

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

THE HONOURABLE MR. )  
 )  
JUSTICE NEWBOULD )

WEDNESDAY, THE 15<sup>TH</sup>

DAY OF JUNE, 2016



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

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

**ORDER**

**(Re: Stay Extension and Downsview DIP Financing)**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an order, *inter alia*, extending the Stay Period (as defined in paragraph 17 of the Initial Order of the Honourable Justice Newbould dated May 18, 2016 (the "**Initial Order**")) until and including September 2, 2016, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Motion Record of the Applicants, the First Report of the KSV Advisory Inc. (“**KSV**”), in its capacity as Monitor (the “**Monitor**”), dated June 9, 2016 (the “**First Report**”), and on hearing the submissions of counsel for the Urbancorp CCAA Entities (as defined in the Initial Order), the Monitor, counsel for the Monitor, counsel for Mattamy (Downsview) Limited (“**MDL**”), and those other parties listed on the counsel slip, no one else appearing for any other person although duly served as appears from the affidavit of service of Kyle B. Plunkett sworn June 10, 2016, filed.

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **EXTENSION OF STAY PERIOD**

2. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 17 of the Initial Order) is hereby extended until and including September 2, 2016.

### **DOWNSVIEW DIP FINANCING**

3. **THIS COURT ORDERS** that the credit facility in the amount of \$8,000,000.00 (the “**DHI Facility**”) made available to Urbancorp Downsview Park Development Inc. (“**UC Downsview**”) by MDL pursuant to the terms of the single advance credit facility term sheet dated as of June 8, 2016 (the “**DHI Term Sheet**”), and attached as Appendix F to the First Report, and the DHI Term Sheet itself, be and are hereby approved, and UC Downsview and the Monitor are hereby authorized and empowered to execute and deliver (including on behalf of UC Downsview) any and all such loan and security documents as are contemplated by the DHI Term Sheet, the bcIMC Term Sheet (as defined in the DHI Term Sheet) and such security documents evidencing the DHI Facility Charge and bcIMC Term Sheet (as defined in the DHI Term Sheet), all in such form and substance as MDL may reasonably require.

4. **THIS COURT ORDERS** that UC Downsview shall be and is hereby restricted from transferring or attempting to transfer any of its shares of or any economic, right, title or interest in Downsview Homes Inc. (“**DHI**”) to any party prior to obtaining the prior written consent of MDL, which consent is not to be unreasonably withheld. For greater certainty, the restrictions contained in this paragraph 4 will survive the repayment of the DHI Facility.

5. **THIS COURT ORDERS** that the rights, remedies and recourses provided to and in favour of MDL under or pursuant to this Order and the DHI Term Sheet are in addition to, not in substitution for and without prejudice to, any rights, remedies or recourses provided to MDL under any other agreements with any of the Applicants, including, without limitation, UC Downsview.

#### **DHI DIP CHARGES**

6. **THIS COURT ORDERS** that the Monitor, its counsel, counsel to UC Downsview and counsel to MDL shall be entitled to the benefit of and are hereby granted a charge (the “**UDDI Administration Charge**”) on the Property (as defined in the Initial Order) of UC Downsview (the “**UC Downsview Property**”), which charge shall not exceed an aggregate amount of \$300,000.00, as security for the administrative costs incurred by each in respect of UC Downsview and in connection with the DHI Facility, both before and after the making of this Order. The UDDI Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, including, but not limited to, the Charges (as defined in the Initial Order) and the DHI Facility Charge (as defined herein).

7. **THIS COURT ORDERS** that the Administration Charge (as defined in the Initial Order) shall, as of the date of this Order, no longer apply to the UC Downsview Property.

8. **THIS COURT ORDERS** that MDL shall be entitled to the benefit of and is hereby granted a charge (the “**DHI Facility Charge**”) on the UC Downsview Property, including, without limitation, all of the rights, entitlements and interests of UC Downsview in DHI, as security for all amounts advanced to UC Downsview by MDL under the DHI Facility and all

other amounts payable to MDL under the DHI Term Sheet. The DHI Facility Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, including, but not limited to, the Charges (as defined in the Initial Order), but shall rank directly behind the UDDI Administration Charge.

9. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, or the Initial Order:

- (a) MDL may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DHI Facility Charge;
- (b) upon the occurrence of an Event of Default under the DHI Term Sheet, and upon five (5) days' notice to the Monitor and the parties on the Service List, MDL may bring a motion for leave to exercise any and all of its rights and remedies against UC Downsview or the UC Downsview Property under or pursuant to the DHI Term Sheet, and the DHI Facility Charge, including without limitation, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver or for a bankruptcy order against UC Downsview and for the appointment of a trustee in bankruptcy of UC Downsview; and
- (c) the foregoing rights and remedies of MDL shall be enforceable against any trustee in bankruptcy, interim receiver or receiver and manager of UC Downsview or the UC Downsview Property.

10. **THIS COURT ORDERS AND DECLARES** that MDL shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under CCAA, with respect to any advances made to UC Downsview under the DHI Facility.

11. **THIS COURT ORDERS** that notwithstanding paragraphs 43 and 45 of the Initial Order, the priorities of the DHI Facility Charge, the UDDI Administration Charge and the Charges, as among themselves and as against the UC Downsview Property only, shall be as follows:

First – UDDI Administration Charge to the maximum amount of \$300,000.00;

Second – DHI Facility Charge to the maximum amount of \$8,000,000.00 plus accrued interest under the DHI Term Sheet; and

Third – subject to paragraph 7 above, the Charges in the priority set out in paragraphs 43 and 45 the Initial Order.

12. **THIS COURT ORDERS** that the filing, registration or perfection of the DHI Facility Charge or the UDDI Administration Charge shall not be required, and that each of the DHI Facility Charge and the UDDI Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the DHI Facility Charge or the UDDI Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

13. **THIS COURT ORDERS** that each of the DHI Facility Charge and the UDDI Administration Charge (all as constituted and defined herein) shall constitute a charge on the UC Downsview Property and such charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

14. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, UC Downsview shall not grant any Encumbrances over any UC Downsview Property that ranks in priority to, or *pari passu* with, either of the DHI Facility Charge and the UDDI Administration Charge, unless UC Downsview also obtains the prior written consent of the Monitor, MDL and the beneficiaries of the DHI Facility Charge and the UDDI Administration Charge, or further Order of this Court.

15. **THIS COURT ORDERS** that the UDDI Administration Charge, the DHI Term Sheet and the DHI Facility Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the UDDI Administration Charge and/or the DHI Facility Charge and/or MDL shall not otherwise be limited or impaired in any way by (a)

the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds UC Downsview and the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the UDDI Administration Charge and the DHI Facility Charge nor the execution, delivery, perfection, registration or performance of the DHI Term Sheet shall create or be deemed to constitute a breach by UC Downsview or the Applicants of any Agreement to which it is a party;
- (b) MDL shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from UC Downsview entering into the DHI Term Sheet, the creation of the UDDI Administration Charge and the DHI Facility Charge, or the execution, delivery or performance of the documents related thereto; and
- (c) the payments made by UC Downsview pursuant to this Order, the DHI Term Sheet, and the granting of each of the UDDI Administration Charge and the DHI Facility Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

16. **THIS COURT ORDERS** that, to the extent applicable, any charge created by this Order over leases of real property in Canada shall only be a charge in UC Downsview’s interest in such real property leases.

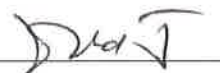
## APPROVAL OF MONITOR'S REPORTS AND ACTIVITIES

17. **THIS COURT ORDERS** that the First Report of KSV, in its capacity as Proposal Trustee of the Urbancorp NOI Entities (as defined in the Initial Order) dated May 13, 2016 and the Monitor's First Report dated June 9, 2016 and the activities of KSV described in those reports are hereby approved.

## GENERAL

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or Israel to give effect to this Order and to assist the Urbancorp CCAA Entities, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Urbancorp CCAA Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Urbancorp CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that each of the Urbancorp CCAA Entities and the Monitor shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.



ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

JUN 15 2016

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**SCHEDULE "A"**

**List of Non Applicant Affiliates**

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



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

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

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

PROCEEDINGS COMMENCED AT TORONTO

**ORDER RE: STAY EXTENSION AND  
DOWNSVIEW DIP FINANCING  
(June 15, 2016)**

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