

**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 IN
SCHEDULE "A" HERETO**

MOTION RECORD OF THE MOVING PARTY
(Returnable June 30, 2016)

June 29, 2016

DICKINSON WRIGHT LLP
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Lawyers for the Moving Party

TO: SERVICE LIST

I N D E X

Tabs Document

1. Notice of Motion
2. Affidavit of Michael Brzezinski sworn June 29, 2016
- A Appendix "A" - Initial Order
- B Appendix "B" - Parcel Register for St. Clair Property
- C Appendix "C" - Parcel Register for Lawrence Property
- D Appendix "D" - Professional profiles of Lisa Corne and David Preger

Tab 1

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 IN SCHEDULE "A" HERETO

NOTICE OF MOTION

Dickinson Wright LLP will make a motion to a judge of the Commercial List on Thursday, June 30, 2016 at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The Motion is to be heard

in writing under subrule 37.12.1(1) because it is (insert one of on consent, unopposed or made without notice);

in writing as an opposed motion under subrule 37.12.1(4);

orally.

THE MOTION IS FOR

- (a) an Order, substantially in the form attached as **Schedule “A”** hereto (the **“Representation Order”**), appointing Dickinson Wright LLP as counsel (**“Representative Counsel”**) to represent the purchasers of residential units from Urbancorp (St. Clair Village Inc.) and Urbancorp (Lawrence) Inc. (the **“Purchasers”**) with respect to these proceedings; and
- (b) such further and other relief as this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

- (a) Dickinson Wright LLP has been retained by several Purchasers to represent their interests and seek a Representation Order appointing Dickinson Wright LLP as counsel for all Purchasers in these proceedings;
- (b) The Purchasers have a significant financial stake in the restructuring of the Applicants;
- (c) For the majority of Purchasers, it would not be economical for each purchaser to retain their own legal counsel to represent their interests in these proceedings;
- (d) The appointment of Representative Counsel will ensure that the Purchasers are adequately and efficiently represented in these proceedings and will enable the Purchasers to participate in these proceedings in a manner which is necessary, appropriate, and fair in all the circumstances;

- (e) Dickinson Wright LLP, and in particular David P. Preger and Lisa S. Corne, the partners at Dickinson Wright LLP who will have primary carriage of this matter, are experienced insolvency counsel who regularly act in proceedings under the *Companies' Creditors' Arrangement Act* ("*CCAA*") and *Bankruptcy and Insolvency Act* ("*BIA*"), involving insolvent real estate development companies;
- (f) The *CCAA* grants this Honourable Court broad authority to make any order that it considers appropriate in the circumstances, including granting a charge in respect of fees and expenses of any legal experts engaged by interested parties, if this Honourable Court is satisfied that the charge is necessary for their effective participation in the *CCAA* proceedings;
- (g) The appointment of Representative Counsel is an efficient and cost-effective way for otherwise unrepresented parties to participate in these *CCAA* proceedings;
- (h) Centralizing communications through the use of Representative Counsel will enable the proceedings to be conducted in a more streamlined and efficient manner;
- (i) These proceedings involve a complex and large business group involving numerous entities and a charge in the amount of \$150,000.00 is fair and reasonable in the circumstances to fund the fees and expenses of legal counsel to represent the interests of the Purchasers;
- (j) Sections 11 and 11.52 of the *CCAA*;

- (k) Rules 2.03, 3.02, 10.01, 12.07 and 37 of the *Rules of Civil Procedure* and such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Affidavit of Michael Brzezinski to be sworn and the exhibits thereto; and
- (b) such further and other materials as counsel may advise and this Honourable Court may permit.

June 28, 2016

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Lawyers for the Moving Party

TO: ATTACHED SERVICE LIST

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SERVICE LIST
(Updated June 24, 2016)

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(Updated June 24, 2016)

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Tab 2

Schedule "A"

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

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

THE HONOURABLE) DAY, THE
JUSTICE)
) 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 IN SCHEDULE "A" HERETO

REPRESENTATION ORDER

THIS MOTION made by Dickinson Wright LLP for an Order appointing Dickinson Wright LLP as Representative Counsel to represent purchasers of residential units from Urbancorp (St. Clair Village) Inc., and Urbancorp (Lawrence) Inc. (the "**Purchasers**"), with respect to all matters pertaining to any recovery, compromise of rights, and claims in these proceedings (the "**Purpose**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and Affidavit of Michael Brzezinski dated June 29, 2016, and on hearing the submissions of counsel for the Applicants herein, counsel for the

Monitor, and Dickinson Wright LLP, no one else appearing for any other person although duly served as appears from the Affidavit of Service of * sworn June __, 2016, filed.

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.

2. **THIS COURT ORDERS** that, subject to paragraph 9 hereof, Dickinson Wright LLP is hereby appointed as counsel ("**Representative Counsel**") for all Purchasers in respect of all issues affecting the Purchasers in these proceedings.

3. **THIS COURT ORDERS** that the Monitor shall provide to Representative Counsel, without charge, the following information, documents and data (the "**Information**"):

(a) The names, last known addresses and last known email addresses (if any) of the Purchasers; and

(b) Such additional documents and information as may be relevant to the Purpose.

and that, in so doing, the Monitor is not required to obtain express consent from any Purchaser authorizing disclosure of the Information to Representative Counsel for the Purpose, and this Order shall be sufficient to authorize the disclosure of the Information without the knowledge or consent of the individual Purchasers.

4. **THIS COURT ORDERS** that Representative Counsel may, with prior approval of the Monitor or further order of this Court, retain such financial advisors and other advisors and assistance as may be necessary in connection with its duties as Representative Counsel in relation to the Purpose.

5. **THIS COURT ORDERS** that all reasonable professional fees and disbursements that may be incurred by Representative Counsel and any advisors or assistants retained by it in accordance herewith, in each case at their standard rates and charges, whether incurred prior to or after the date of this Order, shall be paid by the Applicants, on a monthly basis, forthwith upon the rendering of accounts to the Applicants, and in the event of any disagreement

regarding such fees and disbursements, such disagreement may be remitted to this Court for determination.

6. **THIS COURT ORDERS** that Representative Counsel shall be entitled to the benefit of and is hereby granted a charge (the “**Representative Counsel Charge**”) on all of the assets, property, and undertakings of Urbancorp (St. Clair Village) Inc., and Urbancorp (Lawrence) Inc., which charge shall not exceed an aggregate amount of \$150,000, as security for their professional fees and disbursements incurred at the standard rates and charges of such counsel, both before and after the making of this Order in respect of these proceedings. The Representative Counsel Charge shall have same priority as the Administrative Charge (as defined in the Initial Order herein).

7. **THIS COURT ORDERS** that that Representative Counsel is hereby authorized to take all steps and do all acts necessary or desirable to carry out the terms of this Order.

8. **THIS COURT ORDERS** that notice of the granting of this Order, substantially in the form attached hereto as **Schedule “A”** shall be:

- (a) Published by the Applicants, with the assistance of the Monitor, in the Globe & Mail (national edition), and Toronto Star, within seven calendar days of the date of this Order; and
- (b) Sent by the Applicants, with the assistance of the Monitor, by regular mail to the last known address of each Purchaser within seven days of the date of this Order.

9. **THIS COURT ORDERS** that any Purchaser who does not wish to be represented by Representative Counsel in these proceedings shall, within 30 days of publication of notice of the appointment of Representative Counsel in accordance with paragraph 8 above, notify the Monitor, and Representative Counsel in writing, that he or she is opting out of representation by delivering a notice substantially in the form attached as **Schedule “B”** hereto, and shall thereafter not be bound by the actions of Representative Counsel and shall represent him or

herself or be represented by any counsel that he or she may retain exclusively at his or her own expense.

10. **THIS COURT ORDERS** that Representative Counsel shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order and any subsequent Orders in these proceedings, save and except for any gross negligence or willful misconduct on their part.

11. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Court, on notice to the Monitor and the Applicants, for advice and directions in the performance or variation of their powers or duties.

SCHEDULE "A"

By Order dated June ____, 2016 granted by the Ontario Superior Court of Justice in proceedings by Urbancorp (St. Clair Village) Inc., and Urbancorp (Lawrence) Inc. (collectively, "Urbancorp") under the *Companies' Creditors' Arrangement Act* (the "**CCAA Proceedings**"), Dickinson Wright LLP was appointed as representative counsel for purchasers of residential units from Urbancorp in respect of all issues arising in the *CCAA Proceedings*. A copy of the Representation Order dated June ____, 2016 is attached.

Urbancorp will be responsible for the reasonable legal fees incurred by Dickinson Wright LLP as court-appointed counsel in carrying out its prescribed mandate.

If you do not wish to be bound by this Order, you may opt-out of the group in accordance with paragraph 9 of the Order.

Purchasers may in confidence directly contact either David Preger or Lisa Corne at Dickinson Wright LLP, as set out below:

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David PregerE: dpreger@dickinsonwright.com

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SCHEDULE "B"

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 IN
SCHEDULE "A" HERETO**

OPT-OUT LETTER

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I, _____, am a Purchaser as defined in the Order dated June _____, 2016.

Under Paragraph 9 of that Order, Purchasers who do not wish Dickinson Wright LLP to act as their representative counsel may opt out.

I hereby notify you that I do not wish to be bound by the Order and will be represented as an independent individual party at my own expense to the extent I wish to appear in these proceedings.

Date

Signature

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 IN SCHEDULE "A" HERETO

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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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 IN
SCHEDULE "A" HERETO**

AFFIDAVIT OF MICHAEL BRZEZINSKI

(Sworn June 29, 2016)

I, MICHAEL BRZEZINSKI, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am a lawyer at the law firm of Dickinson Wright LLP ("**Dickinson Wright**"), the proposed representative counsel for purchasers (the "**Purchasers**") of residential homes from Urbancorp (Lawrence) Inc. ("**Lawrence**") and Urbancorp (St. Clair Village) Inc. ("**St. Clair**"). I have knowledge of the matters to which I hereinafter depose, with the exception of those matters expressly stated to be based upon information provided to me by others, in which case I believe such information to be true.

Background

2. Pursuant to an Order dated May 18, 2016 (the “**Initial Order**”), St. Clair, Lawrence and other entities related to them (the “**CCAA Entities**”) were granted protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and KSV Kofman Inc. was appointed as monitor (the “**Monitor**”). A copy of the Initial Order is attached hereto and marked as **Exhibit “A”**. Pursuant to an Order dated June 15, 2016, the stay of proceedings in respect of the *CCAA* Entities was extended until September 2, 2016.

3. In August of 2013, St. Clair purchased the real property located at 19 Innes Avenue, and 177 Caledonia Road, Toronto (the “**St. Clair Property**”) for \$7.7 million. There are currently no mortgages or existing encumbrances registered against the St. Clair Property, apart from a construction lien registered on May 24, 2016 in the amount of \$209,954.00. Attached hereto and marked as **Exhibit “B”** is a copy of the parcel registered in respect of the St. Clair Property.

4. In August of 2013, Lawrence acquired the real property located at 1780 Lawrence Avenue West, Toronto (the “**Lawrence Property**”) for a purchase price of \$8.3 million. There are no mortgages or existing encumbrances currently registered against the Lawrence Property, other than a certificate of action dated May 31, 2016 claiming a lien in the amount of \$24,251.00. Attached hereto and marked as **Exhibit “C”**, is a copy of the parcel register in respect of the Lawrence Property.

5. I have reviewed the Affidavit of Alan Saskin herein sworn May 13, 2016, in which he deposes that:

- (a) The Lawrence Property is the proposed site of an eighty-eight (88) unit residential project, consisting of townhomes and single and semi-detached homes, sixty-five (65) of which were sold prior to construction;
- (b) The St. Clair Property is the proposed site of forty-one (41) residential townhomes, all of which were sold prior to construction; and
- (c) Construction has not commenced on either the Lawrence or St. Clair Properties, apart from demolition of a building on the St. Clair Property.

The Purchasers have a Significant Financial Stake in these Proceedings

6. I have reviewed the Monitor's Second Report to Court dated June 24, 2016, in which the Monitor reports that the Purchasers have claims for the return of deposits ("**Deposits**") paid on account of the purchase price of their homes in the aggregate amount of \$7 million (\$3.7 million as against Lawrence and \$3.3 million against St. Clair, respectively). The Monitor also reports that the Deposits were not held in trust and have been spent.

7. Although the Deposits are covered by Tarion Warranty Corporation ("**Tarion**") up to a maximum of \$40,000, I have reviewed a list of the Purchasers obtained by Dickinson Wright from the Monitor which discloses that each Purchaser's deposit substantially exceeds the \$40,000 available from Tarion. To the best of my knowledge, no additional insurance or bond is available to cover the return of the Deposits. The loss of these Deposits would be financially devastating to the Purchasers.

8. In addition, many Purchasers want to protect their rights to complete the purchase of their homes under the agreements they entered into with St. Clair and Lawrence. The Purchasers have

serious concerns that should they be unable to complete the purchase of these homes, they will face significant personal and financial hardship, given the appreciation in the value of residential real estate in Toronto.

9. In its Second Report dated June 24, 2016, the Monitor seeks approval for a debtor in possession financing facility (the “**DIP Facility**”) of up to \$12.5 million. The Purchasers have not been properly informed of the Monitor’s recommendation regarding the DIP Facility, which is being sought for the benefit of all *CCAA* Entities, but secured by a charge only as against the St. Clair and Lawrence Properties (the “**DIP Charge**”). This proposed DIP Charge significantly prejudices the interests of the Purchasers. In addition to the existing court-ordered charges granted pursuant to the Initial Order, the imposition of the proposed DIP Charge would result in charges in the aggregate amount of \$16,450,000, ranking in priority to the interests of the Purchasers. That amount exceeds the combined purchase price paid by Lawrence and St. Clair for both the St. Clair and Lawrence Properties, and threatens the Purchasers’ recovery.

10. No information has been made available by the Monitor in its reports to justify the proposed amount of the DIP Facility. No detailed explanation has been provided as to the proposed use of the financing or budget which the Monitor suggest requires \$10 million to \$12.5 million in funding from the DIP Facility. No explanation has been provided for the apparent disproportionate burden being placed upon the St. Clair and Lawrence estates, and there is no evidence that any effort was made to obtain DIP Financing without a priming charge ranking in priority to the Deposits.

Retainer of Dickinson Wright LLP

11. The Monitor's recommendation of the DIP Facility highlights the vulnerability of the Purchasers, and has prompted many purchasers to request that Dickinson Wright take immediate steps to protect their interests. At the request of several purchasers of residential units from four Urbancorp entities, namely, St. Clair, Lawrence, Urbancorp (Bridle Path) Inc. ("**Bridlepath**"), and Urbancorp (Woodbine) Inc. ("**Woodbine**"), representatives of Dickinson Wright, including Lisa Corne, David Preger, and me, met with a larger group of purchasers from those developments to discuss the possibility of retaining Dickinson Wright to represent their collective interests in these and related proceedings. Following those meetings, Dickinson Wright was retained by purchasers from each of Bridle Path, Woodbine, St. Clair and Lawrence to apply to this Honourable Court for an Order appointing Dickinson Wright as representative counsel to represent the interests of all purchasers from St. Clair, Lawrence, Woodbine and Bridle Path, respectively.

12. Both Lisa Corne and David Preger, who will have carriage of this matter, are partners in the insolvency and restructuring practice of Dickinson Wright's Toronto office, and have extensive experience and expertise in restructuring and insolvency law, and in particular, in relation to insolvent real estate development companies. Lisa Corne has over 25 years' experience presenting the interests of lenders, shareholders, debtors, receivers, trustees and monitors in a wide variety of insolvency and restructuring cases and regularly appears as counsel before the Commercial List in corporate restructuring and insolvency cases under the *CCAA* and *BIA*. David Preger has particular expertise in real estate, in addition to his extensive experience in bankruptcy, insolvency, and restructuring law. David Preger's practice also includes construction law, land development, municipal law, condominium law, finance, and

environmental law. Attached hereto and marked as **Exhibit “D”** are copies of the professional profiles of each of Lisa Corne and David Preger.

Related Engagement

13. In May 2016, Dickinson Wright was retained by a group of approximately 35 purchasers (the “**Ad Hoc Curzon Purchasers**”) of residential townhouse condominium units from Urbancorp (Leslieville) Developments Inc. (“**Urbancorp Leslieville**”). Due to Urbancorp Leslieville’s failure to complete the construction and sale of the Leslieville homes, the Ad Hoc Curzon Purchasers retained Dickinson Wright to commence an Application for the appointment of an investigative receiver of Urbancorp Leslieville. That Application prompted Urbancorp Leslieville’s senior secured creditor to seek the appointment of Alvarez & Marsal Canada as receiver of Urbancorp Leslieville. Dickinson Wright is continuing to represent the Ad Hoc Curzon Purchasers in respect of the ongoing receivership proceedings of Urbancorp Leslieville.

14. After learning of Dickinson Wright’s retainer by the Ad Hoc Curzon Purchasers, several purchasers of residential units from St. Clair, Lawrence, Bridle Path and Woodbine contacted our firm to discuss their interest in retaining Dickinson Wright to represent their interests in respect of these proceedings and in respect of the proceedings by Woodbine and Bridle Path under the *Bankruptcy and Insolvency Act* (the “**BIA Proceedings**”).

15. I am informed by Lisa Corne that many of these purchasers have stated that they are unable to understand the issues arising in connection with these complex insolvency proceedings, and require the assistance of legal counsel to protect and represent their interests. I am also informed by Lisa Corne that the majority of these purchasers have stated that they do

not have sufficient financial resources to retain Dickinson Wright individually to represent their interests.

16. As counsel for the Ad Hoc Curzon Purchasers, Dickinson Wright organized the appointment of a committee of purchasers to provide instructions to our firm on behalf of the Ad Hoc Curzon Purchasers and act as a liaison with respect to communications between the firm and other purchasers in the group. Dickinson Wright has also established and regularly updates an internal firm website which provides relevant information and documentation in connection with the Urbancorp Leslieville receivership and to which each member of the Ad Hoc Curzon Purchasers has access.

17. If Dickinson Wright is appointed as representative counsel for purchasers of additional Urbancorp companies, our firm proposes to follow a similar process and arrange for the appointment of committees consisting of purchasers from each of St. Clair., Lawrence, Bridle Path and Woodbine, to provide instructions to our firm and communicate with our firm on behalf of all Purchasers. Dickinson Wright also proposes to establish a private internal website, to which all Purchasers will have access, for the purpose of posting relevant communications and permitting direct communications between Dickinson Wright and its clients.

18. If the court appoints our firm as representative counsel to the Purchasers, our firm's mandate would include the following:

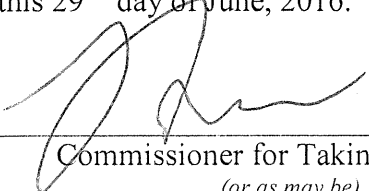
- (a) Assisting Purchasers in the filing of proofs of claim for amounts owing to them by the Urbancorp CCAA entities;

- (b) Analyzing and responding to any motions or other proceedings brought by the Monitor or other parties in these proceedings to ensure that the Purchasers have appropriate representation;
- (c) Streamlining the insolvency proceedings by providing a single point of contact for the Purchasers and consistent representation for the Purchasers; and
- (d) Communicating with the Purchasers throughout the proceedings by establishing a website to provide up to date information regarding these proceedings, provide responses to commonly asked questions, provide access to relevant documents, and post communications.

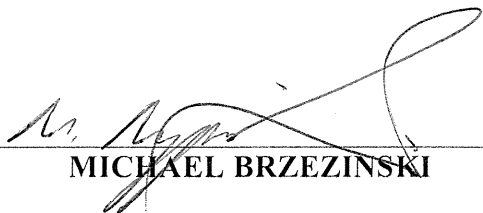
19. If the court appoints our firm as representative counsel, we also intend to send written notice to all of the Purchasers advising them of our appointment and explaining the process for opting out of representation by our firm, if they wish to do so.

20. I swear this affidavit in good faith and in support of the motion to appoint Dickinson Wright as representative counsel for the Purchasers and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario this 29th day of June, 2016.

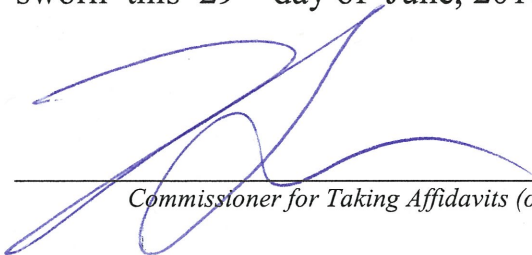


Commissioner for Taking Affidavits
(or as may be)

} 

MICHAEL BRZEZINSKI

This is Exhibit "A" referred to in the
Affidavit of Michael Brzezinski
sworn this 29th day of June, 2016.



Commissioner for Taking Affidavits (or as may be)

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 18TH
JUSTICE NEWBOULD) DAY OF MAY, 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 RESIDENTIAL 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**

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Alan Saskin sworn May 13, 2016 and the Exhibits thereto (the "**Saskin Affidavit**"), the First Report of KSV Kofman Inc. in its capacity as Proposal Trustee and as proposed monitor dated May 13, 2016 (the "**First Report**") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Urbancorp CCAA Entities, counsel for the proposed Monitor, counsel for the Foreign Representative of Urbancorp

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Inc., counsel for Mattamy (Downsview) Limited, counsel for King Liberty North Corporation, counsel for the syndicate of lenders represented by the Bank of Nova Scotia as administrative agent, and those other parties listed on the counsel slip, no one appearing for any other person although duly served as appears from the Affidavit of Service of Kyle B. Plunkett sworn May 13, 2016, filed, on reading the consent of KSV Kofman Inc. to act as the Monitor (in such capacity, the “**Monitor**”);

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies, save and except Urbancorp New Kings Inc. (“**UNKI**”) which shall not be an Applicant hereunder, and shall be removed from the style of cause in these proceedings and such style of cause shall be hereafter amended to exclude UNKI.
3. **THIS COURT ORDERS AND DECLARES** that although not Applicants, the Urbancorp CCAA Entities’ affiliated Corporations and Limited Partnerships listed in **Schedule “A”** to this Order (the “**Non-Applicant UC Entities**”) are proper parties to these proceedings and shall enjoy the benefits of the protections and authorizations provided by this Order. (The Applicants together with the Non-Applicant UC Entities are hereinafter referred to as the “**Urbancorp CCAA Entities**”).
4. **THIS COURT ORDERS AND DECLARES** that the proposal proceedings of each of Urbancorp Toronto Management Inc. (Estate No. 31-2114055), Urbancorp Downsview Park Developments Inc. (Estate No. 31-2114054), Urbancorp (Patricia) Inc. (Estate No. 31-2114050), Urbancorp (Mallow) Inc. (Estate No. 31-2114049), Urbancorp (Lawrence) Inc. (Estate No. 31-2114048) and Urbancorp (St. Clair Village) Inc. (Estate No. 31-2114053) (collectively, the “**Urbancorp NOI Entities**”) commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), be taken up and continued under the CCAA and that the provisions of Part III of the BIA shall have no further application to the Urbancorp NOI Entities.

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PLAN OF ARRANGEMENT

5. **THIS COURT ORDERS** that subject to the provisions of this Order, the Applicants shall have the authority to file, and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (hereinafter referred to as the “**Plan**” or “**Plans**”).

POSSESSION OF PROPERTY AND OPERATIONS

6. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Urbancorp CCAA Entities shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. Subject to paragraph 29 hereof, the Urbancorp CCAA Entities are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

7. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall be entitled to continue to utilize the central cash management system currently in place as described in the Saskin Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Urbancorp CCAA Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Urbancorp CCAA Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

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8. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Urbancorp CCAA Entities in respect of these proceedings, at their standard rates and charges.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Urbancorp CCAA Entities shall be entitled but not required to pay all reasonable expenses incurred by the Urbancorp CCAA Entities in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Urbancorp CCAA Entities following the date of this Order.

10. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Urbancorp CCAA Entities in connection with the sale

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of goods and services by the Urbancorp CCAA Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Urbancorp CCAA Entities.

11. **THIS COURT ORDERS** that, except where any of the Urbancorp CCAA Entities are a landlord, until a real property lease is disclaimed in accordance with the CCAA, the Urbancorp CCAA Entities shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Urbancorp CCAA Entities and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. **THIS COURT ORDERS** that, except as specifically permitted herein or by further order of this Court, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by an Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

13. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall not, without further Order of this Court: (a) make any disbursement out of the ordinary course of its Business

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exceeding in the aggregate \$100,000 in any calendar month; or (b) engage in any material activity or transaction not otherwise in the ordinary course of its Business.

RESTRUCTURING

14. **THIS COURT ORDERS** that subject to paragraph 29 herein, the Urbancorp CCAA Entities shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;
- (c) pursue all avenues of refinancing (including Additional Interim Financing as hereinafter defined) of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing; and
- (d) pursue a sale or development of some or all of any Urbancorp CCAA Entity's Business and Property,

all of the foregoing to permit the Urbancorp CCAA Entities to proceed with an orderly restructuring of the Business (the "**Restructuring**").

15. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall provide each of the relevant landlords with notice of the Urbancorp CCAA Entities' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Urbancorp CCAA Entities' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Urbancorp CCAA Entities, or by further Order of this Court upon application by the Urbancorp CCAA Entities on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the lease governing such leased premises in

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accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Urbancorp CCAA Entities' claim to the fixtures in dispute.

16. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against that Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE URBANCORP CCAA ENTITIES OR THE PROPERTY

17. **THIS COURT ORDERS** that until and including June 17, 2016, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Urbancorp CCAA Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Urbancorp CCAA Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

18. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Urbancorp CCAA Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Urbancorp CCAA Entities to carry on

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any business which the Urbancorp CCAA Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

19. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Urbancorp CCAA Entities, except with the written consent of the Urbancorp CCAA Entities and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Urbancorp CCAA Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Urbancorp CCAA Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Urbancorp CCAA Entities, and that the Urbancorp CCAA Entities shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Urbancorp CCAA Entities in accordance with normal payment practices of the Urbancorp CCAA Entities or such other practices as may be agreed upon by the supplier or service provider and each of the Urbancorp CCAA Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or

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licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Urbancorp CCAA Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Urbancorp CCAA Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Urbancorp CCAA Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Urbancorp CCAA Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the Urbancorp CCAA Entities or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Urbancorp CCAA Entities after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. **THIS COURT ORDERS** that the directors and officers of the Urbancorp CCAA Entities shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 43 and 45 herein.

25. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Urbancorp CCAA Entities' directors and officers

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shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

INTERIM FINANCING

26. **THIS COURT ORDERS** that the interim credit facility in the maximum amount of \$1,900,000 (the "**Interim Facility**") made available to the Urbancorp CCAA Entities by Urbancorp Partner (King South) Inc. (the "**Interim Lender**") pursuant to the terms of the term sheet dated as of May 13, 2016 (the "**Term Sheet**"), and attached as an Exhibit to the Saskin Affidavit, and the Term Sheet itself, be and are hereby approved, and the Urbancorp CCAA Entities are hereby authorized and empowered to execute and deliver such documents as are contemplated by the Term Sheet.

PROTOCOL FOR CO-OPERATION

27. **THIS COURT ORDERS AND DIRECTS** that the "Protocol For Cooperation Among Canadian Court Officer and Israeli Functionary", between KSV Kofman Inc. in its capacity as proposal trustee and as proposed Monitor and Guy Gissin, in his capacity as Functionary Officer appointed by the Israel District Court in Tel Aviv-Yafo in respect of Urbancorp Inc., attached as **Schedule "B"** to this Order (the "**Protocol**"), be and is hereby approved. In the event of a conflict between the terms of this Order and the Protocol, the terms of this Order shall prevail.

APPOINTMENT OF MONITOR

28. **THIS COURT ORDERS** that KSV Kofman Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Urbancorp CCAA Entities with the powers and obligations set out in the CCAA or set forth herein and that the Urbancorp CCAA Entities and their shareholders, officers, directors, and Assistants shall not take any steps with respect to the Urbancorp CCAA Entities, the Business or the Property, save and except under the direction of the Monitor, pursuant to paragraph 29 of this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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29. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, and without altering in any way the powers, abilities, limitations and obligations of the Urbancorp CCAA Entities within, or as a result of these proceedings, be and is hereby authorized, directed and empowered to:

- (a) cause the Urbancorp CCAA Entities, or any one or more of them, to exercise rights under and observe its obligations under paragraphs 8, 9, 10, 11, 12 and 13 above;
- (b) conduct a process for the solicitation of proposals for additional interim financing of the Business to replace or augment the Interim Credit Facility (the “**Additional Interim Financing**”), which Additional Interim Financing shall be subject to the approval of the Court;
- (c) cause the Urbancorp CCAA Entities to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Urbancorp CCAA Entities in dealing with the Property;
- (d) conduct, supervise and direct one or more Court-approved sales and investor solicitation processes (with prior Court approval if deemed appropriate by the Monitor) for portions of the Property or the Business, including the solicitation of development proposals, and any procedures regarding the allocation and/or distribution of proceeds of any transactions;
- (e) cause the Urbancorp CCAA Entities to administer the Property and operations of the Urbancorp CCAA Entities, including the control of receipts and disbursements, as the Monitor considers necessary or desirable for the purposes of completing any transaction, or for purposes of facilitating a Plan or Plans for some or all Applicants, or parts of the Business;
- (f) propose or cause the Applicants or any one or more of them to propose one or more Plans in respect of the Applicants or any one or more of them;
- (g) engage advisors or consultants or cause the Urbancorp CCAA Entities to engage advisors or consultants as the Monitor deems necessary or desirable to carry out the

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terms of this Order or any other Order made in these proceedings or for the purposes of the Plan and such persons shall be deemed to be "Assistants" under this Order;

- (h) apply to this Court for any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter;
- (i) meet and consult with the directors of the Urbancorp CCAA Entities as the Monitor deems necessary or appropriate;
- (j) meet with and direct management of the Urbancorp CCAA Entities with respect to any of the foregoing including, without limitation, operational and restructuring matters;
- (k) monitor the Urbancorp CCAA Entities' receipts and disbursements;
- (l) approve Drawdown Requests under the Interim Credit Facility and any Additional Interim Facility;
- (m) cause any Urbancorp CCAA Entity with available cash (an "**Intercompany Lender**") to loan some or all of that cash to another Urbancorp CCAA Entity (an "**Intercompany Borrower**") on an interest free inter-company basis (an "**Approved Intercompany Advance**") up to an aggregate of \$1 million, which Approved Intercompany Advances shall be secured by the Intercompany Lender's Charge against the Property of the Intercompany Borrower, where in the Monitor's view the Approved Intercompany Advance secured by the Intercompany Lender's Charge does not prejudice the interest of the creditors of the Intercompany Lender and does not violate any agreement to which a Non-Applicant UC Entity is a party.
- (n) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (o) assist the Urbancorp CCAA Entities in its preparation of the Urbancorp CCAA Entities' cash flow statements and reporting required by the Term Sheet or the Court;

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- (p) hold and administer creditors' or shareholders' meetings for voting on the Plan or Plans;
- (q) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Urbancorp CCAA Entities, to the extent that is necessary to adequately assess the Urbancorp CCAA Entities business and financial affairs or to perform its duties arising under this Order;
- (r) be at liberty to engage legal counsel, real estate experts, or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (s) perform such other duties as are required by this Order or by this Court from time to time; and
- (t) to comply with the Protocol,

provided, however, that the Monitor shall comply with all applicable law and shall not have any authority or power to elect or to cause the election or removal of directors of any of the Urbancorp CCAA Entities or any of their subsidiaries.

30. **THIS COURT ORDERS** that, until further order of this court, Robert Kofman, or such representative of KSV Kofman Inc. as he may designate in writing from time to time, is authorized, directed and empowered to act as, and is hereby appointed as, the representative of UNKI on the Management Committee of the Kings Club Development Inc. project (the "**Management Committee Member**"). For purposes of this Order, in carrying out its duties as Management Committee Member pursuant to this Order, the Management Committee Member shall have the same protections afforded to the Monitor pursuant to paragraph 35 of this Order. Subject to further order of this Court, on notice to The Bank of Nova Scotia and King Liberty North Corporation, UNKI otherwise remains unaffected by this Order and the CCAA proceedings.

31. **THIS COURT ORDERS** that the Urbancorp CCAA Entities and their advisors shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and

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shall provide the Monitor with such assistance as the Monitor may request from time to time to enable the Monitor to carry out its duties and powers as set out in this Order or any other Order of this Court under the CCAA or applicable law generally.

32. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof and that nothing in this Order, or anything done in pursuance of the Monitor's duties and powers under this Order, shall deem the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation.

33. **THIS COURT ORDERS** that, without limiting the provisions herein, all employees of the Urbancorp CCAA Entities shall remain employees of the Urbancorp CCAA Entities until such time as the Urbancorp CCAA Entities may terminate the employment of such employees. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts, as applicable.

34. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Urbancorp CCAA Entities with information provided by the Urbancorp CCAA Entities in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Urbancorp CCAA Entities is confidential, the Monitor shall not

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provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Urbancorp CCAA Entities may agree.

35. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

36. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Urbancorp CCAA Entities shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Urbancorp CCAA Entities as part of the costs of these proceedings, ^{subject to being assessed by the court.} The Urbancorp CCAA Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Urbancorp CCAA Entities and any Assistants retained by the Monitor on a weekly basis and, in addition, the Urbancorp CCAA Entities are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Urbancorp CCAA Entities and any Assistants retained by the Monitor, such reasonable retainers as may be requested to be held by them as security for payment of their respective fees and disbursements outstanding from time to time. The Urbancorp CCAA Entities are also authorized and directed to pay the fees and disbursements of KSV as Proposal Trustee, the fees and disbursements of the Proposal Trustee's counsel and the fees and disbursements of counsel to Urbancorp NOI Entities up to the date of this Order in respect of the proposal proceedings of the Urbancorp NOI Entities. WJ.

37. **THIS COURT ORDERS** that KSV in its capacity as Monitor, and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

38. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Urbancorp CCAA Entities' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property of the Applicants, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred

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at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 43 and 45 hereof.

INTERCOMPANY LENDER'S CHARGE

39. **THIS COURT ORDERS** that an Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Lender's Charge**") on the Property of the Intercompany Borrower as security for all Approved Intercompany Advances advanced to the Intercompany Borrower. The Intercompany Lender's Charge shall have the priority set out in paragraphs 43 and 45 hereof.

INTERIM FINANCING

40. **THIS COURT ORDERS** that the Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property of the Applicants as security for all amounts advanced to any Applicant under the Interim Credit Facility and as security for all liabilities and obligations of the Applicant as guarantors pursuant to the Term Sheet. The Interim Lender's Charge shall have the priority set out in paragraphs 43 and 45 hereof.

41. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge;
- (b) upon the occurrence of an Event of Default under the Interim Facility Term Sheet, the Interim Lender may terminate the Interim Credit Facility and cease making advances to the Applicants, and, upon five (5) days' notice to the Monitor and the parties on the Service List, may bring a motion for leave to exercise any and all of its rights and remedies against the Applicants or their Property under or pursuant to the Interim Term Sheet, and the Interim Lender's 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

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bankruptcy order against an Applicant and for the appointment of a trustee in bankruptcy of one or more Applicants; and

- (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or their Property.

42. **THIS COURT ORDERS AND DECLARES** that the Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by any Applicant under the CCAA, with respect to any advances made under the Interim Credit Facility.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

43. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge to the maximum amount of \$750,000;

Second – Interim Lender's Charge to the maximum amount of \$1,900,000 plus accrued interest under the Term Sheet (as against the Property of the Applicants only), and the Intercompany Lender's Charge (as against the Property of the relevant Intercompany Borrower only) on a *pari passu* basis; and

Third – Directors' Charge to the maximum amount of \$300,000.

44. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the Interim Lender's Charge or the Intercompany Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

45. **THIS COURT ORDERS** that each of the Charges shall rank as against the applicable Property subordinate to all valid perfected security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise granted by each respective

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Urbancorp CCAA Entity or to which each respective Urbancorp CCAA Entity is subject (collectively, “**Encumbrances**”) as of the date of this Order (collectively, “**Pre-Filing Security Interests**”), save and except the security interests, if any, in favour of Reznik Paz Nevo Trusts Ltd. in its capacity as trustee (the “**Israeli Trustee**”) under a certain Deed of Trust dated December 7, 2015 between Urbancorp Inc. and the Israeli Trustee, which shall rank subordinate to the Charges.

46. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by further order of this Court, the Urbancorp CCAA Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges.

47. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder 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; (e) the pendency of the Israeli Court Proceedings; or (f) 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 the Urbancorp CCAA Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, or performance of the Interim Facility Term Sheet shall create or be deemed to constitute a breach by the Urbancorp CCAA Entities of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Urbancorp CCAA Entities entering into the Interim Facility Term Sheet or the creation of the Charges;
and

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- (c) the payments made by the Urbancorp CCAA Entities pursuant to this Order, the Interim Facility Term Sheet, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

48. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Urbancorp CCAA Entity's interest in such real property leases.

SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail – Toronto Edition, a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Urbancorp CCAA Entities of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

50. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.ksvadvisory.com/insolvency-cases-2/urbancorp/> .

51. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Urbancorp CCAA Entities and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices

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or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Urbancorp CCAA Entities' creditors or other interested parties at their respective addresses as last shown on the records of the Urbancorp CCAA Entities and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

52. **THIS COURT ORDERS** that the Urbancorp CCAA Entities or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Urbancorp CCAA Entities, the Business or the Property.

54. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in Israel or elsewhere, 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.

55. **THIS COURT ORDERS** that each of the Urbancorp CCAA Entities and the Monitor be at liberty and is 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, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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56. **THIS COURT ORDERS** that any interested party (including the Urbancorp CCAA Entities and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



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

MAY 18 2016

PER / PAR: RW

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.

SCHEDULE "B"

PROTOCOL

For Co-operation Among Canadian Court Officer and Israeli Functionary

BETWEEN:

**GUY GISSIN , in his capacity
as Functionary Officer appointed by
the Israeli Court for Urbancorp Inc.**

- and -

**KSV KOFMAN INC., in its capacity
as proposal trustee and proposed monitor
of certain subsidiaries of Urbancorp Inc.**

WHEREAS KSV Kofman Inc. ("KSV") was appointed the proposal trustee in respect of each of Urbancorp (Lawrence) Inc., Urbancorp (Mallow) Inc., Urbancorp (Patricia) Inc., Urbancorp (St. Clair Village) Inc., Urbancorp Downsview Park Development Inc. and Urbancorp Toronto Management Inc. (the "**Initial Subsidiaries**"), in notice of intention filings made by each of the Initial Subsidiaries under the *Bankruptcy and Insolvency Act* ("BIA") on April 21, 2016 (the "**Proposal Proceedings**");

AND WHEREAS Guy Gissin was appointed as Functionary Officer on a preliminary basis (the "**Israeli Parentco Officer**") of Urbancorp Inc. ("Parentco"), the parent of the Initial Subsidiaries, by order of the District Court in Tel Aviv-Yafo (the "**Israeli Court**") dated April 25, 2016 (the "**Israeli Functionary Order**") in case number 44348-04-16 *Reznik Paz Nevo Trusts Ltd. Vs. Urbancorp Inc.* (the "**Israeli Proceedings**");

AND WHEREAS it is anticipated that, with the exception of Bosvest Inc., Edge Residential Inc. and Edge on Triangle Park Inc., which are in separate BIA proposal proceedings with the Fuller Landau Group Inc. as proposal trustee, and Urbancorp Cumberland GP 2 Inc., Urbancorp Cumberland 2 LP and Westside Gallery Lofts Inc. (the "**Excluded Subsidiaries**"), all of the direct and indirect subsidiaries of Urbancorp Inc. (collectively, excluding the Excluded Subsidiaries, the "**Applicants**") will bring an application in the Ontario Superior Court of Justice – Commercial List (the "**Canadian Court**") for relief pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**") wherein the Proposal Proceedings will be taken up and continued within the CCAA Proceedings;

AND WHEREAS it is anticipated that the Israeli Parentco Officer will seek to have the Israeli Functionary Order and its role as the Israeli Parentco Officer recognized by the Canadian Court for the purpose of representing the interests of Parentco and participating as a stakeholder representative in the Applicants' CCAA Proceedings in connection with protecting the interests of Parentco's creditors, including the holders of the bonds issued on the Tel Aviv Stock Exchange (the "**Parentco Bonds**") pursuant to a deed of trust dated December 7, 2015 (the "**Parentco Bond Indenture**");

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AND WHEREAS KSV and the Israeli Parentco Officer have agreed to work cooperatively on the terms set out herein to attempt to maximize recoveries through an orderly process for the stakeholders of Parentco and the Applicants (collectively, the "Urbancorp Group");

NOW THEREFORE, the Israeli Parentco Officer and KSV agree to implement the following protocol to cooperate with each other to maximize recoveries for the stakeholders of the Urbancorp Group:

1. The Israeli Parentco Officer will file an application under Part IV of the *Companies' Creditors Arrangement Act* ("CCAA"), seeking recognition of the Israeli Proceedings and of his appointment as foreign representative of Parentco thereunder, such application to seek recognition of the Israeli Proceedings as the "foreign main proceeding" with respect to Parentco. That application will include a request to appoint KSV as the Information Officer with respect to the Part IV CCAA proceedings of Parentco (the "Part IV Proceedings").
2. The Applicants will commence the CCAA Proceedings, proposing KSV to be appointed as Monitor with augmented powers so as to control ordinary course management and receipts and disbursements of funds for the Applicants. KSV acknowledges that the Israeli Parentco Officer shall have standing to appear before the Canadian Court as the representative of Parentco in the CCAA Proceedings.
3. The Israeli Parentco Officer and KSV agree that, with respect to the CCAA Proceedings:
 - (a) KSV shall provide the Israeli Parentco Officer with regular and timely information updates regarding the ongoing status of the CCAA Proceedings as they unfold. KSV will also provide information and updates to the Israeli Parentco Officer prior to the commencement of the CCAA Proceedings;
 - (b) The Israeli Parentco Officer shall provide KSV with at least three business days' prior notice (including full materials, translated into English) of any proceeding, motion or action it takes in the Israeli Court that will negatively impact the Applicants or the CCAA Proceedings. The Israeli Parentco Officer will also provide information and updates to KSV prior to the commencement of the CCAA Proceedings;
 - (c) KSV shall provide the Israeli Parentco Officer with at least three business days' prior notice (including full materials, translated into English) of any proceeding, motion or action it takes in the Canadian Court that will negatively impact the Urbancorp Inc. or the Israeli Proceedings. KSV will also provide information and updates to Israeli Parentco Officer prior to the commencement of the CCAA Proceedings;
 - (d) KSV shall provide to the Israeli Parentco Officer copies of all information pertaining to the Applicants:
 - (i) in KSV's possession that KSV considers material; or

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- (ii) as reasonably requested by the Israeli Parentco Officer,

provided that KSV, in good faith, is not of the view that such information is subject to privilege or confidentiality restrictions. If KSV is of the view that such information is subject to privilege or confidentiality restrictions, then KSV shall so inform the Israeli Parentco Officer and shall seek directions from the Canadian Court on notice to the affected parties in the CCAA Proceedings as to whether there are any restrictions which would prevent the disclosure of such information to the Israeli Parentco Officer.

- (e) The Israeli Parentco Officer shall provide to KSV, in its capacity as the Information Officer of Parentco in the Part IV Proceedings, copies of all information pertaining to the Israeli Proceedings:
- (i) in the Israeli Parentco Officer's possession that it considers material to the Israeli Proceedings and is not subject to privilege or confidentiality restrictions; or
- (ii) as reasonably requested by KSV, provided that this shall not entitle KSV or any party requesting information through them to receive information on ongoing reviews or investigations being undertaken by the Israeli Parentco Officer or others in connection with the Israeli Proceedings; and
- (f) KSV will run an orderly dual track sale and restructuring process with respect to the Applicants, subject to approval by the Canadian Court in the CCAA Proceedings, which will consider both development opportunities and opportunities to sell the properties of the Applicants. KSV will design such process collaboratively, with the Israeli Parentco Officer, with the understanding that at any time during the pendency of the sales process, should an offer come forward with respect to any or all of the Applicants contemplating a restructuring or other option which is acceptable to both KSV and the Israeli Parentco Officer, the sale process may be truncated in order to pursue the other option with respect to the Applicant(s) in question. Alternatively, should the sale process continue to the point of submission of bids, subject to Section 4(b) below, copies of all bids will be provided to the Israeli Parentco Officer by KSV, and KSV shall discuss same with the Israeli Parentco Officer, with the objective, but not the obligation, of hopefully concurring on the course of action to be followed in terms of which bids to continue negotiating or which bid(s) to select as the successful bidder(s). KSV acknowledges that, throughout these processes, the Israeli Parentco Officer may from time to time require instructions and/or directions from the Israeli Court, and that the process shall be conducted in a fashion to permit the Israeli Parentco Officer the opportunity to do so on a timeframe consistent with the urgency of the circumstances then in question. The Israeli Parentco Officer and KSV agree that, in the event there is a disagreement between the Israeli Parentco Officer and KSV as to the working out of the sale and restructuring process, whether it be in terms of selecting an alternative option to a sale (including, without limitation, pursuing any development opportunities), determining which bids to proceed to negotiate further, or seeking approval of a particular sale from

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the Canadian Court supervising the CCAA Proceedings, the ultimate decision and course of action shall be determined by the Canadian Court on application by KSV for directions and provided that the Israeli Parentco Officer shall have standing as representative of Parentco to make full representations to the Canadian Court as to his views and recommendations.

- (g) The initial order made in the CCAA Proceedings concerning all of the Applicants shall contain the following paragraph pertaining to material or non-ordinary course decisions or disbursements:

THIS COURT ORDERS that the Applicants shall not, without further order of this Court: (a) make any disbursement out of the ordinary course of its Business exceeding in the aggregate \$100,000 in any calendar month; or (b) engage in any material activity or transaction not otherwise in the ordinary course of its Business.

In the event that such paragraph is not included in the initial order for the Applicants or any of them, then any such disbursement or other material activity or transaction shall not be made without the order of the Canadian Court.

4. The Israeli Parentco Officer and KSV further agree to cooperate as follows:
- (a) to the extent practicable, each shall share with the other copies of materials to be filed with their respective courts (but not drafts of any such materials), prior to the public filing of same. This provision may not apply to materials submitted in the course of seeking directions from the Canadian Court in the event of a disagreement between the Israeli Parentco Officer and KSV over the working-out of the sale process; and
 - (b) The Israeli Parentco Officer agrees that any information provided to him by KSV in the course of the sale process or concerning any restructuring alternatives, shall remain confidential and not be disclosed to any party without KSV's consent, not to be unreasonably withheld, it being acknowledged that the Israeli Parentco Officer shall be entitled to provide information to its advisors (provided they agree to be bound by the confidentiality restrictions detailed herein) and to both the Israeli Court and the Official Receiver of the Israeli Ministry of Justice, in each case on a sealed and private basis to obtain directions as needed, or as may be set forth in the Non-Disclosure Agreement executed by the Israeli Parentco Officer on May 11, 2016.
5. The Israeli Parentco Officer and KSV acknowledge that, at present, KSV has the amount of CDN\$1.9 million in a trust account, which funds KSV received from Urbancorp Partner (King South) Inc. ("UPKSI"), and which funds KSV has proposed to utilize as a form of interim funding for certain costs of the CCAA Proceedings, to be secured by a priming charge in favour of UPKSI against the assets of the entities utilizing the funds. KSV acknowledges that it will seek to obtain, as soon as possible, a general purpose DIP loan from third party sources and sufficient to repay amounts borrowed from UPKSI, using what are otherwise unencumbered assets of the Applicants (the "DIP Loan").

- 5 -

Upon being able to draw sufficient funds under the DIP Loan (which DIP Loan subject to the approval of the Canadian Court), KSV agrees that it will repay to UPKSI the interim loan made to that date in the preceding sentence from the DIP Loan and that it will, as the court-appointed monitor of UPKSI and subject to Court approval in the Part IV Proceedings, make available funds from that CDN\$1.9 million as an interim loan from UPKSI to Urbancorp Inc., to be secured by a priming DIP charge against the assets of Urbancorp Inc., to assist in the funding of the costs of the Part IV Proceedings including the reasonable costs incurred by the Israeli Parentco Officer in connection with the Part IV Proceedings, the reasonable fees and disbursements of the Israeli Parentco Officer's Canadian counsel and the Information Officer and its counsel.

6. The Israeli Parentco Officer shall support the commencement of the CCAA Proceedings. Provided that KSV is acting in good faith and has not engaged in willful misconduct or gross negligence, the Israeli Parentco Officer shall not take any steps to attempt to remove KSV as either the proposal trustee under the Proposal Proceedings or the monitor under the CCAA Proceedings or to in any way to interfere with or seek to limit KSV's powers in such capacities or to suggest that KSV must take instruction from it or the Israeli Court or terminate the CCAA Proceedings without the consent of KSV or by order of the Canadian Court. Nothing herein shall be deemed to grant any additional claims, rights, security or priority to, or in respect of, the Parentco Bonds or to the trustee under the Parentco Bond Indenture or to the Israeli Parentco Officer as against the Applicants or any affiliate or direct or indirect subsidiary of Parentco. In the event of any restriction or termination of the Israeli Parentco Officer's powers by the Israeli Court, this Protocol shall be deemed to be modified accordingly such that the Israeli Parentco Officer's powers and authority hereunder are no greater than those given to him by the Israeli Court.
7. This Protocol shall be governed by laws of Ontario and the laws of Canada as applicable and all disputes or requests for direction in connection with this Protocol shall be determined by the Canadian Court. Nothing herein is or shall be deemed to be an attornment by KSV to the Israeli Court or the laws of Israel.
8. The Israeli Court Officer and KSV agree to use reasonable efforts to seek to commence the proceedings noted above on or before May 18, 2016. KSV shall support, to the extent necessary, an application by the Israeli Parentco Officer to commence the Part IV Proceedings, on terms consistent with this Protocol, even if commenced before the CCAA Proceedings.

****THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK****

- 6 -

9. This Agreement is subject to the approval of the Israeli Court and the Canadian Court.

DATED this _____ day of May, 2016.

Name of Witness:

} _____
Name: GUY GISSIN, the Israeli Parentco
Officer

**KSV KOFMAN INC. in its capacity
as proposal trustee and proposed monitor
of certain subsidiaries of Urbancorp Inc.,
and not in its personal capacity**

By:

Name: Robert Kofman
Title: President

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

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

<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDINGS COMMENCED AT TORONTO</p>	<p>INITIAL ORDER (May 18, 2016)</p> <p>BORDEN LADNER GERVAIS LLP Barristers and Solicitors Scotia Plaza 40 King Street West Toronto, ON M5H 3Y4</p> <p>EDMOND F. B. LAMEK ~ LSUC NO. 33338U Direct Tel: 416-367-6311 Direct Fax: 416-361-2436 Email: elamek@blg.com</p> <p>KYLE B. PLUNKETT ~ LSUC NO. 61044N Direct Tel: 416-367-6314 Direct Fax: 416-361-2557 Email: kplunkett@blg.com</p> <p>Lawyers for the Applicants</p>
---	--

This is Exhibit "B" referred to in the
Affidavit of Michael Brzezinski
sworn this 29th day of June, 2016.



Commissioner for Taking Affidavits (or as may be)



LAND REGISTRY OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 2
PREPARED FOR BGabbdon
ON 2016/06/09 AT 17:18:34

21319-0597 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT BLK X PL 1393D TORONTO DESIGNATED AS PART 1 ON PLAN 66R27856; TORONTO; CITY OF TORONTO

FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2015/01/28.

RECENTLY:
RE-ENTRY FROM 21319-0110
CAPACITY SHARE

FIN CREATION DATE:
2015/01/28

PROPERTY REMARKS:
ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS
OWNERS' NAMES
URBANCORP (ST. CLAIR VILLAGE) INC.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2015/01/28 **						
		**SUBJECT TO SUBSECTIONS 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *				
**		PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **				
**		TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **				
E454450	2001/09/11	NOTICE OF LEASE		TORONTO DISTRICT SCHOOL BOARD	BEATRICE HOUSE	C
AT1162052	2006/06/08	NOTICE OF SUBLEASE		COINAMATIC CANADA INC.	BEATRICE HOUSE	C
REMARKS: E454450						
AT1347216	2007/01/04	NO ASSG LESSEE INT		BEATRICE HOUSE	YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF GREATER TORONTO	C
REMARKS: RE,E454450						
AT3368084	2013/08/01	TRANSFER	\$7,700,000	TORONTO DISTRICT SCHOOL BOARD	URBANCORP (ST. CLAIR VILLAGE) INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
AT3368085	2013/08/01	CHARGE		*** DELETED AGAINST THIS PROPERTY *** URBANCORP (ST. CLAIR VILLAGE) INC.	TERRA FIRMA CAPITAL CORPORATION	
AT3368086	2013/08/01	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** URBANCORP (ST. CLAIR VILLAGE) INC.	TERRA FIRMA CAPITAL CORPORATION	
REMARKS: AT3368085 RENTS						
AT3385316	2013/08/22	NOTICE		URBANCORP (ST. CLAIR VILLAGE) INC.	TERRA FIRMA CAPITAL CORPORATION	C
REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD						
66R27856	2015/01/28	PLAN REFERENCE		URBANCORP (ST. CLAIR VILLAGE) INC.		C
AT3797736	2015/01/28	APL ABSOLUTE TITLE		URBANCORP (ST. CLAIR VILLAGE) INC.		C
REMARKS: AT3719036						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.


21319-0597 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
56R27897	2015/03/04	PLAN REFERENCE				
AT4179974	2016/03/31	NOTICE	\$2	CITY OF TORONTO	URBANCORP (ST. CLAIR VILLAGE) INC.	C
AT4179975	2016/03/31	POSTPONEMENT REMARKS: AT3368085, AT3368086, AT3385316 TO AT4179974		TERRA FIRMA CAPITAL CORPORATION	CITY OF TORONTO	C
AT4179976	2016/03/31	NOTICE	\$2	CITY OF TORONTO	URBANCORP (ST. CLAIR VILLAGE) INC.	C
AT4179977	2016/03/31	POSTPONEMENT REMARKS: AT3368085, AT3368086, AT3385316 TO AT4179976		TERRA FIRMA CAPITAL CORPORATION	CITY OF TORONTO	C
AT4202683	2016/04/26	DISCH OF CHARGE REMARKS: AT3368085.		*** COMPLETELY DELETED *** TERRA FIRMA CAPITAL CORPORATION		C
AT4225031	2016/05/24	CONSTRUCTION LIEN	\$209,954	PRO-GREEN DEMOLITION LTD.		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is Exhibit "C" referred to in the
Affidavit of Michael Brzezinski
sworn this 29th day of June, 2016.



Commissioner for Taking Affidavits (or as may be)



PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #66

PAGE 1 OF 2

PREPARED FOR BGabbidon
ON 2016/06/21 AT 15:06:23

10330-0233 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT BLK A PL 2525 NORTH YORK AS IN NY66298 & NY14061; S/T NY396185; TORONTO (N YORK) , CITY OF TORONTO

RECENTLY:
FIRST CONVERSION FROM BOOK
CAPACITY SHARE
OWNERS' NAMES
URBANCORP (LAWRENCE), INC.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

EIN CREATION DATE:
2001/07/23

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD	
		** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT,		ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**		SUBSECTION 44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**		AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**		THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**		IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**		CONVENTION.					
**		ANY LEASE TO WHICH THE SUBSECTION 70 (2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO LAND TITLES: 2001/07/23 **							
NY396185	1962/11/15	TRANSFER EASEMENT			THE MUNICIPALITY OF METROPOLITAN TORONTO	C	
		REMARKS: SKETCH ATTACHED.					
64R6143	1977/05/20	PLAN REFERENCE				C	
64R6534	1977/11/07	PLAN REFERENCE				C	
AT2343343	2010/04/01	NOTICE				C	
AT2849271	2011/10/25	LR'S ORDER				C	
		REMARKS: AMEND OWNERSHIP FIELD					
AT3391921	2013/08/29	TRANSFER	\$8,300,000		URBANCORP (LAWRENCE) INC.	C	
		REMARKS: PLANNING ACT STATEMENTS.					
AT3393441	2013/08/29	NOTICE	\$2		TERRA FIRMA CAPITAL CORPORATION	C	
		REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD					

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Ontario

ServiceOntario

LAND
REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 2

PREPARED FOR BGabbdon
ON 2016/06/21 AT 15:06:23

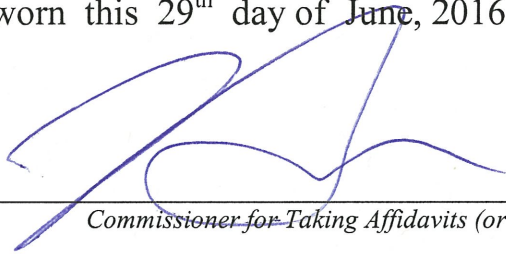
10330-0233 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4231629	2016/05/31	CERTIFICATE		MDF MECHANICAL LIMITED		C
REMARKS: AT4212/55						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is Exhibit "D" referred to in the
Affidavit of Michael Brzezinski
sworn this 29th day of June, 2016.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)



Lisa S. Corne

Partner, Toronto

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F: 416-865-1398

lcorne@dickinsonwright.com

Areas of Practice

- Bankruptcy, Restructuring & Creditors' Rights
- Creditor Rights, Lender Litigation & Bankruptcy

Education

University of Manitoba, B.A.

- Honours

University of Manitoba, LL.B.

- David Levin Memorial Scholarship for highest standing in Real Property
- Canada Law Book Co. prize for highest standing in Taxation
- National Victoria & Grey Trust prize for highest standing in Trusts
- Archer Micay Q.C. prize for highest standing in Business Law
- Dean's Honour List all semesters

Called to the Bar of Ontario, 1988

Prominent Assignments

Commercial insolvency lawyer, with extensive experience litigating complex, sophisticated matters and particular expertise in restructuring and insolvency law, including security enforcement, receivership, bankruptcy and court supervised restructuring processes.

- Expertise in conducting real time litigation involving insolvent enterprises, and advising clients on issues arising in large, demanding corporate reorganizations and insolvency cases.
- Smart, tenacious and efficient, a strong team player who gets the job done.
- Adept at quickly understanding complex legal and business issues and producing excellent results under pressure.
- Represents the interests of lenders, shareholders, debtors, receivers, trustees, and monitors in all types of insolvency proceedings both before the courts and in informal restructuring and settlement negotiations.
- Regularly appears as counsel before the civil courts in Ontario, and primarily the Commercial List, litigating a wide variety of commercial matters arising in corporate restructuring and insolvency cases.
- Conducts all aspects of commercial litigation and provides strategic advice to clients in a wide variety of cases, including oppression remedy proceedings, domestic and multi-jurisdictional corporate fraud, restructuring and commercial litigation cases, security enforcement and realization.
- Carriage of numerous cases on behalf of financial institutions and corporate clients arising out of corporate fraud and recovery of commercial indebtedness, including successfully litigating injunction motions, motions for summary judgment, and trials to enforce payment of promissory notes, guarantees, and mortgages, and successfully defending multi-million dollars claims for breach of trust, negligence, infringement of intellectual property rights, and equitable subordination.

Community Involvement

- Executive member, Insolvency and Restructuring Section, Canadian Bar Association
- Member of the Executive, Ontario Bar Association – Insolvency Section
- Instructor – Law Society of Upper Canada, Bar Admission Course, Insolvency Law Seminar
- Advocate's Society, member
- International Women's Insolvency & Restructuring Confederation, member
- Canadian Insolvency Foundation, member
- Insol International, member

Publications/Presentations

- Co-Chair – Ontario Bar Association – Continuing Professional Development Program, Insolvency and Construction Law, Fall 2014
- Speaker - Ontario Bar Association – Continuing Professional Development Program, Bankruptcy: May 27, 2015
- Speaker - Canadian Insolvency Professional Association Insolvency and

Lisa S. Corne

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Areas of Practice

- Bankruptcy, Restructuring & Creditors' Rights
- Creditor Rights, Lender Litigation & Bankruptcy

Restructuring Forum in Toronto (2010)

- Speaker – Lawyers' Associated Worldwide Insolvency Law Conference (2008)
- Speaker – CIBC's Agricultural Lending Seminar (May 2004).
- Presenter – Blakes' student seminar on insolvency law practice (2000- 2004).
- Presenter – Osgoode Hall Law School, Intensive Business Law Course, cross-border insolvency law seminar (2003 and 2004).
- Speaker – 2001 Canadian Insolvency Professional Association Forum in Toronto.
- Author of numerous papers and articles on insolvency and bankruptcy law, including publications in the Commercial Insolvency Reporter, Insolvency News, and National Insolvency Review.

DICKINSON WRIGHT



David P. Preger

Partner

PROMINENT ASSIGNMENTS

David's primary focus is acting in complex Court-supervised real estate workouts, primarily for Court-appointed receivers and senior mortgage-lenders.

In addition to bankruptcy, insolvency, real estate and security enforcement, the nature of his practice draws upon such varied areas as construction, land development, municipal, condominium, finance, environmental and aboriginal law. David also acts in shareholder and contractual disputes.

David regularly appears before the Commercial List of the Ontario Superior Court of Justice in Toronto, which is comprised of a team of judges who have experience in managing complex commercial litigation.

Many of the cases David has successfully argued have been reported in prominent reporting series including the Canadian Bankruptcy Reports and the Real Property Reports. David has also appeared before the Ontario Court of Appeal, the Ontario Divisional Court, the Tax Court of Canada and the Ontario Municipal Board.

PROFESSIONAL INVOLVEMENT

- Member of Insolvency Law Section of the Ontario Bar Association
- Member of Canadian Insolvency Foundation
- Member of Turnaround Management Association - Toronto Chapter
- Member of American Bankruptcy Institute

AREAS OF PRACTICE

Bankruptcy, Restructuring & Creditors' Rights
Construction
Development & Land Use
Environmental
Real Estate

NEWS

Canadian Bankruptcy Considerations in Factoring Transactions
October 2015

Toronto

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[Download vCard](#)

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EDUCATION

McGill University

B.A.

Dalhousie University

LL.B.

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 IN SCHEDULE "A" HERETO

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF MICHAEL BRZEZINSKI

DICKINSON WRIGHT LLP

Barristers & Solicitors
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Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

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Lawyers for the Moving Party

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 IN SCHEDULE "A" HERETO

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

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Lawyers for the Moving Party