interest (collectively the "Valermo Borrower"), Guaranteed by Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust (collectively the "Guarantors")

(the Woodbine Property, Bayview Property and Valermo Property are collectively referred to as the "Properties")

The undersigned ALAN SASKIN, as President of the Company, in such capacity and not in my personal capacity, hereby certifies for and on behalf of the Company, intending that the same may be relied upon by you without further inquiry, that:

1. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to make the statements of fact contained in this Certificate and I have furnished this Certificate with the intent that it may be relied on by the Lender as a basis for the Loan and it may be relied upon by the addressees which are solicitors and law firms in connection with their giving legal opinions to, among others, the Lender.
2. I have knowledge of the matters hereinafter certified.
3. Attached as Schedule "A" are true and complete copies of the constating documents of the Company issued by the Province of Ontario (collectively, the "Articles"). The Articles are in full force and effect at this date and have not been amended or

waived and neither the directors nor the shareholders of the Company have taken any proceedings or passed any resolutions to or consented to any amendments or variations to the Articles.

4. Attached as Schedule "B" is a true and complete copy of the borrowing by-law (the "By-Law") of the Company. The By-Law is in full force and effect, unamended at this date.
5. Attached as Schedule "C" is a true and complete copy of the resolution of the directors of the Company (the "Authorizing Resolution"), which has been duly and validly passed in accordance with the Articles, the By-law, other by-laws of the Company and applicable law, constituting authority for, *inter alia*, the Company borrowing the money as contemplated therein, entering into and performing its obligations under the documents to which it is a party, as contemplated by the terms of the Commitment Letter dated March 6, 2016 issued by the Lender to the Mortgagor, as may be amended or supplemented from time to time, including all such agreements, instruments and other documents and taking all actions in connection with the Loan and completing the Loan (collectively, the "Security Documents"). The Security Documents are the documents presented to and authorized, ratified and approved by the directors of the Company and referred to in the Authorizing Resolution. The Authorizing Resolution is the only resolution that the Board of Directors of the Company pertaining to the subject hereof that is in full force and effect, unamended at this date.
6. Each of the following persons are signing officers of the Company holding the position set out opposite his or her name below:

Name	Office(s)	Home Address
Alan Saskin	President, Secretary	155 Cumberland Street, Suite 1202 Toronto, Ontario M5R 1A2

7. Each of the following persons are all of the directors of the Company:

Name	Occupation	Home Address
Alan Saskin	Real Estate Developer	155 Cumberland Street, Suite 1202 Toronto, Ontario M5R 1A2

8. The authorized capital of the Company consists of 100 common shares. The sole shareholder is Alan Saskin.

9. The authorization, execution, delivery and performance of the documents granted in connection with the Loan among the Company, the Lender and others do not and will not conflict with or constitute an event of default under the Articles, the By-Law or any other by-laws of the Company or under any other agreement binding on the Company.
10. The minute books and corporate records of the Company made available are the original minutes books and records of the Company and contain all of the Articles, the By-Law and other by-laws of the Company and any amendments thereto and, to my knowledge, all of the minutes, or copies thereof, of all proceedings of any respective shareholders and directors. To my knowledge, there have been no other meetings, resolutions or proceedings of the shareholders or directors of the Company not reflected in such minute books and records. To my knowledge, such minute books and records are true, correct and complete in all material respects.
11. All filings or remittances that are required under relevant information, taxation or naming legislation for the jurisdiction in which the Company is incorporated have been made by the Company.
12. The Lender is not an affiliate or associate of the Company and the Company is at arm's length to the Lender.
13. There are no provisions in the Company's Articles, the By-Law or other by-laws of the Company, to my knowledge, in any resolutions of the directors or shareholders, or in any shareholder agreement or other similar document relating to the Company that restrict, limit, or regulate in any way (a) the powers of the directors of the Company to borrow money upon the credit of the Company and to give a guarantee on behalf of the Company to secure performance of an obligation of any person, and to mortgage, hypothecate, pledge or otherwise create a security interest or charge in all or any of the property of the Company, now or hereafter acquired, as security for all or any money borrowed by the Company, or (b) the power, capacity or authority of the directors of the Company to delegate to a director or an officer, the exercise from time to time of any of the said powers for and in the name of the Company.
14. No authorization, consent, permit or approval of, or other action by or filing with, or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction in the Province of Ontario is required in connection with the execution, delivery and performance by the Company of any of the Security Documents to which it is a party.
15. The Company is not insolvent and has not committed an act of bankruptcy and no proceedings have been taken by the Company or by any other person or are, to the knowledge of the undersigned, pending or contemplated with respect to:
 - (a) the bankruptcy, or
 - (b) any proposal in bankruptcy, or

- (c) the appointment of any trustee, receiver, manager, liquidator or similar person, or
- (d) the amalgamation, consolidation, dissolution, liquidation or reorganization or sale of the assets or of the business out of the ordinary course of business,


of the Company or any of the property of the Company and there is no encumbrancer in possession of any of the property of the Company.

16. Neither the authorization, nor the execution, nor the delivery of the Security Documents, nor the fulfilment of the respective terms thereof, conflict or will conflict with, or result or will result in a breach or violation of (i) any law, ordinance, decree, regulation or any other enactment of the Province of Ontario or of Canada applicable therein; (ii) any of the terms, conditions or provisions of the constating documents incorporating the Company or the by-laws of the Company; or (iii) any order of any court or other authority of the Province of Ontario or of Canada or any contract, agreement, trust deed, debenture, hypothec, indenture, instrument or other document binding upon the Company or affecting any of the properties or assets of the Company.
17. There are no actions, suits, proceedings or investigations pending or threatened against the Company at law, or in equity, or before any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, domestic or foreign, which might involve the possibility of any judgment, or which might adversely affect the business operations or financial condition of the Company, and there are no facts which might give rise to any such action, suit or proceedings.
18. The Company is not a party to nor bound by any contract or agreement which will materially adversely affect the Company's business, operations or financial condition of the Property, nor is the Company in any material respect in default nor has any event occurred which but for the affluxion of time or the giving of notice or both would constitute a default, under any material obligation of the Company or under any licenses and permit to own and/or operate material properties or assets of the Company or with respect to the Property.
19. The Company has paid, as and when they fall due, all statutory remittances including, but not limited to, Income Tax, Provincial Sales Tax, Goods and Services Tax, Harmonized Sales Taxes whether they relate to the operation of the Property or any other business or operations of the Company.
20. No steps or proceedings have been taken or are pending to amend, surrender or cancel the Articles or By-laws or to dissolve or wind-up the Company. The Company is in good standing under the laws of all jurisdictions in which it carries on business or has assets, to the extent that the nature of such business or assets under the laws of such jurisdictions requires registration or qualification.
21. The Company is not a not-for-profit organization.

22. The address of the Company's head office is 120 Lynn Williams Street, Suite 2A, Toronto, Ontario M6K 3N6.
23. I am aware that the Lender is relying upon this Officer's Certificate and the facts stated herein in making the Loan and I am further aware that the Lender has agreed to make the Loan based, in part, in reliance upon the truth and complete accuracy of all the foregoing.

Rest of page intentionally left blank. Signature page follows.

DATED this 9th day of March, 2016.



Alan Saslan

Holdco & Land Owners

SCHEDULE "A"

ARTICLES ATTACHED

Holder & Land Owners

SCHEDULE "B"

BORROWING BY-LAW ATTACHED

Holdco & Land Owners

SCHEDULE "C"

CERTIFIED COPY OF BORROWING RESOLUTION

Holdco & Land Owners

SCHEDULE "D"

SHAREHOLDERS

The following are the shareholders of the Company:

<u>Name and Address</u>	<u>Class and Number of Shares</u>
Alan Saskin 155 Cumberland Street, Suite 1202, Toronto, Ontario M5R 1A2	100 common

SCHEDULE "E"
THIRD PARTY INFORMATION FORM

INFORMATION ABOUT THE THIRD PARTY:

Individual (if applicable):

Full Name: Alan Saskin	
Address: 155 Cumberland Street, Suite 1202,	
City: Toronto	Province: Ontario
Country: Canada	Postal Code: M5R 1A2
Occupation: Real Estate Developer	Date of Birth: January 24 th , 1954

* Vague description such as "Business-for-Self", "self-employed", "consultant", "investor", "business owner", "businessman", "entrepreneur" or "Signing Officer" is not acceptable. The occupation must clearly reflect the nature of the work and the industry in which it is performed.

Corporation (if applicable):

Name of Business:	Nature of Business:
Incorporation Number and place of Issue:	
Address:	City:
Country:	Postal Code:

What is the relationship of the registered owner of the property on closing to the Third Party?

- Agent
- Borrower
- Employee
- Friend
- Relative
- Trustee
- Power of Attorney
- Other (specify) _____

Additional Comments (if any):

TAB 21

THIS IS **EXHIBIT " 21"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

Land Owners

CERTIFIED RESOLUTION OF THE BOARD OF DIRECTORS

OF

URBANCORP (WOODBINE) INC. (the "Corporation")

WHEREAS Terra Firma Capital Corporation ("Lender") has established certain credit in favour of Urbancorp Holdco Inc. (the "Borrower") for the purposes more particularly set out in the Commitment (as hereinafter defined) in connection with the loan more particularly described therein (the "Loan"), to be secured by (a) a mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham; (the "Property");

WHEREAS by By-Law No. 2, the directors of the Corporation were authorized from time to time to borrow money upon the credit of the Corporation, to issue, re-issue, sell or pledge securities of the Corporation, including bonds, debentures, notes or other evidences of indebtedness and to mortgage, hypothecate, pledge or otherwise create a security interest in all or any of the assets of the Corporation to secure such monies for such sums, on such terms and at such prices as they may deem expedient and as the directors may determine.

AND WHEREAS it is expedient and in the interest of the Corporation that the directors should exercise the authority conferred upon them by the said By-law;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and it is hereby authorized to borrow up to **TEN MILLION DOLLARS (\$10,000,000.00)** (Cdn.) from the "Lender" upon the terms and conditions contained in a certain Letter of Intent dated March 6, 2016 between Terra Firma Capital Corporation and the Corporation, as amended or supplemented from time to time (the "Commitment").
2. The Corporation be and it is hereby authorized to secure the aforesaid loan by granting:
 - (a) a second charge/mortgage, to and in favour of the Lender, by way of a fixed and specific Charge in favour of the Lender on the Property;
 - (b) a general assignment of rents in favour of the Lender in respect of the Property;
 - (c) a general security agreement in favour of the Lender respecting all personal property of the Corporation located at or related to the Property; and
 - (d) such other security as the Lenders may reasonably require in connection with the Loan.

(the items in (a) through (d) above being hereinafter collectively referred to as the "Security").

- 2 -

3. The Security shall be in such form and shall contain such terms and provisions as may be required by the Lender and approved by the Authorized Signing Officer (as defined below) executing such Security. Execution and delivery of the Security by an Authorized Signing Officer shall be conclusive evidence of such approval and the Security so executed and delivered shall be a valid and binding obligation of, and shall be enforceable against, the Corporation.
4. The Security may be executed on behalf of the Corporation, under the corporate seal of the Corporation or otherwise, by any of the persons named below (each an "Authorized Signing Officer"), each of whom is a duly elected or appointed director and/or officer of the Corporation:

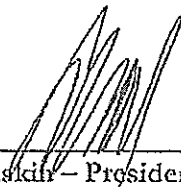
ALAN SASKIN

Notwithstanding any change in any of the persons holding such offices between the time of the actual signing and the delivery of the Security, and notwithstanding that the director or officer signing may not have held office at the date of the Security or at the date of execution or delivery thereof, the Security so signed shall be a valid and binding obligation of, and shall be enforceable against, the Corporation.

5. Any such Authorized Signing Officer is hereby authorized and directed for and on behalf of and in the name of the Corporation to do, sign and execute, under the corporate seal of the Corporation or otherwise, all such other agreements, documents, securities, notes, instruments, certificates, directions, powers of attorney (the "Additional Documents") and things as in his opinion may be provided for under the Commitment or the Security, or which may be advisable, necessary, or useful, or which may be requested by the Lender, in connection with the foregoing resolutions or in connection with the execution, delivery or registration of, or the performance of any of the Corporation's obligations under, any of the Security.

The undersigned officer of the Corporation hereby certifies that the foregoing is a true and correct copy of a resolution passed by the Board of Directors of the Corporation on March 9, 2016 and that the said resolution remains in full force and effect, unamended as of the date hereof.

DATED this 9th day of March, 2016.



Alan Saskin - President, Secretary

TAB 22

THIS IS **EXHIBIT " 22"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

HARRIS, SHEAFFER LLP

BARRISTERS & SOLICITORS

YONGE CORPORATE CENTRE
4100 YONGE STREET, SUITE 610, TORONTO ONTARIO M2P 2B5
TELEPHONE (416) 250-5800 / FACSIMILE (416) 250-5300

March 9, 2016

Terra Firma Capital Corporation
22 St. Clair Avenue East, Suite 200
Toronto, Ontario M4T 2S3
Attention: Carolyn Montgomery

File No.: 151465

- and -

Law Offices of Norman H. Winter
801-1 St. Clair Avenue East
Toronto, ON M4T 2V7
Attention: Norman H. Winter

Dear Sir/Madam:

RE: TERRA FIRMA CAPITAL CORPORATION (the "Lender") – loan (the "Loan") to Urbancorp Holdco Inc. (the "Borrower"), pursuant to a Letter of Intent dated March 6, 2016, as amended or supplemented from time to time, secured by: (a) Mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham (collectively the "Woodbine Property"), from Urbancorp (Woodbine) Inc. (the "Woodbine Borrower"); (b) a Mortgage on PIN No. 10126-1010 (LT) (the "Bayview Property"), from Urbancorp (Bridlepath) Inc. (the "Bayview Borrower"); and (c) Assignment of Proceeds and Pledge of Co-Ownership Interest from or in respect of PIN 07586-0258 (LT), Toronto (the "Valermo Property") by way of Irrevocable Direction re Payment and Assignment of Interest from Urbancorp (Valermo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership (collectively the "Valermo Borrower"), Guaranteed by Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust (collectively the "Guarantors")

(the Woodbine Property, Bayview Property and Valermo Property are collectively referred to as the "Properties")

We have acted as counsel to Urbancorp (Bridlepath) Inc. (the "Company") in connection with the loan to the Borrower from the above named lender (the "Loan") secured by various security documents, pursuant to a commitment letter issued by the Lender, dated March 6, 2016, as amended, renewed or restated from time to time, (the "Commitment Letter").

☐
BARRY ROTENBERG

☐
GARY H. HARRIS

☐
ROBERT D. SHEAFFER

☐
PHILIP J. DRAPER

☐
MARK F. FREEDMAN
(1981-2009)

☐
JEFFREY P. SILVER

☐
STEPHEN M. KARR

☐
MARTIN P. HOUSER

☐
MARK L. KARDLY

☐
GAVIN H. BIRER

☐
MICHAEL J. BAUM

☐
ROGER M. VINAYAGALINGAM

☐
ARI M. KATZ

☐
RAZVAN L. NICOLAE

☐
MANALI T. PRADHAN

In acting as such counsel, we have examined the following documents:

- (a) Commitment Letter;
- (b) Acknowledgment and Direction re Charge;
- (c) Acknowledgment of Standard Charge Terms;
- (d) PPSA Acknowledgment;
- (e) Assignment of Agreements of Purchase and Sale;
- (f) Assignment of Deposits, Levies and Fees;
- (g) Assignment of Letters of Credit;
- (h) Assignment of Plans, Agreements and Contracts;
- (i) Authorization to Complete;
- (j) Beneficial Owner Direction, Charge of Beneficial Interest and Acknowledgment Agreement;
- (k) Assignment of Insurance Proceeds;
- (l) Consent pursuant to *Personal Information Protection and Electronic Documentation Act* (Canada);
- (m) Cost Overrun and Completion Agreement;
- (n) Declaration under Construction Lien Act;
- (o) Environmental Representation, Warranty and Indemnity;
- (p) General Assignment of Leases and Rents; and
- (q) Non-Merger Acknowledgment;

(hereinafter collectively referred to as the "Security Documents").

For the purposes of the opinions expressed below, we have considered such questions of law as we have deemed necessary and have made such investigations and examined originals or copies, certified or otherwise identified to our satisfaction, of such certificates of public officials and such other certificates, documents and records as we have considered necessary or relevant and have relied, without independent verification or investigation, on all statements as to matters of fact contained in such documents, including:

1. The incorporating documents (including any amendments thereto) and by-laws of the Company;
2. The minute book, which contains the corporate records of the Company;
3. A resolution of the directors of the Company authorizing, inter alia, the execution and delivery by the Company of the Security Documents;
4. A certificate executed by an officer of the Company dated as of the 9th day of March, 2016 (the "Officer's Certificate");
5. A Certificate of Status for the Company dated as of the 9th day of March, 2016 (the "Status Certificate"), issued by the Ministry of Government Services (Ontario); and
6. The Security Documents.

ASSUMPTIONS AND RELIANCE

For the purposes of the opinions expressed below, we have, without independent investigation or inquiry, with respect to all documents and certificates examined by us:

- (a) assumed the genuineness of all signatures and the authenticity and completeness of, all documents reviewed by us and the conformity to the original documents of all documents submitted to us as true, certified, conformed, photostatic or telecopied copies thereof;
- (b) assumed the due authorization, execution and delivery of the Security Documents by all parties save and except the Company;
- (c) if not dated as of the date hereof, assumed that the Status Certificate and Officer's Certificate continue to be accurate as of the date hereof;
- (d) assumed the completeness, truth and accuracy of all facts set forth in all records, certificates and other documents examined by us;
- (e) relied exclusively on the Officer's Certificate with respect to the accuracy of the factual matters contained therein, without independent investigation or verification; and
- (f) not undertaken an examination of any public records, including civil litigation indices, in any jurisdiction wherein the Company conducts business save and except the Status Certificate, nor have we examined the financial books and records of the Company.

LAW

The opinions expressed herein are rendered solely with respect to the laws of the Province of Ontario and the federal laws of Canada applicable therein and in existence on the date hereof (collectively, the "Applicable Laws") and no opinions are expressed herein with respect to the laws of any other jurisdiction.

OPINIONS

Based upon the foregoing examinations, statements and assumptions, and the qualifications referenced below, and believing and relying on them and the conclusions drawn therefrom, we are of the opinion that:

1. The Company is a corporation duly incorporated under the laws of the Province of Ontario and is a validly subsisting corporation with all necessary corporate power and capacity to own its properties and assets, to carry on its business and to perform the obligations on its part to be performed pursuant to all the Security Documents signed by it.
2. The Company has taken all necessary corporate or other action to authorize the execution and delivery of and performance of its obligations under the Security Documents executed by it. None of such execution, delivery or performance requires the consent or approval of any governmental authority or agency having jurisdiction over it or requires consent under any relevant Partnership Agreement, Articles of Incorporation, By-Laws, Unanimous Shareholders' Agreement or resolutions of the directors or shareholders or the provisions of any material agreement to which it is a party.
3. The Security Documents have been duly and validly executed and delivered by the Company and create valid and legally binding obligations of the Company enforceable against the Company in accordance with the terms thereof.

QUALIFICATIONS

The opinions expressed above are subject to the following qualifications, limitations and restrictions:

1. The enforceability of the Security Documents is subject to any applicable bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement, winding-up and other similar laws of general application affecting the enforcement of creditors' rights generally.
2. The enforceability of the Security Documents is subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of the court.

3. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in Part VII of the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of federal Crown debts (except debts under the *Income Tax Act* (Canada)) which does not comply with that Act is ineffective as between the assignor and the assignee and as against the Crown.
4. We express no opinion as to whether a security interest may be created in:
 - (a) property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively, "Special Property") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given; or
 - (b) permits, quotas or licences which are held by or issued to the Company.
5. We express no opinion as to any security interest created by the Security Documents with respect to any property of the Company that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Company that are not identifiable or traceable.
6. We have not registered the Security Documents or notice thereof in any land registry office or under any land registry statutes even though the Security Documents may create a security interest in the Company's real property or leases of real property or in property which is now or may hereafter become a fixture or a right to payment under a lease, mortgage or charge of real property.
7. We have not effected any registrations, including *inter alia*, under any of the following:
 - (a) the *Patent Act* (Canada), the *Trade-marks Act* (Canada), the *Industrial Designs Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Copyright Act* (Canada) or the *Plant Breeders' Rights Act* (Canada),
 - (b) the *Canada Shipping Act*,
 - (c) the *Canada Transportation Act* or the *Railways Act* (Ontario),and we express no opinion as to the creation or perfection of any security interest in any property or assets governed by any of those Acts or as to the perfection by registration under the PPSA of any security interest in any property or assets.
8. We express no opinion as to whether the Company has title to or any rights in any of the property in which the Security Documents purport to grant a security interest, mortgage, charge or other interest, nor as to the priority of any security interest, mortgage, charge or other interest created by the Security Documents. We express no opinion as to the title of any real property.

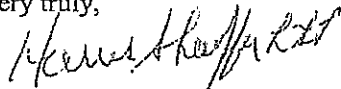
-
9. We express no opinion as to the enforceability of any provision of the Security Documents which purports to suspend, in the circumstances prescribed therein, the powers of the board of directors of the Company.
 10. A receiver or receiver and manager appointed pursuant to the Security Documents may, for certain purposes, be treated as the agent of the Lender and not solely the agent of the Company notwithstanding any provision in such documents to the contrary.
 11. We express no opinion as to any licences, permits, approvals or notices that may be required in connection with the enforcement of the Security Documents by the Lender or by a person on its behalf, whether such enforcement involves the operation of the business of the Company or a sale, transfer or disposition of its property and assets.
 12. The Lender may be required to give the Company a reasonable time to repay following a demand for payment prior to taking any action to enforce its right of repayment or before exercising any of the rights and remedies expressed to be exercisable by the Lender in the Security Documents.
 13. Pursuant to the provisions of Section 8 of the *Interest Act* (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears.
 14. Interest on overdue payments at a rate greater than applicable to payments not overdue may be construed as a penalty and not enforceable.
 15. The provisions for the payment of interest and other amounts under the Security Documents may not be enforceable if those provisions provide for the receipt of interest by the Lender at a "criminal rate" within the meaning of Section 347 of the *Criminal Code* (Canada).
 16. Any certificate or determination provided for in the Security Documents may be subject to challenge in a court on the grounds of fraud, collusion, mistake on the face of the certificate, or mistake on the basis that the certificate differed in a material respect from the certificate contemplated in such provision, notwithstanding any provision stating such certificate or determination shall be treated as conclusive, final or binding.
 17. We express no opinion as to the enforceability of any provision of the Security Documents:
 - (a) which purports to waive all defences which might be available to, or constitute a discharge of the liability of, the Company;
 - (b) to the extent it purports to exculpate, or provide indemnity to, the Lender, its agents or any receiver, manager or receiver-manager appointed by it from liability in respect of acts or omissions which may be illegal, fraudulent or involve willful misconduct;
or

- (c) which states that amendments or waivers of or with respect to the Security Documents that are not in writing will not be effective.
18. Provisions contained in the Security Documents which purport to sever from that document any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of that document may be enforced only in the discretion of a court.
 19. We express no opinion as to the enforceability of any provision of the Security Documents which requires the Company to pay, or to indemnify the Lender for, the costs and expenses of the Lender since those provisions may derogate from a court's discretion to determine by whom and to what extent those costs should be paid.
 20. A judgment of an Ontario court may only be awarded in Canadian currency.
 21. Any provision which is considered to offend public policy or to contravene laws of public order may not be enforceable.

The opinions expressed herein are provided solely for the benefit of the addressees and their successors and assigns as permitted by the Commitment in connection with the financing transaction referred to above.

This opinion is rendered solely in connection with the transaction to which the Security Documents relate, may not be used for any other purpose without our prior written consent.

Yours very truly,



Request ID: 018716697
Demande n° :
Transaction ID: 60487511
Transaction n° :
Category ID: CT
Catégorie :

Province of Ontario
Province de l'Ontario
Ministry of Government Services
Ministère des Services gouvernementaux

Date Report Produced: 2016/03/09
Document produit le :
Time Report Produced: 09:44:24
Imprimé à :

CERTIFICATE OF STATUS ATTESTATION DU STATUT JURIDIQUE

This is to certify that according to the records of the Ministry of Government Services

D'après les dossiers du Ministère des Services gouvernementaux, nous attestons que la société

URBANCORP (BRIDLEPATH) INC.

Ontario Corporation Number

Numéro matricule de la société (Ontario)

002407576

is a corporation incorporated, amalgamated or continued under the laws of the Province of Ontario.

est une société constituée, prorogée ou née d'une fusion aux termes des lois de la Province de l'Ontario.

The corporation came into existence on

La société a été fondée le

FEBRUARY 18 FÉVRIER, 2014

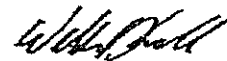
and has not been dissolved.

et n'est pas dissoute.

Dated

Fait le

MARCH 09 MARS, 2016



Director
Directeur

TAB 23

THIS IS **EXHIBIT " 23"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

CERTIFICATE OF AN OFFICER
OF
URBANCORP (BRIDLEPATH) INC. (the "Company")

To: Terra Firma Capital Corporation (the "Lender")

And to: Law Offices of Norman H. Winter

And to: Harris Sheaffer, LLP, the Company's solicitors

Re: TERRA FIRMA CAPITAL CORPORATION (the "Lender") – loan (the "Loan") to Urbancorp Holdco Inc. (the "Borrower"), pursuant to a Letter of Intent dated March 6, 2016, as amended or supplemented from time to time, secured by: (a) Mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham (collectively the "Woodbine Property"), from Urbancorp (Woodbine) Inc. (the "Woodbine Borrower"); (b) a Mortgage on PIN No. 10126-1010 (LT) (the "Bayview Property"), from Urbancorp (Bridlepath) Inc. (the "Bayview Borrower"); and (c) Assignment of Proceeds from or in respect of PIN 07586-0258 (LT), Toronto (the "Valermo Property") by way of Irrevocable Direction re Payment from Urbancorp (Valermo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership and pledge of interest (collectively the "Valermo Borrower"), Guaranteed by Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust (collectively the "Guarantors")

(the Woodbine Property, Bayview Property and Valermo Property are collectively referred to as the "Properties")

The undersigned ALAN SASKIN, as President of the Company, in such capacity and not in my personal capacity, hereby certifies for and on behalf of the Company, intending that the same may be relied upon by you without further inquiry, that:

1. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to make the statements of fact contained in this Certificate and I have furnished this Certificate with the intent that it may be relied on by the Lender as a basis for the Loan and it may be relied upon by the addressees which are solicitors and law firms in connection with their giving legal opinions to, among others, the Lender.
2. I have knowledge of the matters hereinafter certified.
3. Attached as Schedule "A" are true and complete copies of the constating documents of the Company issued by the Province of Ontario (collectively, the "Articles"). The Articles are in full force and effect at this date and have not been amended or

waived and neither the directors nor the shareholders of the Company have taken any proceedings or passed any resolutions to or consented to any amendments or variations to the Articles.

4. Attached as Schedule "B" is a true and complete copy of the borrowing by-law (the "By-Law") of the Company. The By-Law is in full force and effect, unamended at this date.
5. Attached as Schedule "C" is a true and complete copy of the resolution of the directors of the Company (the "Authorizing Resolution"), which has been duly and validly passed in accordance with the Articles, the By-law, other by-laws of the Company and applicable law, constituting authority for, *inter alia*, the Company borrowing the money as contemplated therein, entering into and performing its obligations under the documents to which it is a party, as contemplated by the terms of the Commitment Letter dated March 6, 2016 issued by the Lender to the Mortgagor, as may be amended or supplemented from time to time, including all such agreements, instruments and other documents and taking all actions in connection with the Loan and completing the Loan (collectively, the "Security Documents"). The Security Documents are the documents presented to and authorized, ratified and approved by the directors of the Company and referred to in the Authorizing Resolution. The Authorizing Resolution is the only resolution that the Board of Directors of the Company pertaining to the subject hereof that is in full force and effect, unamended at this date.
6. Each of the following persons are signing officers of the Company holding the position set out opposite his or her name below:

Name	Office(s)	Home Address
Alan Saskin	President, Secretary	155 Cumberland Street, Suite 1202 Toronto, Ontario M5R 1A2

7. Each of the following persons are all of the directors of the Company:

Name	Occupation	Home Address
Alan Saskin	Real Estate Developer	155 Cumberland Street, Suite 1202 Toronto, Ontario M5R 1A2

8. The authorized capital of the Company consists of 100 common shares. The sole shareholder is Alan Saskin.

9. The authorization, execution, delivery and performance of the documents granted in connection with the Loan among the Company, the Lender and others do not and will not conflict with or constitute an event of default under the Articles, the By-Law or any other by-laws of the Company or under any other agreement binding on the Company.
10. The minute books and corporate records of the Company made available are the original minutes books and records of the Company and contain all of the Articles, the By-Law and other by-laws of the Company and any amendments thereto and, to my knowledge, all of the minutes, or copies thereof, of all proceedings of any respective shareholders and directors. To my knowledge, there have been no other meetings, resolutions or proceedings of the shareholders or directors of the Company not reflected in such minute books and records. To my knowledge, such minute books and records are true, correct and complete in all material respects.
11. All filings or remittances that are required under relevant information, taxation or naming legislation for the jurisdiction in which the Company is incorporated have been made by the Company.
12. The Lender is not an affiliate or associate of the Company and the Company is at arm's length to the Lender.
13. There are no provisions in the Company's Articles, the By-Law or other by-laws of the Company, to my knowledge, in any resolutions of the directors or shareholders, or in any shareholder agreement or other similar document relating to the Company that restrict, limit, or regulate in any way (a) the powers of the directors of the Company to borrow money upon the credit of the Company and to give a guarantee on behalf of the Company to secure performance of an obligation of any person, and to mortgage, hypothecate, pledge or otherwise create a security interest or charge in all or any of the property of the Company, now or hereafter acquired, as security for all or any money borrowed by the Company, or (b) the power, capacity or authority of the directors of the Company to delegate to a director or an officer, the exercise from time to time of any of the said powers for and in the name of the Company.
14. No authorization, consent, permit or approval of, or other action by or filing with, or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction in the Province of Ontario is required in connection with the execution, delivery and performance by the Company of any of the Security Documents to which it is a party.
15. The Company is not insolvent and has not committed an act of bankruptcy and no proceedings have been taken by the Company or by any other person or are, to the knowledge of the undersigned, pending or contemplated with respect to:
 - (a) the bankruptcy, or
 - (b) any proposal in bankruptcy, or

- (c) the appointment of any trustee, receiver, manager, liquidator or similar person, or
- (d) the amalgamation, consolidation, dissolution, liquidation or reorganization or sale of the assets or of the business out of the ordinary course of business,


of the Company or any of the property of the Company and there is no encumbrancer in possession of any of the property of the Company.

16. Neither the authorization, nor the execution, nor the delivery of the Security Documents, nor the fulfilment of the respective terms thereof, conflict or will conflict with, or result or will result in a breach or violation of (i) any law, ordinance, decree, regulation or any other enactment of the Province of Ontario or of Canada applicable therein; (ii) any of the terms, conditions or provisions of the constating documents incorporating the Company or the by-laws of the Company; or (iii) any order of any court or other authority of the Province of Ontario or of Canada or any contract, agreement, trust deed, debenture, hypothec, indenture, instrument or other document binding upon the Company or affecting any of the properties or assets of the Company.
17. There are no actions, suits, proceedings or investigations pending or threatened against the Company at law, or in equity, or before any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, domestic or foreign, which might involve the possibility of any judgment, or which might adversely affect the business operations or financial condition of the Company, and there are no facts which might give rise to any such action, suit or proceedings.
18. The Company is not a party to nor bound by any contract or agreement which will materially adversely affect the Company's business, operations or financial condition of the Property, nor is the Company in any material respect in default nor has any event occurred which but for the affluxion of time or the giving of notice or both would constitute a default, under any material obligation of the Company or under any licenses and permit to own and/or operate material properties or assets of the Company or with respect to the Property.
19. The Company has paid, as and when they fall due, all statutory remittances including, but not limited to, Income Tax, Provincial Sales Tax, Goods and Services Tax, Harmonized Sales Taxes whether they relate to the operation of the Property or any other business or operations of the Company.
20. No steps or proceedings have been taken or are pending to amend, surrender or cancel the Articles or By-laws or to dissolve or wind-up the Company. The Company is in good standing under the laws of all jurisdictions in which it carries on business or has assets, to the extent that the nature of such business or assets under the laws of such jurisdictions requires registration or qualification.
21. The Company is not a not-for-profit organization.

22. The address of the Company's head office is 120 Lynn Williams Street, Suite 2A, Toronto, Ontario M6K 3N6.
23. I am aware that the Lender is relying upon this Officer's Certificate and the facts stated herein in making the Loan and I am further aware that the Lender has agreed to make the Loan based, in part, in reliance upon the truth and complete accuracy of all the foregoing.

Rest of page intentionally left blank. Signature page follows.

DATED this 9th day of March, 2016.



Alan Saslan

Holdco & Land Owners

SCHEDULE "A"

ARTICLES ATTACHED

Holdco & Land Owners

SCHEDULE "B"

BORROWING BY-LAW ATTACHED

Holdco & Land Owners

SCHEDULE "C"

CERTIFIED COPY OF BORROWING RESOLUTION

Holdco & Land Owners

SCHEDULE "D"SHAREHOLDERS

The following are the shareholders of the Company:

<u>Name and Address</u>	<u>Class and Number of Shares</u>
Alan Saskin 155 Cumberland Street, Suite 1202, Toronto, Ontario M5R 1A2	100 common

SCHEDULE "E"
THIRD PARTY INFORMATION FORM

INFORMATION ABOUT THE THIRD PARTY:

Individual (if applicable):

Full Name: Alan Saskin	
Address: 155 Cumberland Street, Suite 1202,	
City: Toronto	Province: Ontario
Country: Canada	Postal Code: M5R 1A2
Occupation: Real Estate Developer	Date of Birth: January 24 th , 1954

* Vague description such as "Business-for-Self", "self-employed", "consultant", "investor", "business owner", "businessman", "entrepreneur" or "Signing Officer" is not acceptable. The occupation must clearly reflect the nature of the work and the industry in which it is performed.

Corporation (if applicable):

Name of Business:	Nature of Business:
Incorporation Number and place of Issue:	
Address:	City:
Country:	Postal Code:

What is the relationship of the registered owner of the property on closing to the Third Party?

- Agent
- Borrower
- Employee
- Friend
- Relative
- Trustee
- Power of Attorney
- Other (specify) _____

Additional Comments (if any):

TAB 24

THIS IS **EXHIBIT " 24"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

CERTIFIED RESOLUTION OF THE BOARD OF DIRECTORS

OF

URBANCORP (BRIDLEPATH) INC. (the "Corporation")

WHEREAS Terra Firma Capital Corporation ("Lender") has established certain credit in favour of Urbancorp Holdco Inc. (the "Borrower") for the purposes more particularly set out in the Commitment (as hereinafter defined) in connection with the loan more particularly described therein (the "Loan"), to be secured by a mortgage on PIN No. 10126-1010 (LT); Toronto (the "Property");

WHEREAS by By-Law No. 2, the directors of the Corporation were authorized from time to time to borrow money upon the credit of the Corporation, to issue, re-issue, sell or pledge securities of the Corporation, including bonds, debentures, notes or other evidences of indebtedness and to mortgage, hypothecate, pledge or otherwise create a security interest in all or any of the assets of the Corporation to secure such monies for such sums, on such terms and at such prices as they may deem expedient and as the directors may determine.

AND WHEREAS it is expedient and in the interest of the Corporation that the directors should exercise the authority conferred upon them by the said By-law;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and it is hereby authorized to borrow up to **TEN MILLION DOLLARS (\$10,000,000.00)** (Cdn.) from the "Lender" upon the terms and conditions contained in a certain Letter of Intent dated March 6, 2016 between Terra Firma Capital Corporation and the Corporation, as amended or supplemented from time to time (the "Commitment").
2. The Corporation be and it is hereby authorized to secure the aforesaid loan by granting:
 - (a) a second charge/mortgage, to and in favour of the Lender, by way of a fixed and specific Charge in favour of the Lender on the Property;
 - (b) a general assignment of rents in favour of the Lender in respect of the Property;
 - (c) a general security agreement in favour of the Lender respecting all personal property of the Corporation located at or related to the Property; and
 - (d) such other security as the Lenders may reasonably require in connection with the Loan.

(the items in (a) through (d) above being hereinafter collectively referred to as the "Security").
3. The Security shall be in such form and shall contain such terms and provisions as may be required by the Lender and approved by the Authorized Signing Officer (as defined below)

- 2 -

executing such Security. Execution and delivery of the Security by an Authorized Signing Officer shall be conclusive evidence of such approval and the Security so executed and delivered shall be a valid and binding obligation of, and shall be enforceable against, the Corporation.

4. The Security may be executed on behalf of the Corporation, under the corporate seal of the Corporation or otherwise, by any of the persons named below (each an "Authorized Signing Officer"), each of whom is a duly elected or appointed director and/or officer of the Corporation:


ALAN SASKIN

Notwithstanding any change in any of the persons holding such offices between the time of the actual signing and the delivery of the Security, and notwithstanding that the director or officer signing may not have held office at the date of the Security or at the date of execution or delivery thereof, the Security so signed shall be a valid and binding obligation of, and shall be enforceable against, the Corporation.

5. Any such Authorized Signing Officer is hereby authorized and directed for and on behalf of and in the name of the Corporation to do, sign and execute, under the corporate seal of the Corporation or otherwise, all such other agreements, documents, securities, notes, instruments, certificates, directions, powers of attorney (the "Additional Documents") and things as in his opinion may be provided for under the Commitment or the Security, or which may be advisable, necessary, or useful, or which may be requested by the Lender, in connection with the foregoing resolutions or in connection with the execution, delivery or registration of, or the performance of any of the Corporation's obligations under, any of the Security.

The undersigned officer of the Corporation hereby certifies that the foregoing is a true and correct copy of a resolution passed by the Board of Directors of the Corporation on March 9th, 2016 and that the said resolution remains in full force and effect, unamended as of the date hereof.

DATED this 9th day of March, 2016.



Alan Saskin - President, Secretary

TAB 25

THIS IS **EXHIBIT " 25"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

HARRIS, SHEAFFER LLP

BARRISTERS & SOLICITORS

YONGE CORPORATE CENTRE
4100 YONGE STREET, SUITE 610, TORONTO ONTARIO M2P 2B5
TELEPHONE (416) 250-5800 / FACSIMILE (416) 250-5300

March 9, 2016

Terra Firma Capital Corporation
22 St. Clair Avenue East, Suite 200
Toronto, Ontario M4T 2S3
Attention: Carolyn Montgomery

File No.: 151465

- and -

Law Offices of Norman H. Winter
801-1 St. Clair Avenue East
Toronto, ON M4T 2V7
Attention: Norman H. Winter

Dear Sir/Madam:

RE: TERRA FIRMA CAPITAL CORPORATION (the "Lender") – loan (the "Loan") to Urbancorp Holdco Inc. (the "Borrower"), pursuant to a Letter of Intent dated March 6, 2016, as amended or supplemented from time to time, secured by: (a) Mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham (collectively the "Woodbine Property"), from Urbancorp (Woodbine) Inc. (the "Woodbine Borrower"); (b) a Mortgage on PIN No. 10126-1010 (LT) (the "Bayview Property"), from Urbancorp (Bridlepath) Inc. (the "Bayview Borrower"); and (c) Assignment of Proceeds and Pledge of Co-Ownership Interest from or in respect of PIN 07586-0258 (LT), Toronto (the "Valermo Property") by way of Irrevocable Direction re Payment and Assignment of Interest from Urbancorp (Valermo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership (collectively the "Valermo Borrower"), Guaranteed by Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust (collectively the "Guarantors")

(the Woodbine Property, Bayview Property and Valermo Property are collectively referred to as the "Properties")

We have acted as counsel to TCC/Urbancorp (Bay) Limited Partnership (the "Limited Partnership") acting through its General Partner Deaja Partner (Bay) Inc. (the "Company") in connection with the guarantee by the Limited Partnership of the loan by the Borrower from the above named Lender pursuant to a commitment letter issued by the Lender, dated March 6, 2016, as amended, renewed or restated from time to time, (the "Commitment Letter").

☐
BARRY ROTENBERG

☐
GARY H. HARRIS

☐
ROBERT D. SHEAFFER

☐
PHILIP J. DRAPER

☐
MARK F. FREEDMAN
(1981-2009)

☐
JEFFREY P. SILVER

☐
STEPHEN M. KARR

☐
MARTIN P. HOUSER

☐
MARK L. KAROLY

☐
GAVIN H. BIRER

☐
MICHAEL J. BAUM

☐
ROGER M. VINAYACALINGAM

☐
ARI M. KATZ

☐
RAZVAN L. NICOLAE

☐
MANALI T. PRADHAN

In acting as such counsel, we have examined the following documents:

- (a) Commitment Letter;
- (b) Acknowledgment and Direction re Charge;
- (c) Acknowledgment of Standard Charge Terms;
- (d) PPSA Acknowledgment;
- (e) Assignment and Postponement of Shareholder Loans;
- (f) Authorization to Complete;
- (g) Acknowledgment re Existing Security;
- (h) Beneficial Owner Direction, Charge of Beneficial Interest and Acknowledgment Agreement;
- (i) Consent pursuant to *Personal Information Protection and Electronic Documentation Act* (Canada);
- (j) Environmental Representation, Warranty and Indemnity;
- (k) General Security Agreement;
- (l) Guarantee and Postponement of Claim (the "Guarantee");
- (m) Negative Pledge Agreement; and
- (n) Non-Merger Acknowledgment;

(hereinafter collectively referred to as the "Security Documents").

For the purposes of the opinions expressed below, we have considered such questions of law as we have deemed necessary and have made such investigations and examined originals or copies, certified or otherwise identified to our satisfaction, of such certificates of public officials and such other certificates, documents and records as we have considered necessary or relevant and have relied, without independent verification or investigation, on all statements as to matters of fact contained in such documents, including:

1. The incorporating documents (including any amendments thereto) and by-laws of the Company;
2. The minute book, which contains the corporate records of the Company;

3. The Limited Partnership Agreement entered into between Deaja Partner (Bay) Inc. (as general partner) and Vestaco Investments Inc. (as limited partner), dated the 13th day of April, 1999;
4. The Declaration (Form 3) under the *Limited Partnerships Act* renewing the Limited Partnership as of the 6th day of June, 2014;
5. A resolution of the directors of the Company authorizing, inter alia, the execution and delivery by the Company of the Security Documents;
6. A certificate executed by an officer of the Company dated as of the 9th day of March, 2016 (the "Officer's Certificate");
7. A Certificate of Status for the Company dated as of the 9th day of March, 2016 (the "Status Certificate"), issued by the Ministry of Government Services (Ontario);
8. The Security Documents.

ASSUMPTIONS AND RELIANCE

For the purposes of the opinions expressed below, we have, without independent investigation or inquiry, with respect to all documents and certificates examined by us:

- (a) assumed the genuineness of all signatures and the authenticity and completeness of, all documents reviewed by us and the conformity to the original documents of all documents submitted to us as true, certified, conformed, photostatic or telecopied copies thereof;
- (b) assumed the due authorization, execution and delivery of the Security Documents by all parties save and except the Company;
- (c) assumed that the Limited Partnership Agreement and any amendments thereto continue to be accurate as of the date hereof;
- (d) if not dated as of the date hereof, assumed that the Status Certificate and Officer's Certificate continue to be accurate as of the date hereof;
- (e) assumed the completeness, truth and accuracy of all facts set forth in all records, certificates and other documents examined by us;
- (f) relied exclusively on the Officer's Certificate with respect to the accuracy of the factual matters contained therein, without independent investigation or verification; and

- (g) not undertaken an examination of any public records, including civil litigation indices, in any jurisdiction wherein the Company conducts business save and except the Status Certificate, nor have we examined the financial books and records of the Company.

LAW

The opinions expressed herein are rendered solely with respect to the laws of the Province of Ontario and the federal laws of Canada applicable therein and in existence on the date hereof (collectively, the "Applicable Laws") and no opinions are expressed herein with respect to the laws of any other jurisdiction.

OPINIONS

Based upon the foregoing examinations, statements and assumptions, and the qualifications referenced below, and believing and relying on them and the conclusions drawn therefrom, we are of the opinion that:

1. The Company is a corporation duly incorporated under the laws of the Province of Ontario and is a validly subsisting corporation with all necessary corporate power and capacity to own its properties and assets, to carry on its business and to perform the obligations on its part to be performed pursuant to all the Guarantee and Security Documents signed by it.
2. The Limited Partnership is valid and subsisting limited partnership created under the laws of the Province of Ontario.
3. The Limited Partnership has full right, power and authority to borrow money and to execute, deliver and perform the obligations contained in the above noted Guarantee and Security Documents.
4. The Limited Partnership and Company have taken all necessary corporate or other action to authorize the execution and delivery of and performance of its obligations under the Guarantee and Security Documents executed by them. None of such execution, delivery or performance requires the consent or approval of any governmental authority or agency having jurisdiction over it or requires consent under any relevant Partnership Agreement, Articles of Incorporation, By-Laws, Unanimous Shareholders' Agreement or resolutions of the directors or shareholders or the provisions of any material agreement to which it is a party (of which we have been provided a copy).
5. The Guarantee and Security Documents have been duly and validly executed and delivered by the Limited Partnership and create valid and legally binding obligations of the Limited Partnership enforceable against the Limited Partnership in accordance with the terms thereof.

QUALIFICATIONS

The opinions expressed above are subject to the following qualifications, limitations and restrictions:

1. The enforceability of the Security Documents is subject to any applicable bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement, winding-up and other similar laws of general application affecting the enforcement of creditors' rights generally.
2. The enforceability of the Security Documents is subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of the court.
3. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in Part VII of the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of federal Crown debts (except debts under the *Income Tax Act* (Canada)) which does not comply with that Act is ineffective as between the assignor and the assignee and as against the Crown.
4. We express no opinion as to whether a security interest may be created in:
 - (a) property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively, "Special Property") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given; or
 - (b) permits, quotas or licences which are held by or issued to the Company.
5. We express no opinion as to any security interest created by the Security Documents with respect to any property of the Company that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Company that are not identifiable or traceable.
6. We have not registered the Security Documents or notice thereof in any land registry office or under any land registry statutes even though the Security Documents may create a security interest in the Company's real property or leases of real property or in property which is now or may hereafter become a fixture or a right to payment under a lease, mortgage or charge of real property.
7. We have not effected any registrations, including *inter alia*, under any of the following:
 - (a) the *Patent Act* (Canada), the *Trade-marks Act* (Canada), the *Industrial Designs Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Copyright Act* (Canada) or the *Plant Breeders' Rights Act* (Canada),
 - (b) the *Canada Shipping Act*,
 - (c) the *Canada Transportation Act* or the *Railways Act* (Ontario),

and we express no opinion as to the creation or perfection of any security interest in any property or assets governed by any of those Acts or as to the perfection by registration under the PPSA of any security interest in any property or assets.

8. We express no opinion as to whether the Company has title to or any rights in any of the property in which the Security Documents purport to grant a security interest, mortgage, charge or other interest, nor as to the priority of any security interest, mortgage, charge or other interest created by the Security Documents. We express no opinion as to the title of any real property.
9. We express no opinion as to the enforceability of any provision of the Security Documents which purports to suspend, in the circumstances prescribed therein, the powers of the board of directors of the Company.
10. A receiver or receiver and manager appointed pursuant to the Security Documents may, for certain purposes, be treated as the agent of the Bank and not solely the agent of the Company notwithstanding any provision in such documents to the contrary.
11. We express no opinion as to any licences, permits, approvals or notices that may be required in connection with the enforcement of the Security Documents by the Bank or by a person on its behalf, whether such enforcement involves the operation of the business of the Company or a sale, transfer or disposition of its property and assets.
12. The Bank may be required to give the Company a reasonable time to repay following a demand for payment prior to taking any action to enforce its right of repayment or before exercising any of the rights and remedies expressed to be exercisable by the Bank in the Security Documents.
13. Pursuant to the provisions of Section 8 of the *Interest Act* (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears.
14. Interest on overdue payments at a rate greater than applicable to payments not overdue may be construed as a penalty and not enforceable.
15. The provisions for the payment of interest and other amounts under the Security Documents may not be enforceable if those provisions provide for the receipt of interest by the Bank at a "criminal rate" within the meaning of Section 347 of the *Criminal Code* (Canada).
16. Any certificate or determination provided for in the Security Documents may be subject to challenge in a court on the grounds of fraud, collusion, mistake on the face of the certificate, or mistake on the basis that the certificate differed in a material respect from the certificate

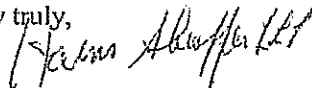
contemplated in such provision, notwithstanding any provision stating such certificate or determination shall be treated as conclusive, final or binding.

17. We express no opinion as to the enforceability of any provision of the Security Documents:
- (a) which purports to waive all defences which might be available to, or constitute a discharge of the liability of, the Company;
 - (b) to the extent it purports to exculpate, or provide indemnity to, the Lender, its agents or any receiver, manager or receiver-manager appointed by it from liability in respect of acts or omissions which may be illegal, fraudulent or involve willful misconduct; or
 - (c) which states that amendments or waivers of or with respect to the Security Documents that are not in writing will not be effective.
18. Provisions contained in the Security Documents which purport to sever from that document any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of that document may be enforced only in the discretion of a court.
19. We express no opinion as to the enforceability of any provision of the Security Documents which requires the Company to pay, or to indemnify the Bank for, the costs and expenses of the Bank since those provisions may derogate from a court's discretion to determine by whom and to what extent those costs should be paid.
20. A judgment of an Ontario court may only be awarded in Canadian currency.
21. Any provision which is considered to offend public policy or to contravene laws of public order may not be enforceable.

The opinions expressed herein are provided solely for the benefit of the addressees and their successors and assigns as permitted by the Commitment in connection with the financing transaction referred to above.

This opinion is rendered solely in connection with the transaction to which the Security Documents relate, may not be used for any other purpose without our prior written consent.

Yours very truly,



Request ID: 018716873
 Demande n° :
 Transaction ID: 60487983
 Transaction n° :
 Category ID: CT
 Catégorie :

Province of Ontario
 Province de l'Ontario
 Ministry of Government Services
 Ministère des Services gouvernementaux

Date Report Produced: 2016/03/09
 Document produit le :
 Time Report Produced: 10:02:53
 Imprimé à :

CERTIFICATE OF STATUS ATTESTATION DU STATUT JURIDIQUE

This is to certify that according to the records of the Ministry of Government Services

D'après les dossiers du Ministère des Services gouvernementaux, nous attestons que la société

DEAJA PARTNER (BAY) INC.

Ontario Corporation Number

Numéro matricule de la société (Ontario)

0 0 1 3 4 7 8 0 8

is a corporation incorporated, amalgamated or continued under the laws of the Province of Ontario.

est une société constituée, prorogée ou née d'une fusion aux termes des lois de la Province de l'Ontario.

The corporation came into existence on

La société a été fondée le

MARCH 29 MARS, 1999

and has not been dissolved.

et n'est pas dissoute.

Dated

Fait le

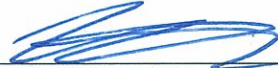
MARCH 09 MARS, 2016



Director
 Directeur

TAB 26

THIS IS **EXHIBIT " 26"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student of Law.
Expires August 15, 2020.

LP Guarantor

CERTIFICATE OF AN OFFICER
OF
DEAJA PARTNER (BAY) INC. (the "Company")

To: Terra Firma Capital Corporation (the "Lender")

And To: Law Offices of Norman H. Winter

And To: Harris Sheaffer, LLP, the Company's solicitors

Re: TERRA FIRMA CAPITAL CORPORATION (the "Lender") – loan (the "Loan") to Urbancorp Holdco Inc. (the "Borrower"), pursuant to a Letter of Intent dated March 6, 2016, as amended or supplemented from time to time, secured by: (a) Mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham (collectively the "Woodbine Property"), from Urbancorp (Woodbine) Inc. (the "Woodbine Borrower"); (b) a Mortgage on PIN No. 10126-1010 (LT) (the "Bayview Property"), from Urbancorp (Bridlepath) Inc. (the "Bayview Borrower"); and (c) Assignment of Proceeds from or in respect of PIN 07586-0258 (LT), Toronto (the "Valermo Property") by way of Irrevocable Direction re Payment from Urbancorp (Valermo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership and pledge of interest (collectively the "Valermo Borrower"), Guaranteed by Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust (collectively the "Guarantors")

(the Woodbine Property, Bayview Property and Valermo Property are collectively referred to as the "Properties")

The undersigned ALAN SASKIN, as President of the Company, in such capacity and not in my personal capacity, hereby certifies for and on behalf of the Company in its capacity as the General Partner of the TFCC/URBANCORP (BAY) LIMITED PARTNERSHIP (the "LP"), intending that the same may be relied upon by you without further inquiry, that:

1. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to make the statements of fact contained in this Certificate and I have furnished this Certificate with the intent that it may be relied on by the Lender as a basis for the Loan and it may be relied upon by the addressees which are solicitors and law firms in connection with their giving legal opinions to, among others, the Lender.
2. I have knowledge of the matters hereinafter certified.
3. Attached as Schedule "A" are true and complete copies of the constating documents of the Company issued by the Province of Ontario (collectively, the "Articles").

The Articles are in full force and effect at this date and have not been amended or waived and neither the directors nor the shareholders of the Company have taken any proceedings or passed any resolutions to or consented to any amendments or variations to the Articles.

4. Attached as Schedule "B" is a true and complete copy of the borrowing by-law (the "By-Law") of the Company. The By-Law is in full force and effect, unamended at this date.
5. Attached as Schedule "C" is a true and complete copy of the resolution of the directors of the Company (the "Authorizing Resolution"), which has been duly and validly passed in accordance with the Articles, the By-law, other by-laws of the Company and applicable law, constituting authority for, *inter alia*, the Company on behalf of the LP entering into and performing their obligations under the documents to which they are parties, as contemplated by the terms of the Letter of Intent dated March 6, 2016 issued by the Lender to the Borrower, as may be amended or supplemented from time to time, including all such agreements, instruments and other documents and taking all actions in connection with the Loan and completing the Loan (collectively, the "Security Documents"). The Security Documents are the documents presented to and authorized, ratified and approved by the directors of the Company and referred to in the Authorizing Resolution. The Authorizing Resolution is the only resolution that the Board of Directors of the Company pertaining to the subject hereof that is in full force and effect, unamended at this date.
6. Each of the following persons are signing officers of the Company holding the position set out opposite his or her name below:

Name	Office(s)	Home Address
Alan Saskin	President, Secretary	155 Cumberland Street, Suite 1202 Toronto, Ontario. M5R 1A2

7. Each of the following persons are all of the directors of the Company:

Name	Occupation	Home Address
Alan Saskin	Real Estate Developer	155 Cumberland Street, Suite 1202 Toronto, Ontario M5R 1A2

8. The authorization, execution, delivery and performance of the documents granted in connection with the Loan among the Company, the Lender and others do not and will not conflict with or constitute an event of default under the Articles, the By-Law

or any other by-laws of the Company or under any other agreement binding on the Company.

9. The minute books and corporate records of the Company and the LP made available are the original minutes books and records of the Company and the LP and contain all of the Articles, the By-Law and other by-laws of the Company and any amendments thereto and, to my knowledge, all of the minutes, or copies thereof, of all proceedings of any respective shareholders, unitholders and directors. To my knowledge, there have been no other meetings, resolutions or proceedings of the shareholders, unitholders or directors of the Company or the LP not reflected in such minute books and records. To my knowledge, such minute books and records are true, correct and complete in all material respects.
10. All filings or remittances that are required under relevant information, taxation or naming legislation for the jurisdiction in which the Company is incorporated and the LP is formed have been made by the Company.
11. The Lender is not an affiliate or associate of the Company or LP and the Company and LP are at arm's length to the Lender.
12. There are no provisions in the Company's Articles, the By-Law or other by-laws of the Company or the LP Agreement, to my knowledge, in any resolutions of the directors, shareholders or unitholders, or in any shareholder agreement or other similar document relating to the Company or the LP that restrict, limit, or regulate in any way (a) the powers of the directors of the Company or the LP to borrow money upon the credit of the Company or the LP to give a guarantee on behalf of the Company or the LP to secure performance of an obligation of any person, and to mortgage, hypothecate, pledge or otherwise create a security interest or charge in all or any of the property of the Company or the LP, now or hereafter acquired, as security for all or any money borrowed by the Company or the LP, or (b) the power, capacity or authority of the directors of the Company to delegate to a director or an officer, the exercise from time to time of any of the said powers for and in the name of the Company on its own behalf and on behalf of the LP.
13. No authorization, consent, permit or approval of, or other action by or filing with, or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction in the Province of Ontario is required in connection with the execution, delivery and performance by the Company on its own behalf or on behalf of the LP of any of the Security Documents to which it is a party.
14. Each of the Company and LP is not insolvent and has not committed an act of bankruptcy and no proceedings have been taken by the Company, the LP or by any other person or are, to the knowledge of the undersigned, pending or contemplated with respect to:
 - (a) the bankruptcy, or

- (b) any proposal in bankruptcy, or
- (c) the appointment of any trustee, receiver, manager, liquidator or similar person, or
- (d) the amalgamation, consolidation, dissolution, liquidation or reorganization or sale of the assets or of the business out of the ordinary course of business,

of the Company, the LP or any of the property of the Company or LP and there is no encumbrancer in possession of any of the property of the Company or LP.

15. Neither the authorization, nor the execution, nor the delivery of the Security Documents, nor the fulfilment of the respective terms thereof, conflict or will conflict with, or result or will result in a breach or violation of (i) any law, ordinance, decree, regulation or any other enactment of the Province of Ontario or of Canada applicable therein; (ii) any of the terms, conditions or provisions of the constating documents incorporating the Company or the by-laws of the Company; or (iii) any order of any court or other authority of the Province of Ontario or of Canada or (iv) any contract, agreement, trust deed, debenture, hypothec, indenture, instrument or other document binding upon the Company or LP or affecting any of the properties or assets of the Company or LP.
16. No steps or proceedings have been taken or are pending to amend, surrender or cancel the Articles, By-laws or to dissolve or wind-up the Company or LP. The Company and LP are each in good standing under the laws of all jurisdictions in which it carries on business or has assets, to the extent that the nature of such business or assets under the laws of such jurisdictions requires registration or qualification.
17. The Company and LP are each not a not-for-profit organization.
18. The address of the Company's and the LP's head office is: 120 Lynn William Street, Suite 2A, Toronto, Ontario M6K 3N6.
19. I am aware that the Lender is relying upon this Officer's Certificate and the facts stated herein in making the Loan and I am further aware that the Lender has agreed to make the Loan based, in part, in reliance upon the truth and complete accuracy of all the foregoing.

Rest of page intentionally left blank. Signature page follows.

DATED this 9th day of March, 2016.

Alan Saskin

A handwritten signature in black ink, appearing to be 'Alan Saskin', written over a horizontal line.

LP Guarantor

SCHEDULE "A"

ARTICLES

LP Guarantor

SCHEDULE "B"

BORROWING BY-LAW

LP Guarantor

SCHEDULE "C"

CERTIFIED COPY OF DIRECTORS RESOLUTION

L.P. Guarantor

SCHEDULE "D"

SHAREHOLDERS

The following are the individual shareholders of the Company:

The following are the shareholders of the Company:

<u>Name and Address</u>	<u>Class and Number of Shares</u>
Alan Saskin 155 Cumberland Street, Suite 1202 Toronto, Ontario M5R 1A2	100 common

LP Guarantor

SCHEDULE "E"

LIST OF INDIVIDUALS AND ENTITIES

Alan Saskin

SCHEDULE "F"

LIMITED PARTNERSHIP AGREEMENT

SCHEDULE "G"LIST OF INDIVIDUALS AND ENTITIES AND UNITHOLDERS OF LIMITED PARTNERSHIP

The following individuals are all the individuals, who directly or indirectly own or control at least 25% of the voting shares of the Limited Partnership:

<u>Name</u>	<u>Address</u>	<u>Occupation</u>	<u>Date of Birth</u>	<u>Limited Partnership Units (%)</u>
Alan Saskin	155 Cumberland Street, Suite 1202, Toronto, Ontario M5R 1A2	Real Estate Developer	January 24, 1954	

The following corporations are all the corporations who, directly or indirectly own or control at least 25% of the voting units of the Limited Partnership:

<u>Company Name</u>	<u>Jurisdiction of Incorporation</u>	<u>Incorporation Number</u>	<u>Limited Partnership Units (%)</u>
Vestaco Investments Inc.	Ontario	1347808	

M:\151465\Officers Certificate\Officers Cert Guarantor LP Denja Partner (Buy) Inc v2.doc

M:\151465\Officers Certificate\Officers Cert Guarantor LP Denja Partner (Buy) Inc v3.doc

TAB 27

THIS IS **EXHIBIT " 27"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

LP Guarantor

CERTIFIED RESOLUTION OF THE BOARD OF DIRECTORS

OF

DEAJA PARTNER (BAY) INC.
(the "Corporation")

WHEREAS Terra Firma Capital Corporation ("Lender") has established certain credit in favour of the Urbancorp Holdco Inc. (the "Borrower") for the purposes more particularly set out in the Commitment (as hereinafter defined) in connection with the loan more particularly described therein (the "Loan"), to be secured by (a) a mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham; (b) a mortgage on PIN No. 10126-1010 (LT); (c) Assignment of Proceeds from or in respect of PIN 07586-0258 (LT), Toronto and Pledge of Interest (collectively the "Properties");

AND WHEREAS in connection with the Loan, the Corporation has agreed pursuant to the Commitment, to guarantee the obligations of the Borrower in the Commitment and to execute and deliver to the Lender the Security (as hereinafter defined) and it is permitted pursuant to By-Law No. 2 enacted by all of the directors of the Corporation on the 31st day of December, 2015 and confirmed by all the shareholders on the 31st day of December, 2015 to borrow money and provide guarantees.

AND WHEREAS the Corporation is the General Partner on behalf of the TCC/Urbancorp (Bay) Limited Partnership pursuant to a Partnership Agreement dated as of the 13th day of April, 1999 as amended;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Company be and it is hereby authorized to guarantee the sum TEN MILLION DOLLARS (\$10,000,000.00) (Cdn.) in respect of the Loan being provided to the Borrower by the Lender upon the terms and conditions contained in a certain letter of intent dated March 9, 2016 between Terra Firma Capital Corporation and the Borrower, as amended or supplemented from time to time (the "Commitment").
2. The Corporation be and it is hereby authorized on its own behalf and on behalf of the TCC/Urbancorp (Bay) Limited Partnership, to secure the aforesaid loan by granting:
 - (a) a guarantee and postponement of claim, to and in favour of the Lender in a limited recourse basis; and
 - (b) any and all such documents as may be required by the Lender relating to completing the obligations of the Corporation as provided for in the Commitment;

(the items in (a) through (b) above being hereinafter collectively referred to as the "Security").
3. The Security shall be in such form and shall contain such terms and provisions as may be required by the Lender and approved by the Authorized Signing Officer (as defined below) executing such Security. Execution and delivery of the Security by an Authorized Signing Officer shall be conclusive evidence of such approval and the Security so executed and

- 2 -

delivered shall be a valid and binding obligation of, and shall be enforceable against, the Corporation.

4. The Security may be executed on behalf of the Corporation, on its own behalf and on behalf of TCC/Urbancorp (Bay) Limited Partnership, under the corporate seal of the Corporation or otherwise, by any of the persons named below (each an "Authorized Signing Officer"), each of whom is a duly elected or appointed director and/or officer of the Corporation:

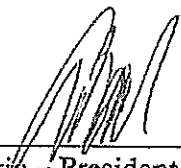
ALAN SASKIN

Notwithstanding any change in any of the persons holding such offices between the time of the actual signing and the delivery of the Security, and notwithstanding that the director or officer signing may not have held office at the date of the Security or at the date of execution or delivery thereof, the Security so signed shall be a valid and binding obligation of, and shall be enforceable against, the Corporation.

5. Any such Authorized Signing Officer is hereby authorized and directed for and on behalf of and in the name of the Corporation to do, sign and execute, under the corporate seal of the Corporation or otherwise, all such other agreements, documents, securities, notes, instruments, certificates, directions, powers of attorney (the "Additional Documents") and things as in his opinion may be provided for under the Commitment or the Security, or which may be advisable, necessary, or useful, or which may be requested by the Lender, in connection with the foregoing resolutions or in connection with the execution, delivery or registration of, or the performance of any of the Corporation's obligations under, any of the Security.

The undersigned officer of the Corporation hereby certifies that the foregoing is a true and correct copy of a resolution passed by the Board of Directors of the Corporation on March 9th, 2016 and that the said resolution remains in full force and effect, unamended as of the date hereof.

DATED this 9th day of March, 2016.



Alan Saskin – President, Secretary

TAB 28

THIS IS **EXHIBIT " 28"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.



155 Wellington Street West
 Toronto ON M5V 3J7
 dwpv.com

July 14, 2016

Robin B. Schwill
 T 416.863.5502
 F 416.863.0871
 rschwill@dwpv.com

File No. 256201

BY E-MAIL

Robins Appleby LLP
 120 Adelaide Street West
 Suite 2600
 Toronto, ON M5H 1T1

Attention: Mr. Dominique Michaud

Dear Mr. Michaud:

Mortgages/Charges by Urbancorp (Woodbine) Inc. ("Woodbine") and Urbancorp (Bridlepath) Inc. ("Bridlepath") in favour of Terra Firma Capital Corporation ("Terra Firma")

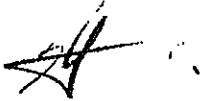
As you know, we are counsel to KSV Kofman Inc. in its capacity as proposal trustee of Woodbine and Bridlepath (the "Proposal Trustee"). In this regard, the Proposal Trustee is required to obtain from us an independent legal opinion regarding the validity and enforceability of the above-noted charges. We are writing to you as we are now preparing our opinion.

In conducting this review, we note that Terra Firma provided the relevant loan to Urbancorp Holdco Inc. ("UHI") (the "Initial Loan") and that Woodbine and Bridlepath granted their charges in respect of guarantees to Terra Firma of the Initial Loan. We also note that the beneficial owner of the Woodbine and Bridlepath properties is TCC/Urbancorp (Bay) Limited Partnership (the "Beneficial Owner") who also granted a mortgage/charge of its beneficial interest in these properties in favour of Terra Firma as security for its guarantee of the Initial Loan pursuant to a Guarantee and Postpone of Claim agreement.

Our information is that Woodbine and Bridlepath are each 100% owned by the Beneficial Owner and that the general partner of the Beneficial Owner is Alan Saskin, with the sole limited partner being Doreen Saskin. We also understand that UHI is the sole shareholder of Urbancorp Inc. Given this corporate structure, we have not been provided with any information which indicates what, if any, consideration was provided to Woodbine, Bridlepath or the Beneficial Owner in exchange for their guarantees of the Initial Loan and related charges.

Given the foregoing, we would be grateful for any information that you could provide to us which would evidence any such consideration.

Yours very truly,



Robin Schwill

RS/ae

cc: Bobby Kofman, *KSV Kofman Inc.*
Noah Goldstein, *KSV Kofman Inc.*

Jay Swartz

TAB 29

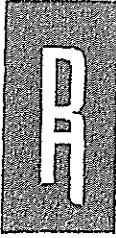
THIS IS **EXHIBIT " 29"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

Delivered by: Email
File No.: 1600105

August 10, 2016

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7

Attention: Robin B. Schwill

Dear Mr. Schwill:

**Re: Mortgages/Charges by Urbancorp (Woodbine) Inc. ("Woodbine") and
Urbancorp (Bridlepath) Inc. in favour of Terra Firma Capital Corporation
("Terra Firma")**

We refer to your letter of July 14, 2016 to Dominique Michaud and to your discussions with the undersigned.

You have asked what consideration was provided to Woodbine, Bridlepath or TCC/Urbancorp (Bay) Limited Partnership ("Urbancorp LLP") in exchange for the guarantees and security that they granted to Terra Firma in support of the loan to Urbancorp Holdco Inc. ("UHI").

Without acknowledging that we need to establish consideration to these parties (as distinct from a benefit to the borrower, UHI), we note that Woodbine and Bridlepath were bare trustees of these lands, and held them in trust for Urbancorp LLP pursuant to Declaration of Trust for Urbancorp (Woodbine) Inc. dated January 30, 2014 and Declaration of Trust for Urbancorp (Bridlepath) Inc. dated March 20, 2014, copies of which are enclosed.

As confirmed by counsel to Urbancorp [see letter attached] the general partner of Urbancorp LLP is Deaja Partner (Bay) Inc., which is in turn owned by Alan Saskin. The limited partners of Urbancorp LLP are Alan Saskin and Vestaco Investments Inc., which is in turn owned by Doreen Saskin, Alan Saskin's spouse. Alan Saskin is the owner of all the common shares of UHI. Urbancorp LLP is also the owner of Class D Special Shares of UHI.

In summary, Urbancorp LLP received a benefit from this loan, as a corporation of which it was a shareholder was the recipient of the funds. Moreover, the loan constituted an obvious benefit to the owner of the common shares of UHI, Alan Saskin, who as noted was also one of the two limited partners of the Urbancorp LLP.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

- 2 -

The case *XDG Ltd. v. General Electric Caoutak Canada Inc.* to which you referred in our discussions is not applicable as it was determined with reference to statutory provisions of the *Ontario Business Corporations Act* that were repealed in 2006.

The circumstances in which the loan was advanced are as follows.

In response to a request from Mr. Saskin, Terra Firma offered to provide mezzanine financing to UHI on the terms of a letter of intent dated December 22, 2015 ("Original Commitment"), a copy of which we understand that you have. The security for the financing included the guarantees and mortgages/charges referred to in your letter. The security and other transaction documents contemplated by the Original Commitment were executed and registered and, as noted in the attached letter dated February 5, 2016 from Terra Firma to UHI, funding of the loan, net of the loan fee, was advanced in escrow pending satisfaction of the terms and conditions set out therein.

Mr. Saskin indicated that the financing as structured in the Original Commitment did not meet the requirements of UHI. As the conditions to advancing the loan under the Original Commitment were not satisfied, that transaction did not close. As a result Terra Firma cancelled the Original Commitment and the escrowed funds were returned to Terra Firma without payment of the loan fee or interest.

As the loan was cancelled (as evidenced by the contemporaneous documents), the funds were never in the exclusive control of the borrower, and therefore the return of the funds to Terra Firma did not, as you have characterized it, constitute a repayment. Even if a repayment was involved (a conclusion we dispute) we stress the fact that the amount actually returned, whether as repayment or as a result of the cancellation of the loan, did not include the full principal or any accrued interest. As such, Section 6(2) of the *Land Registration Reform Act* (Ontario) would not apply.

Discussions continued throughout between Terra Firma and Mr. Saskin with respect to obtaining financing on amended terms and conditions. As a result, the security that had been registered with respect to the Original Commitment was not discharged. These discussions concluded in an offer of financing by Terra Firma to UHI on the terms of a letter of intent dated March 6, 2016 ("New Commitment"), a copy of which is enclosed.

The second paragraph of the New Commitment states:

"You have advised that the terms of a loan ("Original Loan") referenced in a term sheet from Terra Firma MA Ltd. dated December 22, 2015, as amended and supplemented (collectively, the "Term Sheet") did not satisfy your and your wholly owned subsidiary Urbancorp Inc.'s ("Inc.") requirements. You have therefore requested new terms for a loan that will satisfy the requirements of Inc. to its bond lenders that will allow Inc. to pay HST owing to the Canada Revenue Agency. Based on the foregoing, we are prepared to extend the loan of \$10,000,000.00 to replace the original loan on the amended terms set out below (which terms and conditions replace the terms and conditions of the term sheet), as follows:"



ROBINS APPLEBY
BARRISTERS & SOLICITORS

- 3 -

The New Commitment contemplated that the financing would be secured by the security delivered in connection with the financing as originally structured. The New Commitment states in the second bullet under the heading Security on page 2:

"Subject to Lenders counsel's advice, the existing security held by the Lender pursuant to the Term Sheet (excluding any security that may have been provided by Inc. or its subsidiary, including any pledge of shares in the Borrower, Inc. or Epic) will be used to satisfy the above-noted security requirements. In such event, the Borrower and all parties providing the above-noted security, and if required by the Lender, any required third parties, shall execute an acknowledgement confirmation that the aforesaid existing security shall stand as security for the loan to be made pursuant to this term sheet;"

The acknowledgement re existing security contemplated above was executed and delivered. A copy is attached. The operative provision of the acknowledgement states:

"The undersigned hereby acknowledge and agree that all security, save as expressly excluded as set out below (the "Excluded Security") given in connection with a letter of intent dated December 22, 2015 between the Lender and the Borrower (the "Existing Commitment") including, without the condition security listed below shall also stand a security with respect to the indebtedness of the Borrower with respect to a commitment letter dated March 6, 2016 between the Lender, the Borrower and the Guarantors (the "New Commitment")."

Terra Firma advanced \$10,000,000 to UHI under the New Commitment.

Please do not hesitate to contact me if you have any further questions or concerns.

Yours very truly,

ROBINS APPLEBY LLP

Per:

Leor Margulies,

LM:mk

Encls.

robapp\3493142.1

DECLARATION OF TRUST

WHEREAS URBANCORP (BRIDLEPATH) INC. ("Bridlepath") is about to become the registered owner of the property known municipally as 2425 and 2427 Bayview Avenue, Toronto and legally described as Part Lot 5, Concession 2 TFS, designated as Parts 1 and 3, Plan 66R-24075, City of Toronto (the "Lands");

AND WHEREAS Bridlepath will become the owner of the Lands for and on behalf of TCC-Urbancorp (Day) Limited Partnership (the "Beneficiary");

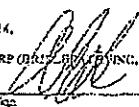
NOW THEREFORE WITNESSETH that in consideration of the payment of TWO (\$2.00) DOLLARS now paid to Bridlepath by the Beneficiary, Bridlepath does hereby declare for itself, its successors and assigns that from and after the date hereof:

- 1. all obligations, including mortgage obligations, covenants, agreements, responsibilities, acts or omissions pertaining to the Lands during the time it will be vested in the name of Bridlepath, will be performed or satisfied to be performed by the Beneficiary;
- 2. the Lands and all monies which may be payable in respect of the Lands, whether by way of rents, dividends or capital distributions or otherwise howsoever and all the benefits pertaining to the Lands are or will be held by the undersigned, Bridlepath, in trust for the Beneficiary;
- 3. Bridlepath for itself, its successors and assigns, will convey, transfer and deal with or dispose of the Lands and any income or capital paid in respect thereof, and any other benefits howsoever appertaining thereto in accordance with the direction of the Beneficiary.

IN WITNESS WHEREOF Bridlepath has hereto set its seal under its proper officer duly authorized in that behalf.

DATED at Toronto, this 20th day of March, 2014.

URBANCORP (BRIDLEPATH) INC.

Per: 
Alan Siskin
President

I have the authority to bind the Corporation

THE Beneficiary hereby agrees to the terms of the above-quoted trust.

IN WITNESS WHEREOF the Beneficiary has hereto set its hand and seal.

DATED at Toronto, this 20th day of March, 2014.

TCC-URBANCORP (DAY) LIMITED PARTNERSHIP
General Partner
DELAWARE PARTNERSHIP LIMITED BY INC.

Per: 
Alan Siskin
President

I have the authority to bind the Corporation

DECLARATION OF TRUST

WHEREAS URBANCORP (WOODBINE) INC. ("Woodbine") is about to become the registered owner of the property known municipally as DD64, 8076, 9054, 9100 and 9110 Woodbine Avenue, Markham and legally described as Part Lot 1, Plan 3604 Markham and Part Lot 14, Concession 3, Markham designated as Part 2, Plan 65R-31684, Part Lot 1, Plan 3604 Markham, designated as Part 3, Plan 55R-31684; Part Lot 16, Concession 3 Markham, designated as Part 1, Plan 65R-31684 and Part Lots 14 and 15, Concession 3 Markham, designated as Part 1, Plan 65R-31684, City of Markham (the "Lands");

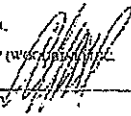
AND WHEREAS Woodbine will become the owner of the Lands for and on behalf of TCC/UrbanCorp (Usy) Limited Partnership (the "Beneficiary");

NOW THEREFORE WITNESSETH that in consideration of the payment of TWO (\$2.00) DOLLARS now paid to Woodbine by the Beneficiary, Woodbine does hereby declare for itself, its successors and assigns that from and after the date hereof:

1. all obligations, including assets or obligations, contracts, agreements, responsibilities, acts or omissions pertaining to the Lands during the time it will be vested in the name of Woodbine, will be performed or entered to be performed by the Beneficiary;
2. the Lands and all monies which may be payable in respect of the Lands, whether by way of rent, dividend or capital distribution or otherwise howsoever and all the benefits pertaining to the Lands are or will be held by the said Woodbine, in trust for the Beneficiary;
3. Woodbine for itself, its successors and assigns, will convey, vest and deal with or dispose of the Lands and any income or capital paid in respect thereof, and any other benefits howsoever appertaining thereto in accordance with the direction of the Beneficiary.

IN WITNESS WHEREOF Woodbine has hereunto set its seal under its proper officer duly authorized in that behalf.

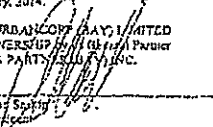
DATED at Toronto, this 30th day of January, 2014.

URBANCORP (WOODBINE) INC.
 Per: 
 Alan Spillman
 President
 I have the authority to bind the Corporation

THE Beneficiary hereby agrees to the terms of the above-mentioned trust.

IN WITNESS WHEREOF the Beneficiary has hereunto set its hand and seal.

DATED at Toronto, this 30th day of January, 2014.

TCC/URBANCORP (USY) LIMITED
 PARTNERSHIP (USY) (the Partner)
 DEBRA PANTY-SHILLOVSKA
 Per: 
 Debra Panty-Shilovska
 President
 I have the authority to bind the Corporation

2014-01-30 10:00 AM



March 6, 2016

Urbancorp Holdco Inc.
120 Lynn Williams Street Suite 2A,
Toronto, ON M6K 3N6

Attention: Mr. Alan Saskin

RE: Proposed Financing of 9064-9100 Woodbine Avenue, Markham, Ontario,
2425-2427 Bayview Avenue, Toronto, a 50% Interest in 300 Valermo Drive,
Toronto (collectively the "Secured Projects") and Pledge of Shares

Dear Mr. Saskin;

The following are the terms and conditions under which Terra Firma Capital Corporation ("TFCC" or the "Lender") will provide Urbancorp Holdco Inc. ("Holdco" or the "Borrower") a portfolio loan. This Letter of Intent is intended to be binding on the parties, subject to its terms, however the Borrower and the parties signing below acknowledge that the terms and conditions set out herein will be broadened in the security and other documentation process to include typical lending terms, further assurances to give full legal and proper effect to the terms herein and otherwise to satisfy the requirements of our legal counsel, including the Lender's Israeli legal counsel.

You have advised that the terms of a loan ("Original Loan") referenced in a term sheet from Terra Firma MA Ltd. dated December 22, 2015, as amended and supplemented (collectively, the "Term Sheet") did not satisfy your and your wholly owned subsidiary Urbancorp Inc.'s ("Inc.") requirements. You have therefore requested new terms for a loan that will satisfy the requirements of Inc. to its bond lender and that will allow Inc. to pay HST owing to the Canada Revenue Agency. Based on the foregoing, we are prepared to extend a loan of \$10,000,000.00 to you to replace the Original Loan on the amended terms set out below (which terms and conditions replace the terms and conditions of the Term Sheet), as follows:

Borrower	Urbancorp Holdco Inc., a private entity of which 100% of the voting shares are owned by Alan Saskin. At closing, Borrower will own 100% of all issued and outstanding shares of Urbancorp Inc.
Loan Amount	\$10 million
Rate	16% p.a.

1 | Page

Terra Firma MA Ltd., #200-22 St Clair East, Toronto, ON
Tel: 416-792-4700 Broker Licence #12425 / Administrator Licence #12346

V6

Term	24 months with one 12-month extension
Use of Funds	<p>Fee 2% for initial term (plus 1% if extension exercised) to be paid as follows:</p> <p>a. \$100,000 upon signing of this term sheet by the Borrower; and</p> <p>b. The balance to be paid at Closing or deducted from the Loan Amount</p>
Security	<p>Security to Include:</p> <ul style="list-style-type: none"> • Mortgage registration on Bridle Path and Woodbine properties, assignment of proceeds and transfer with respect to the Valermo property and interest and related security with respect to the Secured Projects to be granted by the Borrower's affiliates having registered and beneficial ownership of the Secured Projects, which security will and is deemed to include cross collateralization; • Subject to Lender's counsel advice, the existing security held by the Lender pursuant to the Term Sheet (excluding any security that may have been provided by Inc. or its subsidiary, including any pledge of shares in the Borrower or Inc. or Epic) will be used to satisfy the above-noted security requirements. In such event, the Borrower and all parties providing the above-noted security, and, if required by the Lender, any required third parties, shall execute an acknowledgement and confirmation that the aforesaid existing security shall stand as security for the loan to be made pursuant to this term sheet; • The outstanding security documents from the "Term Sheet" loan transaction, including, corporate and trust certificates and legal opinions, all in form required by the Lender's legal counsel, acting reasonably, but not security of Inc. or its subsidiaries or shares of the Borrower or Inc.; and • Joint and several guarantees Alan Saskin personally, TCC/Urbancorp (Bay/Stadium) LP, TCC/Urbancorp (Bay) LP, Urbancorp Management Inc. Webster Family Trust, Urbancorp Toronto Management Inc., Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc.,

TCC/Urbancorp (Stadium Road) LP and Urbancorp (Valermo) Inc. (collectively the "Guarantors");

- Negative pledge of the shareholders of the Borrower and the Borrower as sole shareholder of Inc., which will include a covenant not to transfer or pledge any of the shares of the Borrower or Inc.
- Acknowledgement, consent and/or Re-acknowledgement and estoppel from Mattamy (Valermo) Limited and Valermo Homes Inc. regarding the assignment of Urbancorp (Valermo) Inc.'s proceeds and Valermo Interest (as hereinafter defined) in the Valermo project, an option to purchase and a purchase transaction;
- Execution and delivery of an Agreement of Purchase and Sale, Transfer of the Valermo Interest (as hereinafter defined) and related transfer documents (including transfer of shares and resignations of the trustee corporation holding title to the Valermo property), to be held by the Lender to be utilized when and if it exercises its option to purchase the Valermo Interest.
- Certification and Acknowledgement re corporate structure; and
- Such other and further security as deemed reasonable by the Lender's legal counsel, provided that such additional security shall not include any assets of Inc., Inc.'s guarantee, anything that will cause Inc. to violate its obligations to its bond lender, or any assets of Leslieville or Epic.

Interest Payments All interest on the within Loan will accrue for the first 3 months of the Loan; thereafter 8% p.a. to be paid monthly. The balance 8% p.a. shall accrue, and shall be capitalized on a monthly basis, and such accrued interest shall be paid from all proceeds from any portion or all of the Secured Projects and from 100% of all monies received in or by or otherwise payable to or from the Borrower and/or from any of the Secured Projects or the sale of any of the Secured Projects (collectively or individually the "Proceeds"), to be credited against interest owing and thereafter against principal owing when received by the Lender, but in all events no later than on maturity.

Principal Payments 100% of the Proceeds following payment of accrued interest as set out above, will be used to repay 100% of the Loan Amount.

Prepayment The Loan may be prepaid at any time without notice.

Valermo Drive Mattamy (Valermo) Limited ("Mattamy") will be given a one-time option, which may be exercised within 15 days after the within loan advance, to acquire Borrower's 50% interest in 300 Valermo Drive (the "Valermo

Interest") for no less than \$7mm net to the Lender (upon completion of said purchase transaction, the interest payable on said amount, if any, at the rate set out herein, for the period from March 15, 2016 to purchase closing shall be forgiven) (the "Option"), with closing to be no later than 15 days after exercise of such option. 100% of the proceeds of such sale will be paid to TFCC on account of outstanding interest or Principal under this Loan or for repayment of its purchase price of the Valermo Interest.

TFCC will have the right and option to be exercised from after closing of the within loan transaction until April 15, 2016 to acquire the Valermo Interest from Urbancorp (Valermo) Inc. (so long as Mattamy has not purchased the Valermo Interest as aforesaid) for \$7mm . 100% of the proceeds of such purchase by TFCC will be paid to TFCC on account of outstanding interest and/or Principal under this Loan.

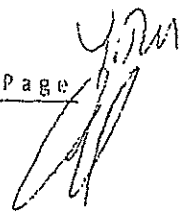
TFCC Expenses The Borrower will be responsible for all TFCC's costs and expenses in connection with this Loan, to a maximum amount of \$50,000.00. Said costs and expenses will be paid by Borrower upon closing or deducted from the Loan.

Acknowledgement Regarding Term Sheet The Borrower will provide such Acknowledgements, releases and assurances regarding the non-completion and cancellation of the Term Sheet transaction, and the resulting return of funds to the Lender, in such form as required by the Lender, acting reasonably. The Lender acknowledges that the mortgages on Bridle Path and Woodbine may require the consent of the prior lenders, and registration of same without such consent may be a breach of the terms of such prior mortgages.

Prefunding Conditions As a pre-condition to the funding of this Loan:
1. All security required by the Lender shall be in place to the full and complete satisfaction of Lender and its counsel acting reasonably; and
2. Receipt by the Lender of such other information and documentation that the Lender or its legal counsel may reasonably require.

Legal Representation Borrower will obtain legal advice (including from its Israeli legal counsel, the Law Firm of Shimonov) that the transaction described herein is permitted under the terms of all other loans in its portfolio, including loans to Inc.

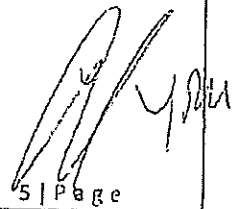
Legal Opinions As a precondition to funding of this Loan, the Borrower will provide an opinion given by the solicitors for each of the Borrower and the Guarantors as to the enforceability and any other matter reasonably requested, all of the foregoing in form and content reasonably satisfactory to TFCC and its solicitors.



General Conditions

1. Concurrently with and it is a condition of this transaction that the Borrower is to obtain, either from Alan Saskin or other non-Inc. sources, \$2,250,000, which shall be advanced to Inc. concurrently with the Lender's advance of this loan, (to pay HST) to make up Inc.'s \$12mm equity requirement (the Saskin Contribution").
2. The Proceeds of this Loan and the Saskin Contribution will be directed by the Borrower, Inc. and other required parties to the CRA to pay part of Inc.'s HST obligation on the Edge condominium project.
3. Alan Saskin will cooperate and use reasonable commercial efforts to: (i) restructure the Leslieville Loan with CIBC and Craft; (ii) cause Plazacorp to repay TFCC its \$1.2 mm loan (plus accrued interest) on Urbancorp's share of the Epic project or register a security against the retail area of said project; and (iii) to provide such further assurances regarding the within loan transaction, its security and any future transactions arising therefrom, including, without limitation, the purchase of the Valermo Interest, as may be required by the Lender. This provision, as well as the entire Term Sheet, shall survive the closing of the Loan advance.
4. TFCC will have the right to assign some or all of its rights under this Loan, including its right to purchase the Valermo Interest (provided that the purchaser of the Valermo Interest must be approved by Mattamy).
5. The terms and provisions of this Term Sheet shall remain in full force and effect for the benefit of the Lender notwithstanding the completion of the loan advance, and shall not merge on completion of any of the transactions herein set out.


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5 | Page

If you wish to proceed with the foregoing loan transaction, kindly acknowledge so by executing and returning a copy of this Letter, along with a cheque in the amount of \$100,000 by March 8, 2016 failing which, this letter shall be deemed null and void. Yours truly,

TERRA FIRMA CAPITAL CORPORATION

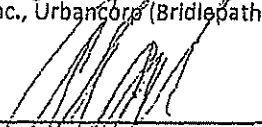

Y. Dow Meyer
C.E.O.

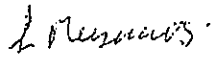
WE HEREBY AGREE to the above terms and conditions. We also authorize the Lender to obtain credit information on the borrower and guarantors from sources they deem necessary.


ACCEPTANCE

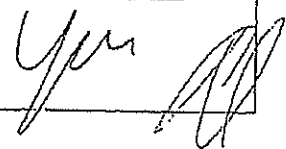
Accepted on the terms and conditions herein provided this ____ day of March 2016

Urbancorp Holdco Inc., Alan Saskin personally, TCC/Urbancorp (Bay/Stadium) LP, TCC/Urbancorp (Bay) LP, Urbancorp Management Inc. Webster Family Trust, Urbancorp Toronto Management Inc., Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., TCC/Urbancorp (Stadium Road) LP and Urbancorp (Valermo) Inc.

PER: 
Alan Saskin, have authority to bind each of the corporations, limited partnerships and trust

Witness; 
Leanne Negeerwin
Print Name:


Alan Saskin



- 1 -

ACKNOWLEDGEMENT RE EXISTING SECURITY

TO: TERRA FIRMA CAPITAL CORPORATION

AND TO: The Law Firm of Norman H. Winter, its solicitors herein

RE: TERRA FIRMA CAPITAL CORPORATION (the "Lender") – loan (the "Loan") to Urbancorp Holdco Inc. (the "Borrower"), pursuant to a Letter of Intent dated March 3, 2016, as amended or supplemented from time to time, secured by: (a) Mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham (collectively the "Woodbine Property"), from Urbancorp (Woodbine) Inc. (the "Woodbine Borrower"); (b) a Mortgage on PIN No. 10126-1010 (LT) (the "Bayview Property"), from Urbancorp (Bridlepath) Inc. (the "Bayview Borrower"); (c) Assignment of Proceeds from or in respect of PIN 07586-0258 (LT), Toronto (the "Valermo Property") by way of irrevocable Direction re Payment from Urbancorp (Valermo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership (collectively the "Valermo Borrower"), Guaranteed by Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership, Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., Urbancorp (Valermo) Inc., Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust (collectively the "Guarantors")

(the Woodbine Property, Bayview Property and Valermo Property are collectively referred to as the "Properties")

Loan

The undersigned hereby acknowledge and agree that all security, save as expressly excluded as set out below (the "Excluded Security") given in connection with a letter of intent dated December 22, 2015, between the Lender and the Borrower (the "Existing Commitment") including, without limitation, the security listed below, shall also stand as security with respect to the indebtedness of the Borrower with respect to a commitment letter dated March 6, 2016 between the Lender, the Borrower and the Guarantors (the "New Commitment").

1. Charge granted by Urbancorp (Bridlepath) Inc. to Terra Firma Capital Corporation with respect to the Bayview Property registered on December 31, 2015 as Instrument No. AT4107508 in the Land Titles Division for the City of Toronto, Land Registry Office #80;
2. Beneficial Owner Direction and Charge with respect to the Bayview Property;
3. Notice of Assignment of Rents- General granted by Urbancorp (Bridlepath) Inc. in favour of Terra Firma Capital Corporations with respect to the Bayview Property registered on December 31, 2015 as Instrument No. AT4107509 in the Land Titles Division for the City of Toronto, Land Registry Office #80;
4. Financing Statement Registration No. 20151231133318626574, being File No. 713015649 registered on December 31, 2015 against Urbancorp (Bridlepath) Inc. and TCC/Urbancorp (Bay) Limited Partnership as Debtors and Terra Firma Capital Corporation as Secured Party;
5. Charge granted by Urbancorp (Woodbine) Inc. to Terra Firma Capital Corporation with respect to the Woodbine Property registered on December 31, 2015 as Instrument No. YR2411107 in the Land Titles Division for the Region of York, Land Registry Office #85;
6. Beneficial Owner Direction and Charge with respect to the Woodbine Property;
7. Notice of Assignment of Rents- General granted by Urbancorp (Woodbine) Inc. in favour of Terra Firma Capital Corporations with respect to the Woodbine Property registered on December 31, 2015 as Instrument No. YR2411108 in the Land Titles Division for the Region of York, Land Registry Office #65;
8. Financing Statement Registration No. 20151231133318626573, being File No. 713015613 registered on December 31, 2015 against Urbancorp (Woodbine) Inc. and TCC/Urbancorp (Bay) Limited Partnership as Debtors and Terra Firma Capital Corporation as Secured Party;
9. Financing Statement Registration No. 20151231133318626572, being File No. 713015586 registered on December 31, 2015 against Urbancorp Holdco Inc. as Debtor and Terra Firma Capital Corporation as Secured Party;

9000.16.02 Ack re Existing Security 030716.2.cdl

- 2 -

10. Assignment of interest in the Valemo Property and in conjunction therewith, Financing Statement Registration No. 20151231133318626575, being File No. 713015567 registered on December 31, 2016 against Urbancorp (Valemo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership as Debtors in favour of Terra Firma Capital Corporation as Secured Party;
11. Guarantee and Postponement of Claims granted by Alan Saskin, and a Limited Recourse Guarantee and Postponement of Claims granted by Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership, and in conjunction therewith, Financing Statement Registration No. 20151231133318626575, being File No. 713015658 registered on December 31, 2015 against Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership as Debtors and Terra Firma Capital Corporation as Secured Party;
12. Assignment and Postponement of Shareholder Loans with respect to Urbancorp Holdco Inc. granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership in favour of Terra Firma Capital Corporation; and
13. General Security Agreements granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership in favour of Terra Firma Capital Corporation, excluding any shares held by any such party in Urbancorp Holdco Inc.;

(collectively, the "Existing Security").

The Existing Security shall also be deemed to be amended such that all references to the Existing Commitment shall be deemed to be the New Commitment.

Notwithstanding the foregoing, the following Excluded Security shall be deemed to be excluded from the security given with respect to the New Commitment:

1. A Share Pledge Agreement granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership, and in conjunction therewith, Financing Statement Registration No. 20151231133318626575, being File No. 713015658 registered on December 31, 2015 against Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership as Debtors and Terra Firma Capital Corporation as Secured Party;
2. A Share Pledge Agreement granted by Urbancorp Holdco Inc. in favour of Terra Firma Capital Corporation;
3. A Co-Investment Loan Agreement by and between Urbancorp Investco Inc. and Terra Firma Capital Corporation;
4. A Blocked Account Agreement by and among Urbancorp Investco Inc., Terra Firma Capital Corporation and the Bank of Montreal;
5. A Guarantee and Postponement of Claim granted by Urbancorp Investco Inc. in favour of Terra Firma Capital Corporation;
6. Undertaking re: shortage granted by Urbancorp Holdco Inc., Urbancorp Inc. and Urbancorp Investco Inc. in favour of Terra Firma Capital Corporation;
7. General Security Agreement granted by Urbancorp Investco Inc. in favour of Terra Firma Capital Corporation;
8. Assignment and Postponement of Shareholder Loans granted by Urbancorp Holdco Inc. in favour of Terra Firma Capital Corporation;

9. Any shares in Urbancorp Holdco Inc. that may be charged by a General Security Agreements granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership in favour of Terra Firma Capital Corporation; and

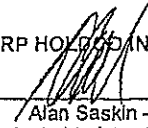
9. all other security granted by Urbancorp Inc. and/or Urbancorp Investco Inc.

10. This Acknowledgement may be executed in counterparts and will be effective whether executed in original ink, by facsimile or in electronic PDF format.

DATED at Toronto this 8th day of March, 2016.

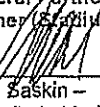
BORROWER:

URBANCORP HOLDCO INC.

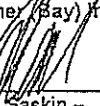
Per: 
Alan Saskin – President
I have authority to bind the Corporation

GUARANTORS:

TCC/URBANCORP (BAY/STADIUM)
LIMITED PARTNERSHIP
By its General Partner,
Deaja Partner (Stadium) Inc.

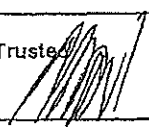
Per: 
Alan Saskin –
I have authority to bind the Corporation

TCC/URBANCORP (BAY) LIMITED
PARTNERSHIP
By its General Partner,
Deaja Partner (Bay) Inc.


Per: 
Alan Saskin –
I have authority to bind the Corporation

WEBSTER FAMILY TRUST

By: _____
Name: _____
Title: Trustee

By: 
Name: _____
Title: Trustee
We have authority to bind the Trust

URBANCORP MANAGEMENT INC.

Per: 
Alan Saskin – President
I have authority to bind the Corporation

URBANCORP TORONTO MANAGEMENT
INC.

Per: 
Alan Saskin – President

- 3 -

9. Any shares in Urbancorp Holdco Inc. that may be charged by a General Security Agreements granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership in favour of Terra Firma Capital Corporation; and

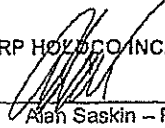
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10. This Acknowledgement may be executed in counterparts and will be effective whether executed in original ink, by facsimile or in electronic PDF format.

DATED at Toronto this 8th day of March, 2016.

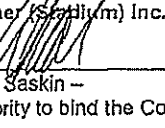
BORROWER:

URBANCORP HOLDCO INC.

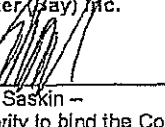
Per: 
Alan Saskin – President
I have authority to bind the Corporation

GUARANTORS:

TCC/URBANCORP (BAY/STADIUM)
LIMITED PARTNERSHIP
By its General Partner,
Deaja Partner (Stadium) Inc.

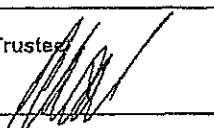
Per: 
Alan Saskin –
I have authority to bind the Corporation

TCC/URBANCORP (BAY) LIMITED
PARTNERSHIP
By its General Partner,
Deaja Partner (Bay) Inc.

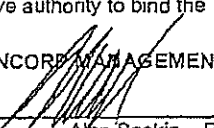
Per: 
Alan Saskin –
I have authority to bind the Corporation

WEBSTER FAMILY TRUST

By: _____
Name:
Title: Trustee

By: 
Name:
Title: Trustee
We have authority to bind the Trust

URBANCORP MANAGEMENT INC.

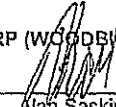
Per: 
Alan Saskin – President
I have authority to bind the Corporation

URBANCORP TORONTO MANAGEMENT
INC.

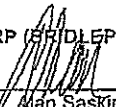
Per: 
Alan Saskin – President

- 4 -


URBANCORP (WOODBINE) INC.

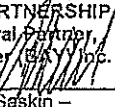
Per: 
Alan Saskin - President
I have authority to bind the Corporation

URBANCORP (BRIDLEPATH) INC.


Per: 
Alan Saskin - President
I have authority to bind the Corporation

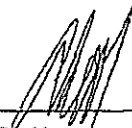
URBANCORP (VALERMO) INC.

Per: 
Alan Saskin - President
I have authority to bind the Corporation

TCC/URBANCORP (STADIUM ROAD)
LIMITED PARTNERSHIP
By Its General Partner,
Deaja Partner, SA, Inc.
Per: 
Alan Saskin -
I have authority to bind the Corporation

WITNESS:


Print Name:


Alan Saskin

TAB 30

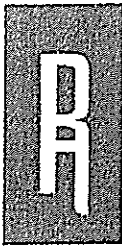
THIS IS **EXHIBIT " 30"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

Delivered by: Email
File No.: 1600105

August 15, 2016

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7

Attention: Robin B. Schwill

Dear Mr. Schwill:

Re: Mortgages/Charges by Urbancorp (Woodbine) Inc. ("Woodbine") and
Urbancorp (Bridlepath) Inc. in favour of Terra Firma Capital Corporation
("Terra Firma")

Further to our letter of August 10, 2016, we enclose herewith the following additional documents referred to in that letter:

1. confirmation letter from Harris, Sheaffer LLP letter to Norman H. Winter dated December 18, 2015; and
2. Letter from Terra Firma Capital Corporation to Urbancorp, Holdco Inc. dated Feb. 5, 2016.

If you have any further questions or concerns, we would be pleased to respond.

Yours very truly,

ROBINS APPLEBY LLP

Per: 

Leor Margulies

LM:mk

Encls.

c.c. Dov Meyer

John Porter

robapp3493142.2

February 5, 2016

By E-mail

Urbancorp. Holdco Inc.
120 Lynn Williams Street Suite 2A
Toronto, ON M6K 3N6

Attention: Mr. Alan Saskin

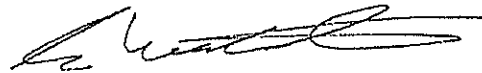
Re: Portfolio Loan

As you are aware, Terra Firma Capital Corporation ("TFCC") agreed to provide Urbancorp Holdco Inc. ("Urbancorp") with a portfolio loan for \$12 million upon the provision of the requisite security and the satisfaction of certain pre-funding conditions. The funds were placed, in escrow, into a jointly controlled account, in anticipation of satisfactory compliance with those pre-conditions. Despite repeated requests, Urbancorp and its affiliates failed to provide the requisite security and other documentation required in order to release the funds from escrow. TFCC was prepared to release the funds from escrow under alternate lending terms directly secured, however, those terms did not materialize and \$10 million of the funds initially delivered in escrow were wired back to TFCC last week.

We confirm that we have received your wire transfer today of the remaining \$1.7 million. In the event that the terms of funding are satisfied in the future and TFCC advances the portfolio loan in accordance with its terms, interest shall accrue on all sums due thereunder from the date of the initial escrow advance.

Yours very truly,

Terra Firma Capital Corporation



Glenn Watchorn
President and COO

HARRIS, SHEAFFER LLP

BARRISTERS & SOLICITORS

YONGE CORPORATE CENTRE
4100 YONGE STREET, SUITE 610, TORONTO ONTARIO M2P 2H5
TELEPHONE (416) 250-3800 / FACSIMILE (416) 250-5300

December 18, 2015

Direct Line: (416) 250-3699
E-mail: brotenberg@harris-sheaffer.com
Assistant: Cheryl Moore
Direct Line: (416) 250-3699
E-mail: cmoore@harris-sheaffer.com
File No.: 151465

DELIVERED BY EMAIL
Norman H. Winter
Barrister and Solicitor
1 St. Clair Avenue East
TORONTO, Ontario
M4T 2V7

Dear Sirs:

Re: Urbancorp Holdco Inc. loan from
Terra Firma Capital Corporation

Further to your letter of December 17th, 2015, we would advise as follows:

1. The legal description, municipal address and owner of the properties are as follows:

(a) Woodbine - Owner is Urbancorp (Woodbine) Inc.

9100 Woodbine Avenue, Markham
PIN 03046-0219 (LT)
Part Lot 14, Concession 3, Markham, Part 2, Plan 65R-31684, City of Markham
Roll No. 36 02 0 132 48705 00000 04

9084 Woodbine Avenue, Markham
PIN 03046-2017 (LT)
Part Lot 1, Plan 3604, Markham, City of Markham
Roll No. 36 020 132 48605 00000 05

9110 Woodbine Avenue, Markham
PIN 03046-0215 (LT)
Part Lots 14 and 15, Concession 3, Markham, Part 1, Plan 65R-31684, City of
Markham
Roll No. 36 020 132 48805 00000 05

9064 and 9074 Woodbine Avenue
PIN 03046-0213 (LT)

BARRY ROTENBERG
GARY H. HARRIS
ROBERT D. SHEAFFER
PHILIP J. DRAFER
MARK F. FREEDMAN
(1991-2000)
JEFFREY P. SILVER
STEPHEN M. KARA

MARTIN P. HOUSER
MARC L. KARDLY
GAVIN H. BIRCH
MICHAEL J. BAGLA
ROGER M. VENAYAGALINGAM
ANDREW M. KATZ
RAZVAN L. NICOLAE
MANJIV T. PRADHAN

December 18, 2015

Page 2 of 4

Part Lot 1, Plan 3604, Markham and Part Lot 14, Concession 3, Markham, Part 1,
 Plan 65R-32684, City of Markham
 Roll No. 36 020 132 47600 00000 08 – 9064 Woodbine
 Roll No. 36 020 132 48400 00000 06 – 9074 Woodbine

- (b) Valermo – Urbancorp's participant is Urbancorp (Valermo) Inc.
 The owner of the Valermo Homes Inc.

300 Valermo Drive, Toronto
 PIN 07586-0258 (LT)

Part Lot 8, Concession 2 Colonel Smith's Tract, Part Lots 85, 86, 87, 88, 89 and
 90, Plan 2449, designated as parts 1 and 2, Plan 66R-27359, City of Toronto
 Roll No. 19 19 01 3 230 04300 0000 02

We attach a tax certificate dated December 4th, 2015 setting out there are no taxes
 outstanding with respect to the property.

- (c) Bridlepath – Owner is Urbancorp (Bridlepath) Inc.

2427 and 2425 Bayview Avenue, Toronto
 PIN 10126-1010 (LT)

Part Lot 8, Concession 2 EYS (North York), designated as Parts 1 and 2, Plan
 66R-24078, City of Toronto

Roll No. 19 08 08 1 840 00100 0000 05 – 2427 Bayview

Roll No. 19 08 08 1 840 00200 0000 01 – 2425 Bayview

3. The beneficial owner of Woodbine and Bridlepath is TCC/Urbancorp (Bay) Limited
 Partnership.
 The General Partner is Deaja Partner (Bay) Inc. The Limited Partners are Alan Saskin
 and Vestaco Investments Inc.
 The shareholder of Deaja Partner (Bay) Inc. is Alan Saskin with 100 common shares.
 The shareholder of Vestaco Investments Inc. is Doreen Saskin with 100 common shares.
 The address for service is 120 Lynn Williams Street, Suite 2A.
 Their ownership interest is 100%.

The beneficial owner of Urbancorp (Valermo) Inc.'s interest in Valermo is
 TCC/Urbancorp (Stadium Road) Limited Partnership.

The General Partner is Urbancorp Master Partner (Stadium Road) Inc. The Limited
 Partner is TCC/Urbancorp (Bay/Stadium) Limited Partnership.

The shareholder of Urbancorp Master Partner (Stadium Road) Inc. is Alan Saskin with
 100 common shares.

The General Partner of TCC/Urbancorp (Bay Stadium) Limited Partnership is Deaja
 Partner (Stadium) Inc.

The shareholder of Deaja Partner (Stadium) Inc. is Alan Saskin with 100 common shares.

The address for service is the same as above.
Their ownership interest is 100% of Urbancorp's 50% interest in Valermo.

4. We have forwarded to you previously a copy of the organizational chart.
5. Alan Saskin, President will be the signing officer for each of the Corporations.
6. Alan Saskin
Date of Birth: January 24, 1954
Attached please find a copy of Alan's drivers licence and passport.
7. Urbancorp Holdco Inc.

Director:	Alan Saskin		
Officer:	Alan Saskin	-	President, Secretary
Shareholders:	Alan Saskin	-	100,100 common
	Urbancorp Management Inc.	-	100 Class A Special Shares
	Urbancorp Toronto Management Inc.	-	100 Class B Special Shares
	The Webster Family Trust	-	100 Class C Special Shares
	TCC/Urbancorp (Bay) Limited Partnership	-	100 Class D Special Shares
	TCC/Urbancorp (Bay/Stadium) Limited Partnership	-	100 Class E Special Shares

Urbancorp (Woodbine) Inc.

Director:	Alan Saskin		
Officer:	Alan Saskin	-	President, Secretary
Shareholders:	Alan Saskin	-	100 common

Urbancorp (Valermo) Inc.

Director:	Alan Saskin		
Officer:	Alan Saskin	-	President, Secretary
Shareholders:	Alan Saskin	-	100 common

Urbancorp (Bridlepath) Inc.

Director:	Alan Saskin		
Officer:	Alan Saskin	-	President, Secretary
Shareholders:	Alan Saskin	-	100 common

December 18, 2015
Page 4 of 4

8. We have requested insurance particulars from our client.
9. Epic on Triangle Park Inc.

Urbancorp's interest in Epic on Triangle Park is owned by King West Village South Limited. The Shareholder of King West Village South Limited is Alan Saskin with 100 common shares.

The officers and directors and shareholders of Epic on Triangle Park Inc. are:

Directors:	Alan Saskin
Officers:	Alan Saskin - President, Secretary
Shareholders:	King West Village South Limited 500 common 200 Jane St. Inc. 500 common

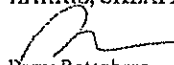
The officers and directors of King West Village South Limited are:

Directors:	Alan Saskin
Officers:	Alan Saskin - President Secretary

We enclose at this time trust agreements for Woodbine and Bridlepath.

Yours very truly,

HARRIS, SHEAFFER LLP


Barry Rotenberg
BR:cm
Enclosures

TAB 31

THIS IS **EXHIBIT " 31"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.



**Seventh Report to Court of KSV Kofman
Inc. as Proposal
Trustee of Urbancorp (Woodbine) Inc.
and Urbancorp (Bridlepath) Inc.**

September 29, 2016

and

**Sixth Report to Court of KSV Kofman Inc.
as CCAA Monitor of Urbancorp Toronto
Management Inc., Urbancorp (St. Clair
Village) Inc., Urbancorp (Patricia) Inc.,
Urbancorp (Mallow) Inc., Urbancorp
(Lawrence) Inc., Urbancorp Downsview
Park Development Inc., Urbancorp (952
Queen West) Inc., King Residential Inc.,
Urbancorp 60 St. Clair Inc., High Res.
Inc., Bridge On King Inc. and the
Affiliated Entities Listed in Schedule "A"
Hereto**

Contents

Page

1.0 Introduction.....2
1.1 Purposes of this Report.....2
2.0 Background3
3.0 Secured Creditors.....3
4.0 Security Opinion4
5.0 Proposed Distributions.....5

Schedules

Tab

Affiliated Entities A



ESTATE NO.: 31-2114850
COURT FILE NO.: 31-2114850

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (WOODBINE) INC. AND
URBANCORP (BRIDLEPATH) INC.

SEVENTH REPORT OF KSV KOFMAN INC. AS PROPOSAL TRUSTEE

SEPTEMBER 29, 2016

COURT FILE NO.: CV-16-11389-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
URBANCORP TORONTO MANAGEMENT INC., URBANCORP (ST. CLAIR
VILLAGE) INC., URBANCORP (PATRICIA) INC., URBANCORP (MALLOW) INC.,
URBANCORP (LAWRENCE) INC., URBANCORP DOWNSVIEW PARK
DEVELOPMENT INC., URBANCORP (952 QUEEN WEST) INC., KING
RESIDENTIAL INC., URBANCORP 60 ST. CLAIR INC., HIGH RES. INC., BRIDGE
ON KING INC. (COLLECTIVELY, THE "APPLICANTS") AND THE AFFILIATED
ENTITIES LISTED IN SCHEDULE "A" HERETO

SIXTH REPORT OF KSV KOFMAN INC. AS CCAA MONITOR

SEPTEMBER 29, 2016

1.0 Introduction

1. On April 21, 2016, Urbancorp (St. Clair Village) Inc. ("St. Clair"), Urbancorp (Patricia) Inc. ("Patricia"), Urbancorp (Mallow) Inc. ("Mallow"), Urbancorp Downsview Park Development Inc. ("Downsview"), Urbancorp (Lawrence) Inc. ("Lawrence") and Urbancorp Toronto Management Inc. ("UTMI") each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence are referred to as the "Companies"). KSV Kofman Inc. ("KSV") was appointed as the Proposal Trustee of each of the Companies.
2. Pursuant to an Order made by the Ontario Superior Court of Justice (Commercial List) (the "Court") dated May 18, 2016 (the "Initial Order"), the Applicants (which include the Companies) together with the entities listed on Schedule "A" attached (collectively, the "Urbancorp CCAA Entities") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed the monitor in those proceedings (the "Monitor").
3. On April 25, 2016, Urbancorp (Bridlepath) Inc. ("Bridlepath") and Urbancorp (Woodbine) Inc. ("Woodbine" and together with Bridlepath, the "NOI Entities") each filed NOIs. KSV is the Proposal Trustee of the NOI Entities.
4. The Court issued orders on June 30, 2016 approving sale processes to be carried out for the real property owned by St. Clair, Patricia, Lawrence, Mallow, Woodbine and Bridlepath (collectively, the "Properties" and each a "Property"). On September 15, 2016, the Court made orders, *inter alia*, approving the sale of the Properties (the "Transactions").
5. The Transactions are scheduled to close by October 14, 2016, with the first two transactions scheduled to close on September 30, 2016.
6. The secured lenders on the Properties are seeking immediate repayment of amounts owing to them on the Properties, including the first mortgagees and Atrium Mortgage Investment Corporation ("AMIC") in respect of a Court-approved debtor-in-possession loan ("DIP Loan") made against the Lawrence and St. Clair Properties.

1.1 Purposes of this Report

1. The purpose of this report ("Report") is to recommend that the Court issue an order or orders:
 - a) authorizing and empowering the Monitor to repay forthwith after closing, or as part of closing, the DIP Loan from the sale of either of the Lawrence and St. Clair Properties and the first mortgage obligations on the Patricia and Mallow Properties; and
 - b) authorizing and empowering the Proposal Trustee on behalf of the NOI Entities to repay forthwith after closing, or as part of closing, the first mortgage obligations of the NOI Entities.

2.0 Background

1. The table below provides the scheduled closing dates of the Transactions for each of the Properties.

Owner	Address of Property	Closing Date
Companies		
Lawrence	1780 Lawrence Avenue West, Toronto	September 30, 2016
St. Clair	19 Innes Avenue, 177 Caledonia Road, Toronto	October 7, 2016
Patricia	425 Patricia Avenue, Toronto	October 11, 2016
Mallow	15 Mallow Road, Toronto	October 11, 2016
NOI Entities		
Woodbine	9064-9110 Woodbine Avenue, Markham	September 30, 2016
Bridlepath	2425 and 2427 Bayview Avenue, Toronto	October 14, 2016

3.0 Secured Creditors

1. The table below summarizes the amounts owing under the first mortgages that are to be repaid on or immediately following closing, before additional interest and fees which continue to accrue.

Borrower	Mortgagee	Amount (\$)
Companies		
Patricia	Canadian Mortgage Servicing Corporation ("CMSC")	3,683,905 ¹
Mallow	Atrium Mortgage Investment Corporation ("AMIC") and Terra Firma Capital Corporation ("TFCC")	3,700,000 ²
		7,383,905
NOI Entities ³		
Woodbine	Laurentian Bank of Canada ("Laurentian") and TFCC ⁴	4,725,000 ⁵
Bridlepath	AMIC and TFCC	10,350,000 ⁶
		15,075,000
Total		22,458,905

¹ Based on Patricia's books and records.

² Based on Mallow's books and records.

³ A second mortgage owing to TFCC on both these properties is not being paid at this time as issues related to it remain subject to further review by the Proposal Trustee.

⁴ Laurentian is owed the first \$2.65 million of principal on this mortgage. TFCC is owed the balance.

⁵ Principal amount outstanding as at March 4, 2016.

⁶ Principal amount outstanding as at April 11, 2016.

2. AMIC has advanced \$3.2 million under the DIP Loan. This amount, plus accrued interest and fees, is to be paid from the proceeds of the Lawrence transaction as it is scheduled to close prior to the St. Clair transaction.⁷
3. The Transaction proceeds will be sufficient to repay in full the first mortgages and the DIP Loan.

4.0 Security Opinion

1. Davies Ward Phillips & Vineberg LLP, KSV's counsel, provided KSV with opinions on the validity and enforceability of the first mortgages.
2. The opinions provide that, subject to the standard assumptions and qualifications contained therein:
 - a) the Charge/Mortgage made by Woodbine, the registered owner of the Woodbine Property, in favour of Laurentian registered in the Land Registry Office for the Land Titles Division of York Region on January 30, 2014 as Instrument No. YR2090261 constitute a good and valid first charge over the Woodbine Property in favour of Laurentian;
 - b) the Charge/Mortgage made by Bridlepath, the registered owner of the Bridlepath Property, in favour of TFCC and AMIC registered in the Land Registry Office for the Land Titles Division of Toronto on March 20, 2014 as Instrument No. AT3541941 constitute a good and valid first charge over the Bridlepath Property in favour of TFCC and AMIC;
 - c) the Charge/Mortgage made by Mallow, the registered owner of the Mallow Property, in favour of TFCC and AMIC registered in the Land Registry Office for the Land Titles Division of Toronto on August 28, 2014 as Instrument No. AT3674624 constitute a good and valid first charge over the Mallow Property in favour of TFCC and AMIC; and
 - d) the Charge/Mortgage made by Patricia, the registered owner of the Patricia Property, in favour of CMSC registered in the Land Registry Office for the Land Titles Division of Toronto on March 23, 2016 as Instrument No. AT4173963 constitute a good and valid first charge over the Patricia Property in favour of CMSC.
3. Copies of the opinions will be made available to the Court should it wish to review them.

⁷ The DIP Loan was advanced to Lawrence and St. Clair. Monies were advanced from these entities to other Urbancorp CCAA Entities on a Court-ordered priority basis. The amounts loaned will be repaid to Lawrence and St. Clair by the Urbancorp CCAA Entities that received these monies, to the extent applicable.

5.0 Proposed Distributions

1. KSV is not aware of any claim that may rank in priority to the first mortgages and the DIP Loan. In any event, to the extent such claims exist, sufficient monies will continue to be held by KSV to satisfy those claims, whether in respect of the Companies or the NOI Entities. In this regard, outstanding property taxes are to be paid on closing of each Transaction and sufficient funds will be retained by KSV to fund the costs of these proceedings, including the Court-ordered charges.
2. Based on the foregoing, KSV respectfully recommends that the Court authorize the repayment of the first mortgages and the DIP Loan after the closing, or as part of the closing, of the relevant Transactions.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC. IN ITS CAPACITIES
AS PROPOSAL TRUSTEE AND CCAA MONITOR
AND NOT IN ITS PERSONAL CAPACITY**

Schedule "A"

° Urbancorp Power Holdings Inc.
Vestaco Homes Inc.
Vestaco Investments Inc.
228 Queen's Quay West Limited
Urbancorp Cumberland 1 LP
Urbancorp Cumberland 1 GP Inc.
Urbancorp Partner (King South) Inc.
Urbancorp (North Side) Inc.
Urbancorp Residential Inc.
Urbancorp Realtyco Inc.

TAB 32

THIS IS **EXHIBIT " 32"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.



**Eighth Report to Court of KSV Kofman
Inc. as Proposal
Trustee of Urbancorp (Woodbine) Inc.
and Urbancorp (Bridlepath) Inc.**

October 6, 2016

Contents		Page
1.0	Introduction.....	1
1.1	Purposes of this Report.....	2
2.0	Security Opinion	2
3.0	Economic Interests in Outcome	3

Schedules and Appendices

Schedules	Tab
Affiliated Entities	A

Appendices	Tab
Davies Security Opinion.....	A
Correspondence with counsel to Terra Firma Capital Corporation	B



ESTATE NO.: 31-2114850
 COURT FILE NO.: 31-2114850

ONTARIO
 SUPERIOR COURT OF JUSTICE
 (COMMERCIAL LIST)
 IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
 URBANCORP (WOODBINE) INC. AND
 URBANCORP (BRIDLEPATH) INC.

EIGHTH REPORT OF KSV KOFMAN INC. AS PROPOSAL TRUSTEE

OCTOBER 6, 2016

1.0 Introduction

1. On April 21, 2016, Urbancorp (St. Clair Village) Inc. ("St. Clair"), Urbancorp (Patricia) Inc. ("Patricia"), Urbancorp (Mallow) Inc. ("Mallow"), Urbancorp Downsview Park Development Inc. ("Downsview"), Urbancorp (Lawrence) Inc. ("Lawrence") and Urbancorp Toronto Management Inc. ("UTMI") each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence are referred to as the "Companies"). KSV Kofman Inc. ("KSV") was appointed as the Proposal Trustee of each of the Companies.
2. Pursuant to an Order made by the Ontario Superior Court of Justice (Commercial List) (the "Court") dated May 18, 2016 (the "Initial Order"), the Applicants (which include the Companies) together with the entities listed on Schedule "A" attached (collectively, the "Urbancorp CCAA Entities") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed the monitor in those proceedings (the "Monitor").
3. On April 25, 2016, Urbancorp (Bridlepath) Inc. ("Bridlepath") and Urbancorp (Woodbine) Inc. ("Woodbine") and together with Bridlepath, the "NOI Entities") each filed NOIs. KSV is the Proposal Trustee of the NOI Entities.
4. On April 25, 2016, the District Court in Tel Aviv-Yafo (the "Israeli Court") issued a decision (the "April 25th Decision") appointing Guy Gissin as the functionary officer and foreign representative (the "Foreign Representative") of Urbancorp Inc. ("UC Inc.") and granted him certain powers, authorities and responsibilities over UC Inc., the ultimate parent of a number of the Urbancorp CCAA Entities.

5. On May 18, 2016, the Court also issued two orders under Part IV of the CCAA which: (a) recognized the Israeli Proceedings as a "foreign main proceeding"; (b) recognized Mr. Gissin as Foreign Representative of UC Inc.; and (c) appointed KSV as the Information Officer.
6. On June 30, 2016, the Court issued orders approving sale processes to be carried out for the real property owned by St. Clair, Patricia, Lawrence, Mallow, Woodbine and Bridlepath (collectively, the "Properties" and each a "Property"). On September 15, 2016, the Court made orders, *inter alia*, approving the sale of the Properties (the "Transactions").
7. The sale of the Woodbine Property closed on September 30, 2016 and the sale of the Bridlepath Property is scheduled to close on October 14, 2016.
8. On September 30, 2016, this Court issued an order authorizing and empowering the Proposal Trustee on behalf of the NOI Entities to repay forthwith after closing, or as part of closing, the first mortgage obligations of the NOI Entities.
9. In its Seventh Report to Court dated September 29, 2016, and in certain of its previous reports to this Court, the Proposal Trustee has noted that a second mortgage owing to Terra Firma Capital Corporation ("TFCC") on both the Woodbine and Bridlepath Properties remained subject to further review by the Proposal Trustee.

1.1 Purposes of this Report

1. The purpose of this report ("Report") is to provide the details of the Proposal Trustee's review of the second mortgage granted to TFCC on both the Woodbine and Bridlepath Properties (the "TFCC Second Mortgage").

2.0 Security Opinion

1. Davies Ward Phillips & Vineberg LLP ("Davies"), KSV's legal counsel in these proceedings, provided KSV with an opinion on the validity and enforceability of the TFCC Second Mortgage. A copy of this opinion is attached as Appendix "A" hereto.
2. In summary, the opinion provides that, subject to the assumptions and qualifications contained therein:
 - a) Subject to (c) below, the Charge/Mortgage made by Woodbine, the registered owner of the Woodbine Property, in favour of TFCC registered on December 31, 2015 as Instrument No. YR2411107 constituted a valid registered mortgage over the Woodbine Property in favour of TFCC; and
 - b) Subject to (c) below, the Charge/Mortgage made by Bridlepath, the registered owner of the Bridlepath Property, in favour of TFCC registered on December 31, 2015 as Instrument No. AT4107508 constituted a valid registered mortgage over the Bridlepath Property in favour of TFCC; however,

- c) the above Charges/Mortgages could be held to be void (i.e., not enforceable as against the Proposal Trustee or other creditors) as transfers at undervalue under the *Bankruptcy and Insolvency Act* (the "BIA"), fraudulent conveyances under the *Fraudulent Conveyances Act* (Ontario) (the "FCA") or fraudulent preferences under the *Assignment and Preferences Act* (Ontario) (the "APA").
3. In preparing its opinion, Davies made enquiries of counsel to TFCC and responses were provided. A copy of these communications is provided in Appendix "B" attached hereto:
- a) letter dated July 14, 2016 from Robin Schwill of Davies to Dominique Michaud of Robins Appleby LLP, counsel to TFCC;
 - b) e-mails dated July 21, 2016 from Leor Margulies of Robins Appleby LLP to Robin Schwill;
 - c) reply e-mail dated July 25, 2016 from Robin Schwill to Leor Margulies;
 - d) letter dated August 5, 2016 from Jay Swartz of Davies to Leor Margulies; and
 - e) letter dated August 10, 2016 from Leor Margulies to Robin Schwill.

3.0 Economic Interests in Outcome

1. TFCC has informed the Proposal Trustee that it wishes to have the issues regarding the enforceability of the TFCC Second Mortgage resolved as soon as possible and that it is not prepared to wait until the completion of a claims process for Woodbine and Bridlepath. TFCC is also not prepared to wait until it is certain that it cannot be fully repaid from its direct borrower, which appears to be Urbancorp Holdco Inc. In this regard, TFCC requested that the Proposal Trustee provide this Report so that it would have a context for bringing a motion to compel a payout on the TFCC Second Mortgage.
2. It is anticipated that the proceeds of realization from the sale of the Woodbine and Bridlepath Properties will be sufficient to pay out all of the creditors (secured and unsecured) of Woodbine and Bridlepath, respectively, including the TFCC Second Mortgage, subject to completing the claims process for these companies.
3. Accordingly, if the TFCC Second Mortgage together with the underlying guarantees are held to be void, the direct benefactors will be the limited and general partners of TCC Urbancorp/(Bay) Limited Partnership ("Bay LP") as the beneficial owner of the Woodbine and Bridlepath Properties and sole shareholder of Woodbine and Bridlepath. To date, the Proposal Trustee has not determined the limited and general partners with certainty. However, to the extent that distributions from Bay LP would be payable to Alan Saskin or to entities in which he has an interest, then Alan Saskin and his proposal trustee would have an interest in this matter as would the Foreign Representative to the extent that it or Urbancorp Inc. have claims against Mr. Saskin or Bay LP.

* * *

All of which is respectfully submitted,

KSV Kofman Inc

KSV KOFMAN INC. IN ITS CAPACITIES
AS PROPOSAL TRUSTEE
AND NOT IN ITS PERSONAL CAPACITY

Schedule "A"

Urbancorp (952 Queen West) Inc.

King Residential Inc.

Urbancorp 60 St. Clair Inc.

High Res. Inc.

Bridge on King Inc.

Urbancorp Power Holdings Inc.

Vestaco Homes Inc.

Vestaco Investments Inc.

228 Queen's Quay West Limited

Urbancorp Cumberland 1 LP

Urbancorp Cumberland 1 GP Inc.

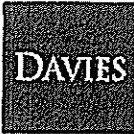
Urbancorp Partner (King South) Inc.

Urbancorp (North Side) Inc.

Urbancorp Residential Inc.

Urbancorp Realtyco Inc.

Appendix "A"



155 Wellington Street West
 Toronto ON M5V 3J7
 dwpv.com

October 5, 2016

File No. 256201

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

Attention: Bobby Kofman/Robert Harlang/Noah Goldstein

Dear Sirs:

Urbancorp – Bridlepath and Woodbine Charges

As the proposal trustee of Urbancorp (Bridlepath) Inc. ("Urbancorp Bridlepath") and Urbancorp (Woodbine) Inc. ("Urbancorp Woodbine", and together with Urbancorp Bridlepath, the "Urbancorp Owners"), you have asked us for our opinion as to whether Terra Firma Capital Corporation (the "Lender") has valid charges over the Urbancorp Owners' interests in the Properties (as defined below) as security for the Subject Loan (as defined below).

I. Scope of Review

For the purposes of the opinions expressed below, we have only reviewed copies of the following documents (collectively, the "Documents"):

1. a letter of intent dated March 6, 2016 among the Lender, Urbancorp Holdco Inc. (the "Borrower"), TCC/Urbancorp (Bay) Limited Partnership (the "Beneficial Owner"), the Urbancorp Owners and others (the "Letter of Intent");
2. a Charge/Mortgage registered on December 31, 2015 as instrument no. AT4107508 (the "Bridlepath Charge") made by Urbancorp Bridlepath, as chargor, in favour of the Lender, as chargee, securing the principal amount of \$12,000,000, charging the lands and premises municipally known as 2425-2427 Bayview Avenue and more particularly described therein (the "Bridlepath Property");
3. a Charge/Mortgage registered on December 31, 2015 as instrument no. YR2411107 (the "Woodbine Charge" and together with the Bridlepath Charge, the "Charges") made by Urbancorp Woodbine, as chargor, in favour of the Lender, as chargee,

- 2 -

securing the principal amount of \$12,000,000, charging the lands and premises municipally known as 9064-9100 Woodbine Avenue, Markham and more particularly described therein (the "Woodbine Property" and together with the Bridlepath Property, the "Properties");

4. a Beneficial Owner Direction, Charge of Beneficial Interest and Acknowledgement Agreement dated December 31, 2015 between the Lender, as lender, Urbancorp Bridlepath, as trustee, and the Beneficial Owner, as beneficial owner (the "Bridlepath Direction");
5. a Beneficial Owner Direction, Charge of Beneficial Interest and Acknowledgement Agreement dated December 31, 2015 between the Lender, as lender, Urbancorp Woodbine, as trustee, and the Beneficial Owner, as beneficial owner (the "Woodbine Direction" and, together with the Bridlepath Direction, the "Beneficial Directions");
6. a Guarantee and Postponement of Claim dated December 31, 2015 between, among others, the Lender, the Borrower and the Beneficial Owner (the "Beneficial Owner Guarantee"); and
7. an Acknowledgement re Existing Security dated March 8, 2016 addressed to the Lender from, among others, the Borrower, the Beneficial Owner and the Urbancorp Owners (the "Acknowledgement re Existing Security").

II. Assumptions

For the purposes of the opinions expressed below, we have assumed, without any independent verification or inquiry:

- (a) the genuineness of all signatures, the legal capacity of all individuals, the authenticity of all Documents submitted to us as originals and the conformity to authentic originals of all documents submitted to us as certified or photostatic copies or as facsimiles;
- (b) that, subject to our analysis below, each of the Documents has been duly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, each party thereto in accordance with its terms;
- (c) that none of the Documents has been amended, terminated or otherwise modified since its date of execution;

- 3 -

- (d) that none of the security granted under any of the Documents has been assigned, released, discharged or otherwise impaired, either in whole or in part;
- (e) that the Initial Loan (defined below) was never advanced to the Borrower, in whole or in part;
- (f) that the Subject Loan (defined below) was advanced to the Borrower and has not been repaid in full;
- (g) that the Beneficial Owner holds, and has since prior to the granting of the Charges held, an undivided 100% beneficial interest in each of the Properties;
- (h) that each of the Urbancorp Owners holds, and has since prior to the granting of the Charges held, an undivided 100% registered interest in their respective Property as nominee and bare trustee for and on behalf of the Beneficial Owner;
- (i) that the Urbancorp Owners and Beneficial Owner did not receive any direct benefit or compensation in return for the granting of the Charges or from or pursuant to the Subject Loan;
- (j) that there are no other documents, agreements or instruments which are relevant to, or would have a material impact on, the transactions described in or contemplated by the Documents;
- (k) that the granting of the Charges did not contravene the subdivision control provisions of the *Planning Act*, R.S.O. 1990, c. P.13;
- (l) Urbancorp Woodbine and Urbancorp Bridlepath are each 100% owned by the Beneficial Owner and the sole general partner of the Beneficial Owner is Alan Saskin, with the sole limited partner being Doreen Saskin;¹
- (m) Alan Saskin is the sole shareholder of the Borrower and the Borrower is the sole shareholder of Urbancorp Inc.;² and

¹ Lender's counsel has informed us that their information at the time was that Alan Saskin was a limited partner (in addition to being the general partner or sole shareholder of the general partner) of the Beneficial Owner. A search conducted under the *Limited Partnerships Act* (Ontario) dated 2016/09/06 discloses the sole general partner of the Beneficial Owner as being DEAJA Partner (Bay) Inc.

- 4 -

- (n) the Borrower, Urbancorp Owners and Beneficial Owner were dealing at arm's length with the Lender.

The opinions expressed below are limited to the laws of the Province of Ontario and the federal laws of Canada applicable in that province ("Applicable Laws").

III. Summary of Loans

Initial Loan

It is our understanding that pursuant to a commitment letter dated December 22, 2015 (the "Initial Commitment Letter"),³ the Lender agreed to make a loan (the "Initial Loan") to the Borrower. Based on our review of the Documents, we understand that the security documents for the Initial Loan included, *inter alia*:

- (a) the Bridlepath Charge, pursuant to which Urbancorp Bridlepath guaranteed the Initial Loan and granted a charge of the Bridlepath Property in favour of the Lender as security for such guarantee and the Initial Loan;
- (b) the Woodbine Charge, pursuant to which Urbancorp Woodbine guaranteed the Initial Loan and granted a charge of the Woodbine Property in favour of the Lender as security for such guarantee and the Initial Loan;
- (c) the Beneficial Owner Guarantee, pursuant to which the Beneficial Owner (and others) guaranteed the Borrower's obligations under the Initial Loan;⁴
- (d) the Bridlepath Direction, pursuant to which the Beneficial Owner authorized and directed Urbancorp Bridlepath to grant the Bridlepath Charge and granted a mortgage of its beneficial interest in the Bridlepath Property in favour of the Lender as security for the Initial Loan and the indebtedness under all security documents relating thereto; and
- (e) the Woodbine Direction, pursuant to which the Beneficial Owner authorized and directed Urbancorp Woodbine to grant the Woodbine Charge and granted a mortgage of its beneficial interest in the Woodbine Property in favour of the Lender as security for the Initial Loan and the indebtedness under all security documents relating thereto.

² Lender's counsel has informed us that their information at the time was that the Beneficial Owner was also a shareholder of the Borrower.

³ We have not been provided with a copy of the Initial Commitment Letter.

⁴ The Urbancorp Owners were not parties to the Beneficial Owner Guarantee.

- 5 -

The security that was granted in respect of the Initial Loan is hereinafter referred to as the "Initial Security".

We have been advised that the conditions to advancing the Initial Loan were not satisfied and that, as a result, the Initial Loan was never advanced.

Subject Loan

On March 6, 2016, pursuant to the Letter of Intent, the Lender agreed to make another loan (the "Subject Loan") to the Borrower in the principal amount of \$10,000,000, which Subject Loan was to be secured by, *inter alia*, a mortgage of each of the Properties. It is our understanding that approximately \$4,750,000 of the Subject Loan remains outstanding.

However, rather than registering new mortgages of the Properties in respect of the Subject Loan, the parties agreed that, subject to Lender's counsel advice, the Initial Security (other than certain inapplicable security) would be used to satisfy certain of the security requirements under the Letter of Intent (including the requirement for a mortgage of each of the Properties).⁵ Accordingly,⁶ the Borrower, the Beneficial Owner, the Urbancorp Owners and others (excluding the Lender) executed the Acknowledgement re Existing Security pursuant to which such parties acknowledged and agreed that certain of the Initial Security (including the Charges and the Directions) "shall also stand as security with respect to the [Subject Loan]." The Acknowledgement re Existing Security also provided that "The [applicable Initial Security] shall also be deemed to be amended such that references to the [Initial Commitment Letter] shall be deemed to be the [Letter of Intent]."

IV. Qualifications, Limitations and Restrictions

The opinions expressed below are also subject to the following qualifications, limitations and restrictions:

- (a) no opinion is given as to the ranking or priority of the security interests granted pursuant to the Documents, including with respect to any subsequent charges or encumbrances registered on title to the Properties; and
- (b) no opinion is given with respect to any security interest in personal property, including any personal property security interests created pursuant to the Documents.

⁵ See page 2 of the Letter of Intent.

⁶ We are not aware of the Lender's counsel having advised against the proposed approach and have therefore assumed that they did not.

We note that certain of the Documents present potential issues and we have identified in the analysis below those issues which we consider to be relevant to our conclusions, together with our views thereon.

V. Opinions

Subject to the assumptions, qualifications and limitations contained herein and our analysis set out below, we are of the opinion that:

1. Subject to our opinion set out in paragraph 2 below, the Charges create valid registered mortgages over the Properties in favour of the Lender as security for the Subject Loan.

2. However, we note that the Charges could be held to be void (i.e., not enforceable as against the proposal trustee or other creditors) as transfers at undervalue under the *Bankruptcy and Insolvency Act* (the "BIA"), fraudulent conveyances under the *Fraudulent Conveyances Act* (Ontario) (the "FCA") or fraudulent preferences under the *Assignment and Preferences Act* (Ontario) (the "APA").

VI. Analysis

(a) Voidable Transactions

The fact that there may be sufficient consideration to support the enforceability of a contract as against the parties to the contract may not be sufficient to ensure the enforceability of the underlying transactions (here, the granting of security by the Urbancorp Owners and Beneficial Owner to the Lender) as against third parties, including a proposal trustee.⁷

(i) Preferences under the BIA

Pursuant to section 95 of the BIA, a charge on property made by an insolvent person in favour of a creditor who is dealing at arm's length with the insolvent person, with a view to giving that creditor a preference over another creditor is void as against the trustee if it is made during the period beginning on the day that is three months before the date of the initial bankruptcy event and ending on the date of the bankruptcy. Furthermore, if the charge has the effect of giving the creditor a preference, it is, in the absence of evidence to the contrary, presumed to have been made with a view to giving the creditor the preference, even if it was made under pressure, and evidence of pressure is not admissible to support the transaction.

⁷ Section 66(1) of the BIA states that all of the provisions of the BIA, except the consumer proposal provisions, in so far as they are applicable, apply, with such modifications as the circumstances require, to proposals made under Division I of the BIA.

The date of the initial bankrupt event for the Urbancorp Owners is the date on which they filed their respective notices of intention to make a proposal pursuant to the BIA, being April 25, 2016. We believe that the better view is that the security granted with respect to the guarantees of the Subject Loan was effected on March 8, 2016 being the date of the Acknowledgement re Existing Security (and not December 31, 2015 being the date of the Charges registered in respect of the Initial Loan which was never advanced). Accordingly, the grant of the security was within the relevant three month period for the Urbancorp Owners.⁸

However, a person must be a creditor at the time that the impugned charge was granted for there to be an actionable preference under section 95 of the BIA. The information we have suggests that the security was granted in respect of guarantees related to a new loan (the Subject Loan). Therefore, on these facts, a preference action pursuant to section 95 of the BIA is unlikely to be successful.

(ii) Transfers at Undervalue

Section 96(1) of the BIA provides that, on application by the trustee, a court may declare that a transfer at undervalue is void as against the trustee if the party was dealing at arm's length with the debtor and: (a) the transfer occurred during the period that begins on the day that is one year before the date of the initial bankruptcy event and that ends on the date of the bankruptcy; (b) the debtor was insolvent at the time of the transfer or was rendered insolvent by it; and (c) the debtor intended to defraud, defeat or delay a creditor. Section 96(2) of the BIA states that in making the application referred to in this section, the trustee shall state what, in the trustee's opinion, was the fair market value of the property or services and what, in the trustee's opinion, was the value of the actual consideration given or received by the debtor, and the values on which the court makes any finding under this section are, in the absence of evidence to the contrary, the values stated by the trustee.

The BIA defines a "transfer at undervalue" as a disposition of property or provision of services for which no consideration is received by the debtor or for which the consideration received by the debtor is conspicuously less than the fair market value of the consideration given by the debtor. There is case law which supports that the granting of a charge on one's property is a "disposition" for the purposes of the definition of transfer at undervalue.⁹ Based on our understanding and the assumptions stated herein, it appears that

⁸ While the Beneficial Owner, being a limited partnership, is not currently itself the subject of any proceeding under the BIA, in the overall context of these proceeding we are of the view that this is unlikely to be on any substantive consequence if such matters are litigated. This is especially the case given that the Urbancorp Owners and the Properties have to date been effectively treated and dealt with by the court as subject to the BIA proposal proceedings throughout.

⁹ See paragraphs 129 and 162 of the *City Peel Taxi v. Hanna* 2012 CarswellOnt 5416, 91 C.B.R. (5th) 1. While Justice D. M. Brown cast some doubt about this holding in his decision in *Montor Business Corp. (Trustee of) v. Goldfinger*, 2013 ONSC 6635, 2013 CarswellOnt 14983 (see

no consideration was "received by" either the Urbancorp Owners or Beneficial Owner in return for providing the guarantees and related security. As discussed above, the granting of the security occurred well within a year of the date of the initial bankruptcy event for the Urbancorp Owners.

Given the foregoing, if it can be shown that the Urbancorp Owners were insolvent at the time such security was granted, or were rendered insolvent by granting it, and that in granting such security they intended to defraud, defeat or delay a creditor, then the granting of such security may be declared void by the court. Fraudulent intent has been held to be a matter of fact to be determined in the circumstances of each case on the basis of the evidence as a whole.

Given the similarities of the facts in this case, as we understand them, to those in *XDG Ltd. v. 1099606 Ontario Ltd.*,¹⁰ we are of the view that a court could declare that the granting of the security by the Urbancorp Owners in favour of the Lender constituted transfers at undervalue which are void as against the proposal trustee. Those facts include the following: the Urbancorp Owners and Beneficial Owner made no independent income at the time and had existing and substantial debt in the form of likely claims from existing home buyers and other trade creditors; the security granted was in support of a related party; the grantors of the security received no consideration;¹¹ and the property charged was all of the property of the Urbancorp Owners.

(iii) Fraudulent Conveyance

For the purposes of the FCA, the term "conveyance" includes a charge or encumbrance by writing or otherwise. Section 2 of the FCA provides that every conveyance of real property or personal property made with intent to defeat, hinder, delay or defraud creditors or others of their just and lawful actions, suits, debts, accounts, damages, penalties or forfeitures are void as against such persons and their assigns. Section 3 of the FCA states that Section 2 of the FCA does not apply to an estate or interest in real property or personal

paragraph 318 therein), he did not overturn it given that the parties in that case were not challenging this point.

¹⁰ 2002 CarswellOnt 4535, 41 C.B.R. (4th) 294 (Ont. S.C.J.), upheld in all relevant parts by the Ontario Court of Appeal at 2004 CarswellOnt 1581, 1 C.B.R. (5th) 159. While this case dealt with fraudulent conveyances and preferences under the FCA and APA and did not deal with anything under the BIA, we are of the view that a very similar approach would be undertaken by the court in determining such similar issues under sections 95 and 96 of the BIA.

¹¹ In *XDG Ltd.*, Sam Rehani was the sole director, officer and shareholder of the guarantor and was also the controlling shareholder and president of the borrower. The Court found that no advance was made to the guarantor and that there was no evidence to suggest any advance to the borrower would enable the guarantor to continue its business and pay its debts in full. In the facts in that case, the Court simply stated that the guarantor received no consideration for the conveyance, let alone "good consideration".

- 9 -

property conveyed upon good consideration and in good faith to a person not having at the time of the conveyance notice or knowledge of the intent set forth in that section.

For the same reasons as outlined in Transfers at Undervalue, above, and in particular the holding in *XDG Ltd.*, we are of the view that a court could declare that the granting of the security by the Urbancorp Owners and Beneficial Owner in favour of the Lender is void as fraudulent conveyances under the FCA.

(iv) Assignment and Preferences Act

Section 4(1) of the APA provides that, subject to section 5 of the APA, every conveyance, assignment or transfer of any other property, real or personal, made by a person when insolvent or unable to pay the person's debts in full or when the person knows that he, she or it is on the eve of insolvency, with intent to defeat, hinder, delay or prejudice creditors, or any one or more of them, is void as against the creditor or creditors injured, delayed or prejudiced. Section 5(1) of the APA, in relevant part, provides that nothing in section 4 of the APA applies to any conveyance, assignment, transfer of any goods or property of any kind, that is made in good faith in consideration of a present actual payment in money, or by way of security for a present actual advance of money, or that is made in consideration of a present actual sale or delivery of goods or other property where the money paid or the goods or other property sold or delivered bear a fair and reasonable relative value to the consideration therefor.

Again, for the same reasons as outlined in Transfers at Undervalue, above, and in particular the holding in *XDG Ltd.*, we are of the view that a court could declare that the granting of the security by the Urbancorp Owners and Beneficial Owner in favour of the Lender is void as fraudulent preferences under the APA.

The opinions and analysis expressed above are provided solely for the benefit of the addressee and may not be used or relied on by any other person or for any other purpose.

Yours very truly,

Davies Ward Phillips & Vineberg LLP

Appendix "B"



155 Wellington Street West
 Toronto ON M5V 3J7
 dwpv.com

July 14, 2016

Robin B. Schwill
 T 416.863.5502
 F 416.863.0871
 rschwill@dwpv.com

File No. 256201

BY E-MAIL

Robins Appleby LLP
 120 Adelaide Street West
 Suite 2600
 Toronto, ON M5H 1T1

Attention: Mr. Dominique Michaud

Dear Mr. Michaud:

Mortgages/Charges by Urbancorp (Woodbine) Inc. ("Woodbine") and Urbancorp (Bridlepath) Inc. ("Bridlepath") in favour of Terra Firma Capital Corporation ("Terra Firma")

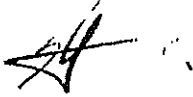
As you know, we are counsel to KSV Kofman Inc. in its capacity as proposal trustee of Woodbine and Bridlepath (the "Proposal Trustee"). In this regard, the Proposal Trustee is required to obtain from us an independent legal opinion regarding the validity and enforceability of the above-noted charges. We are writing to you as we are now preparing our opinion.

In conducting this review, we note that Terra Firma provided the relevant loan to Urbancorp Holdco Inc. ("UHI") (the "Initial Loan") and that Woodbine and Bridlepath granted their charges in respect of guarantees to Terra Firma of the Initial Loan. We also note that the beneficial owner of the Woodbine and Bridlepath properties is TCC/Urbancorp (Bay) Limited Partnership (the "Beneficial Owner") who also granted a mortgage/charge of its beneficial interest in these properties in favour of Terra Firma as security for its guarantee of the Initial Loan pursuant to a Guarantee and Postpone of Claim agreement.

Our information is that Woodbine and Bridlepath are each 100% owned by the Beneficial Owner and that the general partner of the Beneficial Owner is Alan Saskin, with the sole limited partner being Doreen Saskin. We also understand that UHI is the sole shareholder of Urbancorp Inc. Given this corporate structure, we have not been provided with any information which indicates what, if any, consideration was provided to Woodbine, Bridlepath or the Beneficial Owner in exchange for their guarantees of the Initial Loan and related charges.

Given the foregoing, we would be grateful for any information that you could provide to us which would evidence any such consideration.

Yours very truly,



Robin Schwill

RS/ae

cc: Bobby Kofman, *KSV Kofman Inc.*
Noah Goldstein, *KSV Kofman Inc.*

Jay Swartz

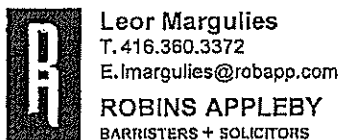
Schwill, Robin


From: Leor Margulies <lmargulies@robapp.com>
Sent: July 21, 2016 7:33 PM
To: Leor Margulies; Schwill, Robin
Cc: 'Norman Winter (nw@nwinlaw.com)'; 'Jackie Storms'; 'Esther Berglas (eb@nwinlaw.com)'; Dominique Michaud
Subject: RE: Letter dated July 14, 2016 two Dominique Michaud to

Dear Robin,

Further to my email below, Norman Winter, counsel for Terra Firma who acted on the loan transaction, advises that he was advised by counsel for the borrower at the time the loan transaction was completed, that Alan Saskin was a limited partner (in addition to being the general partner or sole shareholder of the general partner) of the limited partnership comprising the beneficial owner of Woodbine and Bridlepath, and that the limited partnership itself was a shareholder of UHI.

We await receipt of your information you were going to provide to us.



Follow Me On: 

From: Leor Margulies [<mailto:lmargulies@robapp.com>]
Sent: Thursday, July 21, 2016 12:44 PM
To: 'rschwill@dwpv.com'
Cc: 'Norman Winter (nw@nwinlaw.com)'; 'Jackie Storms'; 'Esther Berglas (eb@nwinlaw.com)'; Dominique Michaud
Subject: Letter dated July 14, 2016 two Dominique Michaud to

Dear Robin,



Further to our telephone conversation regarding the above noted request, I understand you be providing me with some statutory references in case law to enlighten me as to the basis of your question. Fresh consideration was advanced to the borrower by way of a \$10 million loan, in reliance upon the security provided by Woodbine and Bridlepath. Please provide me with case law that supports any proposition that in such an event, the subsequent insolvency or bankruptcy of the party providing the security can be attacked under circumstances where there is insufficient nexus between the borrower and the party providing the collateral security, such that the loan would be unsecured. If this is the case, it will certainly dramatically affect mortgage lending in Ontario and I am keen to learn of it.

In the interim, I am advised that Alan Saskin and Doreen Saskin, being the general partner and the limited partner of the beneficial owner of Woodbine and Bridlepath respectively, are also shareholders of UHI. I would suggest that this provides a very close nexus between all the parties, if consideration is material to your review.

Best regards.



Leor Margulies
T. 416.360.3372
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Schwill, Robin

From: Schwill, Robin
Sent: July 25, 2016 5:36 PM
To: 'Leor Margulies'
Cc: 'Norman Winter (nw@nwinlaw.com)'; 'Jackie Storms'; 'Esther Berglas (eb@nwinlaw.com)'; Dominique Michaud
Subject: RE: Letter dated July 14, 2016 two Dominique Michaud to
Attachments: XDG Limited v 1099606 Ontario Limited.PDF; City Peel Taxi v Hanna.pdf

Leor,

Further to our telephone conversations and your e-mails below, what follows is the information that I said I would provide to you.

On the related party consideration point, for the purposes of the *Fraudulent Conveyances Act* (Ontario) and the *Assignment and Preferences Act* (Ontario), please see the *XDG Ltd. v. 1099606 Ontario Ltd.* case cited at 2002 CarswellOnt 4535, 41 C.B.R. (4th) 294 (Ont. S.C.J.), upheld in all relevant parts by the Ontario Court of Appeal at 2004 CarswellOnt 1581, 1 C.B.R. (5th) 159. A copy of the trial level decision is attached. Where the grantor of the charge received no funds from the lender and no benefit from the borrower, the granting of the charge is not made for good consideration. Our view is that this case would be applied in similar fashion when considering sections 95 and 96 of the *Bankruptcy and Insolvency Act* (the "BIA"). These sections of the BIA apply in proposal proceedings pursuant to section 66(1) of the BIA.

As discussed, for the purposes of section 96 of the BIA, the BIA defines "transfer at undervalue" as "a disposition of property or provision of services for which no consideration is received by the debtor or for which the consideration received by the debtor is conspicuously less than the fair market value of the consideration given by the debtor". Please see paragraphs 129 and 162 of the *City Peel Taxi v. Hanna* case cited at 212 CarswellOnt 5416, 91 C.B.R. (5th) 1 for confirmation of the holding that the granting of a charge would be considered a "disposition of property" for the purposes of section 96 of the BIA. A copy of this decision is also attached for your convenience. Please also refer to section 96(2) of the BIA and the definition of "adequate valuable consideration" defined in section 97(2) of the BIA, which in relevant part means "consideration of fair and reasonable money value with relation to the known or reasonably to be anticipated benefits of the contract, dealing or transaction."

In light of the foregoing, we also note that the original charges in question were registered on December 31, 2015 in connection with an initial loan made pursuant to a commitment letter dated December 22, 2015 between Terra Firma Capital Corporation (the "Lender") and Urbancorp Holdco Inc. (the "Borrower") (the "Initial Loan"). We understand that the Initial Loan was repaid in January 2016 and that the current indebtedness is owing pursuant to a "binding letter of intent" dated March 6, 2016 between the Lender and Borrower, among others (the "Subject Loan"). Rather than registering new charges in connection with the guarantees of the Subject Loan, on March 8, 2016 the parties entered into an Acknowledgment re Existing Security agreement pursuant to which the parties acknowledged and agreed that the existing charges relating to the Initial Loan would stand as security for the Subject Loan. These facts raise two additional issues for us. First, it raises the issue of the ability of the Lender to rely on the existing charges to secure the guarantee obligations pertaining to the Subject Loan given section 6(2) of the *Land Registration Reform Act* and the fact that the Initial Loan was repaid. Having already been repaid, the existing charges were no longer effective and once a charge ceases to have effect, it cannot be reinstated. Second, even if one could say that the Acknowledgment re Existing Security agreement gives rise to an equitable mortgage over the subject lands, then the granting of such an equitable mortgage would have taken place on or after March 8, 2016 which is well within three months of the date of the initial bankruptcy event of April 25, 2016, being the date on which the BIA proposal proceedings were

commenced. This would clearly invoke the fraudulent preference provisions of the BIA and, in particular, the presumed preference and reverse onus provisions of section 95(2) of the BIA.


As you can see, given the foregoing I believe that we will have some difficulty providing a "clean" opinion to the proposal trustee as to the enforceability of the Lender's security against Woodbine and Bridlepath. Of course, if you have any additional information that you believe would be of assistance to us in addressing these issues please feel free to let me know.



From: Leor Margulies [mailto:lmargulies@robapp.com]
Sent: July 21, 2016 7:33 PM
To: Leor Margulies; Schwill, Robin
Cc: 'Norman Winter (nw@nwinlaw.com)'; 'Jackie Storms'; 'Esther Berglas (eb@nwinlaw.com)'; Dominique Michaud
Subject: RE: Letter dated July 14, 2016 two Dominique Michaud to

Dear Robin,

Further to my email below, Norman Winter, counsel for Terra Firma who acted on the loan transaction, advises that he was advised by counsel for the borrower at the time the loan transaction was completed, that Alan Saskin was a limited partner (in addition to being the general partner or sole shareholder of the general partner) of the limited partnership comprising the beneficial owner of Woodbine and Bridlepath, and that the limited partnership itself was a shareholder of UHI.

We await receipt of your information you were going to provide to us.

 Leor Margulies
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ROBINS APPLEBY
BARRISTERS + SOLICITORS

Follow Me On:  

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Sent: Thursday, July 21, 2016 12:44 PM
To: 'rschwill@dwpv.com'
Cc: 'Norman Winter (nw@nwinlaw.com)'; 'Jackie Storms'; 'Esther Berglas (eb@nwinlaw.com)'; Dominique Michaud
Subject: Letter dated July 14, 2016 two Dominique Michaud to

Dear Robin,

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your question. Fresh consideration was advanced to the borrower by way of a \$10 million loan, in reliance upon the security provided by Woodbine and Bridlepath. Please provide me with case law that supports any proposition that in such an event, the subsequent insolvency or bankruptcy of the party providing the security can be attacked under circumstances where there is insufficient nexus between the borrower and the party providing the collateral security, such that the loan would be unsecured. If this is the case, it will certainly dramatically affect mortgage lending in Ontario and I am keen to learn of it.



In the interim, I am advised that Alan Saskin and Doreen Saskin, being the general partner and the limited partner of the beneficial owner of Woodbine and Bridlepath respectively, are also shareholders of UHI. I would suggest that this provides a very close nexus between all the parties, if consideration is material to your review.

Best regards.



Leor Margulies
T. 416.360.3372
E. lmargulies@robapp.com

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155 Wellington Street West
 Toronto ON M5V 3J7
 dwpv.com

August 5, 2016

Jay A. Swartz
 T 416.863.5520
 jswartz@dwpv.com

File No. 256201

BY EMAIL

Mr. Leor Margulies
 Robins Appleby LLP
 Suite 2600, 120 Adelaide Street West
 Toronto, ON M5H 1T1

Dear Mr. Margulies:

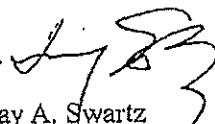
Terra Firma Collateral Mortgage on Woodbine and Bridlepath Properties

On July 25, 2016, Robin Schwill responded to your request for information relating to our concerns about the collateral mortgage held by Terra Firma on the Woodbine and Bridlepath Properties. To my knowledge, you have not responded to this email.

As you can see, we and the Proposal Trustee have substantive concerns regarding the validity and enforceability of the Terra Firma second mortgage in the context of an insolvency proceeding. This is a matter which must be resolved prior to any distribution of funds to creditors (other than the holders of the first mortgage) of the entities which own these properties. In the absence of an appropriate response resolving our concerns, we will feel it necessary to bring this matter before the Court. We would like to discuss the scheduling of such a proceeding with you.

Once you have consulted with your client, please give me a call and we can discuss an appropriate process.

Yours very truly,


 Jay A. Swartz
 JAS/kcc

cc Dominique Michaud (*Robins Appleby LLP*)
 Robert Kofman (*KSV Kofman Inc.*)
 Noah Goldstein (*KSV Kofman Inc.*)
 Robin Schwill (*Davies Ward Phillips & Vineberg LLP*)



ROBINS APPLEBY
BARRISTERS + SOLICITORS

Delivered by: Email
File No.: 1600105

August 10, 2016

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7

Attention: Robin B. Schwill

Dear Mr. Schwill:

Re: Mortgages/Charges by Urbancorp (Woodbine) Inc. ("Woodbine") and
Urbancorp (Bridlepath) Inc. in favour of Terra Firma Capital Corporation
("Terra Firma")

We refer to your letter of July 14, 2016 to Dominique Michaud and to your discussions with the undersigned.

You have asked what consideration was provided to Woodbine, Bridlepath or TCC/Urbancorp (Bay) Limited Partnership ("Urbancorp LLP") in exchange for the guarantees and security that they granted to Terra Firma in support of the loan to Urbancorp Holdco Inc. ("UHI").

Without acknowledging that we need to establish consideration to these parties (as distinct from a benefit to the borrower, UHI), we note that Woodbine and Bridlepath were bare trustees of these lands, and held them in trust for Urbancorp LLP pursuant to Declaration of Trust for Urbancorp (Woodbine) Inc. dated January 30, 2014 and Declaration of Trust for Urbancorp (Bridlepath) Inc. dated March 20, 2014, copies of which are enclosed.

As confirmed by counsel to Urbancorp [see letter attached] the general partner of Urbancorp LLP is Deaja Partner (Bay) Inc., which is in turn owned by Alan Saskin. The limited partners of Urbancorp LLP are Alan Saskin and Vestaco Investments Inc., which is in turn owned by Doreen Saskin, Alan Saskin's spouse. Alan Saskin is the owner of all the common shares of UHI. Urbancorp LLP is also the owner of Class D Special Shares of UHI.

In summary, Urbancorp LLP received a benefit from this loan, as a corporation of which it was a shareholder was the recipient of the funds. Moreover, the loan constituted an obvious benefit to the owner of the common shares of UHI, Alan Saskin, who as noted was also one of the two limited partners of the Urbancorp LLP.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

- 2 -

The case *XDG Ltd. v. General Electric Caoutak Canada Inc.* to which you referred in our discussions is not applicable as it was determined with reference to statutory provisions of the *Ontario Business Corporations Act* that were repealed in 2006.

The circumstances in which the loan was advanced are as follows.

In response to a request from Mr. Saskin, Terra Firma offered to provide mezzanine financing to UHI on the terms of a letter of intent dated December 22, 2015 ("Original Commitment"), a copy of which we understand that you have. The security for the financing included the guarantees and mortgages/charges referred to in your letter. The security and other transaction documents contemplated by the Original Commitment were executed and registered and, as noted in the attached letter dated February 5, 2016 from Terra Firma to UHI, funding of the loan, net of the loan fee, was advanced in escrow pending satisfaction of the terms and conditions set out therein.

Mr. Saskin indicated that the financing as structured in the Original Commitment did not meet the requirements of UHI. As the conditions to advancing the loan under the Original Commitment were not satisfied, that transaction did not close. As a result Terra Firma cancelled the Original Commitment and the escrowed funds were returned to Terra Firma without payment of the loan fee or interest.

As the loan was cancelled (as evidenced by the contemporaneous documents), the funds were never in the exclusive control of the borrower, and therefore the return of the funds to Terra Firma did not, as you have characterized it, constitute a repayment. Even if a repayment was involved (a conclusion we dispute) we stress the fact that the amount actually returned, whether as repayment or as a result of the cancellation of the loan, did not include the full principal or any accrued interest. As such, Section 6(2) of the *Land Registration Reform Act* (Ontario) would not apply.

Discussions continued throughout between Terra Firma and Mr. Saskin with respect to obtaining financing on amended terms and conditions. As a result, the security that had been registered with respect to the Original Commitment was not discharged. These discussions concluded in an offer of financing by Terra Firma to UHI on the terms of a letter of intent dated March 6, 2016 ("New Commitment"), a copy of which is enclosed.

The second paragraph of the New Commitment states:

"You have advised that the terms of a loan ("Original Loan") referenced in a term sheet from Terra Firma MA Ltd. dated December 22, 2015, as amended and supplemented (collectively, the "Term Sheet") did not satisfy your and your wholly owned subsidiary Urbancorp Inc.'s ("Inc.") requirements. You have therefore requested new terms for a loan that will satisfy the requirements of Inc. to its bond lenders that will allow Inc. to pay HST owing to the Canada Revenue Agency. Based on the foregoing, we are prepared to extend the loan of \$10,000,000.00 to replace the original loan on the amended terms set out below (which terms and conditions replace the terms and conditions of the term sheet), as follows:"



ROBINS APPLEBY
BANKERS & SOLICITORS

- 3 -

The New Commitment contemplated that the financing would be secured by the security delivered in connection with the financing as originally structured. The New Commitment states in the second bullet under the heading Security on page 2:

"Subject to Lenders counsel's advice, the existing security held by the Lender pursuant to the Term Sheet (excluding any security that may have been provided by Inc. or its subsidiary, including any pledge of shares in the Borrower, Inc. or Epic) will be used to satisfy the above-noted security requirements. In such event, the Borrower and all parties providing the above-noted security, and if required by the Lender, any required third parties, shall execute an acknowledgement confirmation that the aforesaid existing security shall stand as security for the loan to be made pursuant to this term sheet;"

The acknowledgement re existing security contemplated above was executed and delivered. A copy is attached. The operative provision of the acknowledgement states:

"The undersigned hereby acknowledge and agree that all security, save as expressly excluded as set out below (the "Excluded Security") given in connection with a letter of intent dated December 22, 2015 between the Lender and the Borrower (the "Existing Commitment") including, without the condition security listed below shall also stand a security with respect to the indebtedness of the Borrower with respect to a commitment letter dated March 6, 2016 between the Lender, the Borrower and the Guarantors (the "New Commitment")."

Terra Firma advanced \$10,000,000 to UHI under the New Commitment.

Please do not hesitate to contact me if you have any further questions or concerns.

Yours very truly,

ROBINS APPLEBY LLP

Per:

Leor Margulies

LM:mk

Encls.

robapp\3493142.1

DECLARATION OF TRUST

WHEREAS URBANCORP (BRIDLEPATH) INC. ("Bridlepath") is about to become the registered owner of the property known municipally as 2425 and 2437 Bayview Avenue, Toronto and legally described as Part Lot 6, Concession 2 BY5, designated as Para 1 and 2, Plan 66R-24078, City of Toronto (the "Lands");

AND WHEREAS Bridlepath will become the owner of the Lands for and on behalf of TCC/UrbanCorp (Ray) Limited Partnership (the "Beneficiary");

NOW THEREFORE WITNESSETH that in consideration of the payment of TWO (\$2.00) DOLLARS now paid to Bridlepath by the Beneficiary, Bridlepath does hereby declare for itself, its successors and assigns that from and after the date hereof:

1. all obligations, including mortgage obligations, contracts, agreements, responsibilities, acts or omissions pertaining to the Lands during the term it will be vested in the name of Bridlepath, will be performed or caused to be performed by the Beneficiary;
2. the Lands and all rents which may be payable in respect of the Lands, whether by way of term, dividend or capital distributions or otherwise however and all the benefits pertaining to the Lands are or will be held by the undersigned, Bridlepath, in trust for the Beneficiary;
3. Bridlepath for itself, its successors and assigns, will convey, transfer and deal with or dispose of the Lands and any income or a split paid in respect thereof, and any moneys hereon however payable thereto in accordance with the directions of the Beneficiary.

IN WITNESS WHEREOF Bridlepath has hereunto set its seal under its proper officer duly authorized in that behalf.

DATED at Toronto, this 20th day of March, 2014.

URBANCORP (BRIDLEPATH) INC.

Per: 
Alan Saxton
President

I have the authority to bind the Corporation

THE Beneficiary hereby agrees to the terms of the above-noted trust.

IN WITNESS WHEREOF the Beneficiary has hereunto set its hand and seal.

DATED at Toronto, this 20th day of March, 2014.

TCC/URBANCORP (RAY) LIMITED PARTNERSHIP
General Partner
DEJA PARTNERSHIP INC.

Per: 
Alan Saxton
President

I have the authority to bind the Corporation

DECLARATION OF TRUST

WHEREAS URBANCORP (WOODBINE) INC. ("Woodbine") is about to become the registered owner of the property known municipally as 2044, 2074, 2084, 9100 and 9110 Woodbine Avenue, Markham and legally described as Part Lot 1, Plan 3604 Markham and Part Lot 14, Concession 3, Markham, designated as Part 4, Plan 65R-31644, Part Lot 1, Plan 3604 Markham, designated as Part 3, Plan 65R-31644; Part Lot 14, Concession 3 Markham, designated as Part 2, Plan 65R-31644 and Part Lots 14 and 15, Concession 3 Markham, designated as Part 1, Plan 65R-31644, City of Markham (the "Lands");

AND WHEREAS Woodbine will become the owner of the Lands for and on behalf of TCC/UrbanCorp (Day) Limited Partnership (the "Beneficiary");

NOW THEREFORE WITNESSETH that in consideration of the payment of TWO (\$2.00) DOLLARS now paid to Woodbine by the Beneficiary, Woodbine does hereby declare for itself, its successors and assigns that from and after the date hereof:

1. all obligations, including mortgage obligations, covenants, agreements, responsibilities, fees or conditions pertaining to the Lands during the term hereof will be vested in the name of Woodbine, will be performed or required to be performed by the Beneficiary;
2. the Lands and all monies which may be payable in respect of the Lands, whether by way of rent, dividend or capital distribution or otherwise howsoever and all the benefits pertaining to the Lands are or will be held by the undersigned, Woodbine, in trust for the Beneficiary;
3. Woodbine for itself, its successors and assigns, will convey, transfer and deal with or dispose of the Lands and any income or capital paid in respect thereof, and any other benefits howsoever appertaining thereto in accordance with the direction of the Beneficiary.

IN WITNESS WHEREOF Woodbine has hereunto set its seal under its proper officer duly authorized in that behalf.

DATED at Toronto, this 20th day of January, 2014.

URBANCORP (WOODBINE) INC.

Per: 

Alan Mackay,

President

I have the authority to bind the Corporation

THE Beneficiary hereby agrees to the terms of the above-entitled trust.

IN WITNESS WHEREOF the Beneficiary has hereunto set its hand and seal.

DATED at Toronto, this 30th day of January, 2014.

TCC/URBANCORP (DAY) LIMITED PARTNERSHIP (Beneficiary)
DELAWARE PARTNERSHIP INC.

Per: 

Alan Mackay,

President

I have the authority to bind the Corporation

U17201111 not applicable



March 6, 2016

Urbancorp Holdco Inc.
120 Lynn Williams Street Suite 2A,
Toronto, ON M6K 3N6

Attention: Mr. Alan Saskin

RE: Proposed Financing of 9064-9100 Woodbine Avenue, Markham, Ontario,
2425-2427 Bayview Avenue, Toronto, a 50% Interest in 300 Valermo Drive,
Toronto (collectively the "Secured Projects") and Pledge of Shares

Dear Mr. Saskin;

The following are the terms and conditions under which Terra Firma Capital Corporation ("TFCC" or the "Lender") will provide Urbancorp Holdco Inc. ("Holdco" or the "Borrower") a portfolio loan. This Letter of Intent is intended to be binding on the parties, subject to its terms, however the Borrower and the parties signing below acknowledge that the terms and conditions set out herein will be broadened in the security and other documentation process to include typical lending terms, further assurances to give full legal and proper effect to the terms herein and otherwise to satisfy the requirements of our legal counsel, including the Lender's Israeli legal counsel.

You have advised that the terms of a loan ("Original Loan") referenced in a term sheet from Terra Firma MA Ltd. dated December 22, 2015, as amended and supplemented (collectively, the "Term Sheet") did not satisfy your and your wholly owned subsidiary Urbancorp Inc.'s ("Inc.") requirements. You have therefore requested new terms for a loan that will satisfy the requirements of Inc. to its bond lender and that will allow Inc. to pay HST owing to the Canada Revenue Agency. Based on the foregoing, we are prepared to extend a loan of \$10,000,000.00 to you to replace the Original Loan on the amended terms set out below (which terms and conditions replace the terms and conditions of the Term Sheet), as follows:

Borrower	Urbancorp Holdco Inc., a private entity of which 100% of the voting shares are owned by Alan Saskin. At closing, Borrower will own 100% of all issued and outstanding shares of Urbancorp Inc.
Loan Amount	\$10 million
Rate	16% p.a.

1 | Page

Terra Firma MA Ltd., #200-22 St Clair East, Toronto, ON
Tel: 416-792-4700 Broker Licence #12425 / Administrator Licence #12346

Term	24 months with one 12-month extension
Use of Funds	<p>Fee 2% for Initial term (plus 1% if extension exercised) to be paid as follows:</p> <p>a. \$100,000 upon signing of this term sheet by the Borrower; and</p> <p>b. The balance to be paid at Closing or deducted from the Loan Amount</p>
Security	<p>Security to Include:</p> <ul style="list-style-type: none"> • Mortgage registration on Bridle Path and Woodbine properties, assignment of proceeds and transfer with respect to the Valermo property and interest and related security with respect to the Secured Projects to be granted by the Borrower's affiliates having registered and beneficial ownership of the Secured Projects, which security will and is deemed to include cross collateralization; • Subject to Lender's counsel advice, the existing security held by the Lender pursuant to the Term Sheet (excluding any security that may have been provided by Inc. or its subsidiary, including any pledge of shares in the Borrower or Inc. or Epic) will be used to satisfy the above-noted security requirements. In such event, the Borrower and all parties providing the above-noted security, and, if required by the Lender, any required third parties, shall execute an acknowledgement and confirmation that the aforesaid existing security shall stand as security for the loan to be made pursuant to this term sheet; • The outstanding security documents from the "Term Sheet" loan transaction, including, corporate and trust certificates and legal opinions, all in form required by the Lender's legal counsel, acting reasonably, but not security of Inc. or its subsidiaries or shares of the Borrower or Inc.; and • Joint and several guarantees Alan Saskin personally, TCC/Urbancorp (Bay/Stadium) LP, TCC/Urbancorp (Bay) LP, Urbancorp Management Inc. Webster Family Trust, Urbancorp Toronto Management Inc., Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc.,

2 | Page

TCC/Urbancorp (Stadium Road) LP and Urbancorp (Valermo) Inc. (collectively the "Guarantors");

- Negative pledge of the shareholders of the Borrower and the Borrower as sole shareholder of Inc., which will include a covenant not to transfer or pledge any of the shares of the Borrower or Inc.
- Acknowledgement, consent and/or Re-acknowledgement and estoppel from Mattamy (Valermo) Limited and Valermo Homes Inc. regarding the assignment of Urbancorp (Valermo) Inc.'s proceeds and Valermo Interest (as hereinafter defined) in the Valermo project, an option to purchase and a purchase transaction;
- Execution and delivery of an Agreement of Purchase and Sale, Transfer of the Valermo Interest (as hereinafter defined) and related transfer documents (including transfer of shares and resignations of the trustee corporation holding title to the Valermo property), to be held by the Lender to be utilized when and if it exercises its option to purchase the Valermo Interest.
- Certification and Acknowledgement re corporate structure; and
- Such other and further security as deemed reasonable by the Lender's legal counsel, provided that such additional security shall not include any assets of Inc., Inc.'s guarantee, anything that will cause Inc. to violate its obligations to its bond lender, or any assets of Leslerville or Epic.

Interest Payments	All interest on the within Loan will accrue for the first 3 months of the Loan; thereafter 8% p.a. to be paid monthly. The balance 8% p.a. shall accrue, and shall be capitalized on a monthly basis, and such accrued interest shall be paid from all proceeds from any portion or all of the Secured Projects and from 100% of all monies received in or by or otherwise payable to or from the Borrower and/or from any of the Secured Projects or the sale of any of the Secured Projects (collectively or individually the "Proceeds"), to be credited against interest owing and thereafter against principal owing when received by the Lender, but in all events no later than on maturity.
Principal Payments	100% of the Proceeds following payment of accrued interest as set out above, will be used to repay 100% of the Loan Amount.
Prepayment	The Loan may be prepaid at any time without notice.
Valermo Drive	Mattamy (Valermo) Limited ("Mattamy") will be given a one-time option, which may be exercised within 15 days after the within loan advance, to acquire Borrower's 50% interest in 300 Valermo Drive (the "Valermo

3 | Page

Terra Firma MA Ltd., #200-22 St Clair East, Toronto, ON
Tel: 416-792-4700 Broker Licence #12425 / Administrator Licence #12346

V6

Interest") for no less than \$7mm net to the Lender (upon completion of said purchase transaction, the Interest payable on said amount, if any, at the rate set out herein, for the period from March 15, 2016 to purchase closing shall be forgiven) (the "Option"), with closing to be no later than 15 days after exercise of such option. 100% of the proceeds of such sale will be paid to TFCC on account of outstanding interest or Principal under this Loan or for repayment of its purchase price of the Valermo Interest.

TFCC will have the right and option to be exercised from after closing of the within loan transaction until April 15, 2016 to acquire the Valermo Interest from Urbancorp (Valermo) Inc. (so long as Mattamy has not purchased the Valermo Interest as aforesaid) for \$7mm. 100% of the proceeds of such purchase by TFCC will be paid to TFCC on account of outstanding interest and/or Principal under this Loan.

TFCC Expenses

The Borrower will be responsible for all TFCC's costs and expenses in connection with this Loan, to a maximum amount of \$50,000.00. Said costs and expenses will be paid by Borrower upon closing or deducted from the Loan.

**Acknowledgement
Regarding Term Sheet**

The Borrower will provide such Acknowledgements, releases and assurances regarding the non-completion and cancellation of the Term Sheet transaction, and the resulting return of funds to the Lender, in such form as required by the Lender, acting reasonably. The Lender acknowledges that the mortgages on Bridle Path and Woodbine may require the consent of the prior lenders, and registration of same without such consent may be a breach of the terms of such prior mortgages.

Prefunding Conditions

As a pre-condition to the funding of this Loan:

1. All security required by the Lender shall be in place to the full and complete satisfaction of Lender and its counsel acting reasonably; and
2. Receipt by the Lender of such other information and documentation that the Lender or its legal counsel may reasonably require.

Legal Representation

Borrower will obtain legal advice (including from its Israeli legal counsel, the Law Firm of Shimonov) that the transaction described herein is permitted under the terms of all other loans in its portfolio, including loans to Inc.

Legal Opinions

As a precondition to funding of this Loan, the Borrower will provide an opinion given by the solicitors for each of the Borrower and the Guarantors as to the enforceability and any other matter reasonably requested, all of the foregoing in form and content reasonably satisfactory to TFCC and its solicitors.



General Conditions

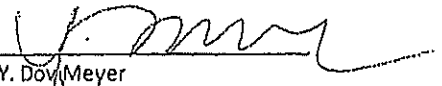
1. Concurrently with and It is a condition of this transaction that the Borrower is to obtain, either from Alan Saskin or other non-inc. sources, \$2,250,000, which shall be advanced to Inc. concurrently with the Lender's advance of this loan, (to pay HST) to make up Inc.'s \$12mm equity requirement (the Saskin Contribution").
2. The Proceeds of this Loan and the Saskin Contribution will be directed by the Borrower, Inc. and other required parties to the CRA to pay part of Inc.'s HST obligation on the Edge condominium project.
3. Alan Saskin will cooperate and use reasonable commercial efforts to: (i) restructure the Lesleville Loan with CIBC and Craft; (ii) cause Plazacorp to repay TFCC its \$1.2 mm loan (plus accrued interest) on Urbancorp's share of the Epic project or register a security against the retail area of said project; and (iii) to provides such further assurances regarding the within loan transaction, its security and any future transactions arising therefrom, including, without limitation, the purchase of the Valermo Interest, as may be required by the Lender. This provision, as well as the entire Term Sheet, shall survive the closing of the Loan advance.
4. TFCC will have the right to assign some or all of its rights under this Loan, including its right to purchase the Valermo Interest (provided that the purchaser of the Valermo Interest must be approved by Mattamy).
5. The terms and provisions of this Term Sheet shall remain in full force and effect for the benefit of the Lender notwithstanding the completion of the loan advance, and shall not merge on completion of any of the transactions herein set out.

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5 | Page

If you wish to proceed with the foregoing loan transaction, kindly acknowledge so by executing and returning a copy of this Letter, along with a cheque in the amount of \$100,000 by March 8, 2016 failing which, this letter shall be deemed null and void. Yours truly,

TERRA FIRMA CAPITAL CORPORATION

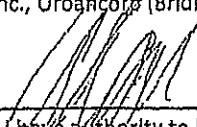

Y. Dov Meyer
C.E.O.

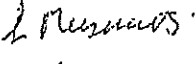
WE HEREBY AGREE to the above terms and conditions. We also authorize the Lender to obtain credit information on the borrower and guarantors from sources they deem necessary.

ACCEPTANCE

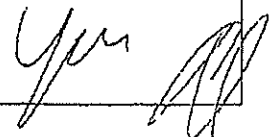
Accepted on the terms and conditions herein provided this ____ day of March 2016

Urbancorp Holdco Inc., Alan Saskin personally, TCC/Urbancorp (Bay/Stadium) LP, TCC/Urbancorp (Bay) LP, Urbancorp Management Inc, Webster Family Trust, Urbancorp Toronto Management Inc., Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., TCC/Urbancorp (Stadium Road) LP and Urbancorp (Valermo) Inc.

PER: 
Alan Saskin, I have authority to bind each of the corporations, limited partnerships and trust

Witness: 
Leanne Rejzner
Print Name:


Alan Saskin



- 1 -

ACKNOWLEDGEMENT RE EXISTING SECURITY

TO: TERRA FIRMA CAPITAL CORPORATION

AND TO: The Law Firm of Norman H. Winter, its solicitors herein

RE: TERRA FIRMA CAPITAL CORPORATION (the "Lender") – loan (the "Loan") to Urbancorp Holdco Inc. (the "Borrower"), pursuant to a Letter of Intent dated March 3, 2015, as amended or supplemented from time to time, secured by: (a) Mortgage on PIN Nos. 03046-0219 (LT), 03046-0217 (LT), 03046-0215 (LT) and 03046-0213 (LT), Markham (collectively the "Woodbine Property"), from Urbancorp (Woodbine) Inc. (the "Woodbine Borrower"); (b) a Mortgage on PIN No. 10126-1810 (LT) (the "Bayview Property"), from Urbancorp (Bridlepath) Inc. (the "Bayview Borrower"); (c) Assignment of Proceeds from or in respect of PIN 07586-0258 (LT), Toronto (the "Valermo Property") by way of Irrevocable Direction re Payment from Urbancorp (Valermo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership (collectively the "Valermo Borrower"), Guaranteed by Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership, Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., Urbancorp (Valermo) Inc., Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust (collectively the "Guarantors")

(the Woodbine Property, Bayview Property and Valermo Property are collectively referred to as the "Properties")

LORD

The undersigned hereby acknowledge and agree that all security, save as expressly excluded as set out below (the "Excluded Security") given in connection with a letter of intent dated December 22, 2015, between the Lender and the Borrower (the "Existing Commitment") including, without limitation, the security listed below, shall also stand as security with respect to the indebtedness of the Borrower with respect to a commitment letter dated March 6, 2015 between the Lender, the Borrower and the Guarantors (the "New Commitment").

1. Charge granted by Urbancorp (Bridlepath) Inc. to Terra Firma Capital Corporation with respect to the Bayview Property registered on December 31, 2015 as Instrument No. AT4107508 in the Land Titles Division for the City of Toronto, Land Registry Office #80;
2. Beneficial Owner Direction and Charge with respect to the Bayview Property;
3. Notice of Assignment of Rents- General granted by Urbancorp (Bridlepath) Inc. in favour of Terra Firma Capital Corporations with respect to the Bayview Property registered on December 31, 2015 as Instrument No. AT4107509 in the Land Titles Division for the City of Toronto, Land Registry Office #80;
4. Financing Statement Registration No. 20151231133318826574, being File No. 713015849 registered on December 31, 2015 against Urbancorp (Bridlepath) Inc. and TCC/Urbancorp (Bay) Limited Partnership as Debtors and Terra Firma Capital Corporation as Secured Party;
5. Charge granted by Urbancorp (Woodbine) Inc. to Terra Firma Capital Corporation with respect to the Woodbine Property registered on December 31, 2015 as Instrument No. YR2411107 in the Land Titles Division for the Region of York, Land Registry Office #65;
6. Beneficial Owner Direction and Charge with respect to the Woodbine Property;
7. Notice of Assignment of Rents- General granted by Urbancorp (Woodbine) Inc. in favour of Terra Firma Capital Corporations with respect to the Woodbine Property registered on December 31, 2015 as Instrument No. YR2411108 in the Land Titles Division for the Region of York, Land Registry Office #65;
8. Financing Statement Registration No. 20161231133318826573, being File No. 713015813 registered on December 31, 2015 against Urbancorp (Woodbine) Inc. and TCC/Urbancorp (Bay) Limited Partnership as Debtors and Terra Firma Capital Corporation as Secured Party;
9. Financing Statement Registration No. 20151231133318826572, being File No. 713015886 registered on December 31, 2015 against Urbancorp Holdco Inc. as Debtor and Terra Firma Capital Corporation as Secured Party;

9099.16.02 Ack re Existing Security 030716.2.7d

- 2 -

10. Assignment of Interest in the Valermo Property and in conjunction therewith, Financing Statement Registration No. 20151231133318626576, being File No. 713015657 registered on December 31, 2016 against Urbancorp (Valermo) Inc. and TCC/Urbancorp (Stadium Road) Limited Partnership as Debtors in favour of Terra Firma Capital Corporation as Secured Party;
11. Guarantee and Postponement of Claims granted by Alan Saskin, and a Limited Recourse Guarantee and Postponement of Claims granted by Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership, and in conjunction therewith, Financing Statement Registration No. 20151231133318626575, being File No. 713015655 registered on December 31, 2016 against Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership as Debtors and Terra Firma Capital Corporation as Secured Party;
12. Assignment and Postponement of Shareholder Loans with respect to Urbancorp Holdco Inc. granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership in favour of Terra Firma Capital Corporation; and
13. General Security Agreements granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership in favour of Terra Firma Capital Corporation, excluding any shares held by any such party in Urbancorp Holdco Inc.;

(collectively, the "Existing Security").

The Existing Security shall also be deemed to be amended such that all references to the Existing Commitment shall be deemed to be the New Commitment.

Notwithstanding the foregoing, the following Excluded Security shall be deemed to be excluded from the security given with respect to the New Commitment:

1. A Share Pledge Agreement granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership, and in conjunction therewith, Financing Statement Registration No. 20151231133318626575, being File No. 713015655 registered on December 31, 2016 against Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership as Debtors and Terra Firma Capital Corporation as Secured Party;
2. A Share Pledge Agreement granted by Urbancorp Holdco Inc. in favour of Terra Firma Capital Corporation;
3. A Co-Investment Loan Agreement by and between Urbancorp Investco Inc. and Terra Firma Capital Corporation;
4. A Blocked Account Agreement by and among Urbancorp Investco Inc., Terra Firma Capital Corporation and the Bank of Montreal;
5. A Guarantee and Postponement of Claim granted by Urbancorp Investco Inc. in favour of Terra Firma Capital Corporation;
6. Undertaking re: shortage granted by Urbancorp Holdco Inc., Urbancorp Inc. and Urbancorp Investco Inc. in favour of Terra Firma Capital Corporation;
7. General Security Agreement granted by Urbancorp Investco Inc. in favour of Terra Firma Capital Corporation;
8. Assignment and Postponement of Shareholder Loans granted by Urbancorp Holdco Inc. in favour of Terra Firma Capital Corporation;

- 9. Any shares in Urbancorp Holdco Inc. that may be charged by a General Security Agreements granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership in favour of Terra Firma Capital Corporation; and
- 9. all other security granted by Urbancorp Inc. and/or Urbancorp Investco Inc.
- 10. This Acknowledgement may be executed in counterparts and will be effective whether executed in original ink, by facsimile or in electronic PDF format.

DATED at Toronto this 8th day of March, 2016.

BORROWER:

URBANCORP HOLDCO INC.
 Per: [Signature]
 Alan Saskin - President
 I have authority to bind the Corporation

GUARANTORS:

TCC/URBANCORP (BAY/STADIUM)
 LIMITED PARTNERSHIP
 By its General Partner,
 Deaja Partner (Stadium) Inc.
 Per: [Signature]
 Alan Saskin -
 I have authority to bind the Corporation

TCC/URBANCORP (BAY) LIMITED
 PARTNERSHIP
 By its General Partner,
 Deaja Partner (Bay) Inc.
 Per: [Signature]
 Alan Saskin -
 I have authority to bind the Corporation

WEBSTER FAMILY TRUST

By: [Signature]
 Name:
 Title: Trustee
 By: [Signature]
 Name:
 Title: Trustee
 We have authority to bind the Trust

URBANCORP MANAGEMENT INC.
 Per: [Signature]
 Alan Saskin - President
 I have authority to bind the Corporation

URBANCORP TORONTO MANAGEMENT
 INC.
 Per: [Signature]
 Alan Saskin - President

- 9. Any shares in Urbancorp Holdco Inc. that may be charged by a General Security Agreements granted by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay/Stadium) Limited Partnership, TCC/Urbancorp (Stadium Road) Limited Partnership and TCC/Urbancorp (Bay) Limited Partnership in favour of Terra Firma Capital Corporation; and
- 9. all other security granted by Urbancorp Inc. and/or Urbancorp Investco Inc.
- 10. This Acknowledgement may be executed in counterparts and will be effective whether executed in original ink, by facsimile or in electronic PDF format.

DATED at Toronto this 8th day of March, 2016.

BORROWER:

URBANCORP HOLDCO INC.

Per: [Signature]
Alan Saskin - President
I have authority to bind the Corporation

GUARANTORS:

TCC/URBANCORP (BAY/STADIUM)
LIMITED PARTNERSHIP
By Its General Partner
Deaja Partner (Stadium) Inc.

Per: [Signature]
Alan Saskin -
I have authority to bind the Corporation

TCC/URBANCORP (BAY) LIMITED
PARTNERSHIP
By Its General Partner
Deaja Partner (Bay) Inc.

Per: [Signature]
Alan Saskin -
I have authority to bind the Corporation

WEBSTER FAMILY TRUST

By: [Signature]
Name:
Title: Trustee

By: [Signature]
Name:
Title: Trustee
We have authority to bind the Trust

URBANCORP MANAGEMENT INC.

Per: [Signature]
Alan Saskin - President
I have authority to bind the Corporation

URBANCORP TORONTO MANAGEMENT
INC.

Per: [Signature]
Alan Saskin - President

- 4 -

URBANCORP (WOODBINE) INC.

Per: [Signature]
Alan Saskin - President
I have authority to bind the Corporation

URBANCORP (SPIDLEPATH) INC.

Per: [Signature]
Alan Saskin - President
I have authority to bind the Corporation

URBANCORP (VALERMO) INC.

Per: [Signature]
Alan Saskin - President
I have authority to bind the Corporation

TCC/URBANCORP (STADIUM ROAD)

LIMITED PARTNERSHIP
By its General Partner,
Deaja Partners, LLC.

Per: [Signature]
Alan Saskin -
I have authority to bind the Corporation

WITNESS:

[Signature]
Print Name: _____

[Signature]
Alan Saskin

TAB 33

THIS IS **EXHIBIT " 33"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

NOTICE OF REVISION OR DISALLOWANCE

**For Persons that have asserted Claims against the CCAA Entities¹,
D&O Claims against the Directors and/or Officers of the CCAA Entities**

Claims Reference Number: 21
 Claim against: Urbancorp (Woodbine)
 Inc.

TO: Terra Firma Capital Corporation
 (the "Claimant")

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the CCAA Entities dated October 18, 2016 (the "Claims Procedure Order").

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim or D&O Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

	Amount as submitted		Amount allowed by Monitor
	Currency		
A. Unsecured Claim	CAD	\$0.00	\$499,009.85
B. Secured Claim	CAD	\$6,512,874.95	\$0.00
C. D&O Claim			
E. Total Claim	CAD	\$6,512,874.95	\$499,009.85

¹ Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., NewTown at King Towns Inc., DEAJA Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "CCAA Entities").

Reasons for Revision or Disallowance:Bayview and Woodbine 2nd Mortgage

As set out in the Eighth Report of the Proposal Trustee, these Charges/Mortgages could be held to be void (i.e., not enforceable as against the Proposal Trustee or other creditors) as transfers at undervalue under the Bankruptcy and Insolvency Act (the "BIA"), fraudulent conveyances under the Fraudulent Conveyances Act (Ontario) (the "FCA") or fraudulent preferences under the Assignment and Preferences Act (Ontario) (the "APA").

We are aware that at least the Israeli Functionary has reserved its rights to challenge the validity and enforceability of these Charges/Mortgages and, therefore, cannot accept this claim at this time. Accordingly, it is disallowed in full subject to your right to dispute such disallowance.

Valermo Drive

This claim appears to rely on the Second Mortgages referred to above. As we understand that the validity and enforceability of the Second Mortgages is currently being contested and may be held to be void as outlined above, this claim also cannot be accepted at this time and, accordingly, is disallowed in full subject to your right to dispute such disallowance.

Additional Payment Agreement

This claim has been disallowed as a secured claim because the Additional Payment Agreement purports to be secured by the existing charge in favour of Laurentian Bank of Canada ("Laurentian") which cannot be effective without Laurentian's agreement (and Laurentian is not a party to the Additional Payment Agreement). Furthermore, the Additional Payment Agreement has been only registered by way of a "Notice" (as opposed to a "Charge").

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is twenty-one (21) Calendar Days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 36(a) of the Claims Procedure Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.

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

Attention: Noah Goldstein
Email: ngoldstein@ksvadvisory.com
Fax: 416.932.6266

- 3 -

In accordance with the Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this 14th day of December, 2016.

KSV KOFMAN INC., SOLELY IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF THE CCAA ENTITIES, AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: _____

For more information see <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>, or contact the Monitor by telephone (416.932.6207).

TAB 34

THIS IS **EXHIBIT " 34"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

NOTICE OF REVISION OR DISALLOWANCE

**For Persons that have asserted Claims against the CCAA Entities¹,
D&O Claims against the Directors and/or Officers of the CCAA Entities**

Claims Reference Number: 22
Claim against: Urbancorp (Bridlepath)
 Inc.

TO: Terra Firma Capital Corporation
 (the "Claimant")

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the CCAA Entities dated October 18, 2016 (the "Claims Procedure Order").

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim or D&O Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

	Amount as submitted		Amount allowed by Monitor
	Currency		
A. Unsecured Claim	CAD	\$0.00	\$216,898.98
B. Secured Claim	CAD	\$6,230,764.08	\$0.00
C. D&O Claim			
E. Total Claim	CAD	\$6,230,764.08	\$216,898.98

¹ Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., NewTowns at King Towns Inc., DEAJA Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "CCAA Entities").

- 2 -

Reasons for Revision or Disallowance:Bayview and Woodbine 2nd Mortgage

As set out in the Eighth Report of the Proposal Trustee, these Charges/Mortgages could be held to be void (i.e., not enforceable as against the Proposal Trustee or other creditors) as transfers at undervalue under the Bankruptcy and Insolvency Act (the "BIA"), fraudulent conveyances under the Fraudulent Conveyances Act (Ontario) (the "FCA") or fraudulent preferences under the Assignment and Preferences Act (Ontario) (the "APA").

We are aware that at least the Israeli Functionary has reserved its rights to challenge the validity and enforceability of these Charges/Mortgages and, therefore, cannot accept this claim at this time. Accordingly, it is disallowed in full subject to your right to dispute such disallowance.

Valermo Drive

This claim appears to rely on the Second Mortgages referred to above. As we understand that the validity and enforceability of the Second Mortgages is currently being contested and may be held to be void as outlined above, this claim also cannot be accepted at this time and, accordingly, is disallowed in full subject to your right to dispute such disallowance.

Additional Payment Agreement

This claim has been disallowed as a secured claim because the Additional Payment Agreement has not been registered on title as a Charge. Furthermore, the Additional Payment Agreement purports to be secured by the existing charge in favour of Terra Firma Capital Corporation and Atrium Mortgage Investment Corporation ("Atrium") (which is registered) but such charge cannot be effective without Atrium's agreement (and Atrium is not a party to the Additional Payment Agreement).

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is twenty-one (21) Calendar Days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 36(a) of the Claims Procedure Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.

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

Attention: Noah Goldstein
Email: ngoldstein@ksvadvisory.com
Fax: 416.932.6266

- 3 -

In accordance with the Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this 14th day of December, 2016.

KSV KOFMAN INC., SOLELY IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF THE CCAA ENTITIES, AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: _____

For more information see <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>, or contact the Monitor by telephone (416.932.6207).

TAB 35

THIS IS **EXHIBIT " 35"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

NOTICE OF REVISION OR DISALLOWANCE

**For Persons that have asserted Claims against the CCAA Entities¹,
D&O Claims against the Directors and/or Officers of the CCAA Entities**

Claims Reference Number:

23

Claim against: TCC/Urbancorp (Bay)
Limited Partnership

TO:

Terra Firma Capital Corporation
(the "Claimant")

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the CCAA Entities dated October 18, 2016 (the "Claims Procedure Order").

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim or D&O Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

	Amount as submitted		Amount allowed by Monitor
	Currency		
A. Unsecured Claim	CAD	\$0.00	\$0.00
B. Secured Claim	CAD	\$6,013,865.10	\$0.00
C. D&O Claim			
E. Total Claim	CAD	\$6,013,865.10	\$0.00

¹ Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., NewTown at King Towns Inc., DEAJA Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "CCAA Entities").

- 2 -

Reasons for Revision or Disallowance:

This claim has been disallowed as no evidence has been provided to support an amount due from TCC/Urbancorp (Bay) Limited Partnership to Terra Firma Capital Corporation.

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is twenty-one (21) Calendar Days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 36(a) of the Claims Procedure Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.

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

Attention: Noah Goldstein
Email: ngoldstein@ksvadvisory.com
Fax: 416.932.6266

In accordance with the Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this 14th day of December, 2016.

KSV KOFMAN INC., SOLELY IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF THE CCAA ENTITIES, AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: 

For more information see <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>, or contact the Monitor by telephone (416.932.6207).

TAB 36

THIS IS **EXHIBIT " 36"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

NOTICE OF DISPUTE OF NOTICE OF REVISION OR DISALLOWANCE

With respect to the CCAA Entities¹

Claims Reference Number: 21

Claim Against Urbancorp
(Woodbine) Inc.

1. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if different)

Terra Firma Capital Corporation ("TFCC")

(the "Claimant")

Full Mailing Address of the Claimant:

22 St. Clair Avenue East, Suite 200
Toronto, Ontario M4T 2S3

Other Contact Information of the Claimant:

Telephone Number: (416) 792-4703

Email Address: cmontgomery@tfcc.ca

Facsimile Number: 416-792-4711

Attention (Contact Person): Carolyn Montgomery

¹ Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., NewTowns at King Towns Inc., DEAJA Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "CCAA Entities").

2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim, if applicable

Have you acquired this purported Claim by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

3. Dispute of Revision or Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim, as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Currency	Amount allowed by Monitor: (Notice of Revision or Disallowance)	Amount claimed by Claimant: ²
A. Unsecured		\$ 499,009.85	\$0.00
B. Secured		\$0.00	\$6,512,874.95
C. D&O Claim			
E. Total Claim		\$499,009.85	\$6,512,874.95

4. Reasons for Dispute of Revision or Disallowance of Claim:

A breakdown of the reasons for the Dispute of Revision or Disallowance of Claim for each separate part of TFCC's claim is set out below. In accordance with the agreement with the Monitor, these reasons are being provided without prejudice to TFCC's right to amend these reasons and supplement these reasons with further evidence at a later date should it be necessary.

Bayview Woodbine – Second Mortgage

There is no basis to disallow this claim. The second mortgage is valid and enforceable. This issue may become the subject matter of a motion brought by TFCC to compel the

² If necessary, currency will be converted in accordance with the Claims Procedure Order.

- 3 -

distribution of the second mortgage.

Valermo Drive

There is no basis to disallow this claim. The second mortgage is valid and enforceable.

Additional Payment Agreement

There is no basis to disallow this claim. The amount owing under the Additional Payment Agreement was properly secured by the Laurentian Bank of Canada mortgage.

robapp\3675040.1

TAB 37

THIS IS **EXHIBIT " 37"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

NOTICE OF DISPUTE OF NOTICE OF REVISION OR DISALLOWANCE

With respect to the CCAA Entities¹

Claims Reference Number: 22

**Claim Against Urbancorp
(Bridlepath) Inc.**

I. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if different)

Terra Firma Capital Corporation ("TFCC")

(the "Claimant")

Full Mailing Address of the Claimant:

22 St. Clair Avenue East, Suite 200
Toronto, Ontario M4T 2S3

Other Contact Information of the Claimant:

Telephone Number: (416) 792-4703

Email Address: cmontgomery@tfcc.ca

Facsimile Number: 416-792-4711

Attention (Contact Person): Carolyn Montgomery

¹ Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., NewTowns at King Towns Inc., DEAJA Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "CCAA Entities").

2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim, if applicable

Have you acquired this purported Claim by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

3. Dispute of Revision or Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim, as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Currency	Amount allowed by Monitor: (Notice of Revision or Disallowance)	Amount claimed by Claimant: ²
A. Unsecured		\$216,898.98	\$0.00
B. Secured		\$0.00	\$6,230,764.08
C. D&O Claim			
E. Total Claim		\$216,898.98	\$6,230,764.08

4. Reasons for Dispute of Revision or Disallowance of Claim:

A breakdown of the reasons for the Dispute of Revision or Disallowance of Claim for each separate part of TFCC's claim is set out below. In accordance with the agreement with the Monitor, these reasons are being provided without prejudice to TFCC's right to amend these reasons and supplement these reasons with further evidence at a later date should it be necessary.

Bayview Woodbine – Second Mortgage

There is no basis to disallow this claim. The second mortgage is valid and enforceable. This issue may become the subject matter of a motion brought by TFCC to compel the

² If necessary, currency will be converted in accordance with the Claims Procedure Order.

- 3 -

distribution of the second mortgage.

Valermo Drive

There is no basis to disallow this claim. The second mortgage is valid and enforceable.

Additional Payment Agreement

There is no basis to disallow this claim. The amount owing under the Additional Payment Agreement was properly secured by the Atrium Mortgage Investment Corporation mortgage.

robapp\3675068.1

TAB 38

THIS IS **EXHIBIT " 38"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

NOTICE OF DISPUTE OF NOTICE OF REVISION OR DISALLOWANCE
 With respect to the CCAA Entities¹

Claims Reference Number: 23

TCC/ Urbancorp (Bay) Limited
 Partnership

1. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if different)

Terra Firma Capital Corporation ("TFCC")

(the "Claimant")

Full Mailing Address of the Claimant:

22 St. Clair Avenue East, Suite 200
 Toronto, Ontario M4T 2S3

Other Contact Information of the Claimant:

Telephone Number: (416) 792-4703

Email Address: cmontgomery@tfcc.ca

Facsimile Number: 416-792-4711

Attention (Contact Person): Carolyn Montgomery

¹ Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., NewTowns at King Towns Inc., DEAJA Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "CCAA Entities").

2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim, if applicable

Have you acquired this purported Claim by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

3. Dispute of Revision or Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim, as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Currency	Amount allowed by Monitor: (Notice of Revision or Disallowance)	Amount claimed by Claimant: ²
A. Unsecured		\$0.00	\$0.00
B. Secured		\$0.00	\$6,013,865.10
C. D&O Claim			
E. Total Claim		\$0.00	\$6,013,865.10

4. Reasons for Dispute of Revision or Disallowance of Claim:

A breakdown of the reasons for the Dispute of Revision or Disallowance of Claim for TFCC's claim is set out below. In accordance with the agreement with the Monitor, these reasons are being provided without prejudice to TFCC's right to amend these reasons and supplement these reasons with further evidence at a later date should it be necessary.

Evidence to Support Amount Due From TCC/ Urbancorp (Bay) Limited Partnership to TFCC

There is clear evidence to support the amount due from TCC/ Urbancorp (Bay) Limited

² If necessary, currency will be converted in accordance with the Claims Procedure Order.

- 3 -

Partnership to TFCC. In addition to the documents provided as part of TFCC's Proof of Claim, please see the Guarantee and Postponement of Claim and the General Security Agreement that were provided by TCC/ Urbancorp (Bay) Limited Partnership to TFCC.

These documents were sent to the Monitor, Noah Goldstein, by TFCC's counsel, Dominique Michaud, by email dated December 16, 2016 at 10:20 am. We have attached these documents to this Notice Of Dispute Of Notice Of Revision Or Disallowance again for your review.

robapp\3675082.1

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
Court File No.: CV-16-11549-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
URBANCORP (WOODBINE) INC. AND URBANCORP (BRIDLEPATH) INC., THE
TOWNHOUSES OF HOGG'S HOLLOW INC., KING TOWNS INC., NEWTOWNS AT KING
TOWNS INC. AND DEAJA PARTNER (BAY) INC. (COLLECTIVELY, THE "APPLICANTS")
AND IN THE MATTER OF TCC/URBANCORP (BAY) LIMITED
PARTNERSHIP

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF GLENN WATCHORN

THORNTON GROUT FINNIGAN LLP
3200-100 Wellington Street West
TD Centre, Box 329
Toronto, ON M5K 1K7

John T. Porter LSUC No. 23844T
jporter@tfg.ca
Tel: (416) 304-0778
Fax: (416) 304-1313

Co-Counsel for Terra Firma Capital Corporation

ROBINS APPLEBY LLP
2600-120 Adelaide Street West
Toronto, ON M5H 1T1

Dominique Michaud LSUC No. 56871V
dmichaud@robapp.com
Tel: (416) 360-3795
Fax: (416) 868-0306

Co-Counsel for Terra Firma Capital Corporation

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C- Court File No.: CV-16-11549-00CL
36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
URBANCORP (WOODBINE) INC. AND URBANCORP (BRIDLEPATH) INC., THE
TOWNHOUSES OF HOGG'S HOLLOW INC., KING TOWNS INC., NEWTOWNS AT KING
TOWNS INC. AND DEAJA PARTNER (BAY) INC. (COLLECTIVELY, THE "APPLICANTS")
AND IN THE MATTER OF TCC/URBANCORP (BAY) LIMITED
PARTNERSHIP

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO
MOTION RECORD OF TERRA FIRMA CAPITAL
CORPORATION

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TAB 39

THIS IS **EXHIBIT " 39"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

Court File No.: CV-16-11549-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF URBANCORP (WOODBINE) INC.
AND URBANCORP (BRIDLEPATH) INC., THE
TOWNHOUSES OF HOGG'S HOLLOW INC., KING
TOWNS INC., NEWTOWNS AT KINGTOWNS INC. AND
DEAJA PARTNER (BAY) INC. (COLLECTIVELY, THE
"APPLICANTS")**

**AND IN THE MATTER OF TCC/URBANCORP (BAY)
LIMITED PARTNERSHIP**

NOTICE OF MOTION

THE MOVING PARTY, Terra Firma Capital Corporation ("TFCC"), will make a motion to a judge presiding over the Commercial List on a date and time to be fixed by the Commercial List at 330 University Avenue, Toronto Ontario.

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

THE MOTION IS FOR AN ORDER:

- (a) setting aside the disallowance of the proof of claim that TFCC received from KSV Kofman Inc. ("KSV" or the "**Monitor**"), in its capacity as monitor of Urbancorp (Woodbine) Inc. ("**Woodbine**") dated December 14, 2016 in relation to the second mortgage registered as instrument YR2411107 (the "**Woodbine Second Mortgage**") and allowing the claim against Woodbine in full;
- (b) setting aside the disallowance of the proof of claim that TFCC received from KSV, in its capacity as monitor of Urbancorp (Bridlepath) Inc. ("**Bridlepath**") dated December 14, 2016 in relation to the second mortgage registered as instrument AT4107508 (the "**Bridlepath Second Mortgage**") and allowing the claim against Bridlepath in full;

- (c) setting aside the disallowance of the proof of claim that TFCC received from KSV in its capacity as monitor of TCC/Urbancorp (Bay) Limited Partnership ("**Bay LP**") dated December 14, 2016 in relation to the General Security Agreement (the "**Bay LP GSA**") and Guarantee and Postponement of Claim (the "**Bay LP Guarantee**") provided by Bay LP to TFCC and allowing the claim against Bay LP in full;
- (d) confirming the validity and enforceability of the Woodbine Second Mortgage, the Bridlepath Second Mortgage, the Bay LP GSA and the Bay LP Guarantee;
- (e) directing KSV as monitor of Woodbine, Bridlepath and Bay LP to make an immediate distribution of all amounts owing to TFCC in respect of the Woodbine Second Mortgage, the Bridlepath Second Mortgage, the Bay LP GSA and the Bay LP Guarantee; and
- (f) for such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background- The Original Loan and the New Loan

1. Pursuant to the terms of a letter of interest dated December 22, 2015 and a separate letter agreement dated December 22, 2015, TFCC agreed to provide Urbancorp Holdco Inc. ("**UHI**") with a portfolio loan in the amount of \$12,000,000 (the "**Original Loan**"). The parties executed the necessary security for the Original Loan and funds were held on deposit pending satisfaction of the terms and conditions of the Original Loan. The security for this loan included the Woodbine Second Mortgage, the Bridlepath Second Mortgage, the Bay LP Guarantee and the Bay LP GSA.
2. However, in or around early February 2016, Alan Saskin ("**Saskin**"), advised that the Original Loan did not meet UHI's requirements. As a result, the Original Loan was cancelled and the funds were returned to TFCC without payment of loan fee

or interest.

3. Notwithstanding that the Original Loan was cancelled, discussions continued between TFCC and Saskin in respect of obtaining financing on amended terms and conditions and as a result, the security registered in respect of the Original Loan was not discharged. These discussions concluded with an offer of financing by TFCC to UHI pursuant to the terms of a letter of interest dated March 6, 2016 (the "**New Loan**").
4. Pursuant to the terms of the New Loan, TFCC agreed to loan UHI \$10,000,000.00. As contemplated by the terms of the New Loan, the net funds from the New Loan were paid on closing to the Canada Revenue Agency (the "**CRA**") to pay outstanding HST in respect of assets owned by a wholly owned subsidiary of Urbancorp Inc., which is a wholly owned subsidiary of UHI.

The Ownership Structure and The Security Provided In Respect of The New Loan

5. UHI is the borrower in respect of the New Loan.
6. Saskin is the owner of all common shares of UHI. Bay LP is the owner of all Class D shares in UHI.
7. The General Partner of Bay LP is Deaja Partner (Bay) Inc. ("**Deaja**"). Deaja is owned by Saskin. The Limited Partners of Bay LP are Saskin and Vestaco Investments Inc., which is owned by Doreen Saskin, Saskin's spouse.
8. Bay LP was also the beneficial owner of the lands bearing PIN Nos 03046-0219 (LT), 03046-0217(LT), 03046-0215 (LT) and 03046-0213 (LT) (collectively the

"Woodbine Property") and PIN No. 10126-1010 (LT) (the "Bridlepath Property").

9. Woodbine and Bridlepath were bare trustees that held the Woodbine Property and the Bridlepath Property in trust for Bay LP.
10. As a term of the New Loan, Bay LP provided the Woodbine Second Mortgage, the Bridlepath Second Mortgage, the Bay LP GSA and the Bay LP Guarantee as security for the New Loan.

The Monitor's Disallowance Of The Claims Made By TFCC In Respect Of The New Loan

11. Following the sale of the Woodbine Property and the Bridlepath Property, the Monitor delivered its Seventh Report dated September 29, 2016. In this report, the Monitor advised that the Woodbine Second Mortgage and the Bridlepath Second Mortgage would not be paid out at the same time as the first mortgages as they remained subject to further review by the Monitor.
12. The Monitor delivered its Eighth Report dated October 6, 2016 (the "**Eighth Report**"). The purpose of this report was to provide the details of the Monitor's review of the Woodbine Second Mortgage and the Bridlepath Second Mortgage. In this report, the Monitor referred to the security opinion provided by Davies Ward Philip & Vineberg LLP dated October 5, 2016 (the "**Davies' Opinion**") that stated the above mortgages could be held to be void as transfers at undervalue under the *Bankruptcy and Insolvency Act*, fraudulent conveyances under the *Fraudulent Conveyances Act (Ontario)* or fraudulent preferences under the *Assignment and Preferences Act (Ontario)*.

13. The Davies' Opinion was predicated on the expressed assumption that Saskin was the sole shareholder of UHI. This assumption was incorrect. At the time of the Original Loan transaction, Harris Sheaffer LLP, counsel for UHI, confirmed to counsel for TFCC, that Bay LP was also a shareholder of UHI.
14. On December 14, 2016, the Monitor delivered to TFCC Notices of Revision or Disallowance in respect of the claims made by TFCC against Woodbine, Bridlepath and Bay LP. The Monitor has advised TFCC that the basis of these disallowances are the concerns set out in the Eighth Report, namely that Bay LP and its bare trustees, Woodbine and Bridlepath, did not receive consideration as part of the New Loan transaction.
15. TFCC delivered Notices of Dispute of Revision or Disallowance in respect of its claims made against Woodbine, Bridlepath and Bay LP on December 21, 2016.

There Is No Basis To Disallow The Claims Made By TFCC In Respect Of The New Loan

16. Bay LP received consideration in respect of the New Loan, as it was a shareholder of the borrower, UHI.
17. In the alternative, Woodbine, Bridlepath and Bay LP did not need to receive any consideration as part of the New Loan transaction. The Woodbine Second Mortgage, the Bridlepath Second Mortgage, the Bay LP Guarantee and the Bay LP GSA are valid and enforceable security as consideration flowed from TFCC to UHI.
18. The granting of the Woodbine Second Mortgage, the Bridlepath Second Mortgage, the Bay LP Guarantee and the Bay LP GSA was not:

- (a) a transfer at undervalue as Bay LP was not insolvent at the time of transaction nor was it rendered insolvent by it. Further, Bay LP did not intend to defraud, defeat or delay any other creditor when it granted the Woodbine Second Mortgage, the Bridlepath Second Mortgage, the Bay LP Guarantee and the Bay LP GSA as part of the New Loan;
- (b) a fraudulent conveyance made by Bay LP with the intent to defeat, hinder, delay or defraud creditors. The New Loan and the granting of the above described security was conveyed in respect of good consideration and in good faith; and
- (c) a fraudulent preference as the New Loan and the granting of the above described security was made in respect of an actual advance of money for valuable consideration.

19. Such further and other grounds as the lawyers may advise.

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

- 1. The Affidavit of Glenn Watchorn sworn May 8, 2017; and
- 2. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

May 8, 2017

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Corporation

TO: **THE SERVICE LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. Court File No.: CV-16-11549-00CL
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
URBANCORP (WOODBINE) INC. AND URBANCORP (BRIDLEPATH) INC., THE
TOWNHOUSES OF HOGG'S HOLLOW INC., KING TOWNS INC., NEWTOWNS AT KING
TOWNS INC. AND DEAJA PARTNER (BAY) INC. (COLLECTIVELY, THE "APPLICANTS")
AND IN THE MATTER OF TCC/URBANCORP (BAY) LIMITED
PARTNERSHIP

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

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Co-Counsel for Terra Firma Capital Corporation

TAB 40

THIS IS **EXHIBIT " 40"** REFERRED TO IN
THE AFFIDAVIT OF **GLENN WATCHORN**
SWORN BEFORE ME THIS 14TH
DAY OF FEBRUARY, 2018.



Commissioner for Taking Affidavits etc./Notary Public

NOAH CIGLEN

Noah Hartley Ciglen, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 15, 2020.

Court File No.: CV-16-11549-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF URBANCORP (WOODBINE) INC.
URBANCORP (BRIDLEPATH) INC., THE TOWNHOUSES
OF HOGG'S HOLLOW INC., KING TOWNS INC.,
NEWTOWNS AT KING TOWNS INC. AND DEAJA
PARTNER (BAY) INC. (COLLECTIVELY, THE
"APPLICANTS")**

**AND IN THE MATTER OF TCC/URBANCORP (BAY)
LIMITED PARTNERSHIP**

FACTUM OF TERRA FIRMA CAPITAL CORPORATION

October 6, 2017

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Corporation

Court File No.: CV-16-11549-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF URBANCORP (WOODBINE) INC.
URBANCORP (BRIDLEPATH) INC., THE TOWNHOUSES
OF HOGG'S HOLLOW INC., KING TOWNS INC.,
NEWTOWNS AT KING TOWNS INC. AND DEAJA
PARTNER (BAY) INC. (COLLECTIVELY, THE
"APPLICANTS")

AND IN THE MATTER OF TCC/URBANCORP (BAY)
LIMITED PARTNERSHIP

FACTUM OF TERRA FIRMA CAPITAL CORPORATION

PART I - NATURE OF THE MOTION

1. This factum is filed in support of a Motion brought by Terra Firma Capital Corporation ("TFCC") for an Order:
 - (a) setting aside the disallowance of the proof of claim (the "**Woodbine Claim**") that TFCC received from KSV Kofman Inc. ("**KSV**" or the "**Monitor**"), in its capacity as monitor of Urbancorp (Woodbine) Inc. ("**Woodbine**") dated December 14, 2016 in relation to the second mortgage registered as instrument YR2411107 (the "**Woodbine Second Mortgage**") and allowing the claim against Woodbine in full;

- (b) setting aside the disallowance of the proof of claim (the “**Bridlepath Claim**”) that TFCC received from KSV, in its capacity as monitor of Urbancorp (Bridlepath) Inc. (“**Bridlepath**”) dated December 14, 2016 in relation to the second mortgage registered as instrument AT4107508 (the “**Bridlepath Second Mortgage**”) and allowing the claim against Bridlepath in full;
 - (c) setting aside the disallowance of the proof of claim (the “**Bay Claim**”) that TFCC received from KSV in its capacity as monitor of TCC/Urbancorp (Bay) Limited Partnership (“**Bay LP**”) dated December 14, 2016 in relation to the General Security Agreement (the “**Bay GSA**”) and Guarantee and Postponement of Claim (the “**Bay Guarantee**”) provided by Bay LP to TFCC and allowing the claim against Bay LP in full;
 - (d) confirming the validity and enforceability of the Woodbine Second Mortgage, the Bridlepath Second Mortgage, the Bay GSA and the Bay Guarantee (collectively, the “**TFCC Security**”); and
 - (e) directing the Monitor of Woodbine, Bridlepath and Bay LP (together, the “**Guarantors**”) to make an immediate distribution of all amounts owing to TFCC in respect of the TFCC Security.
2. Capitalized terms used herein and not otherwise defined have the meaning given to them in the affidavit of Glenn Watchorn sworn May 8, 2017 (the “**Watchorn Affidavit**”) or the tenth report of the Monitor dated July 25, 2017 (the “**Tenth Report**”).

PART II - THE FACTS

3. The relevant parties mentioned in this factum are:
- (a) Urbancorp Holdco Inc. (“UHI”), a holding company established to hold all the issued shares of UCI, with 100 common shares outstanding owned by Saskin and with five classes “A” through “E” of special shares;
 - (b) Urbancorp Inc. (“UCI”), a wholly owned subsidiary of UHI that recently completed a \$64 million bond offering in Tel Aviv;
 - (c) TFCC, the lender of \$10,000,000 to UHI and holder of the TFCC Security granted by the Guarantors pursuant to the March Loan (as defined below);
 - (d) Alan Saskin (“Saskin”), the principal of UHI, Limited Partner of Bay LP;
 - (e) Doreen Saskin, the sole owner and shareholder of Vestaco (defined below);
 - (f) Bay LP, the beneficial owner of the Woodbine Property and the Bridlepath Property and the owner of 100% of Class D shares of UHI;
 - (g) Deaja Partner (Bay) Inc. (“Deaja”), the General Partner of Bay LP;
 - (h) Vestaco Investments Inc. (“Vestaco”), a Limited Partner of Bay LP;
 - (i) Woodbine, a corporation whose sole owner and shareholder is Bay LP and is a bare trustee that held the Woodbine Property in trust for Bay LP pursuant to a certain trust declaration;

- (j) Bridlepath, a corporation whose sole owner and shareholder is Bay LP and is a bare trustee that held the Bridlepath Property in trust for Bay LP pursuant to a certain trust declaration.

December Loan

4. Pursuant to a letter of interest dated December 22, 2015 and a letter agreement dated December 22, 2015, TFCC agreed to provide UHI with a loan (the “**December Loan**”) in the amount of \$12,000,000 (the “**December Funds**”) to provide UHI with funds to enhance the equity capital of UCI. Pursuant to the terms of the December Loan: (i) Bay LP agreed to provide the Bay Guarantee and the Bay GSA in favour of TFCC; (ii) Woodbine agreed to provide TFCC with the Woodbine Second Mortgage; and (iii) Bridlepath agreed to provide TFCC with the Bridlepath Second Mortgage.

Watchorn Affidavit at para. 4, Motion Record of TFCC, Tab B.

5. The December Funds were placed in escrow, in a jointly controlled account, pending satisfaction of the terms and conditions of the Original Loan. The December Funds were never received by UHI.
6. In or around February, 2016, Saskin advised TFCC that the December Loan did not meet UHI’s requirements. As a result, the December Loan was cancelled and the \$12,000,000 in funds were returned to TFCC without payment of the loan fee or any accrued interest. However, the security interest registrations related to the TFCC Security were never discharged.

Watchorn Affidavit at paras. 5 and 6, Motion Record of TFCC, Tab B.

March Loan

7. Notwithstanding the cancellation of the December Loan, TFCC and Saskin continued to engage in discussions regarding new financing on amended terms and conditions. These discussions culminated in a new offer of financing by TFCC to UHI pursuant to the terms of a letter of interest dated March 6, 2016 (the “**March Loan**”).

Watchorn Affidavit at para. 6, Motion Record of TFCC, Tab B.

8. Pursuant to the terms of the March Loan, TFCC agreed to loan UHI \$10,000,000 (the “**March Funds**”) for the purpose of providing UHI with funds to enhance the equity capital of UCI, which funds were to be paid by UCI to the Canada Revenue Agency (the “**CRA**”) to pay outstanding Harmonized Sales Tax (“**HST**”) in respect of certain assets owned by a wholly owned subsidiary of UCI. UHI was the sole borrower of the March Loan. Among other related parties, Bay LP, Woodbine and Bridlepath were parties to the March Loan and executed the letter agreement.

Watchorn Affidavit at para. 7, Motion Record of TFCC, Tab B.

9. As an additional term of the March Loan, UHI, Bay LP, Woodbine and Bridlepath, among others, executed an acknowledgment regarding the TFCC Security that was executed and registered in relation to the December Loan. Through the acknowledgment, the parties acknowledged and agreed to the existence of the TFCC Security provided in connection with the December Loan and that the TFCC Security would secure the indebtedness of UHI with respect to the March Loan.

Watchorn Affidavit at para. 12, Motion Record of TFCC, Tab B.

10. TFCC made the March Loan conditional on the delivery of officer's certificates and certified directors' resolutions which confirmed the validity and enforceability of the security granted by UHI, Woodbine, Bridlepath and Bay LP.

Watchorn Affidavit at paras. 13 and 14, Motion Record of TFCC, Tab B.

TFCC Claims

11. On November 22, 2016, TFCC filed separate secured claims against Woodbine, Bridlepath and Bay LP in the amounts of \$6,512,875, \$6,230,764 and \$6,013,865, respectively (collectively, the "**TFCC Claims**"). The majority of each claim (\$6,013,865) represents the balance of the March Loan.

Tenth Report of the Monitor at Section 3.0, para. 1.

12. On December 14, 2016, the Monitor delivered to TFCC Notices of Revision or Disallowance in respect of the TFCC Claims (the "**Disallowances**"). The Monitor advised counsel for TFCC that the Disallowances were based on the Monitor's concerns that Woodbine, Bridlepath and Bay LP did not receive consideration as part of the March Loan.

Watchorn Affidavit at para. 21, Motion Record of TFCC, Tab B.

13. Contrary to the Monitor's concerns regarding consideration for the TFCC Security, Bay LP received consideration for providing TFCC with the Bay LP Guarantee and the Bay LP GSA. The recitals to the Bay Guarantee provide:

WHEREAS TERRA FIRMA CAPITAL CORPORATION (hereinafter called the "**Lender**") has advanced funds or is about to advance funds to Urbancorp Holdco Inc. (hereinafter called the "**Borrower**") and in consideration of your intention to advance the said funds to the Borrower, and other good and valuable

consideration and the sum of Two (\$2.00) Dollars, the receipt and sufficiency of which are hereby acknowledged, each of the undersigned, (each hereinafter called a “Guarantor”) hereby declares, covenants and agrees as follows:

Bay Guarantee, Motion Record of TFCC, Tab B-4.

14. At all materials times, TFCC understood that the March Loan was for a legitimate business purpose and that the March Loan was duly authorized as set out in the officers certificates and directors resolutions. The March Loan was executed in good faith and the advance of the March Funds was valuable consideration in return for the TFCC Security granted by the Guarantors.

Watchorn Affidavit at para. 23, Motion Record of TFCC, Tab B.

PART III - THE ISSUES

15. The issues on this Motion are as follows:
- (a) Did TFCC provide good and valuable consideration in exchange for the TFCC Security?
 - (b) Is the March Loan and TFCC Security a Transfer at Undervalue pursuant to section 96(1) of the *Bankruptcy and Insolvency Act*?
 - (c) Should this Court void the March Loan and TFCC Security pursuant to the *Fraudulent Conveyances Act* (Ontario)?
 - (d) Should this Court void the March Loan and TFCC Security pursuant to the *Assignment and Preferences Act* (Ontario)?

PART IV - THE LAW

ISSUE 1: Good and valuable consideration was provided by TFCC in exchange for the TFCC Security.

16. In *U.S. Steel Inc., Re*, the Ontario Superior Court of Justice held that if consideration is required for a security interest granted by a general security agreement to be effective, it may be satisfied by the following three ways:

First, the October Security Agreement recites that consideration was given, the receipt and sufficiency of which is acknowledged by both parties to the Agreement. It is an elementary principle that courts will not enter into an inquiry as to the adequacy of consideration.

Second, [...] the third recital to the October Security Agreement recites, in effect, that Credit Corp required the provision of security as a condition of continued advances under the Revolver Loan Agreement.

...

Third, I am also of the opinion that any lack of consideration for the October Security Agreement was cured by the actual advances of monies under the Revolver Loan Agreement comprising the Second Tranche Indebtedness. If the execution of the October Security Agreement and the advance of monies had occurred concurrently, there would have been no issue regarding a lack of consideration. The advance of monies itself would have satisfied any requirement for consideration under the October Security Agreement.

U.S. Steel Canada Inc., Re, 2016 ONSC 569 at paras. 397 – 400, Book of Authorities of TFCC (“BOA”), Tab 1.

17. TFCC submits that good and valuable consideration was provided in exchange for the TFCC Security for the following reasons:
- (a) the recitals of the Bay Guarantee provide that good and valuable consideration was acknowledged;

- (b) the March Loan required all security to be in place to the full and complete satisfaction of TFCC; and
- (c) TFCC advanced the March Funds to UHI.

**Watchorn Affidavit at paras. 7 and 12.
Bay Guarantee, Motion Record of TFCC, Tab B-4.**

18. It is well-established law that a promise to one party is sufficient consideration to guarantee the indebtedness of a third party to the promisor. In *Royal Bank v. Kiska*, the Ontario Court of Appeal considered a situation where a bank agreed to forbear from enforcement proceedings against the debtor but required the defendant to provide the bank with a guarantee. The Court held:

The law is clear, even trite, that a promise of forbearance for no defined period is sufficient consideration for a guarantee of a third person's indebtedness to the promisor and that the guarantee, where given in writing, is enforceable against the guarantor although the benefit of the promise runs to the principal debtor only.

***Royal Bank v. Kiska*, 1967 CarswellOnt 125 at para. 28 (per Laskin J.A., dissenting on other grounds), BOA, Tab 2.**

19. In *Manufacturers & Traders Trust Co. v. Amlinger*, the Court observed at the outset that consideration for a promise can consist of a benefit conferred on a third party. In this case, the Court held that a creditor's forbearance from enforcing a loan and agreeing to restructure the loan facility was adequate consideration for a guarantee from a non-debtor.

***Manufacturers & Traders Trust Co. v. Amlinger*, 2006 CarswellOnt 5238 at para. 33, BOA, Tab 3.**

20. Consideration with respect to a mortgage was considered in *Maocheia v. Amado*. The plaintiff executed a mortgage in favour of the defendant and, sixteen years later, challenged

the validity of the mortgage on the basis that no consideration was provided. The Court described the approach to assessing whether consideration had been provided as follows:

Consideration between two parties executing a security agreement such as a promissory note or a mortgage can be evidenced in a number of ways: there can be a benefit conferred on the mortgagor; there can be a detriment incurred by the mortgagee; or there can be a benefit provided to a third party that otherwise would not have existed. [emphasis added]

Maocheia v. Amado, 2010 BCSC 429 at para. 62, BOA, Tab 4.

21. In connection with the March Loan, TFCC advanced \$10,000,000 to UHI to enhance the equity capital of UCI and to allow for the payment of outstanding HST amounts owed by UCI to the CRA.

Watchorn Affidavit at para. 7, Motion Record of TFCC, Tab B.

22. In the Tenth Report, the Monitor recognizes that the provision of the TFCC Security by the Guarantors were conditions precedent to the March Loan. Without the TFCC Security and accompanying acknowledgments, the March Funds would not have been advanced to UHI.

Tenth Report of the Monitor at Section 2.4, para. 7.

23. The consideration given by TFCC to Bay LP, Woodbine and Bridlepath was the advance of the March Funds to UHI pursuant to the March Loan. It is adequate consideration in that it provides a benefit to a related third party that otherwise would not have existed. The benefit is the advance of \$10 million to UHI that was used for the purpose outlined in the March Loan.

24. In the Tenth Report, the Monitor relies on the opinion of Davies Ward Phillips & Vineberg LLP (“Davies”) which opined that no consideration passed from TFCC to the Guarantors in exchange for the mortgages. The Davies opinion relies on *XDG Ltd. v. 1099606 Ontario Ltd.*

**Tenth Report of the Monitor, Appendix D, pages 6 - 9.
XDG Ltd. v. 1099606 Ontario Ltd., 2002 CarswellOnt 4535 [“XDG”], BOA, Tab 5.**

25. The facts in *XDG* are distinguishable. The case considers a guarantee and mortgage provided by a numbered company (“109”) in favour of a lender to secure the indebtedness of a related party (“Euro United”). The Court held that no consideration had been given to 109 as the sole purpose of these documents was to secure past indebtedness of Euro United. The further cash advances that the lender made were merely a continuation under the revolving letter of credit.

Ibid at para. 51.

26. As described above, the provision of security was for a fresh advance of funds through the March Loan. The TFCC Security was granted in consideration for the advance of the March Funds and not consideration for past indebtedness. As described above, the December Funds held in escrow were returned to TFCC when the December Loan was cancelled.

ISSUE 2: The March Loan and TFCC Security cannot be found to be a transfer at undervalue pursuant to section 96 of the *Bankruptcy and Insolvency Act*.

- (a) **TFCC provided good and valuable consideration by advancing \$10 million in cash pursuant to the March Loan.**

27. Section 96(2) of the *Bankruptcy and Insolvency Act* (“BIA”) provides:

In making the application referred to in this section, the trustee shall state what, in the trustee's opinion, was the fair market value of the property or services and what, in the trustee's opinion, was the value of the actual consideration given or received by the debtor, and the values on which the court makes any finding under this section are, in the absence of evidence to the contrary, the values stated by the trustee.

Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3 ["BIA"].

28. As described further in paragraphs 16 through 26, separate consideration is not required to flow to a guarantor or another party providing security to a creditor for a fresh advance of funds. TFCC provided a cash injection of \$10 million to UHI as consideration for the TFCC Security.

Watchorn Affidavit at paras. 7 and 12.

29. It is impossible for the Monitor to establish that the actual consideration given to UHI is less than the fair market value. The TFCC Security cannot be valued at an amount greater than the outstanding obligations owed by UHI to TFCC and in any event, TFCC could not claim more from the Guarantors than the amount of indebtedness owed pursuant to the terms of the March Loan.

(b) TFCC and UHI dealt with each other at arm's length

30. In the alternative, if the Court finds that the TFCC Security was transferred to TFCC at undervalue, the Monitor must meet the test set out in section 96(1) of the BIA. First, the Monitor must establish whether or not TFCC dealt with UHI at arm's length.

31. Section 4(5) of the BIA presumes that persons who are related to each other are deemed not to deal with each other at arm's length. For the purpose of paragraph 96(1)(b) of the

BIA, the persons are deemed not to deal with each other at arm's length in the absence of contrary evidence.

BIA, section 4(5).

32. Two entities are defined as related persons if:

(i) both are controlled by the same person or group of persons, (ii) each of which is controlled by one person and the person who controls one of the entities is related to the person who controls the other entity, (iii) one of which is controlled by one person and that person is related to any member of a related group that controls the other entity, (iv) one of which is controlled by one person and that person is related to each member of an unrelated group that control the other entity, (v) one of which is controlled by a related group a member of which is related to each member of an unrelated group that controls the other entity, or (vi) one of which is controlled by an unrelated group each member of which is related to at least one member of an unrelated group that controls the other entity.

BIA, section 4(2)(c).

33. TFCC and UHI do not fall under any of the categories described above. If two entities are not related, it is a question of fact whether someone is at arm's length.

BIA, section 4(4).

34. Both the December Loan and the March Loan were heavily negotiated between TFCC and UHI and reflected commercial terms agreed upon by two arm's length parties. Further, the stringent conditions precedent and the cancellation of the December Loan evidences that TFCC and UHI acted at all times at arm's length from each other.

(c) **Transfer at Undervalue**

35. Since TFCC and UHI acted at arm's length, the Monitor must prove that: (i) the transfer occurred within one year of the initial bankruptcy event or the date of bankruptcy, (ii) UHI or the Guarantors were insolvent at the time of the transfer or was rendered insolvent by the transfer, and (iii) that UHI or the Guarantors intended to defraud, defeat or delay a creditor.

36. TFCC does not dispute that the March Loan occurred within one year of the initial bankruptcy event and that UHI and the Guarantors were cash-flow insolvent at the time of the March Loan.

37. The Monitor cannot demonstrate that UHI or the Guarantors intended to defraud, defeat or delay any creditors by granting the TFCC Security required pursuant to the March Loan. As described above, the funds that UHI received by entering into the March Loan made cash available to UHI and its related parties under the corporate structure.

38. Whether the intent to defraud, defeat or delay a creditor exists is a question of fact, to be determined from all the circumstances as they existed at the time of the conveyance.

Montor Business Corp. (Trustee of) v. Goldfinger, 2016 ONCA 406 at para. 72
[*"Montor"*], BOA, Tab 6.

39. The intent to defraud, defeat or delay a creditor may be inferred from the existence of one or more badges of fraud, although the presence of such indicia does not mandate a finding of intent.

Ibid at para. 72.

40. Jurisprudence on the topic have developed a non-exhaustive list of badges of fraud, These include:
- (a) the transferor has few remaining assets after the transfer;
 - (b) the transfer was made to a non-arm's length person;
 - (c) the transferor was facing actual or potential liabilities, was insolvent, or about to enter a risky undertaking;
 - (d) the consideration for the transaction was grossly inadequate;
 - (e) the transferor remained in possession of the property for his own use after the transfer;
 - (f) the deed of transfer contained a self-serving and unusual provision;
 - (g) the transfer was secret;
 - (h) the transfer was effected with unusual haste; or
 - (i) the transaction was made in the face of an outstanding judgment against the debtor.

Ibid at para. 73.

41. The only badge of fraud that may apply is that the debtor was insolvent at the time the March Loan was executed. However, insolvency in of itself is not the sole determining factor. The debtor must have been facing actual or potential liabilities or the debtor was about to enter into a risky undertaking. Neither of those facts are present in this case.
42. The test to void a transaction under section 96 of the BIA has not been met because TFCC provided good and valuable consideration in the form of the March Funds to UHI.

43. In the alternative, if the Court does not find that TFCC provided good and valuable consideration, the Monitor cannot demonstrate that there was an intent to defraud, defeat or delay any creditors of UHI or the Guarantors. The officers and the directors of UHI and the Guarantors delivered both certificates and resolutions, which confirmed the validity and enforceability of the TFCC Security and provided the requisite authorization for the March Loan. Although the effect of the March Loan allowed TFCC to become a secured creditor of the Guarantors, this was a term of the business deal and TFCC provided an advance of the March Funds in exchange.
44. As a result of the foregoing, TFCC submits that the March Loan cannot be voided through the application of section 96 of the BIA and the TFCC Security is valid and enforceable.

ISSUE 3: The March Loan and TFCC Security cannot be voided under the *Fraudulent Conveyances Act*.

45. In the Tenth Report, the Monitor recommended that the Court set aside and declare the TFCC Security as unenforceable pursuant to the *Fraudulent Conveyances Act* (Ontario) (the “FCA”). Section 2 of the FCA provides:

Every conveyance of real property or personal property and every bond, suit, judgment and execution heretofore or hereafter made with intent to defeat, hinder, delay or defraud creditors or others of their just and lawful actions, suits, debts, accounts, damages, penalties or forfeitures are void as against such persons and their assigns.

Fraudulent Conveyances Act, R.S.O 1990, c F.29 [“FCA”], section 2.

46. The FCA defines a conveyance as any gift, grant, alienation, bargain, charge, encumbrance, limitation of use or uses of, in, to or out of real or personal property by writing or otherwise.

FCA, section 1.

47. Section 3 of the FCA carves out section 2 if an interest in real property or personal property is conveyed upon good consideration and in good faith to a person that, at the time of the conveyance, did not have notice or knowledge of the conveyors intent to defeat, hinder, delay or defraud its creditors.

(b) The TFCC Security was conveyed upon good consideration and in good faith

48. Good consideration does not have to be for the full value of the property being transferred, but it must be more than nominal or completely inadequate consideration.

Meeker Cedar Products Ltd. v. Edge, 1968 CarswellBC 6 at para. 8, BOA, Tab 7.

49. As described above in paragraphs 8 to 10, TFCC provided a cash advance of \$10 million to UHI, a related party to the Guarantors, in exchange for the TFCC Security. Therefore, the consideration passing from TFCC to UHI was sufficient and cannot be found to be either nominal or completely inadequate consideration for the conveyance of the TFCC Security.

50. Once it is established that good consideration was provided for the conveyance, the onus is on the party attacking the transaction to demonstrate that there was fraudulent intent by both parties for the transaction to be void.

Bank of Nova Scotia v. Bass, 1983 CarswellMan 28 at para. 7, BOA, Tab 8.

51. The March Loan was negotiated and executed in good faith by TFCC. At no material time did TFCC have knowledge that the March Loan was intended to defeat, hinder, delay or

defraud any creditors of the Guarantors. The March Loan provides that the purpose of the March Funds was to enhance the equity capital of UCI and pay outstanding HST owed by UCI to the CRA. At all material times, TFCC viewed the March Loan as a transaction that was entered into to assist UHI, UCI and their related entities.

52. Pursuant to section 3 of the FCA, this Court cannot void the March Loan and the TFCC Security because TFCC provided good consideration in good faith and had no knowledge of any illicit intent on behalf of the Guarantors.

(c) The TFCC Security was not granted with the intent to defeat, hinder, delay or defraud creditors of the Guarantor.

53. In the alternative, if this Court does not find that TFCC provided good consideration in good faith for the TFCC Security granted to TFCC by the Guarantors, there is a rebuttable presumption that the TFCC Security was not granted with the intent to defeat, hinder, delay or defraud creditors of the Guarantor. To rebut this presumption, there must be suspicious circumstances that raise a *prima facie* presumption of intent to hinder, defeat or defraud a creditor. In such circumstances, the Court may find such intent unless the presumption is displaced by corroborative evidence of the *bona fides* of the debtor in the suspect transaction.

Prodigy Graphics Group Inc. v. Fitz-Andrews, 2000 CarswellOnt 1178 at para. 154, BOA, Tab 9.

54. There are no suspicious circumstances in this case that create a presumption of intent to hinder, defeat or defraud the Guarantors' creditors. Instead, TFCC promised to advance UHI money if the Guarantors provided the TFCC Security. At all times, this was an

ordinary course commercial transaction that was negotiated between two commercially sophisticated parties.

55. As discussed above in paragraph 38, the question of whether there was an intent to defraud creditors is one of fact, which must be decided on the merits of a particular cases. Presence of any of the badges of fraud outlined in paragraph 40 are strong indicators that there was an intent to defraud.

Montor, supra at para. 73, BOA, Tab 6.

56. TFCC submits that none of the above described badges of fraud are present in these circumstances. Further, for the reasons described in paragraphs 41 and 42, no facts exist that indicate there was any intent by the Guarantors to defeat, hinder, delay or defraud its creditors.
57. The March Loan and the TFCC Security should not be voided under the FCA because TFCC provided good and valuable consideration in the form of the March Funds. Further, for the reasons provided above, the test to void a transaction under the FCA has not been met as the Monitor cannot demonstrate that there was an intent to defeat, hinder, delay or defraud creditors of UHI or the Guarantors. None of the badges of fraud are present in these facts and there are no additional facts that suggest any intent by UHI or the Guarantors to defeat, hinder, delay or defraud their creditors. As stated above, the TFCC Security was provided as a term of the business deal negotiated between TFCC, UHI and the Guarantors.

58. As a result of the foregoing, TFCC submits that the March Loan cannot be voided through the application of section 2 of the FCA and the TFCC Security is valid and enforceable.

ISSUE 4: The March Loan is not voidable under the *Assignment and Preferences Act*.

59. In its Tenth Report, the Monitor states that the March Loan should be voided pursuant to section 4 of the *Assignments and Preferences Act* (Ontario) (“APA”). Section 4(1) of the APA provides that subject to section 5 of the APA, every conveyance, assignment or transfer of any property, real or personal, made by a person when insolvent or unable to pay the person’s debts in full or when the person that that he, she or it is on the eve of insolvency, with the intent to defeat, hinder, delay or prejudice creditors, is void as against the creditor or creditors injured, delayed or prejudiced.

Assignments and Preferences Act, R.S.O 1990, c. A.33, section 4(1) [“APA”].

60. Section 5 of the APA provides that nothing in section 4(1) applies to a conveyance, assignment, or transfer of any goods, real or personal, if it is made in good faith in consideration of a present actual payment of money or by way of security for a present actual advance of money.

APA, section 5(1).

61. As described above in paragraphs 8 to 10, TFCC provided an advance of \$10 million to UHI in exchange for the Guarantors granting the TFCC Security. This commercial transaction was negotiated and executed in good faith and TFCC submits that section 5(1) of the APA applies. Therefore, the Monitor cannot rely on section 4(1) of the APA to void the March Loan.

(b) **There was no intent to give TFCC, as a creditor, a preference over other creditors**

62. In the alternative, if the Court does not find that TFCC provided consideration for the TFCC Security in good faith, there was no intent to give TFCC an unjust preference over other creditors.

APA, section 4(2).

63. Section 4(3) of the APA provides that if a transaction with a creditor has the effect of giving that creditor a preference over the other creditors of the debtor, it shall be presumed, in the absence of evidence to the contrary, to have been made with the intent to give that creditor an unjust preference over other creditors. This is limited to any action or proceedings that are brought within sixty days to impeach or set aside such transaction.

APA, section 4(3).

64. This Court cannot presume that there was an intent to give TFCC an unjust preference over other creditors of the Guarantors. The purpose of section 4 of the APA is to protect existing creditors of a debtor against such debtor unfairly preferring one creditor to others. Although other entities of the Urbancorp Group were indebted to TFCC when the March Loan was advanced, the TFCC Security did not put TFCC in a better priority position with respect to the other indebtedness. The TFCC Security only secured the amounts owing under the March Loan. Therefore, the March Loan and the TFCC Security did not have the effect of giving TFCC a preference over other creditors of the debtor.

65. Without any presumption of intent, the burden falls on the Monitor to prove to the Court that the Guarantors provided the TFCC Security with an intent to unfairly prejudice its

other creditors. The Court will consider the presence of any of the badges of fraud outlined in paragraph 40. As described above, TFCC submits that there are no facts that support the presence of any of the badges of fraud.

66. The Monitor is unable to establish the Guarantor's intent to unfairly prejudice its other creditors because TFCC would not have advanced the March Funds if the Guarantors were not willing to provide the TFCC Security. This is not an attempt by the Guarantors to unfairly prefer TFCC over their other creditors. Instead, UHI secured additional financing for use by its related entities and a condition to that financing was the TFCC Security.
67. The March Loan and the TFCC Security cannot be voided under the APA because TFCC provided good and valuable consideration in the form of the March Funds. Further, for the reasons provided above, the test to void a transaction under the APA has not been met as the Monitor cannot demonstrate that there was an intent to unfairly prejudice its other creditors in favour of TFCC.
68. As a result of the foregoing, TFCC submits that the March Loan cannot be voided through the application of 4 of the APA and the TFCC Security is valid and enforceable.

PART V - RELIEF REQUESTED

69. In light of the foregoing, TFCC respectfully requests that this Court set aside the disallowances by the Monitor regarding the TFCC Claims, confirm the validity of the TFCC Security and to direct the Monitor to make an immediate distribution of all amounts owing to TFCC relating to the TFCC Security.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 5th day of October, 2017.

October 6, 2017



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SCHEDULE "A"
LIST OF AUTHORITIES

1. *U.S. Steel Canada Inc., Re*, 2016 ONSC 569.
2. *Royal Bank v. Kiska*, 1967 CarswellOnt 125.
3. *Manufacturers & Traders Trust Co. v. Amlinger*, 2006 CarswellOnt 5238.
4. *Maocheia v. Amado*, 2010 BCSC 429.
5. *XDG Ltd. v. 1099606 Ontario Ltd.*, 2002 CarswellOnt 4535.
6. *Montor Business Corp. (Trustee of) v. Goldfinger*, 2016 ONCA 406.
7. *Meeker Cedar Products Ltd. v. Edge*, 1968 CarswellBC 6.
8. *Bank of Nova Scotia v. Bass*, 1983 CarswellMan 28.
9. *Prodigy Graphics Group Inc. v. Fitz-Andrews*, 2000 CarswellOnt 1178.

SCHEDULE "B"
RELEVANT STATUTES

Assignments and Preferences Act, R.S.O. 1990, c. A.33

Nullity of gifts, transfers, etc., made with intent to defeat or prejudice creditors

4(1) Subject to section 5, every gift, conveyance, assignment or transfer, delivery over or payment of goods, chattels or effects, or of bills, bonds, notes or securities, or of shares, dividends, premiums or bonus in any bank, company or corporation, or of any other property, real or personal, made by a person when insolvent or unable to pay the person's debts in full or when the person knows that he, she or it is on the eve of insolvency, with intent to defeat, hinder, delay or prejudice creditors, or any one or more of them, is void as against the creditor or creditors injured, delayed or prejudiced.

Unjust preferences

4(2) Subject to section 5, every such gift, conveyance, assignment or transfer, delivery over or payment made by a person being at the time in insolvent circumstances, or unable to pay his, her or its debts in full, or knowing himself, herself or itself to be on the eve of insolvency, to or for a creditor with the intent to give such creditor an unjust preference over other creditors or over any one or more of them is void as against the creditor or creditors injured, delayed, prejudiced or postponed.

When there is presumption of intention if transaction has effect of unjust preference

4(3) Subject to section 5, if such a transaction with or for a creditor has the effect of giving that creditor a preference over the other creditors of the debtor or over any one or more of them, it shall, in and with respect to any action or proceeding that, within sixty days thereafter, is brought, had or taken to impeach or set aside such transaction, be presumed, in the absence of evidence to the contrary, to have been made with the intent mentioned in subsection (2), and to be an unjust preference within the meaning of this Act whether it be made voluntarily or under pressure.

Assignments for benefit of creditors and good faith sales, etc., protected

5(1) Nothing in section 4 applies to an assignment made to the sheriff for the area in which the debtor resides or carries on business or, with the consent of a majority of the creditors having claims of \$100 and upwards computed according to section 24, to another assignee resident in Ontario, for the purpose of paying rateably and proportionately and without preference or priority all the creditors of the debtor their just debts, nor to any sale or payment made in good faith in the ordinary course of trade or calling to an innocent purchaser or person, nor to any payment of money to a creditor, nor to any conveyance, assignment, transfer or delivery over of any goods or property of any kind, that is made in good faith in consideration of a present actual payment in money, or by way of security for a present actual advance of money, or that is made in consideration of a present actual sale or delivery of goods or other property where the money paid or the goods or

other property sold or delivered bear a fair and reasonable relative value to the consideration therefor.

Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3

Definition of related persons

4(2)(c) two entities

- (i) both controlled by the same person or group of persons,
- (ii) each of which is controlled by one person and the person who controls one of the entities is related to the person who controls the other entity,
- (iii) one of which is controlled by one person and that person is related to any member of a related group that controls the other entity,
- (iv) one of which is controlled by one person and that person is related to each member of an unrelated group that controls the other entity,
- (v) one of which is controlled by a related group a member of which is related to each member of an unrelated group that controls the other entity, or
- (vi) one of which is controlled by an unrelated group each member of which is related to at least one member of an unrelated group that controls the other entity.

Question of fact

4(4) It is a question of fact whether persons not related to one another were at a particular time dealing with each other at arm's length.

Presumptions

4(5) Persons who are related to each other are deemed not to deal with each other at arm's length while so related. For the purpose of paragraph 95(1)(b) or 96(1)(b), the persons are, in the absence of evidence to the contrary, deemed not to deal with each other at arm's length.

Establishing values

96(2) In making the application referred to in this section, the trustee shall state what, in the trustee's opinion, was the fair market value of the property or services and what, in the trustee's opinion, was the value of the actual consideration given or received by the debtor, and the values on which the court makes any finding under this section are, in the absence of evidence to the contrary, the values stated by the trustee.

Fraudulent Conveyances Act, R.S.O. 1990, c F.29

Definitions

1. In this Act,

“conveyance” includes gift, grant, alienation, bargain, charge, encumbrance, limitation of use or uses of, in, to or out of real property or personal property by writing or otherwise; (“cession”)

“personal property” includes goods, chattels, effects, bills, bonds, notes and securities, and shares, dividends, premiums and bonuses in a bank, company or corporation, and any interest therein; (“biens meubles”)

“real property” includes lands, tenements, hereditaments and any estate or interest therein. (“biens immeubles”).

Where conveyances void as against creditors

2. Every conveyance of real property or personal property and every bond, suit, judgment and execution heretofore or hereafter made with intent to defeat, hinder, delay or defraud creditors or others of their just and lawful actions, suits, debts, accounts, damages, penalties or forfeitures are void as against such persons and their assigns.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF URBANCORP (WOODBINE) INC. URBANCORP
(BRIDLEPATH) INC., THE TOWNHOUSES OF HOGG'S HOLLOW INC., KING TOWNS INC., NEWTOWNS AT KING TOWNS
INC. AND DEAJA PARTNER (BAY) INC. (COLLECTIVELY, THE "APPLICANTS")
AND IN THE MATTER OF TCC/URBANCORP (BAY) LIMITED PARTNERSHIP

Court File No.: CV-16-11549-00CL

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

Proceedings commenced at **Toronto**

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Court File No.: CV-16-11549-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF URBANCORP (WOODBINE) INC. AND URBANCORP (BRIDLEPATH) INC., THE TOWNHOUSES OF HOGG'S HOLLOW INC., KING TOWNS INC., NEWTOWNS AT KING TOWNS INC. AND DEAJA PARTNER (BAY) INC. (COLLECTIVELY, THE "APPLICANTS") AND IN THE MATTER OF TCC/URBANCORP (BAY) LIMITED PARTNERSHIP

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

PROCEEDING COMMENCED AT TORONTO

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD OF
TERRA FIRMA CAPITAL CORPORATION
(Motion Returnable February 26, 2018)**

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