



Tenth Report to Court of KSV Kofman Inc. as CCAA Monitor of Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., Newtowns at Kingtowns Inc., Deaja Partner (Bay) Inc., and TCC/Urbancorp (Bay) Limited Partnership

July 25, 2017

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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.

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

TENTH REPORT OF KSV KOFMAN INC. AS CCAA MONITOR

JULY 25, 2017

1.0 Introduction

1. On April 25, 2016, Urbancorp (Woodbine) Inc. ("Woodbine") and Urbancorp (Bridlepath) Inc. ("Bridlepath") each filed a Notice of Intention to Make a Proposal (the "NOI Proceedings") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"). Jointly, Woodbine and Bridlepath are referred to as the "Companies". KSV Kofman Inc. ("KSV") was appointed as the Proposal Trustee in the NOI Proceedings.
2. Pursuant to an order made by the Ontario Superior Court of Justice (Commercial List) (the "Court") dated October 18, 2016 (the "Initial Order Date"), Woodbine, Bridlepath, The Townhouses of Hogg's Hollow Inc., King Towns Inc., Newtowns at Kingtowns Inc. Deaja Partner (Bay) Inc. ("Deaja") and TCC/Urbancorp (Bay) Limited Partnership ("Bay LP") (the "Bay CCAA Entities") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") (the "Bay LP CCAA Proceedings") and KSV was appointed monitor in those proceedings (the "Monitor").
3. Deaja is the general partner of Bay LP. Each of the Bay LP subsidiaries is a nominee for Bay LP and, as such, their assets and liabilities are assets and liabilities of Bay LP.
4. The entities below are the known direct or indirect wholly-owned subsidiaries of Urbancorp Cumberland 1 LP ("Cumberland"):
 - Urbancorp (St. Clair Village) Inc. ("St. Clair")
 - Urbancorp (Patricia) Inc. ("Patricia")
 - Urbancorp (Mallow) Inc. ("Mallow")

- Urbancorp (Lawrence) Inc. (“Lawrence”)
- High Res Inc.
- King Residential Inc.
- Urbancorp (952 Queen West) Inc.
- Urbancorp 60 St. Clair Inc.
- Urbancorp New Kings Inc. (“UNKI”)
- Bridge on King Inc. Urbancorp (North Side) Inc.
- Urbancorp Partner (King South) Inc. (“1071 King”)

Collectively, Cumberland and its direct and indirect subsidiaries are the “Cumberland Entities” and each individually is a “Cumberland Entity”. Each Cumberland Entity is a nominee for Cumberland and, as such, the assets and liabilities of the Cumberland Entities are assets and liabilities of Cumberland.

On or around December 15, 2015, Urbancorp undertook a reorganization (the “Reorganization”). Prior to the Reorganization, each of the Cumberland subsidiaries listed above was a subsidiary of Bay LP. The Reorganization, as it relates to Bay LP, is set out in Section 2.2.4.

5. Each of the Cumberland Entities, except UNKI, is subject to a CCAA proceeding (the “Cumberland CCAA Proceedings”) separate from the Bay LP CCAA Proceedings. The entities listed below are the remaining entities in the Cumberland CCAA Proceedings:

- Urbancorp Toronto Management Inc. (“UTMI”)
- Urbancorp Downsview Park Development Inc. (“Downsview Park”)
- Urbancorp Power Holdings Inc.
- Vestaco Homes Inc.
- Vestaco Investments Inc. (“Vestaco”)
- 228 Queens Quay West Limited
- Urbancorp Residential Inc.
- Urbancorp Realtyco Inc.
- Urbancorp Cumberland 1 GP

The entities above, together with the Cumberland Entities, excluding UNKI, are the “Cumberland CCAA Entities”. Except for UTMI, the above entities are direct or indirect wholly-owned subsidiaries of Urbancorp Inc. (“UCI”). UTMI is believed to be wholly owned by Alan Saskin.

6. KSV has filed various reports to Court. The reports filed by KSV can be found on its website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.
7. Corporate charts for each of the Bay CCAA Entities and the Cumberland CCAA Entities are attached as Appendices “A” and “B”, respectively. For the purposes of this Report, the Bay CCAA Entities, the Cumberland CCAA Entities and their affiliates comprise the Urbancorp Group (the “Urbancorp Group”).
8. On the date of the Initial Order in the Bay LP CCAA Proceedings, an order (the “Claim Procedure Order”) was made by the Court establishing a procedure for the identification and quantification of claims against the Bay CCAA Entities and against the current and former officers and directors of the Bay CCAA Entities.

9. Pursuant to the Claims Procedure Order, Terra Firma Capital Corporation (“TFCC”) submitted secured claims of \$6,512,875, \$6,230,764 and \$6,013,865, dated November 22, 2016 (the “Claims”) against Woodbine, Bridlepath and Bay LP, respectively. The Claims are in respect of a \$10 million loan provided by TFCC to Urbancorp Holdco Inc. (“UHI”) that was guaranteed by Bay LP and others (the “Guarantee”). As security for the Guarantee, Woodbine and Bridlepath granted mortgages to TFCC (the “TFCC Mortgages”) on real property registered to Woodbine (“Woodbine Property”) and to Bridlepath (“Bridlepath Property”); Bay LP granted security to TFCC in the form of a general security agreement in respect of the Guarantee. Copies of the Claims are attached as Appendices “C-1”, “C-2” and “C-3”, respectively.
10. On December 14, 2016, the Monitor issued Notices of Revision or Disallowance to TFCC (the “Disallowance”) disallowing the Claims as set out in the table below:

Entity	Amount Claimed (Secured)	Amount Admitted (Unsecured)
Woodbine	\$6,512,874	\$499,009
Bridlepath	\$6,230,764	\$216,898
Bay LP	\$6,013,865	\$NIL

11. The Disallowances were based on an opinion dated October 5, 2016 (“Opinion”) by the Monitor’s legal counsel, Davies Ward Phillips & Vineberg LLP, concerning the validity of the Claims. The Opinion states, among other things, that the granting of the TFCC Mortgages could be held to be void “as transfers at undervalue under the *Bankruptcy and Insolvency Act* (the “BIA”), fraudulent conveyances under the *Fraudulent Conveyances Act* (Ontario) or fraudulent preferences under the *Assignment and Preferences Act* (Ontario). A copy of the Opinion is attached as Appendix “D”. Copies of the Disallowances are attached as Appendices “E-1”, “E-2” and “E-3”, respectively.
12. The Monitor also notes that the granting of the Guarantee and the TFCC Mortgages could be considered to have been oppressive or unfairly prejudicial to or to have unfairly disregarded the interest of Bay LP’s other creditors at the time they were granted.
13. On December 16, 2016, TFCC, through its counsel, issued Notices of Disputes of Notice of Revision or Disallowance (“Disputes”) in respect of the Disallowances. Copies of the Disputes for Woodbine, Bridlepath and Bay LP are attached as Appendices “F-1”, “F-2” and “F-3”, respectively.
14. On May 8, 2017, TFCC filed a motion with the Court (“TFCC Motion”) seeking the following relief:
 - setting aside the Disallowances;
 - confirming the validity and enforceability of the TFCC Mortgages; and
 - directing the Monitor to make an immediate distribution of all amounts owed to TFCC by Woodbine, Bridlepath and Bay LP.

1.1 Purposes of this Report

1. The purposes of this report (the “Report”) are to:
 - a) Detail the Monitor’s review of information pertaining to the Claims and the basis for the Disallowance; and
 - b) Recommend the Court make an order:
 - (i) approving this Report;
 - (ii) confirming the Monitor’s Disallowances;
 - (iii) setting aside the Guarantees as void as against the Monitor; and
 - (iv) declaring the TFCC Mortgages as unenforceable.

1.2 Currency

1. All dollar amounts in this Report are in Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial statements of the Bay CCAA Entities and Cumberland CCAA Entities, the books and records of the Bay CCAA Entities and Cumberland CCAA Entities (the “Books and Records”) and discussions with their management (“Management”), their legal counsel (“Legal Counsel”) and their external accountants (“Accountants”) (collectively, Management, Legal Counsel and the Accountants are referred to as the “Representatives”). The Monitor has considered the explanations by the Representatives concerning the transactions discussed herein.
2. The Monitor has not performed an audit or independent verification of the information discussed herein. The Monitor expresses no opinion or other form of assurance with respect to the financial information presented in this Report.

2.0 Background

2.1 General

1. The Urbancorp Group was founded in 1991 by Alan Saskin. The Urbancorp Group is principally involved in the development of residential real estate projects in the Greater Toronto Area. The Monitor understands that Mr. Saskin, his family members and family trusts are, directly or indirectly, the ultimate owners of the entities in the Urbancorp Group.

2.2 Bay LP

1. Bay LP is a limited partnership that the Monitor understands was started in 1999. Bay LP owned, through nominee corporations, various real estate projects, including Woodbine and Bridlepath. The Woodbine Property and the Bridlepath Property were sold by KSV on September 30, 2016 and October 14, 2016, respectively.

2. The ownership of Bay LP is believed to be as follows:

- Deaja – General Partner - .01%
- Alan Saskin – Limited Partner – 79.99%
- Vestaco, as nominee for Doreen Saskin¹ – Limited Partner – 20.00%²

Collectively Deaja, Alan Saskin and Vestaco are referred to as the “Partners”.

3. During 2015, in contemplation of and in conjunction with a bond offering in Israel (the “Israel Bond Offering”), Bay LP transferred Downsview Park to UCI and various other Bay LP nominees to Cumberland, as referenced in Section 1.0.4 of this Report (the “Transfers”). A more detailed description of the Transfers is provided in the Monitor’s Second Report, dated December 6, 2016 (the “Second Report”). A copy of the Second Report is attached as Appendix “G”, without appendices.

4. The Transfer by Bay LP to Cumberland contained the following sequential steps:

- (i) Urbancorp Cumberland 1 GP Inc. (“Cumberland GP”) was incorporated;
- (ii) Cumberland is formed as a limited partnership, with Bay LP contributing \$1 in exchange for one (1) limited partnership unit of Cumberland; Cumberland GP contributed \$10 in exchange for ten (10) general partnership units in Cumberland;
- (iii) Bay LP transferred its ownership interest in various entities/nominees to Cumberland in exchange for ninety-nine (99) limited partnership units in Cumberland;
- (iv) Bay LP sold its one hundred (100) limited partnership units in Cumberland to UCI and, in exchange, received one (100) Class D Special Shares of UCI, being all the issued UCI Class D Special Shares; and
- (v) Bay LP sold its one hundred (100) UCI Class D Special Shares to UHI and, in exchange, received one hundred (100) Class D Special Shares of UHI, being all the UHI Class D Special Shares.

5. The result of the foregoing transactions is:

- UCI, directly and indirectly, owns 100% of Cumberland;
- UHI owns all of the UCI Class D Special Shares; and
- Bay LP owns all of the UHI Class D Special Shares.

¹ The Monitor has recently received documentation evidencing that Doreen Saskin is the beneficial owner of the Vestaco limited partnership interest in Bay LP. The sole shareholder of Vestaco is Urbancorp Power Holdings Inc. whose sole shareholder is UCI.

² Pursuant to a 2008 agreement, Vestaco is to receive a preferred return.

6. Subsequent to the Reorganization, Bay LP's major assets consisted of the Woodbine Property and the Bridlepath Property. Its other projects had been largely completed by the time of the Reorganization. Currently, the main asset of Bay LP is cash generated from the sale of the Woodbine Property and the Bridlepath Property³.
7. Pursuant to the Claims Procedure Order, the Monitor has received various claims in the Bay CCAA Entities proceedings. Set out below is a summary of the admitted and disputed claims:

	(\$000's)
Admitted	
Homeowners' deposits	7,113
Third party creditors (including a portion of the TFCC Claims)	1,661
Intercompany	540
Total	<u>9,314</u>
Disallowed: ⁴	
TFCC	6,014
Employees	2,400
Tarion Warranty Corporation ("Tarion") ⁵	716
Total	<u>9,130</u>
Total admitted and disputed claims	<u>18,444</u>

8. In addition to the above, at the commencement NOI Proceedings, Bay LP had the following indebtedness, which was secured by mortgages on the Woodbine Property and Bridlepath Property:

Re Woodbine:	
Laurentian Bank ("LBC") and TFCC ⁶	\$4.725 million ⁷
Re Bridlepath	
Atrium Mortgage Investment Corporation ("AMIC") and TFCC	\$10.35 million ⁶

The above mortgages were repaid by KSV after the sales of the Woodbine Property and the Bridlepath Property. The Court Order dated September 30, 2016 authorized KSV to repay these mortgages.

³ The cash balance as at June 30, 2017 was approximately \$19.893 million.

⁴ The Disallowed claims do not include a potential \$8 million claim that may be asserted by UCI. Counsel for UCI has advised that it may be seeking to bring a claim against Bay LP, and others, in respect of promissory notes issued by Bay LP that were determined to be invalid by the Court.

⁵ Tarion originally filed claims totaling \$349 million. Tarion has reduced its claim to \$716,000.

⁶ TFCC had a \$2.1 million subordinated participation in the mortgage registered on title to the Woodbine Property by LBC.

⁷ The amounts set out were the principal amounts of the loans as at April 25, 2016. The amounts paid by the Monitor to the mortgagees were \$5,476,860 and \$11,594,927 for Woodbine and Bridlepath, respectively.

2.3 UCI

1. UCI is a wholly-owned subsidiary of UHI. The original capital structure of UCI is believed to have consisted of Common, Special Class "A", Special Class "B", Special Class "C", Special Class "D" and Special Class "E" shares. On May 13, 2016, additional classes of UCI special shares were created. UHI is the holder of all the shares of all the classes of UCI shares.
2. UCI is a holding company which the Monitor understands was established for the purpose of raising funds through the Israel Bond Offering. The Israel Bond Offering, which closed in December, 2015, raised approximately \$64.2 million before costs and reserves for future interest and expenses totalling approximately \$6.2 million. The net proceeds received by UCI from the Israel Bond Offering totaled approximately \$58 million (the "Proceeds").
3. The Proceeds were utilized to repay existing secured debt owing by various entities in the Urbancorp Group and for general working capital purposes
4. As reflected in the table below, all but \$6.4 million⁸ of the Proceeds were used to repay existing obligations, including the "participation fees" to TFCC totalling \$2,239,390. Except for the Downsview Park loan from Mattamy, TFCC administered all the loans listed below on its own behalf and on behalf of the other lenders. A copy of the TFCC discharge statements for each of the loans listed below, except for Downsview Park, is attached as appendices "H-1" to "H-7". These discharge statements set out the participation fee, as applicable, and that TFCC administered the loans for MCAN, Laurentian Bank of Canada ("LBC") and Atrium Mortgage Investment Corporation ("AMIC").

Secured Creditor	Property	Amount (\$000's)
TFCC	St. Clair Village	2,251
	Lawrence	2,727
	Mallow	2,874
	Patricia	2,420
	1071 King	2,113
	Edge	3,110
	Miscellaneous	723
		<u>16,218</u>
MCAN	St. Clair Village	5,421
	Lawrence	<u>5,832</u>
		<u>11,253</u>
Mattamy	Downsview Park	10,095
LBC	Patricia	7,200
AMIC	Mallow	<u>6,856</u>
		<u><u>51,622</u></u>

⁸ The \$6.4 million was used for general working capital purposes.

2.4 UHI

1. UHI is a holding company established to hold all the issued shares of UCI. Alan Saskin is believed to be the owner of all the UHI common shares. UHI, similar to UCI, is believed to have originally had Common, Special Class "A", Special Class "B", Special Class "C", Special Class "D" and Special Class "E" shares. On May 13, 2016, additional classes of UHI special shares were created. It does not appear that any of the new classes of shares were issued. The owners of the various Special Class shares are entities/parties which transferred assets or entities to UCI in a series of apparently tax driven transactions. Bay LP received all the UHI Special Class "D" shares.
2. The UHI Class D Special Shares have various attributes and are non-voting. The most significant attribute is that these shares entitle Bay LP to only receive, as a dividend, the net proceeds paid by UCI on its Class D Special Shares. The UCI Class D Special Shares, which are also non-voting, entitle the shareholder, UHI, to receive a dividend equal to the "Class D Available Funds". The holder of the UCI Class D Special Shares shall not be entitled to any dividends other than or in excess of the Class D Available Funds. The Class D Available Funds is equal to:
 - a) The proceeds received by UCI in respect of the assets that were transferred by Bay LP to Cumberland, including proceeds from disposition, rental income and dividends,

less:
 - b) any direct costs associated with the particular proceeds; and

less:
 - c) any direct or indirect taxes or the like assessed against UCI in respect of the particular proceeds.
3. A copy of UHI's Articles of Incorporation setting out its share terms is attached as Appendix "I". A copy of UCI's Articles of Incorporation setting out its share terms is attached as Appendix "J".
4. On December 22, 2015, UHI and TFCC entered into a \$12 million loan agreement ("Original UHI Loan"). The purpose of the Original UHI Loan was to have UHI advance the proceeds to UCI to enhance UCI's equity capital. A copy of the term sheet for the Original UHI Loan is attached as Appendix "K". On the same day, UCI confirmed, among other things, that it would contribute the \$12 million proceeds from the Original UHI Loan to Urbancorp Investco Inc. ("Investco"). Investco would utilize the \$12 million to co-invest with TFCC in syndicated loans or loans secured by properties located in the Greater Toronto Area. A copy of the UCI confirmation of this loan is attached as Appendix "L".
5. In connection with the Original UHI Loan, TFCC received the Guarantee dated December __, 2015⁹ from each of the shareholders of UHI and Urbancorp (Valermo)

⁹ The Guarantee is blank as to the date in December.

Inc. (“Valermo”) and were granted security by the guarantors, including the TFCC Mortgages granted on the Woodbine Property and the Bridlepath Property. A copy of the Guarantee is attached as Appendix “M”.

6. On February 5, 2016, TFCC confirmed by e-mail that certain escrow conditions under the Original UHI Loan had not been fulfilled. TFCC also confirmed that it had received a return of the funds held in escrow. A copy of the TFCC February 5, 2016 e-mail is attached as Appendix “N”.
7. On March 6, 2016, a new term sheet was provided by TFCC to UHI for a \$10 million loan (the “New UHI Loan”). A copy of the term sheet for the New UHI Loan is attached as Appendix “O”. The purpose of the New UHI Loan was to make an advance to enhance UCI’s equity capital; it is uncertain whether the advance was a shareholder’s loan or whether there was a subsequent new share capital subscription. UCI used the proceeds of the New UHI Loan to pay a significant portion of an outstanding Harmonized Sales Taxes (“HST”) obligation owing by Edge on Triangle Park Inc. (“Edge”). Edge is a nominee for Urbancorp Cumberland 2 LP (“Cumberland 2”), which was formed as part of the Reorganization and is wholly-owned by UCI.¹⁰
8. Conditions precedent for the New UHI Loan included:
 - Guarantees from Alan Saskin, TCC/Urbancorp (Bay/Stadium) LP (“Bay/Stadium”), Bay LP, UTMI, Woodbine, Bridlepath, TCC/Urbancorp (Stadium Road) LP, Valermo and The Webster Family Trust;
 - Mortgages were to be provided by various guarantors, including on the Woodbine Property and the Bridlepath Property. The mortgage security provided under the Original UHI Loan would be used for the New UHI Loan;
 - Alan Saskin or an Urbancorp Group entity, other than UCI or any of UCI’s direct or indirect subsidiaries, was to advance \$2.25 million so that UCI could pay \$12 million towards Edge’s HST liability.
9. The advances under the New UHI Loan were made on March 9, 2017 (“Advance Date”) by TFCC to Harris Sheaffer LP (“HS”), legal counsel to the Urbancorp Group. HS received \$9.75¹¹ million from TFCC and received \$2.25 million from Urbancorp Group entities. HS remitted \$12 million to Canada Revenue Agency (“CRA”) in respect of the Edge HST liability. The Urbancorp Group entities that funded the \$2.25 million were UCI (\$1.15 million) and Urbancorp Management Inc. (\$1.1 million). After the \$12 million remittance to CRA, Edge continued to be indebted to CRA in the amount of approximately \$2.5 million. A copy of the Edge HST account from CRA is attached as Appendix “P”.
10. At or about the same time of the New UHI Loan, both UHI and Valermo acknowledged that they requested that, in the event that TFCC or Terra Firma (Valermo) Corporation purchased Valermo’s 50% interest in the Valermo Co-Tenancy with Mattamy Homes, the purchase price should be applied against the

¹⁰ These assets, among others, were transferred by TCC/Urbancorp (Bay/Stadium) LP in return for non-voting Class E Special Shares.

¹¹ The amount advanced to HS by TFCC was \$9.75 million, being \$10 million, less \$250,000 for fees/costs.

New UHI Loan (the “Acknowledgement”). The purchase price for Valermo’s 50% interest, depending on future events, ranges between \$5 million and \$7 million. A copy of the Acknowledgement is attached as Appendix “Q”. TFCC purchased Valermo’s 50% interest in the Valermo Co-Tenancy in May, 2016.

3.0 TFCC Claims

1. As noted, TFCC filed separate secured claims against Woodbine, Bridlepath and Bay LP, as follows:

- Woodbine, \$6,512,875;
- Bridlepath, \$6,230,764; and
- Bay LP \$6,013,865.

The majority of each claim (\$6,013,865) represents the balance of the New UHI Loan, after applying a \$5 million purchase price for Valermo’s interest in the Valermo Co-Tenancy by TFCC against the New UHI Loan. Summaries of the TFCC claims are set out in the paragraphs that follow. The amount in excess of \$5 million represents interest and costs to November 22, 2016.

2. A copy of the TFCC claim filed against Woodbine (\$6,512,875) is attached as Appendix “C-1”. A summary of the claim is:

- Balance owing on the New UHI Loan \$ 6,013,865
- Additional fees, interest and expenses regarding the Woodbine project \$ 499,010

3. A copy of the TFCC claim filed against Bridlepath (\$6,230,764) is attached as Appendix “C-2”. A summary of the claim is:

- Balance owing on the New UHI Loan \$ 6,013,865
- Additional fees, interest and expenses regarding the Bridlepath project \$ 216,899

4. A copy of the TFCC claim filed against Bay LP (\$6,013,865) is attached as Appendix “C-3”. This claim is solely in respect of the balance owing on the New UHI Loan.¹²

5. In the event that the TFCC Motion is successful, the amount owing to TFCC by the Bay LP CCAA Entities would be \$6,729,773, as estimated below. This is prior to additional costs and interest since the date the Claims were filed, as well as the issue of the purchase price adjustment on Valermo’s interest in the Valermo Co-Tenancy.

- Balance owing on New UHI Loan, including interest and expenses \$6,013,865

¹² The security related to this claim is limited to any and all personal property situated on or in any way relating to the Bridlepath Property and the Woodbine Property.

• Fees, interest and expenses regarding the Woodbine project	499,010
• Fees, interest and expenses regarding the Bridlepath project	216,899
Total	<u>\$6,729,774</u>

4.0 Effects on New UHI Loan

1. As set out in Section 2.4.7, the proceeds of the New UHI Loan were used to make an advance to UCI, which utilized the funds to reduce the Edge liability to CRA. The effect of the New UHI Loan at the Advance Date, as it applies to UCI, was to create a new liability (to UHI) and increase UCI's investment in Edge, which was likely an insolvent entity at the Advance Date. The combined UCI/UHI financial position was not enhanced by the New UHI Loan.
2. The Books and Records disclose that none of the proceeds of the New UHI Loan was, directly or indirectly, provided to Bay LP.
3. The proceeds of the New UHI Loan did not and could not increase the Class D Available Funds.
4. The result of the New UHI Loan is that Bay LP provided the Guarantee and the related security without receiving any economic benefit, directly or indirectly.

5.0 Solvency of Bay LP

5.1 Definition of Insolvent Person

1. As Woodbine and Bridlepath are nominee entities for Bay LP, a solvency analysis for Bay LP has been prepared by the Monitor. The solvency analysis and the Monitor's conclusions thereon are provided in the paragraphs that follow in this section.
2. Section 2 of the BIA defines an insolvent person to mean "a person who is not bankrupt and who resides, carries on a business or has property in Canada, whose liabilities to creditors payable as claims under this Act amount to one thousand dollars and:
 - (a) who is, for any reason, unable to meet his obligations as they generally become due, or
 - (b) who has ceased paying his current obligations in the ordinary course of business generally as they become due, or
 - (c) the aggregate of whose property is not, at fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations, due and accruing due."

Items (a) and (b) are colloquially referred to as the "cash flow" test and item (c) is colloquially known as the "balance sheet" test.

5.2 Balance Sheet

- The Monitor has reviewed the Books and Records of Bay LP (including Woodbine and Bridlepath) as at March 31, 2016. The March 31, 2016 date was used as the Books and Records generally reflect balances at month end (adjustments were made, where necessary, to reflect balances as at the Advance Date). The Bay LP balance sheet has been adjusted to estimate the fair valuation of Bay LP's assets, as well as to correct certain liability amounts. Set out below is the Bay LP estimated balance sheet at the Advance Date, both at book value and at the estimated fair valuation:

Bay LP Estimated Balance Sheet March 31, 2016 (\$000's)			
	Book Value	Fair Value Adjustments/ Corrections	Fair Valuation
Assets			
Bank and sundry	212		212
Investments and advances			
– UCI	12,143	(12,143)	-
– Bay/Stadium	3,383	(3,383)	-
– UTMI	425	(425)	-
Land	22,779	13,432	36,211
	<u>38,942</u>	<u>(2,519)</u>	<u>36,423</u>
Liabilities			
Accounts payable and sundry	1,053	(39)	1,014
Intercompany – Cumberland 1LP	220	320	540
– Downsview	4,186	(4,186)	-
– Other	-	95	95
Loans – Saskin	517		517
– First Capital Realty	2,651	(2,651)	-
Mortgages	15,368	443	15,811
Purchasers' deposits	7,114		7,114
	<u>31,109</u>	<u>(6,018)</u>	<u>25,091</u>
Contingencies ¹³	-	10,000	10,000
Partners' Equity	7,833	(2,519)	1,332
	<u>38,942</u>	<u>(1,463)</u>	<u>36,423</u>

Based on the above, it appears that Bay LP had equity of approximately \$1.3 million, after giving effect to the \$10 million Guarantee.

¹³ Contingencies include the \$10 million Guarantee to TFCC but does not include the potential \$8 million UCI claim made by the Foreign Representative.

2. Explanations of the Fair Value Adjustments and Corrections are provided on Exhibit "1".

5.3 Cash Flow Test Analysis

5.3.1 Summary of Liabilities

5.3.1.1 Mortgages - \$15,811,243

1. Excluding the TFCC Mortgages (which are subject to the Disallowances), the Woodbine Property and the Bridlepath Property each had a mortgage at the Advance Date. A description of each mortgage is described below.
 - a) Woodbine Property
 - (i) The Woodbine Property had a mortgage ("Woodbine Mortgage") with the principal amount owing of \$4,725,000 at the Advance Date. The Woodbine Mortgage was granted in favour of LBC pursuant to a loan made by LBC in January, 2014 ("LBC Loan"). TFCC is a participant in the LBC Loan, with LBC having contributed \$2,625,000 and TFCC having contributed \$2,100,000.
 - (ii) The LBC Loan matured on February 1, 2016 and LBC did not extend the maturity date on the loan. On February 4, 2016, LBC made demand for repayment and issued a Notice of Intention to Enforce Security under Section 244 of the BIA (the "Section 244 Notice"). A copy of the Section 244 Notice, together with demand for repayment, is attached as Appendix "R".
 - (iii) LBC was also part of a banking syndicate, led by Canadian Imperial Bank of Commerce ("CIBC"), that provided a loan to finance the Urbancorp (Leslieville) Developments Inc. ("Leslieville") project. Leslieville is a nominee and subsidiary of Bay/Stadium. By mid-2015, Leslieville was in default on the loan from the CIBC-led syndicate. As a result of this default, LBC advised the Urbancorp Group that it would not be renewing or extending any loans to any Urbancorp Group entity upon maturity, including the LBC Loan.
 - (iv) On March 4, 2016, LBC issued a Notice of Sale under Mortgage in respect of Woodbine, a copy of which is attached as Appendix "S".
 - (v) At the Advance Date, the amount owing under the LBC Loan was \$5,075,428.
 - (vi) The LBC Loan was repaid in October, 2016 from the proceeds of the sale of the Woodbine Property in the sale process conducted in these insolvency proceedings.

b) Bridlepath Property

- (i) The Bridlepath Property had a mortgage (“Bridlepath Mortgage”) with a principal amount owing of \$10,350,000. The Bridlepath Mortgage, dated March 20, 2014, was granted in favour of AMIC and TFCC.
- (ii) The Bridlepath Mortgage, which required monthly interest payments only, ceased being serviced after January, 2016. As at the Advance Date, the arrears on the Bridlepath Mortgage were in excess of \$350,000, including interest arrears and a default interest bonus. At the Advance Date, the amount owing on the Bridlepath Mortgage was \$10,735,815.
- (iii) AMIC and TFCC issued a Notice of Sale under Mortgage on April 11, 2016, a copy of which is attached as Appendix “T”.
- (iv) The Bridlepath Mortgage was repaid in October, 2016 from the proceeds of sale of the Bridlepath Property in the sale process conducted by KSV.

5.3.1.2 Purchasers’ Deposits - \$7,113,000

- (i) In the normal course, individuals who purchased homes (“Purchasers”) paid deposits to the builder (“Purchasers’ Deposits”). The Purchasers’ Deposits would be applied against the purchase price of the homes upon closing of the sale of home. As such, at the Advance Date and in the period preceding the Advance Date, no amounts would have been due to be paid to the Purchasers as there was an expectation that each development would be completed. Bay LP did not complete the homes purchased on the Woodbine or the Bridlepath projects, as the Woodbine Property and the Bridlepath Property were sold as vacant land. In each instance, the purchasers of the land, pursuant to the sale process conducted in the Bay CCAA Proceedings, did not assume the obligations under the agreements of purchase and sale with the Purchasers.
- (ii) The Purchasers have admitted claims for the amounts of the Purchasers’ Deposits and will likely receive full repayment of the Purchasers’ Deposits, provided the TFCC Motion is unsuccessful.

5.3.1.3 Accounts Payable and Accrued Liabilities - \$1,013,519

1. Attached as Appendix “U” is a summary of the estimated accounts payable and accrued liabilities. As set out in Appendix “U”, the Monitor reviewed substantially all of the accounts (98% by value). As set out in Appendix “U”, virtually all of the obligations were past due as at the Advance Date.

5.3.1.4 Related Parties - \$1,152,000

1. The related party liabilities consist of Cumberland (\$540,000), Alan Saskin (\$517,000), Edge (\$85,919) and TCC/Urbancorp (Stadium Road) LP (“Stadium Road”) (\$8,869). The related parties’ liabilities have no specific terms of payment. All related parties, except Stadium Road, are in insolvency proceedings. Any recoveries by these parties will be paid to their creditors (except Stadium Road). Stadium Road is owned by Alan Saskin, who filed a Proposal under the BIA.

5.4 Payments by Other Parties

1. In the normal course, other entities, notably UTMI, would make payments on behalf of Woodbine and Bridlepath. The Books and Records indicate that UTMI paid \$1,064 on behalf of Woodbine and Bridlepath during the period from January 1, 2016 to the Advance Date. The Books and Records do not indicate that any other Urbancorp Group entity made any payments on behalf of Bay LP during this period. This indicates that the liabilities of Bay LP were not being paid during this period by other Urbancorp Group entities.

5.5 Conclusion

1. At the Advance Date, it appears that:
 - (a) The assets of Bay LP, at fair valuation, appear to have been sufficient to enable the payment of all Bay LP’s obligations; and
 - (b) Bay LP’s liabilities, excluding liabilities to related parties (which had no fixed terms of repayment) and to Purchasers, consisted of the Woodbine Mortgage (\$5,075,428), the Bridlepath Mortgage (\$10,735,815) and the accounts payable and accrued liabilities (\$1,013,519). Bay LP had ceased paying all such liabilities as they generally became due and/or was unable to meet its obligations generally as they became due.

6.0 TFCC’S Knowledge of Urbancorp Group’s Financial Circumstances

6.1 Relationship with Urbancorp Group

1. TFCC was deeply involved with the Urbancorp Group at and prior to the Advance Date. The relationships between TFCC, including Dov Meyer (formerly TFCC’s Chief Executive Officer) and the Urbancorp Group included:
 - assisting in arranging first mortgage financing at various projects;
 - participating in first mortgage financing on various projects;
 - providing mezzanine financing on various projects; and
 - assisting in the debt financing in the Israel Bond Offering.
2. Set out below is information that reflects TFCC’s knowledge of Urbancorp Group’s financial situation at and prior to the Advance Date.

6.2 First Mortgages

1. As set out in Section 2.2 of this Report, TFCC arranged and participated in both the Woodbine Mortgage and the Bridlepath Mortgage.
 - (i) As a result of the default on the CIBC led syndicate loan on the Leslieville project during 2015, LBC advised the Urbancorp Group that it would not be renewing or extending loans to any Urbancorp Group entity. Specifically, by letter dated December 18, 2015, LBC advised Woodbine that it would not be renewing the Woodbine Mortgage; the December 18, 2015 LBC letter was copied to TFCC, which is a participant in the Woodbine mortgage. A copy of the December 18, 2015 LBC letter is attached as Appendix "V". On February 4, 2016, the Woodbine Mortgage matured and LBC made demand for repayment and issued a Section 244 Notice (see Appendix "R"). LBC included TFCC in its notices on the Woodbine Mortgage. The Woodbine Mortgage was not repaid and LBC commenced enforcement actions prior to the Advance Date. TFCC was kept informed of LBC's actions. According to Management, TFCC had previously advised that it was concerned that obligations on the Woodbine Property (Mortgage, Purchasers' Deposits and other claims) exceeded the value of the Woodbine Property.
 - (ii) TFCC, together with AMIC, were the mortgage lenders on the Bridlepath Property and commenced enforcement proceedings on April 11, 2016. At that time and prior to the Advance Date, the Bridlepath Mortgage was in arrears. According to Management, prior to the advance date, TFCC introduced a potential buyer for the Bridlepath Property. Mr. Meyer advised Management that the potential buyer's offer would be less than the sum of the amount owing on the Bridlepath Mortgage and the Purchasers' Deposits. Mr. Meyer advised Mr. Saskin that TFCC's view was that the Woodbine Property and the Bridlepath Property would not generate proceeds to satisfy any portion of the \$10 million note (New UHI Loan).
 - (iii) TFCC arranged both the Woodbine Mortgage and the Bridlepath Mortgage. For arranging these mortgages, Bay LP was required to make additional payments to TFCC. For arranging the Woodbine Mortgage, TFCC was to receive an additional payment of no less than \$452,000. For arranging the Bridlepath Mortgage, TFCC was to receive \$200,000. A copy of the agreement for the Woodbine Mortgage additional payment is attached as Appendix "W" and a copy of the agreement for the Bridlepath Mortgage additional payment is attached as Appendix "X".

6.3 Mezzanine Financing

1. TFCC provided mezzanine financing to numerous Urbancorp Group entities. During the latter part of 2014 and throughout 2015, the Urbancorp Group required liquidity and was having difficulty servicing its various loans, including its loans from TFCC. In order to keep the TFCC loans from going into arrears, TFCC extended or renewed loans at higher loan amounts, the effect of which was to keep the TFCC loans current.

2. Examples of TFCC extending or renewing loans at higher loan levels include:
 - Loan renewal for Lawrence dated October 5, 2015. The loan was increased to \$7,953,495 to include accrued interest of \$483,496 from the initial advance date. The loan renewal for Lawrence is attached as Appendix “Y”.
 - Loan renewal for St. Clair Village dated November 24, 2015. The loan was increased to \$7,380,000 to include accrued interest of \$450,000 from the initial advance date. The loan renewal for St. Clair Village is attached as Appendix “Z”.
 - Loan amendment for Leslieville, Bovest Inc. and Westside Gallery Lofts Inc. dated September 28, 2015. The loan amendment included the deferral of payments of outstanding amendment fees payable of \$21,000 and \$74,000, which had been due by September 1, 2015. A copy of the loan amendment letter is attached as Appendix “AA”.
3. In addition to the items mentioned in (2) above, the Urbancorp Group had requested TFCC to relax the interest payment terms by deferring interest that was due. Attached as Appendix “BB” is an e-mail chain between TFCC and Urbancorp Group from July 29, 2015 through August 17, 2015. On July 29, 2015, Urbancorp Group requested the accrual portion of the interest on the Lawrence loan be increased from 3% to 5%.

6.4 Israel Bond Offering

1. Management has advised that in the latter part of 2014, Mr. Meyer initiated the idea of the Urbancorp Group raising debt in the Israeli public financial markets. Attached as Appendix “CC” is an e-mail chain initiated by Mr. Meyer on December 11, 2014. Alan Saskin forwards the e-mail to Urbancorp Group’s CFO and Urbancorp Group’s Accountant, indicating that Mr. Meyer “will explore raising \$100 million for us in Israel” and attaching a form of spreadsheet that is preferred by Mr. Meyer. One purpose of raising debt in Israel was to reduce or replace a portion of Urbancorp Group’s then existing loans, including those owing to TFCC. Mr. Meyer arranged for and travelled with Mr. Saskin in spring 2015 to meet with underwriters and professionals to commence the Israel Bond Offering discussions. Mr. Meyer travelled with Mr. Saskin on subsequent trips to Israel to advance and finalize the Israel Bond Offering during 2015.
2. As reflected in Section 2.3.3 above, a substantial portion of the Proceeds were used to reduce obligations owing to TFCC.
3. TFCC also provided the New UHI Loan to enable UCI to obtain the additional equity infusion required under the Israel Bond Offering. The proceeds of the New UHI Loan were used to reduce Edge HST arrears. For his involvement in the Israel Bond Issue, Management has advised that Mr. Meyer requested a fee of \$500,000.

7.0 Conclusions

1. Based on the Monitor's review, the following conclusions can be made:
 - (i) Bay LP was insolvent at the Advance Date;
 - (ii) Bay LP received no benefit or consideration in granting the Guarantee and the related security;
 - (iii) TFCC was aware, both before and at the Advance Date, of the Urbancorp Group's financial circumstances generally and Bay LP's specifically;
 - (iv) that the effect of the Guarantee and related security will be to defeat or hinder the recoveries of the other creditors of Bay LP, namely the Purchasers; and
 - (v) the granting of the Guarantee and related security was oppressive, unfairly prejudicial to or unfairly disregarded the interests of Bay LP's other creditors, particularly the Purchasers.

8.0 Recommendations

1. Based on the foregoing, the Monitor recommends the Court make an order as set out in Section 1.1.1(b).

* * *

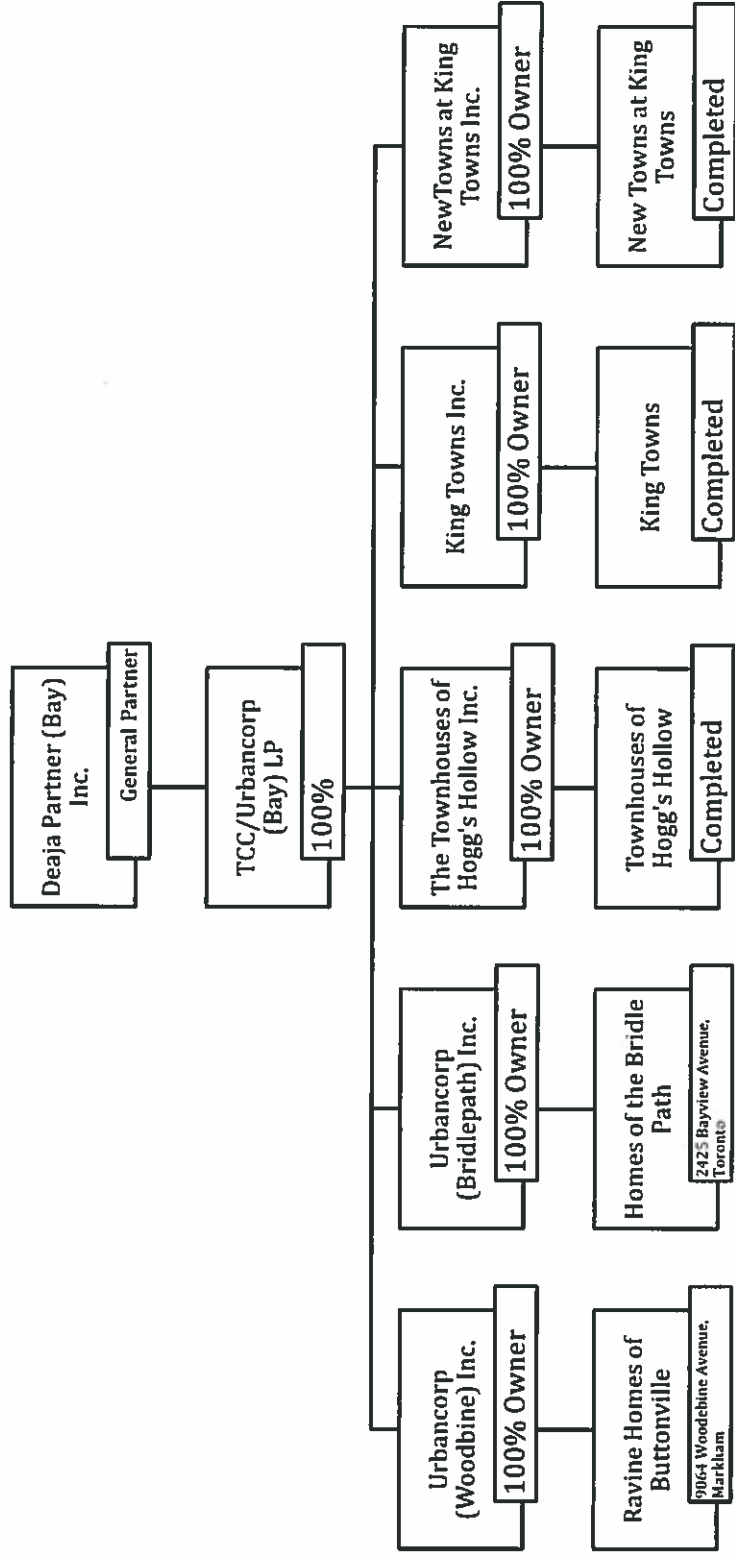
All of which is respectfully submitted,



**KSV KOFMAN INC.
IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF
URBANCORP (WOODBINE) INC., URBANCORP (BRIDLEPATH) INC., THE TOWNHOUSES
OF HOGG'S HOLLOW INC., KING TOWNS INC., NEWTOWNS AT KINGTOWNS INC.,
DEAJA PARTNER (BAY) INC. AND TCC/URBANCORP (BAY) LIMITED PARTNERSHIP
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

TCC/URBANCORP (BAY)



Appendix “B”

Appendix “C-1”

**PROOF OF CLAIM FORM FOR CLAIMS AGAINST
THE CCAA ENTITIES¹**

1. Name of CCAA Entity or Entities (the "Debtor"):

Debtor: URBANCORP (WOODBINE) INC.

2(a) Original Claimant (the "Claimant")

Legal Name of Claimant TERRA FIRMA CAPITAL

Name of Contact MANO THIYAGARAJAH

Address CORP

Title CFO

212 ST CLAIR AVE E.
SUITE 200

Phone # (416) 792-4707

Fax # (416) 792-4711

City TORONTO Prov /State ON

email mthiyagarajah@tfa.ca

Postal/Zip Code M4T 2S3

2(b) Assignee, if claim has been assigned

Legal Name of Assignee _____

Name of Contact _____

Address _____

Phone # _____

Fax # _____

City _____ Prov /State _____

email _____

Postal/Zip Code _____

3. Amount of Claim

The Debtor was and still is indebted to the Claimant as follows:

Currency	Amount of Claim	Unsecured Claim	Secured Claim
<u>Can \$</u>	<u>\$ 6,512,874.95</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

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



4. Documentation

Provide all particulars of the Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim, including any claims assignment/transfer agreement or similar document, if applicable, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the affected Debtor to the Claimant and estimated value of such security.

5. Certification

I hereby certify that:

1. I am the Claimant or authorized representative of the Claimant.
2. I have knowledge of all the circumstances connected with this Claim.
3. The Claimant asserts this Claim against the Debtor as set out above.
4. Complete documentation in support of this claim is attached.

Signature: <u></u>	Witness: <u></u>
Name: <u>MAND THIYAGARAJAN</u>	(signature)
Title: <u>CFO</u>	<u>SETH GREENSPAN</u>
	(print)
Dated at <u>Toronto</u> this <u>22ND</u> day of <u>NOV</u> , 2016	

6. Filing of Claim

This Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on November 23, 2016 (or within thirty (30) days after the date on which the Monitor had sent you a Claims Package with respect to a Restructuring Period Claim) by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:

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

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

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

Urbancorp (Woodbine) Inc.

<u>Project</u>	<u>Security</u>	<u>Principal</u>	<u>Interest</u>	<u>Expenses</u>	<u>Total</u>
Bayview & Woodbine	2nd mortgage	\$ 3,000,000.00	\$ 503,268.68	\$ 313,832.20	\$ 3,817,100.88
Valermo Drive	As per 2nd mortgage on Bayview & Woodbine	2,000,000.00	196,764.22	-	2,196,764.22
Woodbine	Additional Payment Agreement	452,000.00	45,668.54	1,341.31	499,009.85
		<u>\$ 5,452,000.00</u>	<u>\$ 745,701.44</u>	<u>\$ 315,173.51</u>	<u>\$ 6,512,874.95</u>

Appendix “C-2”

**PROOF OF CLAIM FORM FOR CLAIMS AGAINST
THE CCAA ENTITIES¹**

1. Name of CCAA Entity or Entities (the "Debtor"):

Debtor: URBANCORP (BRIDLEPATH) INC.

2(a) Original Claimant (the "Claimant")

Legal Name of Claimant	<u>TERRA FIRMA CAPITAL CORP.</u>	Name of Contact	_____
Address		Title	_____
	<u>22 ST. CLAIR AVE. E.</u>	Phone #	_____
	<u>SUITE 200</u>	Fax #	_____
City	<u>TORONTO</u>	Prov /State	<u>ON</u>
Postal/Zip Code	<u>M4T 2S3</u>	email	_____

2(b) Assignee, if claim has been assigned

Legal Name of Assignee	_____	Name of Contact	_____
Address	_____	Phone #	_____
	_____	Fax #	_____
City	_____	Prov /State	_____
Postal/Zip Code	_____	email:	_____

3. Amount of Claim



The Debtor was and still is indebted to the Claimant as follows:

Currency	Amount of Claim	Unsecured Claim	Secured Claim
<u>Cdn \$</u>	<u>\$ 6 230 764.⁰⁸</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

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").

4. Documentation

Provide all particulars of the Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim, including any claims assignment/transfer agreement or similar document, if applicable, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the affected Debtor to the Claimant and estimated value of such security.

5. Certification I hereby certify that: <ol style="list-style-type: none">1. I am the Claimant or authorized representative of the Claimant.2. I have knowledge of all the circumstances connected with this Claim.3. The Claimant asserts this Claim against the Debtor as set out above.4. Complete documentation in support of this claim is attached.	
Signature: <u></u> Name: <u>MAND THIYAGARAJAH</u> Title: <u>CEO</u>	Witness: <u></u> (signature) <u>Seth Greenstein</u> (print)
Dated at <u>TORONTO</u> this <u>22nd</u> day of <u>NOV</u> , 2016	

6. Filing of Claim

This Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on November 23, 2016 (or within thirty (30) days after the date on which the Monitor had sent you a Claims Package with respect to a Restructuring Period Claim) by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:

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

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

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

Urbancorp (Bridlepath) inc.

Project	Security	Principal	Interest	Expenses	Total
Bayview & Woodbine	2nd morigage	\$ 3,000,000.00	\$ 503,268.68	\$ 313,832.20	\$ 3,817,100.88
Valemo Drive	As per 2nd morigage on Bayview & Woodbine	2,000,000.00	196,764.22	-	2,196,764.22
Bridlepath	Additional Payment Agreement	200,000.00	15,938.48	960.50	216,898.98
		\$ 5,200,000.00	\$ 715,971.38	\$ 314,792.70	\$ 6,230,764.08

Appendix “C-3”

**PROOF OF CLAIM FORM FOR CLAIMS AGAINST
THE CCAA ENTITIES¹**

1. Name of CCAA Entity or Entities (the "Debtor"):

Debtor: TCC/URBANCORP (BAY) LIMITED PARTNERSHIP

2(a) Original Claimant (the "Claimant")

Legal Name of Claimant	<u>TERRA FIRMA CAPITAL CORP.</u>	Name of Contact	_____
Address		Title	_____
	<u>22 ST CLAIR AVE. E.</u>	Phone #	_____
	<u>SUITE 200</u>	Fax #	_____
City	<u>TORONTO</u>	Prov /State	<u>ON</u>
Postal/Zip Code	<u>M4T 2S3</u>	email	_____

2(b) Assignee, if claim has been assigned

Legal Name of Assignee	_____	Name of Contact	_____
Address	_____	Phone #	_____
	_____	Fax #	_____
City	_____	Prov /State	_____
Postal/Zip Code	_____	email	_____

3. Amount of Claim



The Debtor was and still is indebted to the Claimant as follows:

Currency	Amount of Claim	Unsecured Claim	Secured Claim
<u>Cdn \$</u>	<u>\$ 6 013 865 10</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

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").

4. Documentation

Provide all particulars of the Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim, including any claims assignment/transfer agreement or similar document, if applicable, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the affected Debtor to the Claimant and estimated value of such security.

5. Certification I hereby certify that: <ol style="list-style-type: none">1. I am the Claimant or authorized representative of the Claimant.2. I have knowledge of all the circumstances connected with this Claim.3. The Claimant asserts this Claim against the Debtor as set out above.4. Complete documentation in support of this claim is attached.	
Signature: 	Witness: 
Name: <u>MAND THYAGARAJAH</u>	(signature)
Title: <u>CFO</u>	<u>Sathu Gurusami</u> (print)
Dated at <u>TORONTO</u> this <u>22nd</u> day of <u>NOV</u> , 2016	

6. Filing of Claim

This Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on November 23, 2016 (or within thirty (30) days after the date on which the Monitor had sent you a Claims Package with respect to a Restructuring Period Claim) by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:

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

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

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

TCC/Urbancorp (Bay) Limited Partnership

Project	Security	Principal	Interest	Expenses	Total
Bayview & Woodbine	2nd mortgage	\$ 3,000,000.00	\$ 503,268.88	\$ 313,832.20	\$ 3,817,100.88
Valemo Drive	As per 2nd mortgage on Bayview & Woodbine	2,000,000.00	196,764.22	-	2,196,764.22
		\$ 5,000,000.00	\$ 700,032.90	\$ 313,832.20	\$ 6,013,865.10



22 St. Clair Avenue East
Level 2, Suite 200
Toronto, Ontario
Canada M4T 2S5
T: 416 792 4700
F: 416 792 4711

Date: November 22, 2016
Lender Solicitor:

Statement

Loan No:
Borrower(s): Urbancorp Holdco
Property Address: Valermo Drive
Closing Date: November 22, 2016

Interest Rate:	16.00%	Principal & Interest:	\$ 2,196,764.22
Maturity Date:	November 22, 2016	Property Tax:	
Payment Frequency:	Monthly	Escrow:	
Next Payment Due:	November 22, 2016	TOTAL PAYMENT:	\$ 2,196,764.22

Loan Amount		\$ 2,000,000.00
Interest (from Mar 9, 2016 to Oct 31, 2016)		176,780.66
Accrued current interest (Nov 1, 2016 - Nov 22, 2016)	21 Days	19,983.56
Loan balance		\$ 2,196,764.22

CONDITIONS

The Borrower is responsible for legal fees and penalties which will be added to the amount of discharge.

This statement is correct only if all payments have been made and honoured and is subject to correction of any errors or omissions.

THIS STATEMENT IS VALID ONLY UNTIL NOVEMBER 22, 2016.

Yours truly,

Mano Thiyagarajah
Chief Financial Officer

E&EO

Appendix “D”



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,

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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;

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- (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.

- (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.

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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 *Montar 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".

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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 “E-1”

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., New Towns 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**

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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).

Appendix “E-2”

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").

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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 Firna 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

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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).

Appendix “E-3”

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., NewTowns at King Towns Inc., DEAJA Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "CCAA Entities").

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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).

Appendix “F-1”

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 -

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.

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Appendix “F-2”

NOTICE OF DISPUTE OF NOTICE OF REVISION OR DISALLOWANCE

With respect to the CCAA Entities¹

Claims Reference Number: 22

**Claim Against Urbancorp
(Bridlepath) 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		\$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.

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Appendix “F-3”

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 -

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.

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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.

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Appendix “G”



Second Report to Court of KSV Kofman Inc. as CCAA Monitor of Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., Newtowns at Kingtowns Inc., Deaja Partner (Bay) Inc., and TCC/Urbancorp (Bay) Limited Partnership

December 6, 2016

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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
SECOND REPORT OF KSV KOFMAN INC. AS CCAA MONITOR

DECEMBER 6, 2016

1.0 Introduction

1. On April 25, 2016, Urbancorp (Woodbine) Inc. ("Woodbine") and Urbancorp (Bridlepath) Inc. ("Bridlepath") 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 (the "NOI Proceedings"). Jointly, Woodbine and Bridlepath are referred to as the "Companies". KSV Kofman Inc. ("KSV") was appointed as the Proposal Trustee in the NOI Proceedings.
2. Pursuant to an order made by the Ontario Superior Court of Justice (Commercial List) (the "Court") dated October 18, 2016 (the "Initial Order Date"), the Applicants (which include the Companies) and TCC/Urbancorp (Bay) Limited Partnership ("Bay LP" and together with the Applicants, the "Bay CCAA Entities") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed monitor (the "Monitor").
3. The Bay CCAA Entities consist of Bay LP, Deaja Partner (Bay) Inc. ("Deaja") and the following wholly-owned subsidiaries of Bay LP:
 - Woodbine
 - Bridlepath
 - The Townhouses of Hogg's Hollow Inc. ("Hogg's Hollow")
 - King Towns Inc. ("King Towns")
 - Newtowns at Kingtowns Inc. ("Newtowns")

Deaja is the general partner of Bay LP. Each Bay CCAA Entity is individually known as a "Bay CCAA Entity". Each of the Bay LP subsidiaries is a nominee for Bay LP and, as such, their assets and liabilities are assets and liabilities of Bay LP. Because of the foregoing, there is no need to review the intercompany balances owing from one Bay CCAA Entity to another, other than between Deaja and the other Bay CCAA Entities. Pursuant to the Books and Records (as defined below), there were no recorded transactions between Deaja and the other Bay CCAA Entities.

4. The entities below are the known direct or indirect wholly-owned subsidiaries of Urbancorp Cumberland 1 LP ("Cumberland"):

- Urbancorp (St. Clair Village) Inc. ("St. Clair")
- Urbancorp (Patricia) Inc. ("Patricia")
- Urbancorp (Mallow) Inc. ("Mallow")
- Urbancorp (Lawrence) Inc. ("Lawrence")
- High Res Inc.
- King Residential Inc. ("King Residential")
- Urbancorp (952 Queen West) Inc. ("952 Queen")
- Urbancorp 60 St. Clair Inc. ("60 St. Clair")
- Urbancorp New Kings Inc. ("UNKI")
- Bridge on King Inc. ("Bridge")
- Urbancorp (North Side) Inc.
- Urbancorp Partner (King South) Inc. ("King South")

Collectively, Cumberland and its direct and indirect subsidiaries are the "Cumberland Entities" and each individually is a "Cumberland Entity". Each Cumberland Entity is a nominee for Cumberland and, as such, the assets and liabilities of the Cumberland Entities are assets and liabilities of Cumberland. As detailed in Section 4 below, prior to the Urbancorp reorganization (the "Reorganization") on or about December 15, 2015, each of the Cumberland subsidiaries listed above was a subsidiary of Bay LP.

5. Each of the Cumberland Entities, but for UNKI, is subject to a separate CCAA proceeding (the "Cumberland CCAA Proceeding"). The entities listed below comprise the remaining entities in the Cumberland CCAA Proceeding:

- Urbancorp Toronto Management Inc. ("UTMI")
- Urbancorp Downsview Park Development Inc. ("Downsview")
- Urbancorp Power Holdings Inc.
- Vestaco Homes Inc.
- Vestaco Investments Inc.
- 228 Queens Quay West Limited
- Urbancorp Residential Inc.
- Urbancorp Realtyco Inc. ("Realtyco")
- Urbancorp Cumberland 1 GP

The entities above, together with the Cumberland Entities excluding UNKI, are the "Cumberland CCAA Entities". Except for UTMI, the above entities are direct or indirect wholly-owned subsidiaries of Urbancorp Inc. ("UCI"). UTMI is believed to be wholly owned by Alan Saskin.

6. KSV, as Monitor of the Cumberland CCAA Entities, filed its Eighth Report to Court dated November 10, 2016 addressing transactions between the Cumberland CCAA Entities (the "Cumberland Intercompany Report"). In order to avoid duplication, certain contents of the Cumberland Intercompany Report have not been repeated herein. The Cumberland Intercompany Report can be found on KSV's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.
7. Corporate charts for each of the Bay CCAA Entities and Cumberland CCAA Entities are attached as Appendices "A" and "B", respectively. For the purposes of this Report, the Bay CCAA Entities and the Cumberland CCAA Entities, together with their affiliates and UKNI, comprise the Urbancorp Group (the "Urbancorp Group").
8. On the Initial Order Date, the Court issued an order approving a claims process in respect of the Bay CCAA Entities (the "Claims Procedure Order"). Pursuant to the Claims Procedure Order, the Monitor is to perform a review of, and to report on, the transactions giving rise to claims, as at the date of the Claims Procedure Order, by the Cumberland CCAA Entities against the Bay CCAA Entities. In addition to the foregoing, and notwithstanding that it was not specifically required to do so under the Claims Procedure Order, the Monitor has performed, for the sake of completeness, a review of, and is reporting on, the transactions giving rise to the claims by the Bay CCAA Entities against the Cumberland CCAA Entities (both of these groups of claims are referred to as the "Inter-CCAA Entity Claims").

1.1 Purposes of this Report

1. The purposes of this report (the "Report") are to:
 - a) detail the Monitor's review of the transactions giving rise to the Inter-CCAA Entity Claims and to provide the Monitor's assessment of those transactions in order to determine the Inter-CCAA Entity Claims; and
 - b) recommend the Court make an order approving:
 - i. this Report;
 - ii. the Monitor's recommended claim amounts, as set out in Section 2.0; and
 - iii. the Monitor's activities in connection with its review of the Inter-CCAA Entity Claims.

1.2 Currency

1. All dollar amounts in this Report are in Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial statements of the Bay CCAA Entities and Cumberland CCAA Entities, the books and records of the Bay CCAA Entities and Cumberland CCAA Entities (the "Books and Records") and discussions with their management ("Management"), their legal counsel ("Legal Counsel") and their external accountants ("Accountants"). (Collectively, Management, Legal Counsel and the Accountants are referred to as the "Representatives".)

2. The Monitor has not performed an audit or independent verification of the information referenced above. The financial information discussed herein is preliminary and remains subject to further review. The Monitor expresses no opinion or other form of assurance with respect to the financial information presented in this Report.
3. Pursuant to the Claims Procedure Order, the Monitor is required to file this Report with the Court no later than December 6, 2016. A hearing to consider this Report has been scheduled for January 16, 2017. The Monitor will be seeking an order on the return of the motion approving the Inter-CCAA Entity Claims as detailed in this Report. The purpose of the motion is to afford stakeholders the opportunity to comment on this Report. The findings in this Report are subject to new information being provided to the Monitor prior to the return of this motion.

2.0 Summary of the Inter-CCAA Entity Claims

1. The table below summarizes the Inter-CCAA Entity Claims¹ as reflected in the Books and Records. The Monitor has concluded that no adjustments are required.

(\$000s; unaudited)

Claimant	Debtor	Claim Amount	Section ²
Bay CCAA Entities	UTMI	544	6.1
Cumberland Entities	Bay CCAA Entities	540	6.2

3.0 Inter-CCAA Entity Claims Review

3.1 The Review Process

1. The Monitor's review included:
 - a) obtaining copies of the accounting sub-ledgers in the Books and Records reflecting the entries (the "Entries" and individually, an "Entry") of the transactions between the Bay CCAA Entities and the Cumberland CCAA Entities;
 - b) obtaining documentation supporting the Entries, as required and as available; and
 - c) having discussions with the Representatives.

¹ The claims are as of October 18, 2016, the date of the Claims Procedure Order.

² Details regarding the Entries reviewed in respect of each Inter-CCAA Entity Claim are provided in Appendix "D" to this Report.

2. The Books and Records reflect Bay LP Entries dating back to 2009. As set out in paragraph 4 of Section 1.0 of this Report, prior to the Reorganization, the Cumberland Entities were subsidiaries of Bay LP. As such, the intercompany transactions, as they relate to the entities covered by this Report, were solely between Bay LP and UTMI. For the following reasons, the Monitor has chosen to restrict its review to the Entries between Bay LP and UTMI subsequent to December 31, 2012:
 - The intercompany balance between Bay LP and UTMI at January 1, 2013 was relatively small (approximately \$184,000 owing from UTMI to Bay LP);
 - A scanning of the Entries prior to 2013 indicates that the significant Entries were primarily fund transfers in the normal course of conducting the Urbancorp Group's business and likely would not have been subject to a Section 36.1 CCAA action;
 - The Accountants have reviewed the intercompany Entries prior to 2013 and provided Management with adjustments, as necessary, from time to time; and
 - The Cumberland Entities and Downsvie were, prior to the Reorganization, nominees of Bay LP. Any Entry between a Bay CCAA Entity and a Cumberland Entity or Downsvie prior to December 15, 2015 would have been combined and eliminated in Bay LP.

Based on the above, the Monitor has concluded that there is a low risk that the Inter-CCAA Entity Claims could be materially misstated by restricting its review to transactions subsequent to December 31, 2012.

4.0 Urbancorp Reorganization

1. On June 19, 2015, UCI was incorporated in connection with issuing a bond offering in Israel, which raised approximately \$64 million (the "Israel Bond Offering"). In conjunction with the Israel Bond Offering, Bay LP transferred each of the Cumberland Entities to Cumberland and transferred Downsvie to UCI (the "Transfers"). In exchange for the Transfers, Bay LP, through a series of transactions, received Class D shares of Urbancorp Holdco Inc., the parent company of UCI. UCI assumed certain obligations of Bay LP in exchange for the 51% interest Bay LP had in Downsvie Homes Inc. (which was held by Downsvie as its nominee) (the "Downsvie Transfer").
2. In conducting the Inter-CCAA Entity Claims review, the Monitor has not sought to determine whether the Transfers or the Downsvie Transfer could be subject to a potential action pursuant to Section 36.1 of the CCAA.
3. Provided the creditors of Bay LP are repaid in full, the prejudice, if any, of the Transfers and the Downsvie Transfer will be borne by the limited partner of Bay LP. According to the Urbancorp Group corporate organizational chart, Doreen Saskin is the limited partner of that entity.

5.0 Description of Activities of Bay CCAA Entities

5.1 Bay CCAA Entities

1. Each Bay CCAA Entity is a single purpose entity. Set out in Appendix "C" is a brief description of the single purpose activity for each Bay CCAA Entity. The entities are involved in residential property development.
2. As set out in Section 1.0 of this Report, the subsidiaries of Bay LP are nominees for Bay LP. In the normal course, Bay LP would, with the assistance of the Accountants, make year-end adjustments, whereby intercompany balances in the Bay LP subsidiaries owing to and from UTMI would be transferred to Bay LP. The result of the foregoing adjustments is reflected in the balance between Bay LP and UTMI, with certain exceptions as detailed in paragraph 3 below.
3. For the year ended December 31, 2015 and up to the Initial Order Date, Bay LP has not finalized its accounting records nor have the Accountants prepared all year-end and interim period adjustments as they would in the normal course. As such, certain intercompany balances in the Bay LP subsidiaries owing to and from UTMI (including those balances owing to UTMI by Woodbine and Bridlepath) were not transferred to Bay LP, giving rise to intercompany balances as at the Initial Order Date within the Bay LP subsidiaries owing to and from UTMI (as detailed in Section 6.1 below).

6.0 Inter-CCAA Entity Transactions

1. The Monitor has reviewed the accounting sub-ledgers of the Books and Records reflecting the Entries for the transactions between the Bay CCAA Entities and the Cumberland CCAA Entities. A schedule of the Entries, together with the Monitor's comments, is provided in Appendix "D" to this Report. The sections that follow provide summaries of the Monitor's review of the validity and the quantum of the transactions giving rise to the claims between the Bay CCAA Entities and the Cumberland CCAA Entities.

6.1 Claims by Bay CCAA Entities against UTMI

1. The table below sets out the claims between the Bay CCAA Entities and UTMI.

(\$000s, unaudited)	
Bay CCAA Entity	Claim Against (By) UTMI
Bay LP	728
Hogg's Hollow	118
King Towns	100
Newtowns	(99)
Woodbine	(149)
Bridlepath	(154)
Net Bay CCAA Entities' claims against UTMI	544

2. Bay LP's intercompany receivable represents Entries between it and UTMI subsequent to December 31, 2012. The intercompany receivable is comprised of the following major transactions:
 - a) net proceeds of \$14.5 million generated on the sale of Bay LP's 49% interest in the Downsview project to Mattamy Homes ("Mattamy"), which were paid directly to UTMI³; and
 - b) funds advanced to UTMI by Bay LP.

The Bay LP intercompany receivable is reduced by the following major transactions:

- a) a \$6.8 million consulting fee (discussed further in Section 7.3) owed to UTMI in respect of the Downsview project;
 - b) funds advanced by UTMI to various Bay LP subsidiaries, the intercompany balances of which were transferred to Bay LP, as discussed in Section 5.1(2);
 - c) interest paid by UTMI on behalf of Bay LP;
 - d) funds advanced by UTMI on behalf of Bay LP's interest in a joint venture in the King South project; and
 - e) vendor obligations of Bay LP, such as trades and professionals, which were funded by UTMI.
3. Hogg's Hollow's intercompany receivable is primarily the result of approximately \$112,000 transferred to UTMI.
 4. King Towns' intercompany receivable relates to a \$100,000 employee bonus paid in 2014 by King Towns on behalf of UTMI.
 5. Newtowns' intercompany payable is comprised of:
 - a) a \$190,000 transfer by UTMI to Newtowns to fund a technical audit performed on the Newtowns project; and
 - b) net transfers of \$91,000 by Newtowns to UTMI.
 6. Woodbine's and Bridlepath's intercompany payables are primarily comprised of amounts paid by UTMI on their behalf from November, 2015 to March, 2016 in respect of third party interest payments (\$120,000 and \$86,000, respectively) and vendor obligations (\$29,000 and \$68,000, respectively).

³ Total proceeds from the sale to Mattamy were approximately \$22 million. The balance of the proceeds were primarily used to discharge a loan on the Downsview project and for payments made on behalf of Urbancorp (Bay/Stadium) LP.

6.2 Cumberland Entities' Claims against the Bay CCAA Entities

1. The table below sets out the claims between the individual Cumberland Entities and the Bay CCAA Entities.

(\$000s; unaudited) Cumberland Entity	Claims Against (By) the Bay CCAA Entities
952 Queen	232
St. Clair	95
Lawrence	94
Mallow	83
Patricia	50
60 St. Clair	1
King South	-
King Residential Bridge	(2) (13)
Net Cumberland Entities' claims against the Bay CCAA	540

2. 952 Queen's intercompany receivable is primarily made up of the following:
 - a) a \$90,000 interest payment made in November, 2015 on behalf of Bridlepath; and
 - b) 2016 sales tax refunds of approximately \$125,000 received by Bay LP on 952 Queen's behalf.
3. The intercompany receivable of St. Clair, Mallow and Patricia relate to 2015 and 2016 sales tax refunds received by Bay LP on their behalf.
4. Lawrence's intercompany receivable is primarily comprised of 2015 and 2016 sales tax refunds of approximately \$124,000 received by Bay LP on Lawrence's behalf, and reduced by legal fees of \$30,000 paid by Hogg's Hollow on Lawrence's behalf.
5. Bridge's intercompany payable is comprised of legal fees of \$13,000 paid by Hogg's Hollow on its behalf.

7.0 Management and Other Fees Charged by UTMI

1. UTMI's revenues are derived from fees charged to the various Urbancorp Group entities for management services including, but not limited to, development management and construction management, as applicable. There do not appear to be any written agreements between UTMI and the Bay CCAA Entities outlining the terms of the management agreements⁴. This section sets out the management fees charged, or not charged, by UTMI to each Bay CCAA Entity.

⁴ There is also no written management fee agreement between UTMI and the Cumberland Entities. However, the management fee arrangement for the Cumberland Entities was detailed in the Israel Bond Offering prospectus.

7.1 Woodbine and Bridlepath

1. UTMI did not charge any management fees for the Woodbine and Bridlepath projects nor was a development management fee accrued in respect of Woodbine or Bridlepath. According to UTMI's controller, Bay LP and UTMI had an unwritten agreement whereby UTMI would earn its development fee only when construction financing had been obtained. The fee was to be calculated based on a fixed fee per unit. Woodbine and Bridlepath did not obtain construction financing, and as such, no development management fee was charged or accrued.
2. The methodology in calculating development management fees earned by UTMI for Woodbine and Bridlepath is inconsistent with the one applied to the Cumberland CCAA Entities. The Monitor has prepared a calculation of what the UTMI management fees would have been had Bay LP and UTMI used the criteria adopted between the Cumberland CCAA Entities and UTMI, as detailed in the Israel Bond Offering prospectus. Based on the Monitor's findings, and assuming a consistent methodology is applied, Woodbine and Bridlepath would have a development management fee owing to UTMI of \$95,000 and \$250,000, respectively.

7.2 Hogg's Hollow, King Towns and Newtowns

1. UTMI charged (and was paid) management fees of \$912,000, \$177,000 and \$523,000 on the completed Bay CCAA Entity projects, being Hogg's Hollow, King Towns and Newtowns.
2. The fees charged by UTMI to Hogg's Hollow represent development management fees and construction management fees. The fees charged by UTMI to King Towns and Newtowns, however, represent development management fees only. The Monitor has been advised by UTMI's controller that prior to construction of the Hogg's Hollow project, it was not UTMI's policy to charge a construction management fee to a stacked townhomes/townhouses project. No documentation has been provided in this regard.
3. Development management fees were calculated on a fixed fee per unit basis. Construction management fees were calculated as 1% of budgeted construction costs.
4. Details of the management fees charged in respect of Hogg's Hollow, King Towns and Newtowns are set out in Appendix "E" to this Report.

7.3 Downsview

1. In 2013 and 2014, consulting fees totalling \$6.8 million were reflected as earned by UTMI from Bay LP in respect of Downsview in accordance with an agreement dated June 10, 2013 and amended on June 1, 2015. The consulting fees relate to the sale of Bay LP's 49% interest in the Downsview project to Mattamy. This fee is reflected in the Entries of both Bay LP and UTMI.

8.0 Promissory Note

1. As displayed on Appendix "D" to this Report, Bay LP maintained an intercompany account for transactions between Bay LP and UTMI. This intercompany account reflects both advances by Bay LP to or on behalf of UTMI and advances by UTMI to or on behalf of Bay LP. The Books and Records reflect that, on December 11, 2015, UTMI was indebted to Bay LP in the approximate amount of \$600,000.
2. On December 11, 2015, Bay LP issued a promissory note in the amount of \$6 million to UTMI (the "\$6 Million Promissory Note"). On the same day, UTMI assigned the \$6 Million Promissory Note to UCI, such that Bay LP is now obligated to UCI. In reviewing the Entries between Bay LP and UTMI, the Monitor has not found evidence that Bay LP owed \$6 million to UTMI at the time of the creation of the \$6 Million Promissory Note. The Monitor has discussed this issue with Representatives and the Monitor has been advised by them that the \$6 Million Promissory Note was issued on the basis of the payable⁵ Entries in the intercompany account between Bay LP and UTMI, without taking into consideration the receivable Entries⁶.
3. We understand that in addition to the \$6 million Promissory Note, Bay LP issued a \$2 million promissory note to UTMI (the "\$2 Million Promissory Note") on December 11, 2015. The \$2 Million Promissory Note was assigned by UTMI to Realtyco. For reasons identical to the \$6 Million Promissory Note, the Monitor has not found any evidence that Bay LP owed \$2 million to UTMI at the time of the creation of the \$2 Million Promissory Note.

9.0 Results of the Monitor's Review

1. Based on the review conducted by the Monitor, the Monitor has made the following conclusions:
 - a) the intercompany balances between the Bay CCAA Entities and the Cumberland CCAA Entities, as set out in Section 2.0, appear accurate and valid;
 - b) UTMI did not charge for management services provided by it to Woodbine and Bridlepath, apparently for the reasons provided in Section 7.1 of this Report; and
 - c) as at the date of this Report, the Monitor has not been provided evidence of a debt owing by Bay LP to UCI or Realtyco in respect of the \$6 Million Promissory Note and the \$2 Million Promissory Note, respectively. The Monitor continues to review this matter and is awaiting further information from the Representatives.
2. Subject to the approval of this Court, the Monitor intends to admit the Inter-CCAA Entity claims as set out in Section 2.

⁵ For clarification, the amounts payable by Bay LP to UTMI reflected in the intercompany account

⁶ For clarification, the amounts receivable to Bay LP from UTMI reflected in the intercompany account

10.0 Conclusion

1. Based on the foregoing, the Monitor respectfully recommends that this Court make an Order granting the relief detailed in Section 1.1(b) of this Report.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF
URBANCORP (WOODBINE) INC., URBANCORP (BRIDLEPATH) INC., THE TOWNHOUSES
OF HOGG'S HOLLOW INC., KING TOWNS INC., NEWTOWNS AT KINGTOWNS INC.,
DEAJA PARTNER (BAY) INC. AND TCC/URBANCORP (BAY) LIMITED PARTNERSHIP
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “H-1”



22 St Clair Avenue East
 Level 2, Suite 200
 Toronto, Ontario
 Canada M4T 2S5
 T: 416 792 4700
 F: 416 792 4711

Date: December 23, 2015
 Lender Solicitor: Harris, Sheaffer

Mortgage Discharge Statement

Borrower(s): Urbancorp (St. Clair Village) Inc.
 Property Address: 19 Innes Avenue & 177 Caledonia Road, Toronto
 Closing Date: December 23, 2015

Interest Rate:	10.00%	Principal & interest:	\$ 7,380,000.00
Maturity Date:	December 23, 2015	Property Tax:	
Payment Frequency:	Monthly	Escrow:	
Next Payment Due:	December 23, 2015	TOTAL PAYMENT:	\$ 7,463,654.11

	MCAN	TFCC	TOTAL
Principal Balance	\$ 5,390,000.00	\$ 1,990,000.00	\$ 7,380,000.00
Accrued Current Interest (Dec 1 - Dec 23, 2015) 23 days	\$ 16,982.19	\$ 29,521.92	\$ 46,504.11
Extension fee	\$ 13,475.00	\$ 23,425.00	\$ 36,900.00
Discharge fee	\$ 250.00	\$ -	\$ 250.00
Total amount required in certified funds (December 23, 2015)	\$ 5,420,707.19	\$ 2,042,946.92	\$ 7,463,654.11

CONDITIONS

The Borrower is responsible for legal fees which may be added to the amount of discharge

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions.

Should the mortgage be in arrears, the "Principal Balance" will be as at the due date of the last paid instalment. All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement, are the responsibility of the mortgagor.

Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$2,021.92 until paid. If the proposed discharge date is on Friday, funds after 1:00pm will be subject to additional interest until the next business day. Payments to be made to Harris, Sheaffer, In Trust.

It is the responsibility of your office to ensure that the appropriate discharge documents are prepared and forwarded to Terra Firma Capital for execution. This includes any applicable PPSA discharge documentation.

THIS STATEMENT IS VALID ONLY UNTIL DECEMBER 23, 2015.

December 23 2015

Yours truly,

[Signature]
 Manoj Thiyagarajah
 Chief Financial Officer

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22 St. Clair Avenue East
 Level 2, Suite 200
 Toronto, Ontario
 Canada M4T 2S5
 T: 416 792 4700
 F: 416 792 4711

Date: December 23, 2015
 Lender Solicitor: Harris, Sheaffe

Mortgage Discharge Statement

Borrower(s): Urbancorp (St. Clair Village) Inc.
 Property Address: 19 Innes Avenue & 177 Calodonia Road, Toronto
 Closing Date: December 23, 2015

Interest Rate:	12.00%	Principal & Interest:	\$	205,000.00
Maturity Date:	December 23, 2015	Property Tax		
Payment Frequency:	Monthly	Escrow		
Next Payment Due	December 23, 2015	TOTAL PAYMENT	\$	208,572.05

Principal Balance \$ 205,000.00
 Accrued Current Interest (Nov 1 - Dec 23, 2015) 53 days \$ 3,572.05
Total amount required in certified funds (December 23, 2015) \$ 208,572.05

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CONDITIONS

The Borrower is responsible for legal fees which may be added to the amount of discharge.

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions.

Should the mortgage be in arrears, the "Principal Balance" will be as at the due date of the last paid instalment. All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement, are the responsibility of the mortgagor.

Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$67.40 until paid. If the proposed discharge date is on Friday, funds after 1:00pm will be subject to additional interest until the next business day. Payments to be made to Harris, Sheaffe, In Trust.

It is the responsibility of your office to ensure that the appropriate discharge documents are prepared and forwarded to Terra Firma Capital for execution. This includes any applicable PPSA discharge documentation.

THIS STATEMENT IS VALID ONLY UNTIL DECEMBER 23, 2015.

Yours truly,

Manoj Thiyagarajah
 Chief Financial Officer

E&EO

Appendix “H-2”



22 St. Clair Avenue East
 Level 2, Suite 200
 Toronto, Ontario
 Canada M4T 2S5
 T: 416 792 4700
 F: 416 792 4711

Date: December 23, 2015
 Lender Solicitor: Harris, Sheaffer

Mortgage Discharge Statement

Borrower(s): Urbancorp (Lawrence) Inc
 Property Address: 1780 Lawrence Ave West Toronto
 Closing Date: December 23, 2015

Interest Rate	10.00%	Principa & Interest	\$8,020,094.84
Maturity Date	December 23, 2015	Property Tax	
Payment Frequency	Monthly	Escrow	
Next Payment Due	December 23, 2015	TOTAL PAYMENT:	\$8,103,706.82

	MCAN	TFCC	TOTAL
Principal Balance	\$ 5,810,000.00	\$ 2,210,094.84	\$8,020,094.84
Accrued Current Interest (Nov 1 - Dec 23, 2015) 23 days	\$ 21,966.58	\$ 61,395.40	\$ 83,361.98
Discharge fee	\$ 250.00	\$ -	\$ 250.00
Total amount required in certified funds (December 23, 2015)	\$ 5,832,216.58	\$ 2,271,490.24	\$8,103,706.82

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CONDITIONS

The Borrower is responsible for legal fees which may be added to the amount of discharge.

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions.

Should the mortgage be in arrears, the "Principal Balance" will be as at the due date of the last paid instalment. All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement, are the responsibility of the mortgagor.

Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$2,197.29 until paid. If the proposed discharge date is on Friday, funds after 1:00pm will be subject to additional interest until the next business day. Payments to be made to Harris, Sheaffer, In Trust.

It is the responsibility of your office to ensure that the appropriate discharge documents are prepared and forwarded to Terra Firma Capital for execution. This includes any applicable PPSA discharge documentation.

THIS STATEMENT IS VALID ONLY UNTIL DECEMBER 23, 2015.

Yours truly,

 Manoj Thyagarajan
 Chief Financial Officer

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E&EO



22 St. Clair Avenue East
 Level 2, Suite 200
 Toronto, Ontario
 Canada M4T 2S5
 T. 416 792 4700
 F. 416 792 4711

Date: December 23, 2015
 Lender Solicitor: Harris, Sheaffer

Mortgage Discharge Statement

Borrower(s): Urbancorp (Lawrence) Inc.
 Property Address: 1780 Lawrence Ave. West Toronto
 Closing Date: December 23, 2015

Interest Rate:	12.00%	Principal & Interest:	\$	451,750.00
Maturity Date:	December 23, 2015	Property Tax:		
Payment Frequency:	Monthly	Escrow:		
Next Payment Due:	December 23, 2015	TOTAL PAYMENT:	\$	455,165.97

Principal Balance		\$	451,750.00
Accrued Current Interest (Dec 1 - Dec 23, 2015)	23 days	\$	3,415.97
Total amount required in certified funds (December 23, 2015)		\$	455,165.97

GL
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CONDITIONS

The Borrower is responsible for legal fees which may be added to the amount of discharge.

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions.

Should the mortgage be in arrears, the "Principal Balance" will be as at the due date of the last paid instalment. All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement, are the responsibility of the mortgagor.

Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$148.52 until paid. If the proposed discharge date is on Friday, funds after 1:00pm will be subject to additional interest until the next business day. Payments to be made to Harris, Sheaffer, in Trust.

It is the responsibility of your office to ensure that the appropriate discharge documents are prepared and forwarded to Terra Firma Capital for execution. This includes any applicable PPSA discharge documentation.

THIS STATEMENT IS VALID ONLY UNTIL DECEMBER 23, 2015.

Yours truly,

Manoj Thyagarajah
 Chief Financial Officer

E&EO

Co. 95
 Credit GL 1055.00

Appendix “H-3”



22 St. Clair Avenue East
 Level 2, Suite 200
 Toronto, Ontario
 Canada M4T 2S5
 T: 416 792 4700
 F: 416 792 4711

Date: December 23, 2015
 Lender Solicitor: Harris, Sheaffer

Mortgage Discharge Statement

Borrower(s): Urbancorp (Malow) Inc
 Property Address: 15 Malow Road, Toronto, ON
 Closing Date: December 23, 2015

Interest Rate:	10.00%	Principal & Interest:	\$12,750,000.00
Maturity Date:	December 23, 2015	Property Tax:	
Payment Frequency:	Monthly	Escrow:	
Next Payment Due:	December 23, 2015	TOTAL PAYMENT:	\$13,430,342.47

	ATRIUM	TFCC	TOTAL
Principal Balance	\$ 6,800,000.00	\$ 5,950,000.00	\$ 12,750,000.00
Accrued Current Interest (Nov 1 - Dec 23, 2015) 23 days	\$ 56,239.73	\$ 24,102.74	\$ 80,342.47
Participation fee	\$ -	\$ 600,000.00	\$ 600,000.00
Discharge fee	\$ -	\$ -	\$ -
Total amount required in certified funds (December 23, 2015)	\$ 6,856,239.73	\$ 6,574,102.74	\$ 13,430,342.47

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CONDITIONS

The Borrower is responsible for legal fees which may be added to the amount of discharge

93162-1

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions.

Should the mortgage be in arrears, the "Principal Balance" will be as at the due date of the last paid instalment. All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement, are the responsibility of the mortgagor.

Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$3,493.15 until paid. If the proposed discharge date is on Friday, funds after 1:00pm will be subject to additional interest until the next business day. Payments to be made to Harris, Sheaffer, In Trust.

It is the responsibility of your office to ensure that the appropriate discharge documents are prepared and forwarded to Terra Firma Capital for execution. This includes any applicable PPSA discharge documentation.

THIS STATEMENT IS VALID ONLY UNTIL DECEMBER 23, 2015.

Yours truly,

Mapo Thyagarajah
 Chief Financial Officer

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Appendix “H-4”



22 St. Clair Avenue East
 Level 2, Suite 200
 Toronto, Ontario
 Canada M4T 2S5
 T: 416 792 4700
 F: 416 792 4711

Date: December 23, 2015
 Lender Solicitor: Harris, Sheaffer

Mortgage Discharge Statement

Ca. 100

Borrower(s): Urtancorp (Patricia) Inc.
 Property Address: 425 Patricia Avenue, North York, ON
 Closing Date: December 23, 2015

Interest Rate:	23.10%	Principal & Interest	\$	2,100,000.00
Maturity Date:	December 23, 2015	Property Tax:		
Payment Frequency:	Monthly	Escrow		
Next Payment Due:	December 23, 2015	TOTAL PAYMENT:	\$	2,420,439.18

Principal Balance		\$	2,100,000.00	<i>2401.31</i>
Accrued Current Interest (Nov 1 - Dec 23, 2015)	53 days	\$	70,439.18	<i>15.21</i>
Participation fee		\$	250,000.00	<i>15.21</i>
Total amount required in certified funds (December 23, 2015)		\$	2,420,439.18	

CONDITIONS

93163-1

The Borrower is responsible for legal fees which may be added to the amount of discharge.

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions.

Should the mortgage be in arrears, the "Principal Balance" will be as at the due date of the last paid instalment. All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement, are the responsibility of the mortgagor.

Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$1,329.04 until paid. If the proposed discharge date is on Friday, funds after 1:00pm will be subject to additional interest until the next business day. Payments to be made to Harris, Sheaffer, In Trust.

It is the responsibility of your office to ensure that the appropriate discharge documents are prepared and forwarded to Terra Firma Capital for execution. This includes any applicable PPSA discharge documentation.

THIS STATEMENT IS VALID ONLY UNTIL DECEMBER 23, 2015.

Yours truly,

[Signature]
 Mario Thiyagarajah
 Chief Financial Officer

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Appendix “H-5”



22 St. Clair Avenue East
 Level 2, Suite 200
 Toronto, Ontario
 Canada M4T 2S5
 T: 416 792 4700
 F: 416 792 4711

Date: December 29, 2015
 Lender Solicitor: Harris, Sheaffer

Mortgage Discharge Statement

Borrower(s): Urbancorp
 Property Address: 1071 King Street, 840 St. Clair Ave. W.
 Closing Date: December 31, 2016

Interest Rate:	16.00%	Principal & Interest:	\$	2,000,000.00
Maturity Date:	December 31, 2016	Property Tax:		
Payment Frequency:	Monthly	Escrow:		
Next Payment Due:	December 31, 2016	TOTAL PAYMENT:	\$	2,157,638.41

Principal Balance		\$	2,000,000.00
Capitalized interest (Dec 31, 2014 to Nov 30, 2015)	335 days	\$	112,576.16
Accrued Current Interest (Nov 1 - Dec 30, 2015)	60 days	\$	45,060.25
Total amount required in certified funds (1:00 p.m. December 31, 2015)		\$	<u>2,157,638.41</u>

CONDITIONS

The Borrower is responsible for legal fees which may be added to the amount of discharge.

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions.

Should the mortgage be in arrears, the "Principal Balance" will be as at the due date of the last paid instalment. All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement, are the responsibility of the mortgagor.

Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$930.78 until paid. If the proposed discharge date is on Friday, funds after 1:00pm will be subject to additional interest until the next business day. Payments to be made to Harris, Sheaffer, In Trust.

It is the responsibility of your office to ensure that the appropriate discharge documents are prepared and forwarded to Terra Firma Capital for execution. This includes any applicable PPSA discharge documentation.

THIS STATEMENT IS VALID ONLY UNTIL DECEMBER 31, 2015.

Yours truly,

Mano Thiyagarajah
 Chief Financial Officer

E&EO

Appendix “H-6”



22 St. Clair Avenue East
Level 2, Suite 200
Toronto, Ontario
Canada M4T 2S5
T. 416 792 4700
F. 416 792 4711

Date: December 31, 2015
Lender Solicitor: Harris, Sheaffer

Mortgage Statement

Borrower(s): Bosvest Inc.
Property Address: Edge on Triangle Park & Leslieville
Closing Date: December 31, 2015

Interest Rate	16.00%	Principal & Interest	\$	3,491,927.53
Maturity Date	December 31, 2015	Property Tax		
Payment Frequency	Monthly	Escrow		
Next Payment Due	December 31, 2015	TOTAL PAYMENT:	\$	3,543,971.60

Principal Balance	\$	3,491,927.53
Accrued Current Interest (Nov 27 - Dec 30, 2015)	30 days \$	52,044.07
Total amount required in certified funds (1:00 p.m. December 31, 2015)	\$	3,543,971.60
Total amount paid on December 31, 2015	\$	(3,109,723.75)
Loan balance	\$	434,247.85

CONDITIONS

The Borrower is responsible for legal fees which may be added to the amount of discharge.

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions.

THIS STATEMENT IS VALID ONLY UNTIL DECEMBER 31, 2015.

Yours truly,

Mano Thiyagarajah
Chief Financial Officer

E&EO

Appendix “H-7”



1 Toronto Street, Suite 400
Toronto, Ontario
Canada M5H 3V5
T: 416 866 3000
F: 416 866 3061

Date: December 31, 2015
Lender Solicitor: Harris, Sheaffer

Mortgage Statement

Borrower(s): Urbancorp (952 Queen West) Inc.
Property Address: 944 and 952 Queen Street West, Toronto
Closing Date: December 31, 2015

Interest Rate	0.00%	Principal & Interest	\$	732,640.00
Maturity Date	December 31, 2015	Property Tax		
Payment Frequency:	Monthly	Escrow:		
Next Payment Due:	December 31, 2015	TOTAL PAYMENT:	\$	732,640.00

Profit Participation Fee \$ 732,640.00
Total amount required in certified funds (1:00 p.m. December 31, 2015) \$ 732,640.00

CONDITIONS

The Borrower is responsible for legal fees which may be added to the amount of discharge

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions.

THIS STATEMENT IS VALID ONLY UNTIL DECEMBER 31, 2015.

Yours truly,

Mano Thiyagamajah
Chief Financial Officer

E&EO

Appendix “I”

Request ID: 017755004
Demande n°:
Transaction ID: 057965333
Transaction n°:
Category ID: CT
Catégorie:

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

Date Report Produced: 2015/06/19
Document produit le:
Time Report Produced: 16:05:46
Imprimé à:

Certificate of Incorporation Certificat de constitution

This is to certify that

Ceci certifie que

URBANCORP INC.

Ontario Corporation No.

Numéro matricule de la personne morale en
Ontario

002471774

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

est une société constituée aux termes
des lois de la province de l'Ontario.

These articles of incorporation
are effective on

Les présents statuts constitutifs
entrent en vigueur le

JUNE 19 JUIN, 2015



Director/Directeur
Business Corporations Act/Loi sur les sociétés par actions

Request ID / Demande n°
17755004

Ontario Corporation Number
Numéro de la compagnie en Ontario
2471774

FORM 1

FORMULE NUMÉRO 1

BUSINESS CORPORATIONS ACT

/

LOI SUR LES SOCIÉTÉS PAR ACTIONS

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: *Dénomination sociale de la compagnie:*
URBANCORP INC.
2. The address of the registered office is: *Adresse du siège social:*

120 LYNN WILLIAMS STREET Suite 2A

*(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)
(Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)*
TORONTO ONTARIO
CANADA M6K 3P6
*(Name of Municipality or Post Office) (Postal Code/Code postal)
(Nom de la municipalité ou du bureau de poste)*
3. Number (or minimum and maximum number) of directors is: *Nombre (ou nombres minimal et maximal) d'administrateurs:*
Minimum 1 Maximum 10
4. The first director(s) is/are: *Premier(s) administrateur(s):*

First name, initials and surname *Resident Canadian State Yes or No
Prénom, initiales et nom de famille Résident Canadien Oui/Non*

*Address for service, giving Street & No. Domicile élu, y compris la rue et le
or R.R. No., Municipality and Postal Code numéro, le numéro de la R.R., ou le nom
de la municipalité et le code postal*
- * ALAN YES
SASKIN
120 LYNN WILLIAMS STREET Suite 2A

TORONTO ONTARIO
CANADA M6K 3P6

Request ID / Demande n°
17755004

Ontario Corporation Number
Numéro de la compagnie en Ontario
2471774

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.
- None

6. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:
- The corporation is authorized to issue an unlimited number of Class A Special Shares, an unlimited number of Class B Special Shares, an unlimited number of Class C Special Shares, an unlimited number of Class D Special Shares, an unlimited number of Class E Special Shares, and an unlimited number of Common Shares.

Request ID / Demande n°
17755004

Ontario Corporation Number
Numéro de la compagnie en Ontario
2471774

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

Class A Special Shares

(1) Subject to applicable laws, each Class A Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class A Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class A Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(2) For the purposes hereof, "Class A Property" means any property transferred to the Corporation in consideration for the issuance of Class A Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such transfer. The consideration paid by the Corporation for the Class A Property shall not be greater than the fair market value of the Class A Property based on generally accepted valuation principles.

(3) The Class A Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class A Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

The Class A Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(4) In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the outstanding Class A Special Shares shall be entitled to receive all of the remaining Class A Property owned by the Corporation at that date. After payment to the holders of the Class A Special Shares of the property so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(5) After the disposition by the Corporation of all of the Class A Property and the distribution of the Class A Available Funds associated therewith, the Corporation shall redeem all issued Class A Special Shares

Request ID / Demande n°
17755004

Ontario Corporation Number
Numéro de la compagnie en Ontario
2471774

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

for the aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class A Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class A Redemption Date") and place or places of redemption. Upon the Class A Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class A Special Share to be redeemed the Class A Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class A Special Shares. From and after the Class A Redemption Date, the holder of each Class A Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class A Redemption Date as aforesaid to deposit the Class A Redemption Amount of the Class A Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class A Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class A Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class A Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(6) Any registered holder of Class A Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class A Special Shares held by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class A Redemption Amount. In the event that any registered holder of Class A Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class A Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which notice shall also specify therein the number of Class A Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class A Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class A Special Shares the Class A Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class A Special Shares specified in the notice. From and after the Class A Retraction Date, the

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

holder of the Class A Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class A Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(7) The holders of the Class A Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class A Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

Class B Special Shares

(8) Subject to applicable laws, each Class B Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class B Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class B Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(9) For the purposes hereof, "Class B Property" means any property transferred to the Corporation in consideration for the issuance of Class B Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such transfer. The consideration paid by the Corporation for the Class B Property shall not be greater than the fair market value of the Class B Property based on generally accepted valuation principles.

(10) The Class B Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class B Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

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The Class B Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(11) In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the outstanding Class B Special Shares shall be entitled to receive all of the remaining Class B Property owned by the Corporation at that date. After payment to the holders of the Class B Special Shares of the property so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(12) After the disposition by the Corporation of all of the Class B Property and the distribution of the Class B Available Funds associated therewith, the Corporation shall redeem all issued Class B Special Shares for the aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class B Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class B Redemption Date") and place or places of redemption. Upon the Class B Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class B Special Share to be redeemed the Class B Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class B Special Shares. From and after the Class B Redemption Date, the holder of each Class B Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class B Redemption Date as aforesaid to deposit the Class B Redemption Amount of the Class B Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class B Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class B Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class B Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(13) Any registered holder of Class B Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class B Special Shares held

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by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class B Redemption Amount. In the event that any registered holder of Class B Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class B Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which notice shall also specify therein the number of Class B Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class B Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class B Special Shares the Class B Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class B Special Shares specified in the notice. From and after the Class B Retraction Date, the holder of the Class B Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class B Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(14) The holders of the Class B Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class B Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

Class C Special Shares

(15) Subject to applicable laws, each Class C Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class C Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class C Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(16) For the purposes hereof, "Class C Property" means any property transferred to the Corporation in consideration for the issuance of Class C Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such

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transfer. The consideration paid by the Corporation for the Class C Property shall not be greater than the fair market value of the Class C Property based on generally accepted valuation principles.

(17) The Class C Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class C Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

The Class C Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(18) In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the outstanding Class C Special Shares shall be entitled to receive all of the remaining Class C Property owned by the Corporation at that date. After payment to the holders of the Class C Special Shares of the property so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(19) After the disposition by the Corporation of all of the Class C Property and the distribution of the Class C Available Funds associated therewith, the Corporation shall redeem all issued Class C Special Shares for the aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class C Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class C Redemption Date") and place or places of redemption. Upon the Class C Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class C Special Share to be redeemed the Class C Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class C Special Shares. From and after the Class C Redemption Date, the holder of each Class C Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class C

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Redemption Date as aforesaid to deposit the Class C Redemption Amount of the Class C Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class C Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class C Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class C Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(20) Any registered holder of Class C Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class C Special Shares held by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class C Redemption Amount. In the event that any registered holder of Class C Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class C Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which notice shall also specify therein the number of Class C Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class C Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class C Special Shares the Class C Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class C Special Shares specified in the notice. From and after the Class C Retraction Date, the holder of the Class C Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class C Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(21) The holders of the Class C Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class C Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

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Class D Special Shares

(22) Subject to applicable laws, each Class D Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class D Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class D Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(23) For the purposes hereof, "Class D Property" means any property transferred to the Corporation in consideration for the issuance of Class D Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such transfer. The consideration paid by the Corporation for the Class D Property shall not be greater than the fair market value of the Class D Property based on generally accepted valuation principles.

(24) The Class D Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class D Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

The Class D Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(25) In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the outstanding Class D Special Shares shall be entitled to receive all of the remaining Class D Property owned by the Corporation at that date. After payment to the holders of the Class D Special Shares of the property so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(26) After the disposition by the Corporation of all of the Class D Property and the distribution of the Class D Available Funds associated

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therewith, the Corporation shall redeem all issued Class D Special Shares for the aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class D Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class D Redemption Date") and place or places of redemption. Upon the Class D Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class D Special Share to be redeemed the Class D Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class D Special Shares. From and after the Class D Redemption Date, the holder of each Class D Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class D Redemption Date as aforesaid to deposit the Class D Redemption Amount of the Class D Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class D Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class D Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class D Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(27) Any registered holder of Class D Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class D Special Shares held by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class D Redemption Amount. In the event that any registered holder of Class D Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class D Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which notice shall also specify therein the number of Class D Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class D Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class D Special Shares the Class D Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class D Special Shares

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specified in the notice. From and after the Class D Retraction Date, the holder of the Class D Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class D Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(28) The holders of the Class D Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class D Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

Class E Special Shares

(29) Subject to applicable laws, each Class E Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class E Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class E Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(30) For the purposes hereof, "Class E Property" means any property transferred to the Corporation in consideration for the issuance of Class E Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such transfer. The consideration paid by the Corporation for the Class E Property shall not be greater than the fair market value of the Class E Property based on generally accepted valuation principles.

(31) The Class E Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class E Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

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The Class E Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(33) After the disposition by the Corporation of all of the Class E Property and the distribution of the Class E Available Funds associated therewith, the Corporation shall redeem all issued Class E Special Shares for the aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class E Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class E Redemption Date") and place or places of redemption. Upon the Class E Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class E Special Share to be redeemed the Class E Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class E Special Shares. From and after the Class E Redemption Date, the holder of each Class E Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class E Redemption Date as aforesaid to deposit the Class E Redemption Amount of the Class E Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class E Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class E Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class E Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(34) Any registered holder of Class E Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class E Special Shares held by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class E Redemption Amount. In the event that any registered holder of Class E Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class E Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

notice shall also specify therein the number of Class E Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class E Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class E Special Shares the Class E Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class E Special Shares specified in the notice. From and after the Class E Retraction Date, the holder of the Class E Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class E Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(35) The holders of the Class E Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class E Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

Notice

(36) Where notice is required by the provisions hereof to be sent, the notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

Common Shares

(37) Subject to the prior rights of the holders of the Class A Special Shares, Class B Special Shares, Class C Special Shares, Class D Special Shares and the Class E Special Shares, the holders of the Common Shares shall be entitled to receive and the corporation shall pay dividends to them as and when declared by the board of directors of the corporation out of the moneys of the corporation properly applicable to the payment of dividends, in such amounts and in such form as the board of directors may from time to time determine.

(38) The holders of the Common Shares shall be entitled to receive the remaining property of the corporation upon the liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, after the Class A Special Shares, the Class B Special Shares, the Class C Special

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Shares, the Class D Special Shares and the Class E Special Shares.

(39) The holders of the Common Shares shall be entitled to receive notice of and attend any meeting of the shareholders of the corporation and shall be entitled to one (1) vote in respect of each Common Share held at all meetings of the shareholders of the corporation.

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8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

No shares shall be transferred without the consent of the board of directors by resolution or in writing.

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9. Other provisions, (if any, are):

Autres dispositions, s'il y a lieu:

(a) That the directors of the corporation may, without authorization of the shareholders,

(i) borrow money on the credit of the corporation;

(ii) issue, sell or pledge debt obligations of the corporation;

(iii) subject to Section 20 of the Business Corporations Act, give a guarantee on behalf of the corporation to secure performance of an obligation of any person; and

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any obligation of the corporation.

(b) That subject to the provisions of the Business Corporations Act, the corporation may purchase any of its issued shares for cancellation at the lowest price at which, in the opinion of the Board of Directors, such shares are obtainable.

(c) No dividends shall be declared or paid on any of the shares of the corporation, nor shall any such shares be purchased for cancellation, if the directors have reasonable grounds for believing that the realizable value of the corporation's assets would, after such payment or purchase, as the case may be, be less than the aggregate of:

(i) its liabilities;

(ii) its stated capital account of all classes of shares; and

(iii) the aggregate of the redemption amount for all issued and outstanding special shares of the corporation, together with all declared and unpaid dividends thereon.

(d) Holders of shares of any class are not entitled to vote separately as a class or dissent upon a proposal to amend the articles of the corporation to:

(i) increase or decrease any maximum number of authorized shares of such class or increase any maximum number of authorized shares of any class or series having rights or privileges equal or superior to the shares of such class;

(ii) effect an exchange, reclassification or cancellation of the

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9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:
shares of such class; or

(iii) create a new class or series of shares equal or superior to
shares of such class.

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10. The names and addresses of the incorporators are
Nom et adresse des fondateurs

First name, initials and last name
or corporate name

*Prénom, initiale et nom de
famille ou dénomination sociale*

Full address for service or address of registered office or of principal place of business
giving street & No. or R.R. No., municipality and postal code
*Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris
la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal*

* ALAN SASKIN

120 LYNN WILLIAMS STREET Suite 2A

TORONTO ONTARIO
CANADA M6K 3P6

Appendix “J”

Request ID: 017790519
Demande n°:
Transaction ID: 058055080
Transaction n°:
Category ID: CT
Catégorie:

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

Date Report Produced: 2015/06/29
Document produit le:
Time Report Produced: 15:48:04
Imprimé à:

Certificate of Incorporation Certificat de constitution

This is to certify that

Ceci certifie que

URBANCORP HOLDCO INC.

Ontario Corporation No.

Numéro matricule de la personne morale en
Ontario

002472986

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

est une société constituée aux termes
des lois de la province de l'Ontario.

These articles of incorporation
are effective on

Les présents statuts constitutifs
entrent en vigueur le

JUNE 29 JUIN, 2015



Director/Directeur
Business Corporations Act/Loi sur les sociétés par actions

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FORM 1

FORMULE NUMÉRO 1

BUSINESS CORPORATIONS ACT

/

LOI SUR LES SOCIÉTÉS PAR ACTIONS

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: *Dénomination sociale de la compagnie:*
URBANCORP HOLDCO INC.
2. The address of the registered office is: *Adresse du siège social:*

120 LYNN WILLIAMS STREET Suite 2A

*(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)
(Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)*
TORONTO ONTARIO
CANADA M6K 3P6
*(Name of Municipality or Post Office) (Postal Code/Code postal)
(Nom de la municipalité ou du bureau de poste)*
3. Number (or minimum and maximum number) of directors is: *Nombre (ou nombres minimal et maximal) d'administrateurs:*
Minimum 1 Maximum 10
4. The first director(s) is/are: *Premier(s) administrateur(s):*

First name, initials and surname *Resident Canadian State Yes or No*
Prénom, initiales et nom de famille Résident Canadien Oui/Non

Address for service, giving Street & No. *Domicile élu, y compris la rue et le*
or R.R. No., Municipality and Postal Code *numéro, le numéro de la R.R., ou le nom*
de la municipalité et le code postal
- * ALAN YES
SASKIN
120 LYNN WILLIAMS STREET Suite 2A

TORONTO ONTARIO
CANADA M6K 3P6

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5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.
- None

6. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:
- The corporation is authorized to issue an unlimited number of Class A Special Shares, an unlimited number of Class B Special Shares, an unlimited number of Class C Special Shares, an unlimited number of Class D Special Shares, an unlimited number of Class E Special Shares, and an unlimited number of Common Shares.

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

Class A Special Shares

(1) Subject to applicable laws, each Class A Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class A Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class A Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(2) For the purposes hereof, "Class A Property" means any property transferred to the Corporation in consideration for the issuance of Class A Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such transfer. The consideration paid by the Corporation for the Class A Property shall not be greater than the fair market value of the Class A Property based on generally accepted valuation principles.

(3) The Class A Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class A Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

The Class A Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(4) In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the outstanding Class A Special Shares shall be entitled to receive all of the remaining Class A Property owned by the Corporation at that date. After payment to the holders of the Class A Special Shares of the property so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(5) After the disposition by the Corporation of all of the Class A Property and the distribution of the Class A Available Funds associated therewith, the Corporation shall redeem all issued Class A Special Shares for the

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class A Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class A Redemption Date") and place or places of redemption. Upon the Class A Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class A Special Share to be redeemed the Class A Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class A Special Shares. From and after the Class A Redemption Date, the holder of each Class A Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class A Redemption Date as aforesaid to deposit the Class A Redemption Amount of the Class A Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class A Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class A Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class A Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(6) Any registered holder of Class A Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class A Special Shares held by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class A Redemption Amount. In the event that any registered holder of Class A Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class A Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which notice shall also specify therein the number of Class A Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class A Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class A Special Shares the Class A Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class A Special Shares specified in the notice. From and after the Class A Retraction Date, the

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

holder of the Class A Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class A Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(7) The holders of the Class A Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class A Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

Class B Special Shares

(8) Subject to applicable laws, each Class B Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class B Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class B Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(9) For the purposes hereof, "Class B Property" means any property transferred to the Corporation in consideration for the issuance of Class B Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such transfer. The consideration paid by the Corporation for the Class B Property shall not be greater than the fair market value of the Class B Property based on generally accepted valuation principles.

(10) The Class B Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class B Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

The Class B Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(11) In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the outstanding Class B Special Shares shall be entitled to receive all of the remaining Class B Property owned by the Corporation at that date. After payment to the holders of the Class B Special Shares of the property so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(12) After the disposition by the Corporation of all of the Class B Property and the distribution of the Class B Available Funds associated therewith, the Corporation shall redeem all issued Class B Special Shares for the aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class B Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class B Redemption Date") and place or places of redemption. Upon the Class B Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class B Special Share to be redeemed the Class B Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class B Special Shares. From and after the Class B Redemption Date, the holder of each Class B Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class B Redemption Date as aforesaid to deposit the Class B Redemption Amount of the Class B Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class B Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class B Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class B Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(13) Any registered holder of Class B Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class B Special Shares held

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class B Redemption Amount. In the event that any registered holder of Class B Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class B Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which notice shall also specify therein the number of Class B Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class B Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class B Special Shares the Class B Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class B Special Shares specified in the notice. From and after the Class B Retraction Date, the holder of the Class B Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class B Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(14) The holders of the Class B Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class B Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

Class C Special Shares

(15) Subject to applicable laws, each Class C Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class C Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class C Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(16) For the purposes hereof, "Class C Property" means any property transferred to the Corporation in consideration for the issuance of Class C Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

transfer. The consideration paid by the Corporation for the Class C Property shall not be greater than the fair market value of the Class C Property based on generally accepted valuation principles.

(17) The Class C Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class C Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

The Class C Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(18) In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the outstanding Class C Special Shares shall be entitled to receive all of the remaining Class C Property owned by the Corporation at that date. After payment to the holders of the Class C Special Shares of the property so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(19) After the disposition by the Corporation of all of the Class C Property and the distribution of the Class C Available Funds associated therewith, the Corporation shall redeem all issued Class C Special Shares for the aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class C Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class C Redemption Date") and place or places of redemption. Upon the Class C Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class C Special Share to be redeemed the Class C Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class C Special Shares. From and after the Class C Redemption Date, the holder of each Class C Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class C

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Redemption Date as aforesaid to deposit the Class C Redemption Amount of the Class C Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class C Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class C Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class C Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(20) Any registered holder of Class C Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class C Special Shares held by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class C Redemption Amount. In the event that any registered holder of Class C Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class C Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which notice shall also specify therein the number of Class C Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class C Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class C Special Shares the Class C Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class C Special Shares specified in the notice. From and after the Class C Retraction Date, the holder of the Class C Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class C Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(21) The holders of the Class C Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class C Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

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Class D Special Shares

(22) Subject to applicable laws, each Class D Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class D Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class D Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(23) For the purposes hereof, "Class D Property" means any property transferred to the Corporation in consideration for the issuance of Class D Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such transfer. The consideration paid by the Corporation for the Class D Property shall not be greater than the fair market value of the Class D Property based on generally accepted valuation principles.

(24) The Class D Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class D Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

The Class D Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(25) In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the outstanding Class D Special Shares shall be entitled to receive all of the remaining Class D Property owned by the Corporation at that date. After payment to the holders of the Class D Special Shares of the property so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(26) After the disposition by the Corporation of all of the Class D Property and the distribution of the Class D Available Funds associated

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therewith, the Corporation shall redeem all issued Class D Special Shares for the aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class D Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class D Redemption Date") and place or places of redemption. Upon the Class D Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class D Special Share to be redeemed the Class D Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class D Special Shares. From and after the Class D Redemption Date, the holder of each Class D Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class D Redemption Date as aforesaid to deposit the Class D Redemption Amount of the Class D Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class D Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class D Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class D Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(27) Any registered holder of Class D Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class D Special Shares held by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class D Redemption Amount. In the event that any registered holder of Class D Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class D Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which notice shall also specify therein the number of Class D Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class D Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class D Special Shares the Class D Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class D Special Shares

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

specified in the notice. From and after the Class D Retraction Date, the holder of the Class D Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class D Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(28) The holders of the Class D Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class D Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

Class E Special Shares

(29) Subject to applicable laws, each Class E Special Share shall entitle the holder thereof to receive, for each financial year of the Corporation, a dividend equal to the "Class E Available Funds", as hereinafter defined. Any dividend may be paid in one or more installments at the discretion of the board of directors of the Corporation. The holders of the Class E Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

(30) For the purposes hereof, "Class E Property" means any property transferred to the Corporation in consideration for the issuance of Class E Special Shares, less the value of any non share consideration (including the assumption of debt) paid by the Corporation in respect of such transfer. The consideration paid by the Corporation for the Class E Property shall not be greater than the fair market value of the Class E Property based on generally accepted valuation principles.

(31) The Class E Available Funds shall be equal to the following amount:

(a) Any amount received by the Corporation in respect of the Class E Property including, without limitation, proceeds of voluntary or involuntary disposition, rental income and dividends; less

(b) Any direct costs associated with the particular receipt; and less

(c) Any direct or indirect taxes or like imposts assessed against the Corporation in respect of the particular receipt.

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

The Class E Available Funds shall be determined by the Board of Directors having regard for actual or contingent receipts and disbursements affecting (a), (b) and (c) above.

(32) After the disposition by the Corporation of all of the Class E Property and the distribution of the Class E Available Funds associated therewith, the Corporation shall redeem all issued Class E Special Shares for the aggregate amount of One Dollar (\$1.00) (Canadian funds) (the "Class E Redemption Amount"). Not less than fourteen (14) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date (herein called the "Class E Redemption Date") and place or places of redemption. Upon the Class E Redemption Date, the Corporation shall pay or cause to be paid to the order of the registered holder of each Class E Special Share to be redeemed the Class E Redemption Amount therefor on presentation and surrender, at the place or places specified for redemption in the notice, of the certificate(s) representing such Class E Special Shares. From and after the Class E Redemption Date, the holder of each Class E Special Share redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof. The Corporation shall have the right at any time after the Class E Redemption Date as aforesaid to deposit the Class E Redemption Amount of the Class E Special Shares to be redeemed to a special trust account with its solicitors or any duly authorized holder thereof, to be paid without interest to or to the order of the holder of such Class E Special Shares upon presentation and surrender of the certificates representing the same and, upon such deposit(s) being made, the Class E Special Shares in respect whereof such deposit(s) shall have been made shall be deemed to have been redeemed and the right of the holder(s) thereof after such deposit shall be limited to receiving without interest the Class E Redemption Amount so deposited against presentation and surrender of the said certificates held by such shareholder.

(33) Any registered holder of Class E Special Shares may, at his option, upon giving notice as hereinafter provided, require the Corporation at any time or times to redeem all or any part of the Class E Special Shares held by him, and the Corporation shall pay to such holder for each such share which the holder requires to be redeemed an amount equal to the Class E Redemption Amount. In the event that any registered holder of Class E Special Shares desires to require the redemption, as aforesaid, of all or any part of the Class E Special Shares held by him, such registered holder shall mail by prepaid mail addressed to the Corporation at its registered office notice in writing of his intention to require redemption, which

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

notice shall also specify therein the number of Class E Special Shares to be so redeemed. On the date fourteen (14) days next following the receipt of such notice by the Corporation (herein called the "Class E Retraction Date"), the Corporation shall pay or cause to be paid to the order of the registered holder of such Class E Special Shares the Class E Redemption Amount on presentation and surrender at the registered office of the Corporation of the certificates representing the Class E Special Shares specified in the notice. From and after the Class E Retraction Date, the holder of the Class E Special Shares to be redeemed as aforesaid shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights as shareholder in respect thereof unless payment of their Class E Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected.

(34) The holders of the Class E Special Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the corporation and shall not be entitled to vote at any such meeting; the holders of the Class E Special Shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the corporation or the sale of its undertaking or a substantial part thereof.

Notice

(35) Where notice is required by the provisions hereof to be sent, the notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

Common Shares

(36) Subject to the prior rights of the holders of the Class A Special Shares, Class B Special Shares, Class C Special Shares, Class D Special Shares and the Class E Special Shares, the holders of the Common Shares shall be entitled to receive and the corporation shall pay dividends to them as and when declared by the board of directors of the corporation out of the moneys of the corporation properly applicable to the payment of dividends, in such amounts and in such form as the board of directors may from time to time determine.

(37) The holders of the Common Shares shall be entitled to receive the remaining property of the corporation upon the liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, after the Class A Special Shares, the Class B Special Shares, the Class C Special

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

Shares, the Class D Special Shares and the Class E Special Shares.

(38) The holders of the Common Shares shall be entitled to receive notice of and attend any meeting of the shareholders of the corporation and shall be entitled to one (1) vote in respect of each Common Share held at all meetings of the shareholders of the corporation.

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8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

No shares shall be transferred without the consent of the board of directors by resolution or in writing.

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9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:

a) That the directors of the corporation may, without authorization of the shareholders,

(i) borrow money on the credit of the corporation;

(ii) issue, sell or pledge debt obligations of the corporation;

(iii) subject to Section 20 of the Business Corporations Act, give a guarantee on behalf of the corporation to secure performance of an obligation of any person; and

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any obligation of the corporation.

(b) That subject to the provisions of the Business Corporations Act, the corporation may purchase any of its issued shares for cancellation at the lowest price at which, in the opinion of the Board of Directors, such shares are obtainable.

(c) No dividends shall be declared or paid on any of the shares of the corporation, nor shall any such shares be purchased for cancellation, if the directors have reasonable grounds for believing that the realizable value of the corporation's assets would, after such payment or purchase, as the case may be, be less than the aggregate of:

(i) its liabilities;

(ii) its stated capital account of all classes of shares; and

(iii) the aggregate of the redemption amount for all issued and outstanding special shares of the corporation, together with all declared and unpaid dividends thereon.

(d) Holders of shares of any class are not entitled to vote separately as a class or dissent upon a proposal to amend the articles of the corporation to:

(i) increase or decrease any maximum number of authorized shares of such class or increase any maximum number of authorized shares of any class or series having rights or privileges equal or superior to the shares of such class;

(ii) effect an exchange, reclassification or cancellation of the shares of

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9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:
such class; or

(iii) create a new class or series of shares equal or superior to shares of such class.

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10. The names and addresses of the incorporators are
Nom et adresse des fondateurs

First name, initials and last name
or corporate name

*Prénom, initiale et nom de
famille ou dénomination sociale*

Full address for service or address of registered office or of principal place of business
giving street & No. or R.R. No., municipality and postal code
*Domicile élu, adresse du siège social ou adresse de l'établissement principal, y compris
la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal*

* ALAN SASKIN

120 LYNN WILLIAMS STREET Suite 2A

TORONTO ONTARIO
CANADA M6K 3P6

Appendix “K”



December 22, 2015

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

Attention: Mr. Alan Saskin

RE: Portfolio Loan

Dear Mr. Saskin;

The following are the terms and conditions under which TFCC will provide Urbancorp Holdco Inc. ("Urbancorp") a portfolio loan and advisory services. This Letter of Interest is for discussion purposes only and is not to be construed as a Commitment by the Lender to fund, implied or otherwise. Accordingly, these terms and conditions may be broadened in the future documentation process to include typical lending terms.

Borrower	Urbancorp Holdco Inc. ("Borrower"), a private entity 100% owned by Alan Saskin, Urbancorp Management Inc., Urbancorp Toronto Management Inc., The Webster Family Trust, TCC/Urbancorp (Bay) Limited Partnership and TCC/Urbancorp (Bay/Stadium) Limited Partnership (collectively the "Shareholders"). At closing, Borrower will have the assets and liabilities listed in Schedule A
Loan Amount	\$12 million
Rate	16% p.a.
Term	36 months with two 12-month extensions
Fee	2% (1% per extension) to be paid as follows: a. \$100,000 upon signing of this LOI; and b. The balance to be paid at Closing or deducted from the Loan Amount
Use of Funds	To provide Borrower with funds to enhance the equity capital of

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	<p>Urbancorp Inc. ("Inc."), a wholly owned subsidiary of the Borrower that has completed a \$64 million bond offering in Tel Aviv.</p>
Security	<ul style="list-style-type: none"> • Mortgage registration on and related security with respect to the Woodbine and Bridlepath projects, as listed on the attached Schedule B, and an assignment of proceeds from the Valermo project (collectively the "Secured Projects") to be granted by the Borrower's affiliates, as noted on said Schedule "B", which security will include cross default provisions; and • Joint and several guarantees of the Shareholders other than Alan Saskin limited to their shares of Holdco and their beneficial interests in the Secured Projects; and • Unlimited personal guarantee of Alan Saskin; and • Pledge of shares of the Shareholders, representing 100% of the issued and outstanding shares of the Borrower; and • Such other and further security as reasonably required by the Lender's legal counsel.
Security on Epic Project	<p>At such time as a plan of condominium has been registered on the Epic Project and the existing indebtedness with Royal Bank of Canada ("RBC") is sufficiently paid out so as to allow a discharge of RBC's security registered on the retail units of the condominium, registration of a first charge against the retail condominium units to be created in the Epic Project in the amount of \$12,000,000.00 in favour of the Lender.</p>
Interest Payments	<p>8% p.a. to be paid monthly. The balance of the interest due shall accrue, and shall be capitalized on a monthly basis, and such accrued interest shall be paid when funds become available from the sale of any portion or all of the Secured Projects or from 100% of profit distributions from Urbancorp, Inc. or any of its subsidiaries, but in all events no later than on maturity. TFCC shall have the right to offer Borrower the option to accrue the 8% p.a. that is to be paid monthly as set out above.</p>
Principal Payments	<p>100% of Net Sale Proceeds (as hereinafter defined) of any portion or all of the Secured Projects, and 100% of profit distributions from Urbancorp, Inc. or any of its subsidiaries, following payment of accrued interest as set out above, will be used to repay 75% of the Loan Amount. Once 75% of the Loan Amount and accrued interest has been repaid, the Borrower will repay the remaining principal plus accrued interest from available funds as aforesaid, as discharges are required on a per lot or unit basis, proportionate to the number of lots/units unit remaining under the ownership of the chargor at such time as 75% of the Loan Amount and accrued interest has been repaid, and the balance upon maturity. For purposes hereof, Net Sale Proceeds shall mean shall mean the gross sales price of the portion of the Lands being sold (inclusive of unit, parking and</p>

	locker as the case may be), reduced by the Harmonized Sales Tax, purchaser's deposits utilized in the Project, and reasonable closing costs, plus closing adjustment revenue as per the applicable purchase and sale agreement with the purchaser, and reduced by any mandatory required payments to prior chargees of the Lands.
Prepayment	The Loan may be prepaid at any time subject to 30-day prior written notice. Required payments may be made at any time.
TFCC Expenses	Urbancorp will be responsible for TFCC's reasonable costs and expenses in connection with closing and monitoring the Loan during the term of the Loan. Said costs and expenses will be paid by Borrower upon demand.
Prefunding Conditions	As a pre-condition to the funding of this Loan, Urbancorp will: <ol style="list-style-type: none"> 1. Be in good standing on all of its loans and obligations to Lender; 2. Repay the loans listed in Schedule C including outstanding interest and fees; 3. All security in place to the full and complete satisfaction of Lender and its counsel acting reasonably; and 4. Receipt of such other information and documentation that the Lender may reasonably require
Covenants	Borrower and any of its subsidiaries will be restricted from taking on any new indebtedness (other than existing debentures which may be increased) or withdrawing any funds or otherwise paying shareholders without the prior written consent of Lender. Lender acknowledges that new debt is required for development and construction and that Mattamy has discretion to finance Downsview and Valermo.
Legal Representation	Borrower will obtain legal advice that the transaction described herein is permitted under the terms of all other loans in its portfolio.
Legal Opinions	As a precondition to funding of this Loan, Urbancorp will provide an opinion given by the solicitors of Urbancorp and the Guarantors as the due execution in accordance with corporate authorization and validity of the security documents and their enforceability in accordance with their terms, subject to usual qualifiers and without any opinion on compliance with agreements other than the security documents.
Right of First Offer	TFCC will continue to have the right of first offer to provide financings to the Urbancorp entities.
General Conditions	All reasonable costs incurred by Lender including legal, insurance consultant, as well as other costs which may be identified as time progresses shall be the responsibility of the Borrower and paid upon closing. Costs related to future expenses will be payable immediately on demand.

TFCC will have the right to assign its rights under this Loan.

If you wish to proceed with a formal application for approval on the foregoing terms and conditions, kindly acknowledge so by executing and returning a copy of this Letter, along with a cheque in the amount of \$100,000 by December 24, 2015. Failing which, this letter shall be deemed null and void.

Yours truly,

Terra Firma MA Ltd.

Carolyn Montgomery

Vice President & Principal Broker

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 _____ 2015

URBANCORP HOLDCO INC.

Per: 

Alan Saskin - President

I have authority to bind the Corporation

GUARANTORS:

Witness:



Alan Saskin


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

Per: 


Alan Saskin - President

I have authority to bind the Corporation


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

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


URBANCORP MANAGEMENT INC.

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

URBANCORP TORONTO MANAGEMENT INC.

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

THE WEBSTER FAMILY TRUST

Per: 
Name:
Title:
I have authority to bind the Trust

SCHEDULE "B"

PROPERTY	REGISTERED OWNER	BENEFICIAL OWNER	GUARANTORS
<p>9100 Woodbine Avenue, Markham, Ontario</p> <p>PIN 03046-0219 (LT)</p> <p>PT LT 14 CON 3 MARKHAM, PT 2 65R31684 , MARKHAM ; T/W R680957</p> <p>9084 Woodbine Avenue, Markham, Ontario</p> <p>PIN 03046-0217 (LT)</p> <p>PT LT 1 PL 3604 MARKHAM , PT 3 65R31684 ; MARKHAM</p> <p>9110 Woodbine Avenue, Markham, Ontario</p> <p>PIN 03046-0215 (LT)</p> <p>PT LTS 14 & 15, CON 3 MARKHAM, PT 1 65R31684 ; MARKHAM</p> <p>9064 and 9074 Woodbine Avenue, Markham, Ontario</p> <p>PIN 03046-0213 (LT)</p> <p>PT LT 1 PL 3604 MARKHAM & PT LT 14 CON 3 MARKHAM, PT 4 65R31684 ; MARKHAM</p>	<p>Urbancorp (Woodbine) Inc.</p>	<p>TCC/Urbancorp (Bay) Limited Partnership</p>	<p>Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Investco Inc., Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust</p>
<p>2427 and 2425 Bayview Avenue, Toronto, Ontario</p> <p>PIN 10126-1010 (LT)</p> <p>PART OF LOT 8 CONCESSION 2 EYS (N YORK), DESIGNATED AS PARTS 1 & 2 ON PLAN 66R24078; CITY OF TORONTO</p>	<p>Urbancorp (Bridlepath) Inc.</p>	<p>TCC/Urbancorp (Bay) Limited Partnership</p>	<p>Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Investco Inc., Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust</p>

PROPERTY	REGISTERED OWNER	BENEFICIAL OWNER	GUARANTORS
<p>300 Valermo Drive, Toronto PIN 07586-0258 (LT)</p> <p>PART OF LOT 8, CON 2 COLONEL SMITH'S TRACT, PT LOTS 85, 86, 87, 88, 89 AND 90 ON PLN 2449, DESIGNATED AS PARTS 1 & 2 PLAN 66R-27359; SUBJECT TO AN EASEMENT OVER PART OF LOT 8 CONCESSION 2 COLONEL SMITH'S TRACT DESIGNATED AS PART 2 ON PLAN 66R-27359 IN FAVOUR OF THE CITY OF TORONTO AS IN EB421053; CITY OF TORONTO</p>	<p>Valermo Homes Inc. (Urbancorp's portion held by Urbancorp (Valermo Inc.))</p>	<p>TCC/Urbancorp (Stadium Road) Limited Partnership Assignment of Proceeds</p>	<p>Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Investco Inc., Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust</p>
<p>EPIC PIN 21298-0448 (LT)</p> <p>PART OF THE ORDNANCE RESERVE, PLAN ORDNANCE RESERVE DESIGNATED AS PART 1 ON PLAN 66R26215; TORONTO; CITY OF TORONTO;; TOGETHER WITH AN EASEMENT OVER PART OF THE ORDNANCE RESERVE AND PART OF ABELL STREET, CLOSED BY BY-LAW 6321, INSTRUMENT NO. OD33202, ON PLAN ORDNANCE RESERVE DESIGNATED AS PARTS 3,4,5 & 6 ON PLAN 66R23469 UNTIL DEDICATED AS PUBLIC HIGHWAY AS IN AT1707704; TOGETHER WITH AN EASEMENT OVER PART OF ORDNANCE RESERVE, PLAN ORDNANCE RESERVE DESIGNATED AS PARTS 1 TO 5, 7 TO 20 ON PLAN 66R25068 AS IN AT2497742; TOGETHER WITH AN EASEMENT OVER PART OF ORDNANCE RESERVE, PLAN ORDNANCE RESERVE</p>	<p>Epic On Triangle Park Inc. (Urbancorp's interest in Epic is Held by King West Village South Limited)</p>	<p>TCC/Urbancorp (Bay/Stadium) Limited Partnership</p>	<p>Alan Saskin, TCC/Urbancorp (Bay) Limited Partnership, TCC/Urbancorp (Bay/Stadium) Limited Partnership, Urbancorp Investco Inc., Urbancorp Management Inc., Urbancorp Toronto Management Inc. and The Webster Family Trust</p>

<p>DESIGNATED AS PARTS 1 TO 5, 7 TO 20 ON PLAN 66R25068 AS IN AT2497742; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 5 ON PLAN ORDNANCE RESERVE DESIGNATED AS PARTS 25,26 & 53 ON PLAN 66R25068 AS IN AT2497743; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 5 ON PLAN ORDNANCE RESERVE DESIGNATED AS PARTS 34 & 35 ON PLAN 66R25068 AS IN AT2498220; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 66R26515 IN FAVOUR OF ROGERS CABLE COMMUNICATIONS INC. AS IN AT1784893; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 66R26515 IN FAVOUR OF GREATER TORONTO TRANSIT AUTHORITY AND CANADIAN NATIONAL RAILWAY COMPANY AS IN AT1929991; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 66R26515 IN FAVOUR OF PART OF ORDNANCE RESERVE, PLAN ORDNANCE RESERVE DESIGNATED AS PARTS 1 TO 5 & 7 TO 20 ON PLAN 66R25068 AS IN AT2497742; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 66R26515 IN FAVOUR OF PART OF ORDNANCE RESERVE, PLAN ORDNANCE RESERVE DESIGNATED AS PARTS 1 TO 5 & 7 TO 20 ON PLAN 66R25068 AS IN AT2497742; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3073995; TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3505198</p>			
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PROPERTY	REGISTERED OWNER	BENEFICIAL OWNER	GUARANTORS
<p>EPIC continued PIN 21298-0450 (LT)</p> <p>INCLUSIVE, ON PLAN 66R-23505; SUBJECT TO RIGHT OF WAY AS IN CT430478 AND WF27767 PARTIAL RELEASE AS TO PTS 5 AND 9 PL 66R-23505 AS IN AT2198438, AT2198441, AT2221543 AND PARTIAL RELEASE AS TO PARTS 4, 7 & 8 ON PLAN 66R17071 AS IN AT3522908, PARTIAL RELEASE AS IN AT3760103 & AT3760109 & AT3760128 & AT3760138 AT3760148 AT3760167 AT3760311, WF27767 PARTIAL RELEASE AS TO PARTS 7 & 8 ON PLAN 66R17071 AS IN AT4047674; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 1 TO 7 PL 66R-23505 AS IN AT2106267; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 1 TO 5 ON PL 66R-23505 AS IN AT2303473; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 1, 2, 3, 4 AND 5 ON PL 66R-23505 AS IN AT2329585; SUBJECT TO AN EASEMENT OVER PT BLOCK 5 PL ORDNANCE RESERVE DESIGNATED AS PTS 25, 26 AND 53 ON PL 66R25068 IN FAVOUR OF PTS 6, 21 TO 24, 27, 30, 32, 33, 36 TO 39, 41, 43 TO 52, 54 TO 56 PL 66R25068 AND PTS 1 TO 5, 7 TO 20 ON PL 66R25068 AS IN AT2497743; TOGETHER WITH AN EASEMENT OVER PTS 23 AND 24 ON PL 66R-25068 AS IN AT2498075; TOGETHER WITH AN EASEMENT OVER PTS 6, 23, 24, 32, 33, 36 AND 37 ON PL 66R25068 AS IN AT2498248; S/T AN EASEMENT OVER PTS 25 AND 26 ON PL 66R25068 IN FAVOUR OF PTS 28, 29, 31, 40 AND 42 ON PL 66R-25068 AS IN AT2736147; S/T AND T/W</p>	<p>Epic On Triangle Park Inc. (Urbancorp's interest in Epic is Held by King West Village South Limited)</p>	<p>TCC/Urbancorp (Bay/Stadium) Limited Partnership</p>	

EASEMENT AS SET OUT IN AT3073995, CITY OF TORONTO; TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3505198; SUBJECT TO AN EASEMENT AS IN AT3695579; CITY OF TORONTO

PIN 76249-0429 (LT)

UNIT 54, LEVEL A, TORONTO STANDARD CONDOMINIUM PLAN NO. 2249 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3073995; CITY OF TORONTO

PIN 76249-0430 (LT)

UNIT 55, LEVEL A, TORONTO STANDARD CONDOMINIUM PLAN NO. 2249 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3073995; CITY OF TORONTO

Appendix “L”

Urbancorp Holdco Inc.

December 22, 2015

Carolyn Montgomery
Terra Firma MA Ltd.
#200-22 St. Clair East,
Toronto ON
M4T 2S3

Dear Mrs. Montgomery,

The following are additional terms and conditions which Alan Saskin as sole voting shareholder of Urbancorp Holdco Inc. ("Urbancorp") will ensure that Urbancorp, Urbancorp Inc. ("Inc.") and Urbancorp Investco Inc. ("Investco") performs in addition to the terms in the proposed \$12 million equity loan (the "Loan") from Terra Firma Capital Corporation ("TFCC") to Urbancorp set out in a LOI dated the same date hereof (the "Loan Commitment"). Urbancorp's sole assets are all the issued and outstanding shares of Inc. and Investco is a wholly owned subsidiary of Inc.

If there is any discrepancy between this letter and the Loan Commitment, this letter will supersede.

Urbancorp and Alan Saskin commit that Urbancorp and Inc. will do the following:

- 1) Urbancorp will contribute the \$12 million loan from TFCC or such other amount net of fees and/or expenses deducted from the Loan (the "Funds") as equity into Inc. Inc. will contribute the Funds as equity into Investco.
- 2) The Funds will be utilized to allow Investco to co-invest with TFCC in a TFCC syndicated loan or loans secured by property located in the Greater Toronto Area ("Co-investment Loan(s)") as hereinafter set out. TFCC will identify Co-Investment Loan(s) from time to time and Investco will enter into loan servicing agreements with TFCC with respect thereto. In the event of a default under a Co-Investment Loan and the Lender has taken over the project and the lands secured thereunder, Investco shall have the right of first offer to develop and manage the lands and the project and be compensated therefor on fair market terms. A segregated account will be established under the exclusive control of TFCC (the "Account"). To the extent a Co-Investment Loan(s) has not been identified at closing to utilize or fully utilize the Funds and/or Investco has not entered into loan servicing agreements with TFCC with respect thereto, the Funds or balance thereof will be placed in the Account. TFCC shall have the discretionary authority to invest the Funds from time to time as Co-Investment Loans. Investco will assign and pledge its interest in the Account as security for the Loan. In addition, immediately following the registration of the charge securing any Co-Investment Loan, Investco will assign its interest in the charge to TFCC as further security for the Loan and such assignment shall be registered on title to the property securing the Co-Investment Loan. Investco's share of the interest earned on the Co-Investment Loan(s) and any repayments of principal of a Co-Investment Loan will be paid into a segregated Co-Investment Loan Account to be established by TFCC in its name, and monies thereunder assigned and pledged as further security for the Loan.

120 Lynn Williams Street Suite 2A, Toronto, ON M6K 3N6
Tel: 416.928.5001 Fax: 416.928.9501

Urbancorp Holdco Inc.

3) Security:

- a) Pledge of Inc. shares held by Urbancorp, being all of the issued and outstanding shares of Inc..
- b) Guarantee of the Loan by Investco and General Security Agreement from Investco..
- c) Assignment and Pledge of the Funds, Account and interest in the Co-Investment Loan Account as security for the Loan by Investco.
- d) Assignment of the Co-investment loans by Investco and all security related thereto.

4) Advisory: A senior executive of TFCC will be an advisor to the Inc. board and will be invited to all board meetings.

5) TFCC has earned an advisory fee on the success of the bond offering (the "Advisory Fee"). The amount is 1% of the net proceeds up to \$50mm and 0.5% for the net funds in excess of \$50mm. Net proceeds will be defined as net of underwriting fees, commissions, land transfer tax, first year interest and the reasonable expenses of the consultants involved. The Advisory Fee will be no less than \$540,000.00 which is inclusive of TFCC's expenses incurred to date in connection with the Bond Offering.

6) Cross default: All security given pursuant to the Loan Commitment and this letter will stand as collateral for all outstanding loans between the Borrower (including all its affiliates and related persons or entities) and Lender and its affiliates (the "Existing Loans"). Any default under any Existing Loans will be a default under the Loan Commitment which will entitle the Lender to exercise its remedies against Urbancorp, Investco and the guarantors and any other entities pursuant to the Loan Commitment, this letter and all security provided thereunder. As long as any Existing Loans remain outstanding, all security given pursuant to the Loan Commitment or this letter, other than the charges on the Secured Projects which have been fully and properly discharged in accordance with their respective terms, shall remain as security for the Existing Loans.

7) Distributions from Inc: TFCC will be entitled to: (i) \$100,000 per month of the monthly management fees collected from Inc. which will be applied first towards the Advisory Fee until it is fully paid and then towards interest on the Loan, principal of the Loan or other amounts owed to Lender from time to time; and (ii) any distribution of Profit from Inc. that is not applied to repay existing debentures (as same may be increased) or required to be paid to the dedicated debenture account pursuant to existing bond lender terms, to be applied for the same purpose.

Yours truly,



Alan Saskin
President



Guarantor: Alan Saskin

Appendix “M”

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: TERRA FIRMA CAPITAL CORPORATION

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:

1. In this Guarantee and Postponement of Claim the following words shall have the meaning as indicated opposite such words:

(a) "Credit" - means financial accommodation of any kind whatsoever.

(b) "Indebtedness" - means in its broadest sense all obligations of the Borrower to the Lender, alone or with others heretofore or hereafter incurred, whether voluntarily or involuntarily, whether due or not due, whether absolute, inchoate, contingent, liquidated or unliquidated together with interest on each and every such obligation, including, without limitation, as set out in or provided pursuant to a Letter of Intent dated December 22, 2015, as amended or supplemented from time to time.

2. Notwithstanding anything herein to the contrary, each Guarantor's guarantee hereunder shall be limited as set out on Schedule "A" attached hereto.

3. Without further authorization from or notice to the Guarantor, you may grant Credit and advance funds to the Borrower from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Borrower or by any person or persons liable to you of any Indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or reduce the rate of interest thereon, release or add one or more Guarantor or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or nonexercise by you or any right hereby given you, no failure by you to record, complete or otherwise perfect any securities given by the Borrower or the Guarantor or any person, firm or corporation, no dealing by you with the Borrower or the Guarantor or any person, firm or corporation, no dealing by you with the Borrower or any guarantor or endorser and no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

4. Each Guarantor, guarantees unconditionally and promises to pay to you or your order each item of Indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any Indebtedness of the Borrower hereby guaranteed or in enforcing this Guarantee against the Guarantor and, promises to perform each guaranteed obligation when due.

5. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Borrower, any other Guarantor, any other person, firm or corporation, or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all Indebtedness hereby guaranteed. Provided always, that this Guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this Guarantee as to one or more other Guarantor or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of the Borrower, or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of any other Guarantor.

6. Upon this Guarantee bearing the signature of any Guarantor coming into your hands or the hands of any officer, agent or employee thereof the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect any Guarantor's liability hereunder.

7. No alteration or waiver of this Guarantee or any of its terms, provisions or conditions shall

be binding on you unless made in writing over the signature of your duly authorized officers in that regard.

8. Until all Indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given to the Guarantor in writing by one of your duly authorized officers in that regard.

9. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the Indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your controlled discretion see fit.

10. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Borrower shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change, it being understood that where the Borrower is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Borrower notwithstanding any change or changes in the name or membership of the Borrower's firm, or in the name of such corporate Borrower, and notwithstanding any reorganization of such corporate Borrower, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

11. Where the Borrower is a corporation or partnership or an entity, you shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf, and Credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed even though the borrowing or obtaining of such Credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Borrower or of the directors, partners or agents thereof. Each Guarantor warrants and represents that he is fully authorized by law to execute this Guarantee of Credit to be granted to the Borrower.

12. The statement in writing of any of your authorized officers from time to time of the Indebtedness of the Borrower to you and covered by this Guarantee shall be received as prima facie evidence in the absence of manifest error as against the Guarantor that such amount is at such time so due and payable to you and is covered hereby.

13. All indebtedness, present and future, of the Borrower to any Guarantor is hereby assigned to you and postponed to the present and future Indebtedness of the Borrower to you and all moneys received from the Borrower or for his account by the Guarantor shall be received in trust for you, and forthwith upon receipt, paid over to you until the Borrower's Indebtedness to you is fully paid and satisfied, all without prejudice to you and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Borrower is a partnership of which any Guarantor is a member, the Guarantor will not without the prior written consent of one of your duly authorized officers withdraw any capital of the Guarantor invested with the Borrower.

14. Upon the bankruptcy or winding up or other distribution of assets of the Borrower or any surety or guarantor of any Indebtedness of the Borrower to you, your rights shall not be affected or impaired by your omission to prove your claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting any Guarantor's liability to you and until all Indebtedness of the Borrower to you has been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by any Guarantor to you under this Guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Borrower, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

15. Each Guarantor will file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any indebtedness of the Borrower to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claim, you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for that purpose any Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

16. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law and, without restricting the generality of the foregoing, if you hold one or more guarantees executed by any Guarantor relating to Credit extended to the Borrower by you, the amount of the Guarantor's liability imposed by such other guarantee or guarantees shall be added to the amount of the Guarantor's liability imposed by the provisions hereof and the resulting total shall be the amount of the Guarantor's liability.

17. Each Guarantor shall pay to you on demand (in addition to all debts and liabilities of the Borrower hereby guaranteed) all costs, charges and expenses (including without limitation, lawyer's fees as between solicitor and client) incurred by you for the preparation, execution and perfection and enforcement of this Guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each such costs, charges and expenses until payment by the Guarantor hereunder.

18. In case of default you may maintain an action upon this Guarantee whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against any Guarantor or by any number of successive actions until and unless all Indebtedness hereby guaranteed has been paid and each of the Guarantor obligations hereunder has been fully performed.

19. If any provision of this Guarantee is determined in any proceeding by a Court of Jurisdiction to be invalid or to be wholly or partially enforceable, the provision shall, for the purposes of such a proceeding, be severed from this Guarantee at the Lender's option and shall be treated as not forming a part hereof and all the remaining provisions of this Guarantee shall remain in full force and shall be unaffected thereby.

20. Any notice or demand which you may wish to give may be served on any Guarantor either personally or on his legal personal representative or in the case of a corporation on an officer of the corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address of the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed.

21. This Guarantee shall be construed in accordance with the laws of the Province of Ontario and in any action thereon the Guarantor shall be estopped from denying the same; any judgment recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding on him and them.

22. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine gender and any word importing a person shall include a corporation, partnership, firm and any entity.

23. In the event of your making a demand upon the undersigned or any or all of the undersigned upon this Guarantee each of the undersigned shall be held and bound to you directly as principal debtor in respect of the payment of the amounts hereby guaranteed and if there be more than one undersigned then liability hereunder shall be joint and several.

24. This Guarantee and agreement on the part of each Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and his executors, administrators, legal person representatives, successors and assigns.

IN WITNESS WHEREOF each Guarantor has hereto caused the execution of this Guarantee this _____ day of December, 2015.

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

Per: 

Alan Saskin-President

I have authority to bind the Corporation

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

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

**TCC/URBANCORP (STADIUM ROAD) LIMITED
PARTNERSHIP By its General Partner
Urbancorp Master Partner (Stadium Road) Inc.**

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

URBANCORP MANAGEMENT INC.

Per: 
Name:
Title:
I have authority to bind the Corporation

URBANCORP TORONTO MANAGEMENT INC.

Per: 
Name:
Title:
I have authority to bind the Corporation

THE WEBSTER FAMILY TRUST

Per: 
Name:
Title:
I have authority to bind the Trust

SCHEDULE "A"

LIMITATION ON GUARANTEE

GUARANTOR:	GUARANTEE LIMITED TO:
TCC/URBANCORP (BAY) LIMITED PARTNERSHIP	<p>100 Class D Special Shares of Urbancorp Holdco Inc.</p> <p>Beneficial interest in 9100 Woodbine Avenue, 9084 Woodbine Avenue, 9110 Woodbine Avenue and 9064 and 9074 Woodbine Avenue, in the Town of Markham, York Region, being PIN Nos. 03046-0219(LT), 03046-0217(LT), 03046-0215(LT) and 03046-0213(LT)</p> <p>Beneficial interest in 2427 and 2425 Bayview Avenue, in the City of Toronto, being PIN No. 10126-1010(LT)</p>
TCC/URBANCORP (BAY/STADIUM) LIMITED PARTNERSHIP	<p>100 Class E Special Shares of Urbancorp Holdco Inc.</p> <p>Beneficial interest in property located in the City of Toronto and being PIN Nos. 21298-0448(LT), 21298-0450(LT), 76249-0429(LT) and 76249-0430(LT)</p>
TCC/URBANCORP (STADIUM ROAD) LIMITED PARTNERSHIP	Beneficial interest in 300 Valermo Drive, Toronto, being PIN No. 07586-0258(LT)
URBANCORP MANAGEMENT INC.	100 Class A Special Shares of Urbancorp Holdco Inc.
URBANCORP TORONTO MANAGEMENT INC.	100 Class B Special Shares of Urbancorp Holdco Inc.
THE WEBSTER FAMILY TRUST	100 Class C Special Shares of Urbancorp Holdco Inc.

Appendix “N”

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

Appendix “O”



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.

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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

Fee 2% for initial term (plus 1% if extension exercised) to be paid as follows:

- a. \$100,000 upon signing of this term sheet by the Borrower; and
- b. The balance to be paid at Closing or deducted from the Loan Amount


Use of Funds

To provide Borrower with funds to enhance the equity capital of Inc., a wholly owned subsidiary of the Borrower that has completed a \$64 million bond offering in Tel Aviv which funds are to be paid by Inc. on Closing by multiple directions to the Canada Revenue Agency ("CRA") to pay outstanding HST in respect of certain assets owned by a wholly owned subsidiary of Inc.

Security

Security to include:

- 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.,

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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 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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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

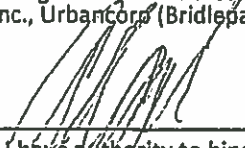

Y. Dov Meyer
C.E.O.


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

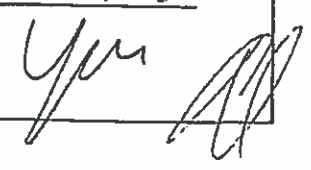
Accepted on the terms and conditions herein provided this ____ day of March 2016

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 Mejerowitz
Print Name:


Alan Saskin



Appendix “P”



Account transactions - Result

GST/HST account: 826684266 RT 0001

Business name: EDGE ON TRIANGLE PARK INC.

Transactions

Interim amounts

For the reporting period ending May 31, 2015

Effective date	Transactions	Amount
Oct 7, 2015	Previous Balance	\$0.00
Apr 4, 2016	Interim Balance	\$0.00

Balance amounts

For the reporting period ending May 31, 2015

Effective date	Transactions	Amount
Oct 7, 2015	Previous Balance	\$14,773,954.42
Oct 14, 2015	Arrears interest	\$37,197.23
Oct 28, 2015	Arrears interest	\$27,470.49
Oct 26, 2015	Payment-garnishee	\$8,082.57 CR
Oct 28, 2015	Arrears interest	\$2.21 CR
Nov 14, 2015	Arrears interest	\$33,409.08
Nov 25, 2015	Payment-garnishee	\$85.32 CR
Nov 26, 2015	Arrears interest	\$23,629.75
Nov 26, 2015	Payment	\$75,000.00 CR
Dec 1, 2015	Arrears interest	\$9,805.76
Dec 14, 2015	Arrears interest	\$25,526.43
Dec 31, 2015	Payment-garnishee	\$82.57 CR
Jan 5, 2016	Arrears interest	\$43,275.28
Jan 14, 2016	Arrears interest	\$17,703.54
Feb 2, 2016	Payment-garnishee	\$85.32 CR
Feb 4, 2016	Arrears interest	\$41,392.99
Feb 14, 2016	Arrears interest	\$19,752.61
Mar 14, 2016	Arrears interest	\$57,435.40
Mar 11, 2016	Payment	\$2,250,000.00 CR
Mar 14, 2016	Arrears interest	\$922.24 CR
Mar 11, 2016	Payment	\$9,750,000.00 CR
Mar 14, 2016	Arrears interest	\$3,996.44 CR
Mar 24, 2016	Payment-garnishee	\$164.25 CR
Mar 29, 2016	Arrears interest	\$5,173.47
	Accrued arrears interest	\$2,072.27
Apr 4, 2016	Balance	\$2,529,377.80

[Account transactions](#)

Appendix “Q”

ACKNOWLEDGEMENT RE: VALERMO PURCHASE PRICE

TO: TERRA FIRMA CAPITAL CORPORATION
AND TO: TERRA FIRMA (VALERMO) CORPORATION
RE: TERRA FIRMA CAPITAL CORPORATION LOAN TO URBANCORP HOLDCO
INC. IN THE AMOUNT OF \$10,000,000.00 (the "Loan")

We, Urbancorp Holdco Inc. and Urbancorp (Valermo) Inc. have requested that in the event that Terra Firma Capital Corporation ("TFCC") or Terra Firma (Valermo) Corporation purchase our remaining undivided 50% interest in the Valermo Co-Tenancy with Mattamy (Valermo) Limited (the "Urbancorp Valermo Interest") on or before May 15th, 2016, that the Terra Firma acquirer pay to us for such Urbancorp Valermo Interest the sum of \$7,000,000.00 to be applied to reduce the \$10,000,000.00 loan notwithstanding that you believe the Urbancorp Valermo Interest is only worth \$5,000,000.00.

In consideration of you paying us \$7,000,000.00 for the Urbancorp Valermo Interest, we agree as follows:

1. All of the security for the Loan is agreed after the closing of your purchase of the Urbancorp Valermo Interest to secure \$5,000,000.00 and interest shall accrue and be payable on \$5,000,000.00.
2. At such time as we request a discharge of the security provided to TFCC with respect to the Loan for the Bridle Path property, we shall pay to TFCC, the sum of \$5,000,000.00 for principal notwithstanding that the principal amount of the Loan amount outstanding at that time will only be the sum of \$3,000,000.00 (assuming no other reduction in the Loan occurs prior to that time).
3. The \$2,000,000.00 excess amount paid to TFCC (the "Valermo Security") shall be held by TFCC to make certain that TFCC and/or Terra Firma (Valermo) Corporation receives at least \$7,000,000.00 from the proceeds of the Urbancorp Valermo Interest.
4. If Terra Firma (Valermo) Corporation and/or TFCC receives any amount in excess of \$5,000,000.00 from the Urbancorp Valermo Interest, then any amount received in excess of \$5,000,000.00 shall result in an equal amount being released to Urbancorp (Valermo) Inc. from the \$2,000,000.00 Valermo Security.
5. No distribution need be made to Urbancorp (Valermo) Inc. for amounts received by Terra Firma (Valermo) Corporation and/or TFCC from the Urbancorp Valermo Interest after May 15th, 2026 and any balance remaining at that time with respect to the Valermo Security shall be the sole property of Terra Firma Capital Corporation.
6. In the event that TFCC and/or Terra Firma (Valermo) Corporation receives less than \$5,000,000.00 with respect to the Urbancorp Valermo Interest, then TFCC as their sole remedy shall be entitled to keep the Valermo Security.

7. We further agree that we shall be solely responsible for and shall indemnify you with respect to the payment of any amounts charged against the Urbancorp Valermo Interest as set out in Paragraph 6 of the Consent, Acknowledgement and Estoppel signed the 7th of March, 2016 in excess of \$150,000.00 whereby Mattamy (Valermo) Limited consents to the transfer to Terra Firma (Valermo) Corporation of the Urbancorp Valermo Interest and this amount will be secured by the Bridle Path and Woodbine mortgages and the covenants received by TFCC pursuant to the Loan.


Rest of page intentionally left blank. Signature page follows.

Dated at Toronto the 9th day of March, 2016.

Witness  _____


URBANCORP (VALERMO) INC.

Per: Alan Saskin
Title:

Witness  _____

URBANCORP (BRIDLE PATH) INC.

Per: Alan Saskin
Title:

Witness  _____

URBANCORP HOLDCO INC.

Per: Alan Saskin
Title:

Witness  _____

URBANCORP TORONTO MANAGEMENT INC.

Per: Alan Saskin
Title:

Witness  _____

URBANCORP (WOODBINE) INC.

Per: Alan Saskin
Title:

Appendix “R”

Form 86

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Rule 124)**

(Section 244 of the Bankruptcy and Insolvency Act)

TO: URBANCORP (WOODBINE) INC. (the "Debtor"), an insolvent person
120 Lynn Williams Street, Suite 2A
Toronto, ON M6K 3N6

Take notice that:

1. Laurentian Bank of Canada (the "Lender"), a secured creditor, intends to enforce its security on the property of the insolvent Debtor described in Schedule "A" hereto.
2. The security (collectively, the "Security") that is to be enforced is in the form of:
 - (a) a Charge/Mortgage registered in the Land Registry Office for the Land Titles Division of York Region (No. 65) on January 30, 2014 as Instrument No. YR2090261;
 - (b) a Notice of Assignment of Rents-General registered in the Land Registry Office for the Land Titles Division of York Region (No. 65) on January 30, 2014 as Instrument No. YR2090262;
 - (c) a general security agreement dated as of January 30, 2014 between the Debtor and the Lender; and
 - (d) an assignment of insurance interest dated the 27th day of January, 2014 given by the Debtor in favour of the Lender.
3. The total amount of the indebtedness owing by the Debtor to the Lender and secured by the Security is the sum of \$5,023,541.79 as at February 4, 2016, plus any other amounts and costs recoverable by the Lender under the terms of the commitment letter dated January 20, 2014 from the Lender and accepted by the Debtor on January 22, 2014 (the "Commitment Letter") and/or the Security, including all legal and professional fees, costs, charges, disbursements and expenses incurred by the Lender prior to the date hereof and hereafter, plus interest accruing on the foregoing amounts and costs to the date of payment in full calculated at the applicable rates pursuant to the Commitment Letter and/or the Security.
4. The Lender will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Toronto, this 4th day of February, 2016.

LAURENTIAN BANK OF CANADA, by its
solicitors, **Blake, Cassels & Graydon LLP**

Per: _____

A handwritten signature in blue ink, appearing to read "S. D'Amato", is written over a horizontal line. The signature is cursive and somewhat stylized.

SCHEDULE "A"

COLLATERAL DESCRIPTION

Security Document	Collateral
Charge/mortgage (the "Mortgage") in the principal amount of \$5,500,000 registered in the Land Registry Office for the Land Titles Division of York Region (No. 65) on January 30, 2014 as Instrument No. YR2090261	9064, 9074, 9084, 9100 & 9110 Woodbine Avenue, Markham, Ontario and legally described in PINs 03046-0213(LT), 03046-0215(LT), 03046-0217(LT) and 03046-0219(LT).
Notice of Assignment of Rents-General registered in the Land Registry Office for the Land Titles Division of York Region (No. 65) on January 30, 2014 as Instrument No. YR2090262	All rents, charges and other monies due and payable or to become due to be derived from the lands described in the Mortgage
General security agreement dated as of January 30, 2014 from the Debtor in favour of the Lender	All personal property (including, without limitation, each Account, Chattel Paper, Document of Title, Equipment, Instrument, Intangible, Inventory, Money, Security and Goods, each as defined in the general security agreement) owned or acquired by or on behalf of the Debtor or in respect of which the Debtor has any rights and which may become located on, affixed or attached to, placed upon, situate in or on, or which may arise out of, from or in connection with the ownership, use or disposition of the lands described in the Mortgage or any part thereof and all proceeds and other amounts derived directly or indirectly from any dealings with any such personal property.
Assignment of insurance interest dated the 27 th day of January, 2014 given by the Debtor in favour of the Lender	All right, title and interest in any and all proceeds with respect to any insurance in effect with respect to the lands described in the Mortgage



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

February 4, 2016

Silvana M. D'Alimonte
Dir: (416) 863-3860
smda@blakes.com

VIA REGISTERED MAIL AND
REGULAR MAIL

Reference: 44746 /46

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

RE: Mortgage and related security in favour of Laurentian Bank of Canada on the security of the property municipally known as 9064, 9074, 9084, 9100 & 9110 Woodbine Avenue, Markham, Ontario (the "Property")

Dear Sirs:

We are the solicitors for Laurentian Bank of Canada (the "Bank"), which acts on behalf of the Bank and Terra Firma Capital Corporation ("TFCC"). We refer to a commitment letter dated January 20, 2014 (as it may have been amended, the "Commitment Letter") from the Bank and accepted by Urbancorp (Woodbine) Inc. (the "Borrower"), as borrower, and Urbancorp Toronto Management Inc. and Alan Saskin, collectively, as guarantors, on January 22, 2014, pursuant to which the Bank and TFCC made a loan (the "Loan") in the aggregate amount of \$4,725,000 to the Borrower on the terms set out therein. The Loan is secured by, among other things, a mortgage (the "Mortgage") in the principal amount of \$5,500,000 registered against the Property in the Land Registry Office for the Land Titles Division of York Region (No. 65) on January 30, 2014 as Instrument No. YR2090261.

The Loan and the Mortgage securing the Loan matured on February 1, 2016, and there was no extension of the maturity date. We are advised by the Bank that you have failed to make the payment of the outstanding principal and interest due on the Loan on February 1, 2016.

On behalf of the Bank, we hereby demand immediate payment of the sum of \$5,023,541.79, being the amount due and owing under the Commitment Letter and the Mortgage as of February 4, 2016, comprised of the principal amount plus accrued interest to February 4, 2016 and other fees and charges, all as more fully set out in *Schedule A* hereto, together with any other amounts and costs recoverable by the Bank under the terms of the Commitment Letter, the Mortgage and/or any other security documents related to the Loan, including all legal and professional fees, costs, charges, disbursements and expenses incurred by the Bank prior to the date hereof and hereafter, plus interest accruing on the foregoing amounts and costs to the date of payment in full calculated at the applicable rates pursuant to the Commitment Letter and the Mortgage.

22866371.3

If the foregoing sum is not received by us by 1:00 p.m. Eastern Standard Time on February 19, 2016, the Bank will take such proceedings as it deems necessary to recover the total indebtedness outstanding. Such steps may include the enforcement of the security held by the Bank. The Bank expressly reserves all of its rights to take whatever measures may be necessary or appropriate to preserve and maintain the collateral comprised in the security held by the Bank.

Please find enclosed notice of the Bank's intention to enforce its security pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada).

Yours very truly,



Silvana M. D'Alimonte

cc: Alan Saskin
Urbancorp Toronto Management Inc.
Barry Rotenberg, Harris, Sheaffer LLP
Alexandre LeBlanc, Laurentian Bank of Canada
Y. Dov Meyer, President, Terra Firma Capital Corporation
Carolyn Montgomery, VP Operations, Terra Firma Capital Corporation

22866371 3



**SCHEDULE A
PAYOUT STATEMENT**

[See attached]

22866371.3



LAURENTIAN
BANK

February 4, 2016

Laurentian Bank of Canada
Attention: Alexandre Leblanc

Payout Statement as at February 4, 2016

Loan Number:	1524511.1	Client Name and Security:
Interest Rate:	LBC Prime Rate plus 7.00% (Minimum interest rate is 10.00%)	Urbancorp (Woodbine) Inc.
Compounded:	Monthly	9064-9110 Woodbine Avenue, Markham ON
Maturity Date:	February 1, 2016	L3R 0J8

Payments: Monthly (Interest Only-Varies)

(If payment type is Interest plus Principal (I+P) or Interest Only, the payment amount indicated above is the Fixed Principal portion only. Interest is added to this at each payment due date.)

Principal Balance as at February 1, 2016	\$4,725,000.00
Interest Balance Accumulated	\$292,626.41
Interest Past Due	\$0.00
Accrued Interest to February 4, 2016	\$4,124.07
Payout Administration fee	\$375.00
Outstanding fee	\$75.00
Professional fees	\$1,341.31
Total Outstanding as at February 4, 2016	\$5,023,541.79

Per Diem Interest: \$1,374.69

Payment accepted only by certified cheque or money order payable to Laurentian Bank of Canada.

Any payment received after 1:00 pm shall be deemed to have been made and received on the next bank business day and Laurentian Bank of Canada shall be entitled to additional interest on the amount due.
Variable rate loans are subject to adjustment whenever there is a change in Laurentian Bank of Canada's Prime Rate.

APPENDIX A FORMS PART OF THIS STATEMENT

This statement assumes that all payments made, up to and including the effective date of this statement, will be honored by your financial institution.

This statement is valid for 10 days following its effective date.

Per: 

ARLENE RAMNARINE
Senior Manager
Operations

Per: 

Surujdai (Dolly) Deonandan
Manager

Appendix “S”

NOTICE OF SALE UNDER MORTGAGE

TO: Urbancorp (Woodbine) Inc.
120 Lynn Williams Street, Suite 2A
Toronto, ON M6K 3N6

AND TO: The parties shown on Schedule "A" attached hereto

TAKE NOTICE that default has been made in payment of the moneys due under a certain mortgage (the "Mortgage") made between Urbancorp (Woodbine) Inc., as chargor, and Laurentian Bank of Canada, as chargee, as guaranteed by Alan Saskin and Urbancorp Toronto Management Inc., on the security of the lands and premises (the "Property") described in Schedule "B" attached hereto, which Mortgage was registered in the Land Registry Office for the Land Titles Division of York Region (No. 65) on January 30, 2014 as Instrument No. YR2090261.

AND LAURENTIAN BANK OF CANADA hereby gives you notice that the amounts now due on the Mortgage for principal money, interest, fees and costs, respectively, are as follows:

Principal money	\$ 4,725,000.00
Interest balance accumulated	\$ 292,626.41
Interest in arrears to the date hereof	\$ 44,022.90
Payout administration fee	\$ 375.00
Outstanding fees	\$ 75.00
Cost of these proceedings to date hereof (estimated)	<u>\$ 5,000.00</u>
TOTAL	<u>\$ 5,067,099.31</u>

AND UNLESS the said sums, together with interest thereon at the greater of: (a) a rate of 10% per annum, calculated and compounded monthly, not in advance, and (b) a rate per annum 7.0% percentage points above the annual rate of interest (the "Prime Rate") established, quoted or applied from time to time by Laurentian Bank of Canada as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada, and any further costs and disbursements incurred in these proceedings, are paid on or before the 12th day of April, 2016, Laurentian Bank of Canada shall sell the Property covered by the Mortgage under the provisions contained in the Mortgage. The Prime Rate in effect as of the date hereof is 2.7%.

THIS NOTICE is given to you as you appear to have an interest in the Property and may be entitled to redeem the same.

DATED at Toronto, Ontario, this 4th day of March, 2016.

LAURENTIAN BANK OF CANADA

By its solicitors and authorized agents, Messrs.
Blake, Cassels & Graydon LLP, 199 Bay Street,
Suite 4000, Commerce Court West, Toronto,
Ontario M5L 1A9

per: 

Silvana M. D'Alimonte

SCHEDULE "A"

1. Alan Saskin
21 Boswell Avenue
Toronto, ON M5R 1M5
2. Urbancorp Toronto Management Inc.
120 Lynn Williams Street, Suite 2A
Toronto, ON M6K 3N6
3. Terra Firma Capital Corporation
22 St. Clair Avenue East, Suite 200,
Toronto, ON M4T 2S3
and:
Terra Firma Capital Corporation
5000 Yonge Street, Suite 1502
Toronto, ON M2N 7E9
and:
Terra Firma Capital Corporation
1 Toronto Street, Suite 700
Toronto, ON M5C 2V6
Attention: Y. Dov Meyer, President

SCHEDULE "B"

9064, 9074, 9084, 9100 & 9110 WOODBINE AVENUE
MARKHAM, ONTARIO

DESCRIPTION:

Firstly:

PIN 03046-0213(LT), being PT LT 1 PL 3604, MARKHAM & PT LT 14 CON 3 MARKHAM,
PT 4 65R31684; MARKHAM

PIN 03046-0215(LT), being PT LTS 14 & 15, CON 3 MARKHAM, PT 1 65R31684;
MARKHAM

PIN 03046-0217(LT), being PT LT 1 PL 3604 MARKHAM, PT 3 65R31684; MARKHAM

PIN 03046-0219(LT), being PT LT 14 CON 3 MARKHAM, PT 2 65R31684; MARKHAM;
T/W R680957

**NOTICE OF DISPOSITION
PURSUANT TO SECTION 63 OF
PERSONAL PROPERTY SECURITY ACT**

TO: URBANCORP (WOODBINE) INC.
120 Lynn Williams Street, Suite 2A
Toronto, ON M6K 3P6

AND TO: THOSE PERSONS LISTED IN SCHEDULE "A"

YOU ARE HEREBY NOTIFIED THAT:

1. Laurentian Bank of Canada (the "Creditor") holds a security interest (the "Security Interest") under the *Personal Property Security Act*, R.S.O. 1990, c. P.10 (the "PPSA") in the personal property of Urbancorp (Woodbine) Inc. (the "Debtor") itemized in Schedule "B" attached hereto (collectively, the "Collateral") pursuant to the security agreements (the "Security Agreements") listed in Schedule "C" made by the Debtor in favour of the Creditor in respect of which a financing statement was registered under the PPSA.
2. The amount required to satisfy the obligations secured by the Security Agreements is \$5,067,099.31 as at March 4, 2016, together with all interest thereon from March 4, 2016 to the date of payment at the greater of: (a) a rate of 10% per annum, calculated and compounded monthly, not in advance, and (b) a rate per annum 7.0% percentage points above the annual rate of interest (the "Prime Rate") established, quoted or applied from time to time by Laurentian Bank of Canada as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada (the "Redemption Amount"). The Prime Rate in effect as of the date hereof is 2.7%.
3. The expenses of retaking, holding, repairing, processing and preparing the Collateral for disposition and disposing of the Collateral and other expenses incurred and to be incurred by the Creditor in connection with the disposition of the Collateral are reasonably estimated to be \$5,000.00 (the "Costs") on the basis of the information currently available to the Creditor.
4. Upon receipt of payment, the payor will be credited with any rebates or allowances to which the Debtor is entitled by law or under the Security Agreements.
5. Upon payment to the Creditor of the Redemption Amount and the Costs, any person entitled to receive this notice may redeem the Collateral.
6. If payment of the Redemption Amount and the Costs is not received by the Creditor by March 24, 2016, the Collateral will be disposed of after such date by private sale and the Debtor may be liable for any deficiency.
7. This notice is served upon you pursuant to the provisions of the PPSA.

DATED at Toronto, Ontario, this 4th day of March, 2016.

LAURENTIAN BANK OF CANADA

By its solicitors and authorized agents, Messrs.
Blake, Cassels & Graydon LLP, 199 Bay Street,
Suite 4000, Commerce Court West, Toronto,
Ontario M5L 1A9

per: 

Silvana M. D'Alimonte

SCHEDULE "A"
PERSONS RECEIVING NOTICE

1. Urbancorp (Woodbine) Inc.
120 Lynn Williams Street, Suite 2A
Toronto, ON M6K 3N6
2. Alan Saskin
21 Boswell Avenue
Toronto, ON M5R 1M5
3. Urbancorp Toronto Management Inc.
120 Lynn Williams Street, Suite 2A
Toronto, ON M6K 3N6
4. Terra Firma Capital Corporation
22 St. Clair Avenue East, Suite 200,
Toronto, ON M4T 2S3

and:

Terra Firma Capital Corporation
5000 Yonge Street, Suite 1502
Toronto, ON M2N 7E9

and:

Terra Firma Capital Corporation
1 Toronto Street, Suite 700
Toronto, ON M5C 2V6

Attention: Y. Dov Meyer, President

SCHEDULE "B"

COLLATERAL

1. All personal property (including, without limitation, each Account, Chattel Paper, Document of Title, Equipment, Instrument, Intangible, Inventory, Money, Security and Goods, each as defined in the general security agreement (the "GSA") dated as of January 30, 2014, granted by the Debtor in favour of the Creditor) owned or acquired by or on behalf of the Debtor or in respect of which the Debtor has any rights and which may become located on, affixed or attached to, placed upon, situate in or on, or which may arise out of, from or in connection with the ownership, use or disposition of the lands municipally known as 9064, 9074, 9084, 9100 & 9110 Woodbine Avenue, Markham, Ontario or any part thereof (the "Lands") and all structures, buildings or other improvements constructed, being constructed or to be constructed thereon or any part thereof including, without limitation, all increases, additions, substitutions, repairs, renewals, replacements, accessions, accretions and improvements to any such personal property and all Proceeds (each as defined in the GSA) and other amounts derived directly or indirectly from any dealings with any such personal property, including all Construction Agreements, Insurance Policies, Building and Development Permits and the monies paid thereunder, Plans and Specifications (each as defined in the GSA), and drawing related to the Lands, including, without limitation, any amendments, extensions, renewals and replacements made to any of them and all proceeds therefrom;
2. all rents, charges and other monies due and payable or to become due to be derived by the Debtor from the property municipally known as 9064, 9074, 9084, 9100 & 9110 Woodbine Avenue, Markham, Ontario (the "Property"); and
3. all right, title and interest of the Debtor in any and all proceeds with respect to any insurance in effect with respect to the Property.

SCHEDULE "C"
SECURITY AGREEMENTS

1. General security agreement dated as of January 30, 2014 from the Debtor in favour of the Creditor
2. Assignment of rents made January 30, 2014 made by the Debtor in favour of the Creditor, notice of which was registered on title to the Property in the Land Registry Office for the Land Titles Division of York Region (No. 65) on January 30, 2014 as Instrument No. YR2090262
3. Assignment of insurance interest dated January 27, 2014 given by the Debtor in favour of the Creditor

Appendix “T”

RECEIVED APR 12 2016

NOTICE OF SALE UNDER MORTGAGE

TO: URBANCORP (BRIDLEPATH) INC.
120 Lynn Williams Street
Suite 2A
Toronto, Ontario
M6K 3N6

AND TO: ALAN SASKIN
120 Lynn Williams Street
Suite 2A
Toronto, Ontario
M6K 3N6

AND TO: URBANCORP TORONTO MANAGEMENT INC.
120 Lynn Williams Street
Suite 2A
Toronto, Ontario
M6K 3N6

AND TO: TERRA FIRMA CAPITAL CORPORATION
5000 Yonge Street
Suite 1502
Toronto, Ontario
M2N 7E9

AND TO: MINISTRY OF ATTORNEY GENERAL
Office of the Public Guardian Trustee
595 Bay Street
#800,
Toronto, Ontario
M5G 2M6
(In the event of the forfeiture of the lands and premises of URBANCORP
(BRIDLEPATH) INC. to the Public Trustee

TAKE NOTICE that default has been made in payment of the moneys due under a certain Charge/Mortgage dated the 20th day of March, 2014 made between

URBANCORP (BRIDLEPATH) INC.

as Mortgagor,

-AND-

TERRA FIRMA CAPITAL CORPORATION
ATRIUM MORTGAGE INVESTMENT CORPORATION

as Mortgagees,

upon the following property namely:

PART OF LOT 8 CONCESSION 2 EYS(N YORK), DESIGNATED AS PARTS
1 & 2 ON PLAN 66R24078; CITY OF TORONTO . PIN NO. 10126-1010 LT.

which Charge/Mortgage was registered on 2014/03/20 in the Land Registry Office No. 80 as Instrument Number AT3541941.

AND I hereby give you notice that the amount now due on the mortgage for principal money, interest, legal costs and HST on legal costs, respectively, are as follows:

for principal as February 1, 2016.....	\$10,350,000.00
for accrued interest @10.1% from February 1- 29/16 inclusive.....	82,828.28
for accrued interest @10.1% from March 1-31/16 inclusive	89,249.14
for accrued interest @10.1% from April 1-11/16.....	29,036.32
Bonus on Default - 3 month interest.....	267,747.42
Late payment fee March 1, 2016 instalment.....	150.00
Late payment fee April 1, 2016 instalment.....	150.00
for fees on default notices issued March 10/16 and March 31/16 @\$500.00 each.....	1,000.00
for Administrative cost of for initiating legal proceedings.....	1,000.00
for default administration fee.....	500.00
for legal fees	4,500.00
for HST. on fees.....	949.00
TOTAL.....	<u>\$10,827,110.16</u>

(such amount for costs being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper), together with per diem rate of \$2,903.63 from the 11th day of April, 2016 to the date of payment.

AND unless the said sums are paid on or before the 19th day of May, 2016, I shall sell the property covered by the said mortgage under the provisions contained in it.

THIS notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

DATED the 11th day of April, 2016.

TERRA FIRM CAPITAL CORPORATION
ATRIUM MORTGAGE INVESTMENT CORPORATION

by their solicitors,

BRATTYS LLP

PER:



PAUL MERRICK

BRATTYS, LLP
Barristers & Solicitors
7501 Keele Street
Suite 200
Vaughan, Ontario
L4K 1Y2

Tel No. 905-760-2600 ext. 231

NOTICE OF INTENTION TO ENFORCE SECURITY

**Subsection 244 (1) of the Bankruptcy and
Insolvency Act**

TO: URBANCORP (BRIDLEPATH) INC.
120 Lynn Williams Street
Suite 2A
Toronto, Ontario
M6K 3N6

TAKE NOTICE THAT:

1. TERRA FIRMA CAPITAL CORPORATION AND ATRIUM MORTGAGE INVESTMENT CORPORATION, being secured creditors, intent to enforce their security on the property of the insolvent person described below:

PART OF LOT 8 CONCESSION 12 EYS (N YORK), DESIGNATED AS PARTS 1 & 2 on plan 66R24078; CITY OF TORONTO, PIN NO. 10126-1010 LT.
2. The security that is to be enforced is in the form of a Charge/Mortgage of Land dated 2014/03/20 and registered in the Land Registry Office No. 80 on 2014/03/20 as Instrument No. AT3541941.
3. The total amount of the indebtedness secured by the security is \$10,827,110.16 as at APRIL 11, 2016 with a per diem payment thereafter of \$2,903.63.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at the City of Vaughan, this 11th day of April, 2016.

TERRA FIRM CAPITAL CORPORATION
ATRIUM MORTGAGE INVESTMENT CORPORATION

by their solicitors,

BRATTYS LLP

PER:



PAUL MERRICK

BRATTYS, LLP
Barristers & Solicitors
7501 Keele Street
Suite 200
Vaughan, Ontario
L4K 1Y2

Tel No. 905-760-2600 ext. 231

NOTICE OF SALE UNDER MORTGAGE

TO: URBANCORP (BRIDLEPATH) INC.
120 Lynn Williams Street
Suite 2A
Toronto, Ontario
M6K 3N6

AND TO: ALAN SASKIN
120 Lynn Williams Street
Suite 2A
Toronto, Ontario
M6K 3N6

AND TO: URBANCORP TORONTO MANAGEMENT INC.
120 Lynn Williams Street
Suite 2A
Toronto, Ontario
M6K 3N6

AND TO: TERRA FIRMA CAPITAL CORPORATION
5000 Yonge Street
Suite 1502
Toronto, Ontario
M2N 7E9

AND TO: MINISTRY OF ATTORNEY GENERAL
Office of the Public Guardian Trustee
595 Bay Street
#800,
Toronto, Ontario
M5G 2M6
(In the event of the forfeiture of the lands and premises of URBANCORP
(BRIDLEPATH) INC. to the Public Trustee

TAKE NOTICE that default has been made in payment of the moneys due under a certain Charge/Mortgage dated the 20th day of March, 2014 made between

URBANCORP (BRIDLEPATH) INC.

as Mortgagor,

-AND-

TERRA FIRMA CAPITAL CORPORATION
ATRIUM MORTGAGE INVESTMENT CORPORATION

as Mortgagees,

upon the following property namely:

PART OF LOT 8 CONCESSION 2 EYS(N YORK), DESIGNATED AS PARTS
1 & 2 ON PLAN 66R24078; CITY OF TORONTO . PIN NO. 10126-1010 LT.

which Charge/Mortgage was registered on 2014/03/20 in the Land Registry Office No. 80 as Instrument Number AT3541941.

AND I hereby give you notice that the amount now due on the mortgage for principal money, interest, legal costs and HST on legal costs, respectively, are as follows:

for principal as February 1, 2016.....	\$10,350,000.00
for accrued interest @10.1% from February 1- 29/16 inclusive.....	82,828.28
for accrued interest @10.1% from March 1-31/16 inclusive	89,249.14
for accrued interest @10.1% from April 1-11/16.....	29,036.32
Bonus on Default - 3 month interest.....	267,747.42
Late payment fee March 1, 2016 instalment.....	150.00
Late payment fee April 1, 2016 instalment.....	150.00
for fees on default notices issued March 10/16 and March 31/16 @\$500.00 each.....	1,000.00
for Administrative cost of for initiating legal proceedings.....	1,000.00
for default administration fee.....	500.00
for legal fees	4,500.00
for HST. on fees.....	949.00
TOTAL.....	<u>\$10,827,110.16</u>

(such amount for costs being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper), together with per diem rate of \$2,903.63 from the 11th day of April, 2016 to the date of payment.

AND unless the said sums are paid on or before the 19th day of May, 2016, I shall sell the property covered by the said mortgage under the provisions contained in it.

THIS notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

DATED the 11th day of April, 2016.

TERRA FIRM CAPITAL CORPORATION
ATRIUM MORTGAGE INVESTMENT CORPORATION

by their solicitors,

BRATTYS LLP

PER:

PAUL MERRICK



BRATTYS, LLP
Barristers & Solicitors
7501 Keele Street
Suite 200
Vaughan, Ontario
L4K 1Y2

Tel No. 905-760-2600 ext. 231

RECEIVED APR 14 2016

AGRICULTURE AND
AGRI-FOOD CANADA
Farm Debt Mediation Service

NOTICE OF INTENT TO REALIZE ON SECURITY

As required under Section 21 of the Farm Debt Mediation Act, you are hereby notified that it is the intent of:

TERRA FIRMA CAPITAL CORPORATION AND ATRIUM MORTGAGE INVESTMENT CORPORATION

(Name of Secured Creditor)

to realize on security given against the assets of:

URBANCORP (BRIDLEPATH) INC.
120 LYNN WILLIAMS STREET, SUITE 2A, TORONTO, ONTARIO M6K 3N6

(Name of Debtor and Address)

The security being:

PART OF LOT 8 CONCESSION 12 EYS (N YORK), DESIGNATED AS PARTS 1 & 2 on plan 66R24078: CITY OF TORONTO. PIN NO. 10126-1010 LT.

and you are hereby notified of your right to make application under Section 21 of The Farm Debt Mediation Act for a review of your financial affairs, mediation with your creditors, and to obtain a stay of proceedings against the action provided you are eligible and:

- (a) unable to meet your obligations as they generally become due; or
- (b) have ceased paying your current obligations in the ordinary course of business as they generally become due; or
- (c) the aggregate of your property is not, at fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process would not be sufficient, to enable payment of all your obligations, due and accruing due.

Any application must be received by an administrator within 15 business days of receipt of this notice, failing which a secured credit may take action to realize on the security.

You may apply for a stay of proceedings by making an application to the Farm Debt Mediation Act administrator at:

Farm Debt Mediation Service
174 Stone Road West
Guelph, Ontario
N1G 4T1
1-800-265-7288 or (519) 836-8135

DATED at Vaughan, this 11th day of April, 2016.
TERRA FIRMA CAPITAL CORPORATION
ATRIUM MORTGAGE INVESTMENT CORPORATION
BY THEIR SOLICITORS, BRATTYS LLP

Per:



Signature of Secured Creditor or authorized representative (PAUL MERRICK)

905 760 2600 EXT.231

Creditor Phone Number

Appendix “U”

Bay LP
Analysis Accounts Payable and Accruals
As at March 9, 2016

Account	Amount	Comment
TFCC	\$ 457,647	Past due
TFCC	200,000	Due March 1, 2016
Enermodal	72,222	Past due - Invoices date to May 2015
Finegan Marshall	52,039	\$26,500 Past due
TACT	44,040	Past due - Invoices dated back to 2014
Furkin Construction	37,019	Past due - Invoices dated back to 2015
Aird & Berlis	31,317	\$ 20,843 Past due
Terraplan	28,710	Past due - Invoices dated back to 2014
Realty taxes	20,460	Due on March 1, 2016
Cumulus Architects	14,738	Details unavailable
Harris Sheaffer LLP	14,424	\$1,980 Past due
Dillon Consulting	12,386	Past due
Toronto and Regional	16,400	Past due
	<hr/>	
	1,001,402	\$938,207 Past due
Accounts under 10,000	12,117	Not analysed
	<hr/>	
	1,013,519	

Appendix “V”

RECEIVED DEC 29 2015



BY MAIL & EMAIL

December 18, 2015

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

Attention: Alan Saskin, President

Dear Sirs:

Re: Mortgage loan from Laurentian Bank of Canada and Terra Firma Capital Corporation to Urbancorp (Woodbine) Inc., secured by a mortgage and related security from Urbancorp (Woodbine) Inc. in favour of Laurentian Bank of Canada, 9064, 9074, 9084, 9100 and 9110 Woodbine Avenue, Markham, Ontario

We refer to the above mortgage loan, the maturity date of which is February 1, 2016.

Please be advised that we do not intend to renew the mortgage loan and that we expect you will be taking steps to arrange for the repayment of the mortgage loan on the maturity date.

We trust this is satisfactory.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Alexandre LeBlanc", written over a horizontal line.

Alexandre LeBlanc
AVP – Special Loans
LAURENTIAN BANK OF CANADA

c: Carolyn Montgomery - Terra Firma Capital Corporation

Tour Banque Laurentienne
1981 McGill College Avenue, Suite 1675
Montréal, Québec H3A 3K3

Appendix “W”

ADDITIONAL PAYMENT AGREEMENT

THIS AGREEMENT made as of the 30th day of January, 2014.

B E T W E E N:

URBANCORP (WOODBINE) INC.

(hereinafter called the "Borrower")

- and -

TERRA FIRMA CAPITAL CORPORATION,

(hereinafter called the "Lender")

- and -

ALAN SASKIN and URBANCORP TORONTO
MANAGEMENT INC.

(hereinafter collectively called the "Covenantor")

WHEREAS the Borrower is or will be the registered owner of the Lands (as hereinafter defined) located in the City of Markham and consisting of PIN 03046-0213 (LT) being Part Lot 1, Plan 3604, Markham; PIN 03046-0215 (LT), being Part Lots 14 and 15, Concession 3, Markham; PIN 03046-0217 (LT) being Part Lot 1, Plan 1604, Markham designated as Part 3, Plan 65R-31684, Markham and PIN 03046-0219 (LT) being Part Lot 14, Concession 3, Markham designated as Part 2, Plan 65R-31684; City of Markham;

AND WHEREAS, by a Letter of Interest dated December 20th, 2013 (the "Commitment") the Lender agreed to arrange a loan (the "Loan") to the Borrower in the principal sum of FOUR MILLION SEVEN HUNDRED AND TWENTY-FIVE (\$4,725,000) DOLLARS together with interest thereon and upon such terms and conditions as are more particularly set forth in the Commitment;

AND WHEREAS the Borrower acknowledges that the Commitment Letter issued by Laurentian Bank of Canada ("Laurentian") satisfies the Lender's obligations pursuant to the Commitment;

AND WHEREAS the Loan is or will be secured by a Charge initially in favour of Laurentian (the "Lender's Charge") of the Lands securing the principal sum of FIVE MILLION FIVE HUNDRED THOUSAND (\$5,500,000) DOLLARS together with interest and upon such other terms and conditions as are therein set forth;

AND WHEREAS the parties hereto have agreed to enter into this Agreement in consideration of and as an additional inducement to the Lender for the issuing of the Commitment and the Lender arranging the Loan to the Borrower as stipulated by the Commitment;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the sum of TWO DOLLARS (\$2.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each party hereto), the parties hereto covenant and agree as follows:

1. **Recitals True** - The foregoing recitals are acknowledged to be true and accurate in all respects and are hereby incorporated into this Agreement to form a part hereof.

2. **Definitions** - In this Agreement, the following words and phrases shall have the following meanings:

- (a) "Additional Payment" means, in the event that the Lender's Charge is not required to postpone and subordinate to Construction Financing, the amount of Four Thousand (\$4,000) Dollars (the "Initial Participation Fee") and in the event that the Lender postpones and subordinates this Agreement, the Lender's Charge and/or the Loan, as hereinafter provided and in accordance with the terms of the Commitment, to Construction Financing, a further sum of Ten Thousand (\$10,000) Dollars (the "Second Participation Fee") for a total of Fourteen Thousand (\$14,000) Dollars, multiplied by the greater of:
- (i) the number of dwelling units for which the Land is Rezoned; or
 - (ii) the number of dwelling units for which a building permit is issued with respect to the Land;

but in any event the Initial Participation Fee shall not be less than Four Hundred and Fifty-Two Thousand (\$452,000) Dollars and the Second Participation Fee shall not be less than the additional sum of One Million One Hundred and Thirty Thousand (\$1,130,000) Dollars.

- (b) "Construction Financing" means any mortgage, charge, debenture or similar encumbrance upon such other terms and conditions as are commercially reasonable and consistent with current construction lending practices, given by an institutional construction lender in connection with such construction lender's commitment to finance development and construction of the Project, provided that no such encumbrance shall secure any fee, additional payment, profit participation, equity participation or other collateral advantage in addition to the interest payable thereunder, save and except a commitment fee, not exceeding 2.0% of the said principal amount, and provided such loan shall be advanced on a "cost to complete basis" and otherwise on terms and conditions acceptable to the Lender, acting reasonably.
- (c) "Lands" means those lands located in the City of Markham and Province of Ontario, comprising of PIN 03046-0213 (LT); PIN 03046-0215 (LT); PIN 03046-0217 (LT) and PIN 03046-0219 (LT) as more particularly described on Schedule "A" annexed hereto and forming a part hereof, together with any and all buildings and improvements situate or to be constructed thereon at any time and from time to time, including the Project, and all easements, rights-of-way and other appurtenances thereto, and all fixtures and equipment required for the operation thereof, and all rents and profits arising therefrom;
- (d) "Net Revenue" means all sale proceeds of dwelling units, parking, lockers, storage units and similar items, less legal fees, HST, reasonable closing costs and arm's length third party real estate commissions;
- (e) "Project" refers to the Lands and the Borrower's current intended improvement of the Lands by marketing, development and construction thereon of approximately 113 residential dwelling units in accordance with plans, specifications and budget projections submitted to and approved by the Lender prior to the initial advance being made under the Loan, it being understood that the Borrower may be applying to obtain approval for more than 113 units, the current proposal being 1 Heritage House, 50 Back/Back Stack A, 26 Back/Back Town C, 36 Stack Towns, but with no representation being made that 113 units will be approved.
- (f) "Rezoned" means that a final and binding site plan approval has been granted or a by-law enacted by, or a decision of the City of Markham, the City of Markham Committee of Adjustment, the Ontario Municipal Board or any successor appeal body that is not subject to appeal, which determines the final number of dwelling units that may be constructed on the Lands. For greater clarity, such proceedings shall be deemed to be final and binding notwithstanding that the Site Plan Approval or decision or by-laws requires agreements to be entered into

with the City of Markham or governmental authority;

3. **Covenant to Pay** - The Borrower covenants and agrees with the Lender that, as an additional inducement to the Lender agreeing to make or arrange the Loan, and in consideration of the Lender and/or Laurentian Bank of Canada being ready and willing to make the first advance under the Loan (receipt and sufficiency of such valuable consideration being hereby acknowledged and confirmed) the Borrower shall pay the Additional Payment to the Lender, at the times and subject to the terms herein set out, as a deferred fee and as a collateral agreement and advantage (and not as principal or interest) in addition to all other payments required to be made pursuant to the Lender's Charge.

4. **Distribution of Funds** - The Borrower shall pay to the Lender the Initial Participation Fee upon the earlier of:

- (a) the maturity date of the Loan; or
- (b) rental of a dwelling unit; or
- (c) sale of a dwelling unit; or
- (d) sale of the Lands or the Project;

provided that if the Lender has subordinated and postponed this Agreement and/or the Loan and/or the Lender's Charge to Construction Financing then the Second Participation Fee shall be payable at the earlier of rental of a dwelling unit or at the closing of units to end purchasers after the Construction Financing is repaid and all Letters of Credit issued with respect to the Project are cash secured and Tarion/bonding cash security is provided, if required, which cash security shall be assigned to the Lender to be paid to the Lender when released by the lender under the Construction Financing and/or by Tarion and/or by the bonding company until the Loan and the Additional Payment, together with any interest due, has been repaid in full.

5. **Term of Agreement** - The Borrower's obligation to pay the Additional Payment to the Lender shall continue until and including the date which is the earlier of:

- (a) the date upon which the Lender receives payment in full of the Additional Payment(s) due hereunder;
- (b) the date which is 21 years less one day after the date hereof.

6. (a) **Interest on Overdue Amounts** - The Additional Payment or any part thereof which is due and unpaid, shall bear interest at the rate of Twelve (12%) per cent per annum, calculated not in advance, which interest shall be calculated from the day immediately following the date upon which any portion of the Additional Payment becomes due and thereafter until all amounts owing on account such portion of the Additional Payment which is due have been paid in full and shall be calculated only on such portion of the Additional Payment which is overdue.

(b) With respect to the Initial Participation Fee, in the event same is not paid on or before May 1st, 2016, either from the Construction Financing and/or the Borrower's own resources, the payment of same may be deferred by the Borrower for a period of up to Fifteen (15) months subject to the following: (a) that at the time the extension of the date for payment of the Initial Participation Fee is requested by the Borrower, the Covenantor, Alan Saskin, provides satisfactory evidence to the Lender that his personal net worth is not less than \$30,000,000; (b) the Initial Participation Fee shall, from the earlier of when it is due in accordance with Section 4, and May 1st, 2016, if not paid, bear interest at the rate of Twelve (12%) per cent per annum, both before and after default or judgment and commencing the earlier of when it is due in accordance with Section 4, and May 1st, 2016, which interest shall be payable, from the Borrower's own resources, monthly with the first payment of interest being due on the 1st of the month after the foregoing commencement date..

(c) In the event that based upon rezoning and/or Site Plan applications for the Lands it cannot be reasonably determined as to the final number of lots/residential dwelling units that will be approved, the monthly interest payments due on the Initial Participation Fee shall be based upon Four Hundred and Fifty-Two Thousand (\$452,000) Dollars until the number of lots/units can be reasonably determined, with any interest that should have been paid, if there are more than 113 residential dwelling units, to become due and be payable thirty (30) days after the final number of residential dwelling units is reasonably determined for the Project. After the final number of units

is reasonably determined, the monthly interest payments when due shall be based upon the number of residential dwelling units finally determined but never based upon less than 113 units.

7. Lands Charged with Additional Payment - The Borrower hereby specifically mortgages and charges its interest in the Lands and Project with the payment to the Lender of the Additional Payment hereinbefore covenanted to be paid and it is hereby agreed that the Additional Payment and any interest thereon shall be secured under any security given by the Borrower to the Lender and held by the Lender and/or Laurentian Bank of Canada in connection with the Loan as additional security for the Additional Payment. Upon discharge of the Lender's Charge, the Borrower and the Covenantors hereby agree to the registration of a new mortgage and security on the Lands pursuant to and in accordance with the terms hereunder.

8. Release - The Borrower shall be entitled to a release of this Agreement and the discharge of all related security upon paying the Additional Payment and any other amounts due and payable under or pursuant to this Agreement; provided that the Borrower expressly acknowledges and agrees that this Agreement and all security given therefor shall remain in full force and effect until expressly released and discharged by the Lender, and shall survive partial and/or final repayment and discharge of the Lender's Charge given by the Borrower to the Lender.

9. Interest Act - Notwithstanding the provisions set out herein or in the Lender's Charge, in no event shall the "interest" (as that term is defined in Section 347 of the Criminal Code, Statutes of Canada, 1980 c. 43 as the same may be amended or replaced or re-enacted from time to time) exceed the "criminal rate" (as defined therein) of interest on the "credit advanced" (as defined therein) lawfully permitted under that Section, and in the event that, at such time as the Lender's Charge has been repaid in full and the Additional Payment has been made to the Lender, it is determined that by virtue of the provisions of this Agreement, the Lender's Charge, the payments of "interest" required to be made under the same and the payments due under this Additional Payment Agreement exceeded the "criminal rate", the Borrower shall only be required to pay "interest" at the highest rate permitted by virtue of the aforesaid Section but this shall not invalidate any requirements for payment pursuant to the Lender's Charge, or Additional Payment Interest pursuant hereto and any excess "interest" paid to the Lender under the Lender's Charge or pursuant hereto shall be refunded to the Borrower and the provisions of this Agreement shall be deemed to be amended accordingly.

10. (a) Consents, Postponements and Partial Discharges - The Lender agrees that this Agreement and any security given to the Lender in support hereof is subordinate to and shall be postponed by the Lender to any site plan or development agreements required to be entered into by the Borrower with any governmental authority having jurisdiction in connection with development of the Project and any easements, rights-of-way or similar rights to be given to any such governmental authority or public utility supplying services to the Lands in connection with completion of the Project.

The Lender agrees to consent to and execute any of the aforementioned agreements required by such governmental authority or public utility, or otherwise necessary to carry out the true intent and meaning of this paragraph, provided that the Lender will incur no liability thereunder. The Lender further agrees to partially discharge from the Lands any security held by it for this Agreement in respect of any part of the Lands required to be conveyed, without payment, to any governmental authority having jurisdiction in connection with the development of the Lands by the Borrower.

(b) The Lender shall, subject to compliance with the Planning Act by the Borrower, and at the Borrower's expenses, provide partial discharges of this Additional Payment Agreement upon payment to the Lender of \$14,000 (or \$10,000 if the Initial Participation Fee has been paid in full) plus any interest due pursuant to paragraph 6 hereof, for each single family dwelling unit and parking unit conveyed to a third party purchaser, provided that if the Net Revenue of sales is utilized to repay the Construction Financing, then the Additional Payment(s) due hereunder (save for interest on the Initial Participation Fee) shall be deferred, subject to paragraphs 4 and 6(b) hereof until the Construction Financing is repaid in full and any Letters of Credit with respect to the Project are cash secured and any Tarrion/bonding required cash security has been posted.

(c) The Lender will postpone this Agreement to Construction Financing, subject to the following:

- (i) this Agreement and the Loan are not in default;
- (ii) payment to the Lender of a 1% extension fee of the principal amount of the Lender's Charge being postponed, which fee is expected to be approximately \$15,820;
- (iii) institutional Construction Financing for the Project is in place satisfactory to the Lender, acting reasonably, such financing to be advanced on a "cost to complete" basis and the total of the Construction Financing plus the outstanding balance of the Loan do not exceed 85% of the reasonable pro forma Net Revenue from the Project;
- (iv) confirmation of 75% presales to bona fide arm's length purchasers with respect to the Project being constructed on the Lands at prices in accordance with the approved list of net sale prices, with deposits received and contracted for as required by the Construction Financing and the Lender, acting reasonably;
- (v) payment of the Initial Participation Fee of \$4,000 per approved residential dwelling unit, subject to a minimum of 113 units, subject to the rights and obligations of the Borrower as set out in Section 6 hereof;
- (vi) the Loan has been reduced to not more than \$1,890,000;
- (vii) the postponement shall be for no longer than the earlier of fifteen (15) months and the maturity date of the Construction Financing at which date the Loan and Additional Payment shall become due and payable, together with accrued and unpaid interest on both the Loan and Additional Payment;
- (viii) the interest rate on the Loan shall from and after the postponement be at Twelve (12%) per cent per annum calculated monthly not in advance;
- (ix) all accrued and unpaid interest with respect to the Loan shall have been paid to the date of the Postponement;
- (x) the Borrower shall have "equity" in the Project and Lands of not less than \$680,925;

11. **No Partnership** - Nothing contained in this Agreement shall in any way render or be deemed to render the Lender in any way a partner, joint venturer or associate of the Borrower in the operation of its business or the sale or refinancing of any portion of the Project. The Lender shall not be deemed to be an owner of the Project or payor for the purposes of the Construction Lien Act or any other liability, tax or otherwise, and the Additional Payment as and when due pursuant to the terms hereof will not be subject to any rights of set off of any nature in favour of the Borrower.

12. **No Joint Obligations** - No party hereto is or is intended to be or shall be deemed to be the partner, agent or legal representative of any other party as a result of the within Agreement, whether for the purposes of this Agreement or otherwise nor shall any party have any authority or power to act for or to undertake any obligation or responsibility on behalf of any other party hereto unless otherwise specifically agreed upon in writing. For greater certainty, the parties hereto confirm that payment of all the costs and expenses incurred with respect to the Project shall be the sole responsibility of the Borrower and the Lender shall not be liable for payment of same or contribution towards same.

13. **Acknowledgement of Validity** - The Borrower acknowledges and agrees that this Agreement and the rights and benefits accruing to the Lender pursuant hereto and under any security given in connection herewith are not, and shall not be considered or deemed to be, invalid, unenforceable, void or voidable by reason only that any or all of the same are or may be inconsistent with, repugnant to, a fetter of or a clog on the Borrower's legal or equitable right to redeem the Loan and the security given therefor.

14. **Assignment** - The Borrower acknowledges and agrees that the Lender shall be entitled to sell or assign all or any part of its interest in the Lender's Charge and/or the Loan but that the Borrower shall, notwithstanding such sale or assignment, be required to make the Additional Payment to the Lender or its lawful assignee. The Lender agrees that any assignee of the Lender's interest under this Agreement and any security given therefor shall execute an acknowledgement and agreement to be bound by the terms and conditions of the same prior to any such assignment becoming effective.

15. **Non-Merger** - The agreements, covenants, representations and obligations contained in this Agreement shall survive the execution, delivery and registration of the security provided for herein and the making of any and all advances under the Lender's Charge.

16. **Notices** - All notices or other communications required to be given or which may be given under this Agreement shall be in writing duly executed by the party giving such notice or its

solicitors, and shall be personally delivered or transmitted by registered mail or facsimile transmission addressed as follows:

- (a) to the Borrower and/or the Covenantor at 120 Lynn Williams Street, Suite 2A, Toronto, Ontario M6K 3P6 with copy to Harris, Sheaffer LLP, 4100 Yonge Street, Suite 610, Toronto, Ontario M2P 2B5 Attention: Barry Rotenberg; and
- (b) to the Lender at 5000 Yonge Street, Suite 1502, Toronto, Ontario M2N 7E9 Attention: Y. Dover Meyer with a copy to Gardiner Roberts LLP, Scotia Plaza, 40 King Street West, Suite 3100, Toronto, ON, Canada M5H 3Y2 Attention: Zev Zlotnick,

Notices given by personal delivery, email or facsimile transmission shall be deemed to have been received on the day of and at the time of such delivery or transmission and all other notices shall be deemed to have been received on the second business day after the sending thereof as aforesaid. In the event of postal disruption, all notices shall be given by personal delivery or email only. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

17. **Covenantor** - In consideration of the sum of Two Dollars (\$2.00) now paid by the Lender to the Covenantor (receipt and sufficiency whereof are hereby acknowledged by the Covenantor), the Covenantor does hereby covenant jointly and severally with the Lender, as principal obligee and not as surety, that he will pay or cause to be paid to the Lender or other proper payee thereof all payments and other charges due under this Agreement and will observe and perform all covenants and agreements herein contained to be observed and performed by the Borrower; and the Covenantor agrees that the Lender may at any time and from time to time extend the time for payments hereunder, or waive any default under this Agreement or refrain from enforcement hereof, or release any party hereto, or amend any term or condition hereof, or otherwise deal with this Agreement and the Borrower in any manner whatsoever without notice to or the consent of the Covenantor, and the Covenantor shall remain fully liable under the terms of this Agreement; and the Covenantor further agrees that all monies received by him from or on behalf of the Borrower shall be received in trust for the Lender to the extent of any amount owing by the Borrower to the Lender and, in the event of default hereunder by the Borrower, all indebtedness thereafter incurred by the Borrower to the Covenantor shall be assigned to the Lender and postponed to any present or future indebtedness of the Borrower to the Lender until such default has been cured.

18. **Borrower's Acknowledgement and Covenants** - The Borrower acknowledges, covenants and agrees that the Additional Payment is reasonable compensation in relation to the total profit expected to be made by the Borrower, for the risks involved with the Loan being provided by the Lender to the Borrower and the terms of the Loan and the Additional Payment is fair and equitable for the risks associated with this type of Loan and that the Lender is not a partner of the Borrower. The Borrower further acknowledges that the provisions of this Agreement are in addition to the obligations of the Borrower pursuant to the Commitment and the terms and conditions in the Commitment.

19. **Amendments in Writing** - This Agreement may not be modified or amended except with the written consent of the parties hereto.

20. **Severability** - The invalidity in whole or in part of any clause or clauses or paragraph or paragraphs in this Agreement shall not effect the validity of the remaining portions of such clause or clauses or paragraph or paragraphs of this Agreement.

21. **Entire Agreement** - This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein or referred to herein.

22. **Headings, Gender and Number** - The headings set forth in this Agreement are inserted for convenience and reference only and shall in no way define or limit the intent or interpretation of any of the provisions hereof. This Agreement shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context. Where the Borrower or the Covenantor includes by definition herein more than one person,

firm or corporation, the covenants of each hereunder shall be deemed to be joint and several.

23. Successors and Assigns - This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, successors and assigns.

24. Governing Law - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

25. Facsimile, etc. - The parties hereto agree that this Agreement may be transmitted by facsimile, email or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if an original.

26. Counterparts - This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

URBANCOSE (HOBLINE) INC.

Per: [Signature]
Alon Siskin
President

I/We have the authority to bind the Corporation

TERRA FIRMA CAPITAL CORPORATION

Per: [Signature]
Y. Dev Meyer
President

I have the authority to bind the Corporation

[Signature]
Witness:

[Signature]
Alon Siskin

URBANCOSE TORONTO MANAGEMENT INC.

Per: [Signature]
Alon Siskin
President

I have the authority to bind the Corporation

SCHEDULE "A"

9064-9110 Woodbine Avenue, City of Markham

PIN 03046-0213 (LT) being Part Lot 1, Plan 3604, Markham;

PIN 03046-0215 (LT), being Part Lots 14 and 15, Concession 3, Markham;

PIN 03046-0217 (LT) being Part Lot 1, Plan 1604, Markham designated as Part 3, Plan 65R-31684, Markham

PIN 03046-0219 (LT) being Part Lot 14, Concession 3, Markham designated as Part 2, Plan 65R-31684; Markham;

M:\14\140013\additional payment agreement urbancorp woodbine.docx

Appendix “X”

ADDITIONAL PAYMENT AGREEMENT
2425 and 2427 BAYVIEW AVENUE, TORONTO

THIS AGREEMENT made as of the 20th day of March, 2014.

BETWEEN:

URBANCORP (BRIDLEPATH) INC.

(hereinafter called the "Borrower")

- and -

TERRA FIRMA CAPITAL CORPORATION,

(hereinafter called the "Lender")

- and -

ALAN SASKIN and URBANCORP TORONTO
MANAGEMENT INC.

(hereinafter collectively called the "Covenantor")

WHEREAS the Borrower is or will be the registered owner of the Lands (as hereinafter defined) located in the City of Toronto and consisting of PIN 10126-1010 (LT) being Part Lot 8, Concession 2 EYS (N York), designated as Parts 1 and 3, Plan 66R-24078, City of Toronto;

AND WHEREAS, by a Letter of Interest dated March 12th, 2014 (the "Commitment") the Lender and Atrium Mortgage Investment Corporation ("Atrium") agreed to provide a loan (the "Loan") to the Borrower in the principal sum of TEN MILLION THREE HUNDRED AND FIFTY THOUSAND (\$10,350,000) DOLLARS together with interest thereon and upon such terms and conditions as are more particularly set forth in the Commitment;

AND WHEREAS the Borrower acknowledges that the Commitment Letter was arranged by the Lender and that the Lender has assumed a subordinated position in the Loan in order for the Borrower to obtain the Loan;

AND WHEREAS the Loan is or will be secured by a Charge in favour of the Lender and Atrium (the "Lender's Charge") of the Lands securing the principal sum of TEN MILLION THREE HUNDRED AND FIFTY THOUSAND (\$10,350,000) DOLLARS together with interest and upon such other terms and conditions as are therein set forth;

AND WHEREAS the parties hereto have agreed to enter into this Agreement in consideration of and as an additional inducement to the Lender for the issuing of the Commitment and the Lender arranging the Loan to the Borrower as stipulated by the Commitment;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the sum of TWO DOLLARS (\$2.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each party hereto), the parties hereto covenant and agree as follows:

1. **Recitals True** - The foregoing recitals are acknowledged to be true and accurate in all respects and are hereby incorporated into this Agreement to form a part hereof.
2. **Definitions** - In this Agreement, the following words and phrases shall have the

following meanings:

- (a) "Additional Payment" means the amount of Two Hundred Thousand (\$200,000) Dollars;
- (b) "Lands" means those lands located in the City of Toronto, Province of Ontario, comprising of PIN 10126-1010 (LT) as more particularly described on Schedule "A" annexed hereto and forming a part hereof, together with any and all buildings and improvements situate or to be constructed thereon at any time and from time to time, including the Project, and all easements, rights-of-way and other appurtenances thereto, and all fixtures and equipment required for the operation thereof, and all rents and profits arising therefrom;
- (c) "Project" refers to the Lands and the Borrower's current intended improvement of the Lands by marketing, development and construction thereon of approximately 20 residential dwelling units in accordance with plans, specifications and budget projections submitted to and approved by the Lender prior to the initial advance being made under the Loan, it being understood that the Borrower may be applying to obtain approval for up to 40 units, but with no representation being made that 40 units will be approved.

3. Covenant to Pay - The Borrower covenants and agrees with the Lender that, as an additional inducement to the Lender agreeing to make the Loan, and in consideration of the Lender and/or Atrium arranging and being ready and willing to make the first advance under the Loan (receipt and sufficiency of such valuable consideration being hereby acknowledged and confirmed) the Borrower shall pay the Additional Payment to the Lender, at the times and subject to the terms herein set out, as a deferred fee and as a collateral agreement and advantage (and not as principal or interest) in addition to all other payments required to be made pursuant to the Lender's Charge.

4. Distribution of Funds - The Borrower shall pay to the Lender the Additional Payment upon the earlier of:

- (a) the maturity date of the Loan; or
- (b) sale of the Lands or the Project.

5. Term of Agreement - The Borrower's obligation to pay the Additional Payment to the Lender shall continue until and including the date which is the earlier of:

- (a) the date upon which the Lender receives payment in full of the Additional Payment(s) due hereunder;
- (b) the date which is 21 years less one day after the date hereof.

6. Interest on Overdue Amounts - The Additional Payment or any part thereof which is due and unpaid, shall bear interest at the rate of Twelve (12%) per cent per annum, calculated not in advance, which interest shall be calculated from the date upon which the Additional Payment becomes due and thereafter until all amounts owing on account of the Additional Payment which is due have been paid in full and shall be calculated only on such portion of the Additional Payment which is overdue.

7. Lands Charged with Additional Payment - The Borrower hereby specifically mortgages and charges its interest in the Lands and Project with the payment to the Lender of the Additional Payment hereinbefore covenanted to be paid and it is hereby agreed that the Additional Payment and any interest thereon shall be secured by this Agreement as well as under any security given by the Borrower to the Lender and held by the Lender and/or Atrium in connection with the Loan as additional security for payment of the Additional Payment.

8. Release - The Borrower shall be entitled to a release of this Agreement and the discharge of all related security upon paying to the Lender the Additional Payment and any other amounts due and payable under or pursuant to this Agreement; provided that the Borrower expressly acknowledges and agrees that this Agreement and all security given therefor shall remain in full force and effect until expressly released and discharged by the Lender, and shall survive

partial and/or final repayment and discharge of the Lender's Charge given by the Borrower to the Lender.

9. **Interest Act** - Notwithstanding the provisions set out herein or in the Lender's Charge, in no event shall the "interest" (as that term is defined in Section 347 of the Criminal Code, Statutes of Canada, 1980 c. 43 as the same may be amended or replaced or re-enacted from time to time) exceed the "criminal rate" (as defined therein) of interest on the "credit advanced" (as defined therein) lawfully permitted under that Section, and in the event that, at such time as the Lender's Charge has been repaid in full and the Additional Payment has been made to the Lender, it is determined that by virtue of the provisions of this Agreement, the Lender's Charge, the payments of "interest" required to be made under the same and the payments due under this Additional Payment Agreement exceeded the "criminal rate", the Borrower shall only be required to pay "interest" at the highest rate permitted by virtue of the aforesaid Section but this shall not invalidate any requirements for payment pursuant to the Lender's Charge, or the Additional Payment or interest due thereon pursuant hereto and any excess "interest" paid to the Lender under the Lender's Charge or pursuant hereto shall be refunded to the Borrower and the provisions of this Agreement shall be deemed to be amended accordingly.

10. (a) **Consents, Postponements and Partial Discharges** - The Lender agrees that this Agreement and any security given to the Lender in support hereof is subordinate to and shall be postponed by the Lender to any site plan or development agreements required to be entered into by the Borrower with any governmental authority having jurisdiction in connection with development of the Project and any easements, rights-of-way or similar rights to be given to any such governmental authority or public utility supplying services to the Lands in connection with completion of the Project.

(b) The Lender agrees to consent to and execute any of the aforementioned agreements required by such governmental authority or public utility, or otherwise necessary to carry out the true intent and meaning of this paragraph, provided that the Lender will incur no liability thereunder. The Lender further agrees to partially discharge from the Lands any security held by it for this Agreement in respect of any part of the Lands required to be conveyed, without payment, to any governmental authority having jurisdiction in connection with the development of the Lands by the Borrower.

11. **No Partnership** - Nothing contained in this Agreement shall in any way render or be deemed to render the Lender in any way a partner, joint venturer or associate of the Borrower in the operation of its business or the sale or refinancing of any portion of the Project. The Lender shall not be deemed to be an owner of the Project or payor for the purposes of the Construction Lien Act or any other liability, tax or otherwise, and the Additional Payment as and when due pursuant to the terms hereof will not be subject to any rights of set off of any nature in favour of the Borrower.

12. **No Joint Obligations** - No party hereto is or is intended to be or shall be deemed to be the partner, agent or legal representative of any other party as a result of the within Agreement, whether for the purposes of this Agreement or otherwise nor shall any party have any authority or power to act for or to undertake any obligation or responsibility on behalf of any other party hereto unless otherwise specifically agreed upon in writing. For greater certainty, the parties hereto confirm that payment of all the costs and expenses incurred with respect to the Project shall be the sole responsibility of the Borrower and the Lender shall not be liable for payment of same or contribution towards same.

13. **Acknowledgement of Validity** - The Borrower acknowledges and agrees that this Agreement and the rights and benefits accruing to the Lender pursuant hereto and under any security given in connection herewith are not, and shall not be considered or deemed to be, invalid, unenforceable, void or voidable by reason only that any or all of the same are or may be inconsistent with, repugnant to, a fetter of or a clog on the Borrower's legal or equitable right to redeem the Loan and the security given therefor.

14. **Assignment** - The Borrower acknowledges and agrees that the Lender shall be entitled to sell or assign all or any part of its interest in the Lender's Charge and/or the Loan but that the Borrower shall, notwithstanding such sale or assignment, be required to make the Additional Payment to the Lender or its lawful assignee. The Lender agrees that any assignee of the Lender's interest under this Agreement and any security given therefor shall execute an acknowledgement and agreement to be bound by the terms and conditions of the same prior to any such assignment

becoming effective.

15. **Non-Merger** - The agreements, covenants, representations and obligations contained in this Agreement shall survive the execution, delivery and registration of the security provided for herein and the making of any and all advances under the Lender's Charge.

16. **Notices** - All notices or other communications required to be given or which may be given under this Agreement shall be in writing duly executed by the party giving such notice or its solicitors, and shall be personally delivered or transmitted by registered mail or facsimile transmission addressed as follows:

- (a) to the Borrower and/or the Covenantor at 120 Lynn Williams Street, Suite 2A, Toronto, Ontario M6K 3P6 with copy to Harris, Sheaffer LLP, 4100 Yonge Street, Suite 610, Toronto, Ontario M2P 2B5 Attention: Barry Rotenberg; and
- (b) to the Lender at 5000 Yonge Street, Suite 1502, Toronto, Ontario M2N 7E9 Attention: Y. Dov Meyer with a copy to Gardiner Roberts LLP, Scotia Plaza, 40 King Street West, Suite 3100, Toronto, ON, Canada M5H 3Y2 Attention: Zev Zlotnick,

Notices given by personal delivery, email or facsimile transmission shall be deemed to have been received on the day of and at the time of such delivery or transmission and all other notices shall be deemed to have been received on the second business day after the sending thereof as aforesaid. In the event of postal disruption, all notices shall be given by personal delivery or email only. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

17. **Covenantor** - In consideration of the sum of Two Dollars (\$2.00) now paid by the Lender to the Covenantor (receipt and sufficiency whereof are hereby acknowledged by the Covenantor), the Covenantor does hereby covenant jointly and severally with the Lender, as principal obligee and not as surety, that he will pay or cause to be paid to the Lender or other proper payee thereof all payments and other charges due under this Agreement and will observe and perform all covenants and agreements herein contained to be observed and performed by the Borrower; and the Covenantor agrees that the Lender may at any time and from time to time extend the time for payments hereunder, or waive any default under this Agreement or refrain from enforcement hereof, or release any party hereto, or amend any term or condition hereof, or otherwise deal with this Agreement and the Borrower in any manner whatsoever without notice to or the consent of the Covenantor, and the Covenantor shall remain fully liable under the terms of this Agreement; and the Covenantor further agrees that all monies received by him from or on behalf of the Borrower shall be received in trust for the Lender to the extent of any amount owing by the Borrower to the Lender and, in the event of default hereunder by the Borrower, all indebtedness thereafter incurred by the Borrower to the Covenantor shall be assigned to the Lender and postponed to any present or future indebtedness of the Borrower to the Lender until such default has been cured.

18. **Borrower's Acknowledgement and Covenants** - The Borrower acknowledges, covenants and agrees that the Additional Payment is reasonable compensation in relation to the total profit expected to be made by the Borrower, for the risks involved with the Loan being provided by the Lender to the Borrower and the terms of the Loan and the Additional Payment is fair and equitable for the risks associated with this type of Loan and that the Lender is not a partner of the Borrower. The Borrower further acknowledges that the provisions of this Agreement are in addition to the obligations of the Borrower pursuant to the Commitment and the terms and conditions in the Commitment and the Borrower's obligations pursuant to the Loan.

19. **Amendments in Writing** - This Agreement may not be modified or amended except with the written consent of the parties hereto.

20. **Severability** - The invalidity in whole or in part of any clause or clauses or paragraph or paragraphs in this Agreement shall not effect the validity of the remaining portions of such clause or clauses or paragraph or paragraphs of this Agreement.

21. **Entire Agreement** - This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and there are no warranties, representations or

other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein or referred to herein.

22. **Headings, Gender and Number** - The headings set forth in this Agreement are inserted for convenience and reference only and shall in no way define or limit the intent or interpretation of any of the provisions hereof. This Agreement shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context. Where the Borrower or the Covenantor includes by definition herein more than one person, firm or corporation, the covenants of each hereunder shall be deemed to be joint and several.

23. **Successors and Assigns** - This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, successors and assigns.


24. **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

25. **Facsimile, etc.** - The parties hereto agree that this Agreement may be transmitted by facsimile, email or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if an original.


26. **Counterparts** - This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.


IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

URBANCORP (BRIDLEPATH) INC.
Per: 
Alan Saskin
President
I/We have the authority to bind the Corporation

TERRA FIRMA CAPITAL CORPORATION
Per: 
Y. Dev Meyer
President
I have the authority to bind the Corporation

Witness: _____


Alan Saskin

URBANCORP TORONTO MANAGEMENT INC.
Per: 
Alan Saskin
President
I have the authority to bind the Corporation

SCHEDULE "A"

2425 and 2427 Bayview Avenue, Toronto

PIN 10126-1010 (LT) being Part Lot 8, Concession 2 EYS (N York), designated as Parts 1 and 3,
Plan 66R-24078, City of Toronto;

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Appendix “Y”



October 5, 2015

Urbancorp (Lawrence) Inc.
120 Lynn Williams Street
Toronto, ON

Attention: Mr. Alan Saskin

RE: LOAN RENEWAL
1780 Lawrence Ave. West, Toronto

Dear Mr. Saskin;

TERRA FIRMA CAPITAL CORPORATION (hereinafter called "Terra Firma" or "TFCC") through Terra Firma MA Ltd. (the "Mortgage Brokerage") is pleased to provide the following renewal (the "Renewal") subject to the terms and conditions set out below. Save and except as hereby amended, all other terms of the Commitment Letter dated August 20, 2013 shall remain unchanged and in effect. Together, this Renewal, and the original Commitment Letter shall collectively be known as the "Commitment Letter".

- 1. **BORROWER:** Urbancorp (Lawrence) Inc.
(the "Borrower")
- 2. **GUARANTOR(S):** Joint and several guarantees of Alan Saskin and Urbancorp Toronto Management Inc.
- 3. **PROJECT:** A 7.45 acre parcel of land (approximately 4.88 acres, net developable) currently improved with an existing TDSB school site. The property is to be developed to yield 91 residential units as follows:

# of Units	Type	Avg. Size	
		(s.f.)	Avg. \$
46	Semi	2,485	\$ 670,326
3	Single	3,033	\$ 900,000
42	13' FH Towns	2,461	\$ 571,571
91		2,492	\$ 632,319

(the "Project")

- 4. **LOAN FACILITY:** \$7,953,495 as follows:
 - \$7,470,000 Original Principal Balance
 - \$ 483,495 Accrued Interest from initial advance

5. PURPOSE:

- 1) To renew the term of the loan for an additional 18 months to mature March 1, 2017.
- 2) To amend the Registered Charge.
- 3) To amend the payment provision for payment of the monthly interest.

6. TERM:

Original

24 months (maturity date of September 1, 2015)

Revised

Loan to mature March 1, 2017.

7. INTEREST RATE:

Original

Greater of Prime + 7.00% / 10.00% per annum.

Interest to be paid on a monthly basis based upon the greater of Prime + 4.00% / 7.00% per annum, with the balance to be accrued to the Loan Balance.

Revised

Greater of Prime + 7.00% / 10.00% per annum.

Interest to be paid on a monthly basis based upon the greater of Prime + 2.00% / 5.00% per annum, with the balance to be accrued to the Loan Balance.

8. PREPAYMENT:

Open with 14 days written notice.

9. RENEWAL FEE:

\$159,000 (2%)

10. SECURITY:

The existing security to remain in full force and effect save for the following:

- a) Registered Charge to be increased to \$9,000,000.

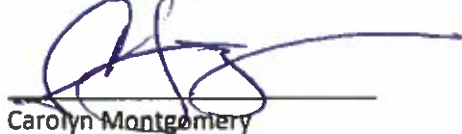
11. RENEWAL CONDITIONS:

- a) Satisfactory confirmation of 65 sales in place generating \$39,500,000 in gross sales revenue. (Received)
- b) Satisfactory written confirmation from the Lender's planning consultant (Ted Davidson) that rezoning and draft plan approval for the proposed development is a reasonable exercise that can be completed within the term of the loan.
- c) Updated Financial Statements of the Borrower. (Received)
- d) Current net worth statement and/or financial statements of the Guarantors. (Received)
- e) Such other information the Lender may reasonably require.

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Renewal to the Lender's office by October 12th, 2015 together with your cheque in the amount of \$159,000 representing the Renewal Fee due and payable, failing which this letter shall be deemed null and void.

Yours truly,

Terra Firma MA Ltd.



Carolyn Montgomery
Vice President & Principal Broker

Borrower and Guarantor hereby accept the terms and conditions of the above-mentioned Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize the credit checks contemplated herein. By signing this Amendment, the Borrower acknowledges that the Loan is solely for its own benefit, and not for the benefit of any third party, except as specifically disclosed herein.

ACCEPTANCE

Accepted on the terms and conditions herein provided this ____ day of _____ 2015.

Urbancorp (Lawrence) Inc.

Per: _____
I/we have the authority to bind the corporation

Guarantors

Signature: _____
Name: Alan Saskin

Urbancorp Toronto Management Inc.

Per: _____
I/we have the authority to bind the corporation

Appendix “Z”



November 24, 2015

Urbancorp (St. Clair Village) Inc.
120 Lyn Williams Street
Toronto, ON

ATTENTION: Mr. Alan Saskin

Dear Sir,

RE: LOAN EXTENSION - Homes of St. Clair West

TERRA FIRMA CAPITAL CORPORATION (hereinafter called "Terra Firma" or "TFCC") through Terra Firma MA Ltd. (the "Mortgage Brokerage") is pleased to provide the following amendment (the "Amendment") subject to the terms and conditions set out below. Save and except as hereby amended, all other terms of the Commitment Letter dated July 29, 2013 remain unchanged and in effect. Together, this Amendment, and the aforementioned Commitment shall collectively be known as the "Commitment Letter".

1. BORROWER:

Urbancorp (St. Clair Village) Inc. (the "Borrower")

2. GUARANTOR(S):

Joint and several guarantees of Alan Saskin and Urbancorp Toronto Management Inc.

3. PROJECT / SECURED PROPERTY:

A 2.05 acre parcel of land currently improved with a 3 storey building (formerly Hughes Public School). The property is to be developed with 41 freehold, semi-detached residential units.

(the "Project")

4. LOAN FACILITY:

\$7,380,000 as follows:

\$6,930,000 Original Principal Balance

\$ 450,000 Accrued Interest from initial advance

5. AMENDMENT PURPOSE:

To extend the term of the subject loan facility for a 3 month period effective on the current Maturity Date of November 1, 2015 (revised maturity date of February 1, 2016).

6. TERM:

Original Deal

27 months (maturity date of November 1, 2015)

Revised Deal

Loan to mature February 1, 2016.

7. EXTENSION FEE:

An extension fee of \$36,900 (0.5%) of the authorized loan facility shall become due and payable for the three month extension.

8. ACCEPTANCE:

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Amendment Letter to the Lender's office together with your cheque in the amount of \$36,900 payable to Terra Firma MA Ltd., representing the Extension Fee due and payable, failing which this letter shall be deemed null and void.

Yours very truly,

Terra Firma MA Ltd.

Per: 

Name: Carolyn Montgomery

Title: Vice President & Principal Broker

ACCEPTANCE

THE UNDERSIGNED hereby accept the terms and conditions of this Amendment as of this _____ day of _____, _____.

BORROWER:

Urbancorp (St. Clair Village) Inc.

Per: _____

Name:

I/we have the authority to bind the corporation

GUARANTOR(S):

Signature: _____

Name: Alan Saskin

Witness:

Signature: _____

Name:

Urbancorp Toronto Management Inc.

Per: _____

I/we have the authority to bind the corporation



April 29, 2015

Urbancorp
120 Lynn Williams Street
Toronto, ON

ATTENTION: Mr. Alan Saskin

Dear Sir,

RE: Epic on Triangle Park, Equity Loan

TERRA FIRMA CAPITAL CORPORATION (hereinafter called "Terra Firma" or "TFCC") through Terra Firma MA Ltd. (the "Mortgage Brokerage") is pleased to provide the following amendment (the "Loan Amendment") subject to the terms and conditions set out below. Save and except as amended hereby, all other terms and conditions of the Commitment Letter dated March 8, 2013 remain unchanged and in effect. Together, this Loan Amendment, and the aforementioned Letter shall collectively be known as the "Commitment Letter".

1. BORROWER:

King West Village South Limited (the "Borrower")

2. GUARANTOR(S):

Joint and Several Guarantees of Alan Saskin and Urbancorp Toronto Management Inc.

3. LOAN FACILITY:

\$1,200,000

4. PROJECT / SECURED PROPERTY:

"Epic on Triangle Park"; being a 477-unit residential condominium development with 358,170 square feet of GFA, 7,722 square feet of retail/commercial, and 4 levels of underground parking located at 48 Abell Street, Toronto.

(the "Project")

5. PURPOSE OF AMENDMENT:

To extend the term of the subject loan facility for a 6 month period effective on the current Maturity Date of May 1, 2015 (revised maturity date of November 1, 2015).

6. INTEREST RATE:

18% per annum (unchanged)

7. AMENDMENT FEE:

The Borrower acknowledges and agrees that, forthwith upon acceptance of this Amendment, the Borrower shall pay to the Lender and the Lender shall be deemed to have earned its non-refundable Amendment Fee of \$12,000 which shall be due and payable upon acceptance by the Borrower.

ACCEPTANCE:

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Amendment Letter, together with the Amendment Fee payable to Terra Firma MA Ltd., to the Lender's office by May 1, 2015.

Yours very truly,

Terra Firma MA Ltd.

Per: 

Name: Carolyn Montgomery

Title: Vice President & Principal Broker

ACCEPTANCE

THE UNDERSIGNED hereby accept the terms and conditions of this Loan Amendment as of this _____ day of _____, _____.

BORROWER:

King West Village South Limited

Per: _____

Name:

I/we have the authority to bind the corporation

GUARANTOR(S):

Signature: _____

Name: Alan Saskin

Witness:

Signature: _____

Name:

Urbancorp Toronto Management Inc.

Per: _____

Name:

I/we have the authority to bind the corporation

Appendix “AA”



September 28, 2015

Urbancorp Group of Companies
120 Lynn Williams Suite 2A
Toronto, ON
M6K 3N6

Attention: Mr. Alan Saskin

RE: **LOAN AMENDMENT**
Urbancorp (Leslieville) Developments Inc. , Bosvest Inc. and Westside Gallery Lofts Inc.

Dear Mr. Saskin;

TERRA FIRMA CAPITAL CORPORATION (hereinafter called "Terra Firma" or "TFCC") through Terra Firma MA Ltd. (the "Mortgage Brokerage") is pleased to provide the following amendment (the "Amendment") subject to the terms and conditions set out below. Save and except as hereby amended, all other terms of the Commitment Letter dated August 2011 and any additional amendment letters remain unchanged and in effect. Together, this Amendment, and any previous amendment letters shall collectively be known as the "Commitment Letter".

1. **BORROWER:** Bosvest Inc.
Urbancorp (Leslieville Developments Inc.)
Westside Gallery Lofts Inc.
(collectively the "Borrower")
2. **GUARANTOR(S):** Alan Saskin
Urbancorp Toronto Management Inc.
3. **LENDER:** Terra Firma Capital Corporation or one of its affiliates
4. **SERVICER:** Terra Firma MA Ltd. ("TFMA")
5. **PROJECT:** (1) "Edge at Triangle Park"; being a completed 665 unit high-rise condominium project located at 2-6 Lisgar Street, Toronto, ON. The loan is secured by the remaining unsold suites, parking, and locker units valued at +/- \$17 million.

(2) "Leslieville"; being 3 individual Projects (55 Howie Street – Riverdale, 42/50 Curzon Street – Leslieville, and 42 Edgewood Avenue –

The Beach) with an aggregate of 130 townhouse and semi detached units in Toronto, ON. The reported gross revenue for the 3 properties has been reported as \$103,701,635 as follows:

	Edgewood (The Beach)	Rivardale (Howie)	Leslieville (Curzon)	Total
Unit Count	35	42	56	133
Sold	29	42	53	124
Gross Sales Revenue	\$ 26,722,835	\$ 33,377,000	\$ 33,501,800	\$ 93,601,635
Unsold	6	0	3	9
Unsold Revenue	\$ 7,700,000	\$ -	\$ 2,400,000	\$ 10,100,000
Total Potential Gross Revenue	\$ 34,422,835	\$ 33,377,000	\$ 35,901,800	\$ 103,701,635

(collectively, the "Projects")

6. LOAN FACILITY:

Per Last Amendment dated July 21st, 2015:

\$9,200,000 allocated as follows:

- \$5,500,000 against Leslieville; and
- \$3,700,000 against Edge.

7. PURPOSE:

To extend the term of the loan applicable to the Edge security to December 1, 2015 from September 1, 2015.

8. TERM:

Original per Amendment dated July 21st, 2015:

\$3,700,000 of the Loan Facility is due on or before September 1, 2015. Balance of the Loan Facility to mature June 1, 2016. (Unchanged).

Revised

\$3,700,000 of the loan is due on or before December 1, 2015. Balance of the Loan Facility to mature June 1, 2016.

9. INTEREST RATE:

16% per annum, calculated daily and payable monthly.

10. REPAYMENT:

Interest

Interest only, payable monthly.

Principal

Upon full repayment of the 1st mortgage construction loans, and cash securing of any Letters of Credit, the Lender to receive contractual repayments of principal as follows:

- 1) Leslieville: There shall be a principal repayment due to the Lender from Leslieville in the amount of \$5,500,000.
- 2) Edge: There shall be a principal repayment due to the Lender from Edge in the amount of \$3,832,000 either through inventory financing and/or sale of units.

**11. AMENDING
CONDITIONS:**

Extension of the term is subject to payment of the outstanding amendment fees as follows:

- 1) Receipt of the fee outstanding of \$21,000 from the June 1st, 2015 amendment that increased the loan proceeds on Edge by \$700,000. Refer to Omnibus Loan Amending Agreement dated June 1, 2015). TFCC was to have received payment of this fee on or before September 1st, 2015.
- 2) Receipt of the fee outstanding of \$74,000 from the June 22, 2015 amendment that extended the term of the Edge loan from June 1, 2015 to September 1, 2015. TFCC was to have received payment of that fee on or before September 1, 2015.
- 3) Receipt of the current fee to extend the Edge portion of the loan to December 1st, 2015 (\$37,000).

12. AMENDMENT FEE: \$37,000 deemed earned and capitalized to the loan facility.

Borrower and Guarantor hereby accept the terms and conditions of the above-mentioned Amendment, and agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment.

Yours truly,

Terra Firma MA Ltd.



Carolyn Montgomery
Vice President & Principal Broker

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 _____ 2015.

Urbancorp (Leslieville) Developments Inc.

PER: _____

Bosvest Inc.

PER: _____

Westside Gallery Lofts Inc.

PER: _____

Alan Saskin

Urbancorp Toronto Management Inc.

PER: _____

Appendix “BB”

Robert Harlang

From: Ann Lam <annl@urbancorp.com>
Sent: August-17-15 9:52 AM
To: Carolyn Montgomery (cmontgomery@tfcc.ca)
Cc: Christine Honrade
Subject: RE: Terra Firma and Urbancorp Lawrence Loan - extension
Attachments: Lawrence Proforma 91 units (49 lots & 42 towns) units July 31, 2015.pdf; 1780 Lawrence Developmet Timeline 2015-2017.pdf

Good morning Carolyn,

Please find an updated proforma along with a preliminary timeline for Lawrence. Please let me know if you have any questions.

Thanks
Ann

From: Christine Honrade
Sent: August-11-15 12:05 PM
To: Ann Lam; Ivy Ng; Evalyn Orias; Andrea Sia
Cc: Michael Ko; Samantha Lau; Evalyn Orias; Carolyn Montgomery (cmontgomery@tfcc.ca)
Subject: FW: Terra Firma and Urbancorp Lawrence Loan - extension

Can you please provide the information required by Carolyn of Terra Firma? She needs the information by tomorrow. You may send the information directly to Carolyn.
Thanks.

From: Carolyn Montgomery [<mailto:cmontgomery@tfcc.ca>]
Sent: July-30-15 12:11 PM
To: Christine Honrade
Subject: RE: Terra Firma and Urbancorp Lawrence Loan - extension

Yes. I was going to deal with that one after as it doesn't mature until November 1st.

From: Christine Honrade [<mailto:ChristineH@urbancorp.com>]
Sent: Thursday, July 30, 2015 12:12 PM
To: Carolyn Montgomery
Subject: RE: Terra Firma and Urbancorp Lawrence Loan - extension

Thank you Carolyn,
I will put together the information that you require and should be ready when you return.
I also sent you our request for Caledonia last night. Will you require the same information for Caledonia?
Have a great vacation.
Christine

From: Carolyn Montgomery [<mailto:cmontgomery@tfcc.ca>]
Sent: July-30-15 12:01 PM
To: Christine Honrade
Cc: Carolyn Montgomery
Subject: RE: Terra Firma and Urbancorp Lawrence Loan - extension

Hi Christine,

For the loan renewal I will need the following:

1. Current financial statements for the borrowing entity. - Evalyn
2. Current financial statements for Urbancorp Toronto Management Inc. - Evalyn
3. Current net worth for Alan. - Christine
4. Confirmation of property taxes being up to date. - Andrea
5. Blank form Purchase and Sale Agreement. - Ivy
6. Electronic copies of all sales (don't need the full agreement - just first page, signature page, Tarion Statement of Critical Dates). - Michael Ko and Samantha
7. Updated proforma (if applicable). I will attach the most recent one I have on file. - Ann
8. Comprehensive Project Timeline. - Ann
9. Current appraisal (if available). We have one from 2013. - Ann

I will be on vacation starting tonight, returning August 12th. If you can work on getting this stuff put together and ready for my return, that would be great.

As for your request for amending the interest pay current / accrual, we will discuss that here and see what we can do.

Thanks
Carolyn

From: Christine Honrade [<mailto:ChristineH@urbancorp.com>]
Sent: Wednesday, July 29, 2015 5:18 PM
To: Carolyn Montgomery
Subject: Terra Firma and Urbancorp Lawrence Loan - extension

Thanks for the reminder Carolyn.

Our expected date of construction is October 1, 2016. However, we would like to extend for 18 months to give us more flexibility.

The current interest rate of the loan is 10% of which 7% is paid and 3% is accrued. Will it be possible to amend the interest to 5% paid and 5% accrued instead?

Let me know if you require additional information.

Christine

From: Carolyn Montgomery [<mailto:cmontgomery@tfcc.ca>]
Sent: July-29-15 2:23 PM
To: Christine Honrade
Subject: Lawrence Loan

Hi Christine,

As you are aware, the Lawrence land loan comes up for maturity on September 1st. I imagine you will be needing an extension. Do you think 6 months would be sufficient? I understand that you aren't going before Council until the Fall. Please let me know what your plans are for maturity.

Thanks
Carolyn

Carolyn Montgomery
Vice President & Principal Broker



Terra Firma MA Ltd.
Terra Firma Capital Corporation

5000 Yonge Street, Suite 1502

Toronto, Ontario

Canada M2N 7E9

Tel 416-792-4700 Ext. 302

Cell 416-903-3078

Brokerage Licence #12425

cmontgomery@tfcc.ca

Appendix “CC”

Robert Harlang

From: Alan Saskin <alansaskin@gmail.com>
Sent: December-17-14 7:29 AM
To: Christine Honrade; Michael.Chong@mnp.ca
Subject: Fwd: Urbancorp portfolio.xlsx
Attachments: Urbancorp portfolio.xlsx

Dov will explore raising \$100 million for us in Israel.
he has provided the enclosed as the format he prefers.
by when can we put our projects into this format?
alan

----- Forwarded message -----

From: Y. Dov Meyer <ydmeyer@tfcc.ca <mailto:ydmeyer@tfcc.ca> >
Date: Tue, Dec 16, 2014 at 11:17 PM
Subject: Urbancorp portfolio.xlsx
To: "alansaskin@gmail.com <mailto:alansaskin@gmail.com> " <alansaskin@gmail.com <mailto:alansaskin@gmail.com>
>

Lets talk about this in the morning

Exhibit “1”

Bay LLP
Fair Value Adjustments
Explanations
(\$000's)

Asset/Liability	Book Value	Fair Value Adjustment	Explanations
Investment/advances - UCI	12,143	-12,143	Book value represents the recorded value of assets transferred to Cumberland; the recorded value did not completely reflect the Reorganization wherein Bay LP eventually received Class D Shares of UHI, which have no value. The Company's records were adjusted subsequent to the Advance Date to eliminate the amount in this account and reflect its holding in the Class D Special Shares of UHI.
Investment/advance - Bay/Stadium	3,383	-3,383	Bay/Stadium is the owner of various nominee entities, including Urbancorp (Leslieville) Developments Inc., which is in receivership. The advance is uncollectible.
Investment/advance - UTMI	425	-425	UTMI is part of the Cumberland CCAA Entities and there is no realistic prospect of any recovery.
Land	22,779	13,432	Upward adjustment reflects realized values for Woodbine and Bridlepath, less 5% as an estimate of the increase in value between the Advance Date and the dates of sales and less 3% for costs of disposition.
Accounts payable	1,053	-39	The downward adjustment is to adjust amounts to amounts claimed in the CCAA claims process.
Intercompany - Cumberland	220	320	The upward adjustment is to adjust amount as determined in the Monitor's inter-CCAA review.
Intercompany - Downsview	4,186	-4,186	Downsview was transferred by Bay LP to UCI in June 2015. The liability associated with Downsview was also to be transferred to UCI. The records of Bay LP to transfer this liability was made by management subsequent to the Advance Date.
Loans-First Capital Realty	2,651	-2,651	The loan is associated with the UNKI venture with FCR. UNKI was transferred to Cumberland as part of the Reorganization. The records of Bay LP to transfer the liability to Cumberland was made by management subsequent to the Advance Date.

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 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

TENTH REPORT OF THE MONITOR

DAVIES WARD PHILLIPS & VINEBERG LLP
155 WELLINGTON STREET WEST
TORONTO, ON M5V 3J7

Robin B. Schwill (LSUC #384521)
Tel: 416.863.5502
Fax: 416.863.0871

Lawyers for the Monitor