

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

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

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

**MOTION RECORD
OF THE MONITOR**

(Motion Returnable January 24, 2018 – Additional Matter)

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SCHEDULE "A" HERETO

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1. Notice of Motion returnable January 24, 2018
2. Draft Order

TAB 1

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
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**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
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VILLAGE) INC., URBANCORP (PATRICIA) INC.,
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(LAWRENCE) INC., URBANCORP DOWNSVIEW PARK
DEVELOPMENT INC., URBANCORP (952 QUEEN WEST)
INC., KING RESIDENTIAL INC., URBANCORP 60 ST.
CLAIR INC., HIGH RES. INC., BRIDGE ON KING INC.
(Collectively the "Applicants") AND THE AFFILIATED
ENTITIES LISTED IN SCHEDULE "A" HERETO**

NOTICE OF MOTION

(Returnable January 24, 2018 – Additional Matter)

KSV Kofman Inc. ("**KSV**"), in its capacity as the court-appointed monitor (the "**Monitor**") of the Applicants and the affiliated entities listed on Schedule "A" (collectively, the "**CCAA Entities**", and each individually a "**CCAA Entity**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "**CCAA**") will make a motion to Mr. Justice Myers sitting as a judge presiding on the Commercial List, on January 24, 2018 at 10:00 a.m., or as soon thereafter as the motion can be heard, at the Courthouse located at 130 Queen Street West, Toronto, Ontario, Canada.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR AN ORDER:

1. if necessary, validating and abridging the time of service of the Notice of Motion and Motion Record and directing that any further service of the Notice of Motion and Motion Record be dispensed with such that this Motion is properly returnable on the date scheduled for the hearing of this Motion;
2. approving the Standstill Amending Agreement No. 1 entered into between King Liberty North Corporation ("**KLNC**"), Urbancorp New Kings Inc. ("**UNKI**"), the Monitor and First Capital (S.C.) Corporation on November 30, 2017 (the "**Standstill Amending Agreement**"); and
3. such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

Standstill Amending Agreement

1. UNKI is not an applicant in these proceedings;
2. Urbancorp Cumberland 1 LP, to which these proceedings pertain, is the sole shareholder of UNKI;
3. KLNC and UNKI are co-owners of the lands described as the Kingsclub Development for which Kingsclub Development Inc. is the registered owner as nominee and bare trustee for and on behalf of KLNC and UNKI;
4. Pursuant to paragraph 30 of the Initial Order made in these proceedings, Robert Kofman, or such representative of the Monitor as Mr. Kofman may designate in writing from time to time, was authorized, directed and empowered to act as the representative of UNKI on the Management Committee of the Kingsclub Development;
5. UNKI is in default of the relevant co-owners agreement and related agreements primarily as a result of its failure to meet certain financial obligations under such agreements;

6. The Standstill Amending Agreement provides for an orderly completion of the Kingsclub Development in a manner that will prevent the commencement of court proceedings or the enforcement of security in order to maximize the value of the project;

7. Seeking this Court's approval of the Standstill Amending Agreement and of UNKI's and the Monitor's obligations thereunder is a term of the Standstill Amending Agreement;

8. The Standstill Amending Agreement and its terms and conditions are fair and reasonable under the circumstances and benefit the administration of these proceedings;

9. Sections 9-11 of the CCAA and this Court's equitable and statutory jurisdiction thereunder;

10. Rules 1.04, 2.03, 3.02, 16.04 and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

11. 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:

1. the Twenty First Report of the Monitor date January 18, 2018; and
2. such further material as counsel may advise and this Court may permit.

January 18, 2018

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Lawyers for the Monitor

TO: The E-Service List found at:

<http://www.ksvadvisory.com/assets/Uploads/insolvency-case-documents/Urbancorp%20Group/CCAA%20Proceedings/Service%20List/Service%20List%20as%20at%20January%2015%2C%202018.pdf>

SCHEDULE "A"

LIST OF NON APPLICANT AFFILIATES

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF URBANCORP TORONTO
MANAGEMENT INC., ET AL.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

(PROCEEDING COMMENCED AT TORONTO)**

NOTICE OF MOTION
(Returnable January 24, 2018 – Additional Matter)

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Lawyers for the Monitor

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)
)
JUSTICE MYERS)
)
)
)

WEDNESDAY, THE 24TH
DAY OF JANUARY, 2018

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

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

**ORDER
(Approval of Additional Matter)**

THIS MOTION, made by KSV Kofman Inc., in its capacity as Court-appointed Monitor (the "**Monitor**") of the Applicants and the affiliated entities listed on Schedule "A" (collectively, the "**CCAA Entities**", and each individually a "**CCAA Entity**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "**CCAA**") for an order, among other things, approving the Standstill Amending Agreement (as defined below), was heard this day at 130 Queen Street West, Toronto, Ontario.

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ON READING the Notice of Motion of the Monitor and the Twenty First Report of the Monitor dated January 18, 2018 (the "**Report**") and on hearing the submissions of respective counsel for the Monitor, the CCAA Entities and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service as filed:

SERVICE

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

STANDSTILL AMENDING AGREEMENT

2. **THIS COURT ORDERS** that the Standstill Amending Agreement No. 1 entered into between King Liberty North Corporation ("**KLNC**"), Urbancorp New Kings Inc. ("**UNKI**"), the Monitor and First Capital (S.C.) Corporation on November 30, 2017 (the "**Standstill Amending Agreement**"), and UNKI's and the Monitor's obligations thereunder, be and are hereby approved.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of

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UNKI and any bankruptcy order issued pursuant to any such applications;
and

- (c) any assignment in bankruptcy made in respect of UNKI;

the approval of the Standstill Amending Agreement and all transactions contemplated therein, including any security granted with respect thereto, shall be binding on any trustee in bankruptcy that may be appointed in respect of UNKI and shall not be void or voidable by creditors of UNKI, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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SCHEDULE "A"

LIST OF NON APPLICANT AFFILIATES

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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.

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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 DEVELOPMENTS INC., URBANCORP (952 QUEEN WEST) INC., KING RESIDENTIAL INC., URBANCORP NEW KINGS INC., URBANCORP 60 ST. CLAIR INC., HIGH RES.INC., BRIDGE ON KING INC. (THE "APPLICANTS") AND THE AFFILIATED ENTITIES LISTED IN SCHEDULE "A" HERETO

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

Proceeding commenced at Toronto

**ORDER
(APPROVAL OF ADDITIONAL
MATTER)**

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