

**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**

**MOTION RECORD  
(Returnable February 21, 2019)**

February 14, 2019

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**TO: THE SERVICE LIST**

**CCAA PROCEEDINGS OF URBANCORP (WOODBINE) INC.,  
URBANCORP (BRIDLEPATH) INC. ET AL**

**SERVICE LIST**

**(UPDATED OCTOBER 23, 2018)**

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CCAA PROCEEDINGS OF URBANCORP (WOODBINE) INC., URBANCORP  
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## INDEX

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# TAB 1

**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**  
(Returnable February 21, 2019)

**THE MOVING PARTIES**, Guy Gissin, the Israeli Court-appointed functionary officer and foreign representative (the "**Functionary**") of Urbancorp Inc. ("**UCI**") in his capacity as Functionary and as Trustee of the claims of the holders of bonds issued by UCI (the "**Bondholders**") pursuant to a Plan of Arrangement and Terra Firma Capital Corporation ("**TFCC**") will make a motion to a judge presiding over the Commercial List on Thursday, February 21, 2019, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

**THE MOTION IS FOR an Order:**

1. If necessary, abridging the time for service and filing of this Notice of Motion and the Motion Record, validating service effected to date, and an order dispensing with service thereof on any other party other than those persons served to date;
2. Approving a settlement agreement between UCI, Terra Firma Capital Corporation ("**TFCC**") and KSV Kofman Inc. (the "**Monitor**") in its capacity as Monitor of TCC

Urbancorp (Bay) Limited Partnership (the “**Settlement Agreement**”) with respect to the within proceeding;

3. Provided that the Settlement Agreement is approved, granting, without costs, TFCC’s motion to set aside the disallowance of the proof of claim it filed in respect of TCC Bay (the “**TFCC Claims**”) pursuant to its motion record, originally dated May 8, 2017 (the “**TFCC Motion**”);
4. Directing the Monitor to distribute to UCI in respect of both the TFCC Claims and the allowed UCI unsecured claim all amounts to be distributed from the Applicants’ estate, other than \$150,000.00 to be paid to Fuller Landau Group Inc. as proposal trustee for Alan Saskin and a reserve for the Monitor’s remaining fees and expenses.
5. Declaring that nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, administrator, receiver-manager, agent of any creditor or legal representative of the Bay CCAA Entities (as defined in the Report) within the meaning of any relevant legislation and that any distribution ultimately made by the Monitor pursuant to paragraph 4 above will be deemed to have been made by the Bay CCA Entities themselves, and the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, other than in respect of its gross negligence or wilful misconduct.
6. Declaring that the requested Order is conditional upon approval of the Minutes of Settlement by the Israeli District Court in Tel-Aviv-Yafo in case numbers 44348-04-16 and 12055-12-17 (collectively the “**Israeli Courts**”) and declaring that in the event that the Minutes of Settlement are not approved by the Israeli Courts and the distributions under Paragraph 4 above are not paid, this Order, the Minutes of Settlement and the granting of the TFCC Motion shall be null and void and the parties shall be restored to their respective positions as they existed prior to the Minutes of Settlement.
7. Requesting the aid, recognition and assistance of other courts in Canada in accordance with Section 17 of the *Companies’ Creditors Arrangement Act* (Canada), and requests that the Federal Court of Canada and the courts and judicial, regulatory and administrative bodies of or by the provinces and territories of Canada, the Parliament of

Canada, and other nations and states act in aid, recognition and assistance of, and be complementary to, this Court in carrying out the terms of this Order and any other Order in this proceeding. The Applicant shall be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other court and judicial, regulatory and administrative bodies, and take such other steps, in Canada, or Israel as may be necessary or advisable to give effect to this Order;

8. Such further and other relief that the moving parties may request and this Honourable Court may consider just.

**THE GROUNDS FOR THE MOTION ARE:**

1. This motion seeks approval of a settlement agreement between UCI, TFCC and the Monitor.
2. UCI has an allowed unsecured claim and is currently owed in excess of \$5.5 million.
3. TFCC currently has an outstanding appeal of its secured proofs of claim, which were initially disallowed by the Monitor. TFCC is currently claiming \$5,565,907 (as of January 1, 2019) on account of principal, interest and costs. Additionally, TFCC has advised that it intends to assert an unsecured claim, on similar grounds to the claim that UCI submitted, in the event that its appeal fails.
4. The only other remaining claims are intercompany claims which the Monitor has fully reserved for and which are being resolved in the event by the proposed settlement is approved.
5. The Monitor is currently holding approximately \$7.35 million on account of TCC Bay.

**SETTLEMENT AGREEMENT**

6. UCI and the Israeli Bondholders have also commenced litigation in Israel against TFCC and its CEO, Dov Meyer (“Meyer”) relating to their involvement in the Israeli bond raise.

7. The Functionary and TFCC have agreed to a settlement which would result in TFCC's claims and security, as well as its claims against Alan Saskin personally, being assigned to the Functionary and the Functionary providing a full and final release in favour of both TFCC and Meyer. The effect of the foregoing would be that all monies currently on hand with the Applicants (other than \$150,000.00 to be paid to Fuller Landau Group Inc. as proposal trustee for Alan Saskin and a reserve for the Monitor's remaining fees and expenses) would be paid to UCI.

#### **TERRA FIRMA CLAIM**

8. On November 22, 2016, TFCC filed secured proofs of claim in these proceedings in the respective amounts of \$6,512,874.95 as against Urbancorp (Woodbine) Inc. ("**Woodbine**"), \$6,230,764.08 as against Urbancorp (Bridlepath) Inc. ("**Bridlepath**") and \$6,013,865.10 as against TCC Urbancorp (Bay) Limited Partnership ("**TCC Bay**") (collectively, the "**TFCC Claims**"). TFCC alleges that as of January 1, 2019, it is owed \$5,565,907 on account of principal, interest and costs.
9. The TFCC Claims relate to guarantees and second mortgages which Woodbine, Bayview and TCC Bay provided to TFCC with respect to a loan from TFCC to Urbancorp Holdings Inc. ("**UHI**"), the parent company of UCI.
10. The TFCC Claims were disallowed (although the amounts of \$216,898.98 as against Bridlepath and \$499,009.85 against Woodbine were allowed as unsecured claims and have been paid out) on the basis, inter alia, that they constituted transfers at undervalue, fraudulent conveyances and were oppressive to TCC Bay's creditors.
11. The TFCC Motion seeks to set aside the disallowance of the TFCC Claims.
12. The hearing of the TFCC Motion is scheduled for February 21, 2019.
13. TFCC has advised the Monitor that in the event the TFCC Motion were to fail, it would seek leave to file an unsecured claim on the basis of misrepresentation, alleging that it was provided with representations that TCC Bay (and the other Urbancorp entities) were solvent and were not contemplating insolvency proceedings at the time it made the loan which is the subject of the TFCC Claims, which representations were untrue.

### GENERAL MATTERS

14. All proven claims of the debtors have been paid in full other than certain inter-company claims which will be resolved if this settlement is approved.
15. UCI is the only remaining proven creditor in the TCC Bay proceedings, other than the inter-company claims which will be resolved if this settlement is approved.
16. There is material litigation risk in respect of the TFCC Motion and its unsecured claim. Earlier in the Urbancorp CCAA proceedings, Mr. Justice Myers found in favour of a creditor, Speedy Electric in respect of a claim that raised some similar issues to those which are the subject of the TFCC Motion. The litigation with TFCC relating to both its secured and unsecured claims would be costly and time consuming with no certainty of outcome.
17. The Functionary is not prepared to risk having its recoveries eroded by approximately \$6 million in the event that the TFCC Motion succeeds. Additionally, the Functionary is also not prepared to risk having its recoveries materially diluted by TFCC's unsecured claim. Conversely, TFCC is seeking to resolve all matters between it, Meyer, UCI and the Israeli Bondholders.
18. Other than UCI and TFCC, the only party with any potential financial interest in these proceedings and this Settlement Agreement is DS (Bay) Holdings Inc., an entity purportedly owned by Doreen Saskin. For DS (Bay) Holdings Inc. to have any entitlement to funds from these debtors, the TFCC Motion and TFCC unsecured claim (and any appeals) would have to fail. Any potential nominal recovery by DS (Bay) is contingent on the outcome of the foregoing proceedings and highly speculative.
19. The Settlement Agreement is just and equitable and represents a reasonable resolution of the TFCC Claim and TFCC Motion, as well as the claims of UCI against TFCC and Meyer. Approval of the Settlement Agreement will also avoid material and costly litigation, enable these CCAA proceedings to be terminated in the near term and thereby save material further expense.

20. The Monitor has signed the Settlement Agreement and recommends its approval by this Honourable Court.
21. The settlement is conditional upon approval by both this Honourable Court, as well as the District Court of Tel Aviv-Yafo in both the UCI insolvency proceedings (case number 44348-04-16), as well as in the litigation against inter alia, TFCC and Meyer (case number 12055-12-17).

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:**

22. Twentieth Report to the Court of the Monitor, to be filed separately;
23. Motion materials previously filed in respect of the TFCC Motion; and
24. Such further and other evidence as counsel may advise and this Honourable Court may admit.

February 14, 2019

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**TO: THE SERVICE 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

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

Proceedings Commenced at Toronto

**NOTICE OF MOTION  
(returnable February 21, 2019)**

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# TAB 2

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

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

THE HONOURABLE REGIONAL	)	THURSDAY, THE 21ST
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF FEBRUARY, 2019

**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**

**O R D E R**

**THIS MOTION** made jointly by Urbancorp Inc. ("**UCI**") and Terra Firma Capital Corporation ("**TFCC**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**") for, inter alia, an Order approving Minutes of Settlement dated January 30, 2019 among UCI, TFCC and KSV Kofman Inc. (the "**Monitor**") in its capacity as Monitor of TCC Urbancorp (Bay) Limited Partnership ("**TCC Bay**") (the "**Minutes of Settlement**"), and granting TFCC's motion to set aside the disallowance of the proof of claim it filed in respect of TCC Bay (the "**TFCC Claim**") pursuant to its motion record, originally dated May 8, 2017 (the "**TFCC Motion**") was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the joint motion record of UCI and TFCC, the Twentieth Report of KSV dated February 14, 2019 (the “**Report**”), and on hearing the submissions of counsel for UCI, TFCC and KSV, no one else appearing although duly served as appears from the affidavit of service of Sandra Cooper, sworn February \_\_\_\_, 2019,

1. **THIS COURT ORDERS** that the Minutes of Settlement be, and the same are, hereby approved.
2. **THIS COURT ORDERS** that the TFCC Motion is hereby granted, without costs.
3. **THIS COURT ORDERS** that the Monitor shall distribute to UCI on account of both the TFCC Claim and the allowed UCI unsecured claim all amounts to be distributed from the Applicants’ estate, other than \$150,000 to be paid to Fuller Landau Group Inc. as proposal trustee for Alan Saskin and a reserve for the Monitor’s remaining fees and expenses.
4. **THIS COURT ORDERS AND DECLARES** that nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, administrator, receiver-manager, agent of any creditor or legal representative of the Bay CCAA Entities (as defined in the Report) within the meaning of any relevant legislation and that any distribution ultimately made by the Monitor pursuant to paragraph 3 of this Order will be deemed to have been made by the Bay CCA Entities themselves, and the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, other than in respect of its gross negligence or wilful misconduct.
5. **THIS COURT ORDERS** that this Order is conditional upon approval of the Minutes of Settlement by the Israeli District Court in Tel-Aviv-Yafo in case numbers 44348-04-16

and 12055-12-17 (collectively the “Israeli Courts”). In the event that the Minutes of Settlement are not approved by the Israeli Courts, and the distributions under paragraph 3 are not made, then this Order and the Minutes of Settlement and the granting of the TFCC Motion shall be null and void and the parties shall be restored to their respective positions as they existed prior to the Minutes of Settlement.

6. **THIS COURT REQUESTS** the aid, recognition and assistance of other courts in Canada in accordance with Section 17 of the *Companies’ Creditors Arrangement Act* (Canada), and requests that the Federal Court of Canada and the courts and judicial, regulatory and administrative bodies of or by the provinces and territories of Canada, the Parliament of Canada, Israel and other nations and states act in aid, recognition and assistance of, and be complementary to, this Court in carrying out the terms of this Order and any other Order in this proceeding. The Applicant shall be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other court and judicial, regulatory and administrative bodies, and take such other steps, in Canada or Israel, as may be necessary or advisable to give effect to this Order.

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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

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

Proceeding commenced at Toronto

**ORDER**

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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

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

Proceeding commenced at Toronto

**MOTION RECORD  
(Returnable February 21, 2019)**

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