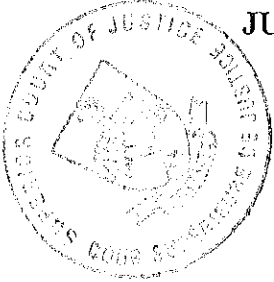


ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)
)
JUSTICE NEWBOULD)

THURSDAY, THE 15TH
DAY OF SEPTEMBER, 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

APPROVAL AND VESTING ORDER
[Urbancorp (Mallow) Inc.]

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*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between Urbancorp (Mallow) Inc. ("**UC Mallow**") and School Sites Acquisition Corp. (the "**Purchaser**") dated August 16, 2016 and appended as a Confidential Appendix to the Fifth Report of KSV Kofman Inc., the Applicants' Court-appointed Monitor ("**KSV**" or the "**Monitor**"), dated September 8, 2016 (the "**Fifth Report**"), and vesting the

purchased assets as described in the Sale Agreement and in Schedule “B” hereto (the “**Purchased Assets**”) in the Purchaser, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fifth Report and on hearing the submissions of counsel for the Applicants, the Monitor, counsel for the Monitor, 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 Danny Nunes sworn September 12, 2016, filed.

1. **THIS COURT ORDERS** that the time for service of the Applicants’ Notice of Motion and Motion Record in respect of this motion be and it is hereby abridged and that the motion is properly returnable today and that the service of the Notice of Motion and Motion Record herein as effected by the Applicants is hereby validated in all respects and this Court hereby dispenses with further service thereof.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Monitor on behalf of UC Mallow is hereby authorized and approved, with such minor amendments as the Monitor may deem necessary. The Monitor on behalf of the Seller Entities (as defined in the Sale Agreement) is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor’s certificate to the Purchaser substantially in the form attached as Schedule “C” hereto (the “**Monitor’s Certificate**”), all of the Seller Entities’ right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Newbould dated May 18, 2016, as amended (the “**Initial Order**”) including the Administration Charge, the Directors’ Charge, Intercompany Lender’s Charge and

the Interim Lender's Charge (each as defined in the Initial Order) and any other charge created in these CCAA proceedings, (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "D" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "E" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that, upon the registration in the Land Registry Office for the Land Titles Division of Toronto No.66 of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act* with respect to the real property which is identified in Schedule "B" hereto (the "Property"), the Land Registrar is hereby directed to enter the Purchaser as the owner of the Property in fee simple, and is hereby directed to delete and expunge from title to the Property all of the Claims listed in Schedule "D" hereto.

5. **THIS COURT ORDERS** that the Monitor or the Purchaser with the prior written consent of the Monitor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

6. **THIS COURT ORDERS** that, without in any way limiting the efficacy of paragraph 3 of this Order, the Purchaser shall not assume or be deemed to have assumed any obligations in respect of or pursuant to the Excluded Assets (as defined in the Sale Agreement), no rights in respect of or pursuant to any Excluded Assets are, will or have been assigned to the Purchaser, all Excluded Assets are hereby terminated in all respects as against the Property and the Purchaser, and no party to any Excluded Asset or any of the Seller Entities (as defined in the Sale Agreement) shall have any right, interest or claim thereunder as against the Property or the Purchaser.

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances and any other claims or interests of any person or entity claiming through or under any of the Excluded Assets or the Seller Entities, including without limitation, any creditor,

bondholder or homebuyer of the Seller Entities shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale and no person or entity shall have any recourse to the Purchaser or the Purchased Assets.

8. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

9. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Urbancorp CCAA Entities (as that term is defined in the Fifth Report) and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Urbancorp CCAA Entities;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Urbancorp CCAA Entities and shall not be void or voidable by creditors of the Urbancorp CCAA Entities, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

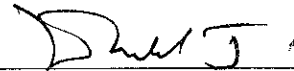
10. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

11. **THIS COURT ORDERS** that the Monitor or the Purchaser with the prior written consent of the Monitor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

12. **THIS COURT ORDERS** that the Confidential Appendices to the Fifth Report be kept confidential and under seal until further Order of this Court.

13. **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 or to assist the Urbancorp CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

14. **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:

SEP 15 2016

PER / PAR: 

SCHEDULE "A"

List of Non Applicant Affiliates

Urbancorp Power Holdings Inc.

Vestaco Homes Inc.

Vestaco Investments Inc.

228 Queens 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.

SCHEDULE "B"

PURCHASED ASSETS/PROPERTY

LEGAL DESCRIPTION OF THE LANDS: PIN 10116-0488 (LT)

**Part Block C on Plan 4544 North York, designated as Parts 2, 4 and 5 on Plan 66R27560;
S/T NY171498 except the Bell easement therein; S/T easement over Part 4 on Plan
66R27560 as in NY171498; City of Toronto**

SCHEDULE C

FORM OF MONITOR'S CERTIFICATE

Court File No.: CV-16-11389-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

MONITOR'S CERTIFICATE
(Re: Urbancorp (Mallow) Inc.)

RECITALS

A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated May 18, 2016, KSV Kofman Inc. was appointed as the Applicants' monitor (the "Monitor").

B. Pursuant to an Order of the Court dated September 15, 2016, the Court approved the agreement of purchase and sale made as of August 16, 2016 (the "Sale Agreement") between Urbancorp (Mallow) Inc. ("UC Mallow") and School Sites Acquisition Corp. (the "Purchaser"), and provided for the vesting of the Purchased Assets in the Purchaser, which

vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Monitor on behalf of UC Mallow and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and UC Mallow has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.
2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Monitor on behalf of UC Mallow and the Purchaser.
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ on • _____, 2016.

KSV KOFMAN INC., in its capacity as CCAA
Monitor of the CCAA Entities and not in its
personal capacity

Per: _____
Name:
Title:

SCHEDULE D

ENCUMBRANCES TO BE DELETED

Instrument No. AT3674624 registered on August 28, 2014 being a Charge in favour of Terra Firma Capital Corporation and Atrium Mortgage Investment Corporation, as chargees, in the principal amount of \$12,750,000.

Instrument No. AT3674625 registered on August 28, 2014 being a Notice of Assignment of Rents General given as collateral security to the aforesaid Charge AT3674624.

Instrument No. AT4225032 registered on May 24, 2016 being a Construction Lien registered by Pro-Green Demolition Ltd. in the amount of \$175,150.

Instrument No. AT4270798 registered on July 7, 2016 being a Certificate of Action of the Ontario Superior Court of Justice relating to the aforesaid Construction Lien.

SCHEDULE E
PERMITTED ENCUMBRANCES

A. GENERAL

1. Encumbrances for real property taxes (which term includes charges, rates and assessments) or charges for electricity, power, gas, water and other services and utilities in connection with the Purchased Assets that have accrued but are not yet due and owing or, if due and owing, are adjusted for on closing.
2. Subdivision agreements, site plan control agreements, development agreements, servicing agreements, utility agreements and other similar agreements with Governmental Authorities or public utilities that do not materially impair the use, operation or marketability of any of the Purchased Assets, provided such have in each case been complied with in all material respects.
3. Restrictive covenants, private deed restrictions, and other similar land use control agreements that do not materially impair the use, operation or marketability of the Purchased Assets, provided in each case such have been complied with in all material respects.
4. Minor encroachments by improvements on the Purchased Assets over neighbouring lands and/or permitted under agreements with neighbouring landowners and minor encroachments over the Purchased Assets by improvements of neighbouring lands and/or permitted under agreements with neighbouring landowners that in either case do not materially impair the use, operation or marketability of the Purchased Assets.
5. Any subsisting reservations, limitations, provisos, conditions or exceptions, including royalties, contained in the original grant of the Property from the Crown.
6. The provisions of all applicable laws, including by-laws, regulations, ordinances and similar instruments relating to development and zoning that do not materially impair the

use, operation or marketability of any of the Purchased Assets, provided such have been complied with in all material respects.

7. The exceptions and qualifications contained in Section 44 of the *Land Titles Act* (Ontario), save and except paragraph 11 thereof respecting the *Planning Act* (Ontario).
8. Any rights of expropriation, access or user or any other similar rights conferred or reserved by or in any statutes of Canada or the Province of Ontario.
9. Any unregistered easements regarding the provision of utilities to the Purchased Assets.
10. All reference plans and transfers registered on title to the Property.

B. SPECIFIC

PIN 10116-0488 (LT)

1. Instrument No. NY171498 registered May 7, 1954, being a Transfer of Easement to The Bell Telephone Company of Canada and The Hydro-Electric Commission of the Township of North York.
2. Plan 64BA2010 registered December 7, 1982 pursuant to the *Boundaries Act* (Ontario).
3. Plan 64BA2345 registered October 28, 1987 pursuant to the *Boundaries Act* (Ontario).
4. Plan 64BA2346 registered October 29, 1987 pursuant to the *Boundaries Act* (Ontario).
5. Instrument No. AT3660930 registered August 14, 2014, being a Notice of an Unregistered Estate, Right, Interest or Equity.

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

APPROVAL AND VESTING ORDER
RE: URBANCORP (MALLOW) INC.

WEIRFOULDS LLP
Barristers and Solicitors
The TD Bank Tower, Suite 4100
66 Wellington Street West
Toronto, ON M5K 1B7
Edmond F.B. Lamek (LSUC No. 33338U)
Tel.: 416.947.5042 Fax: 416.365.1876
Email: elamek@weirfoulds.com
Danny M. Nunes (LSUC No. 53802D)
Tel.: 416.619.6293 Fax: 416.365.1876
Email: dnunes@weirfoulds.com
Lawyers for the CCAA Entities