

COURT OF APPEAL FOR ONTARIO

**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**

**EXHIBIT BOOK OF THE APPELLANT
KSV KOFMAN INC., IN ITS CAPACITY AS MONITOR
(VOLUME I OF III)**

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MANAGEMENT INC., URBANCORP (ST. CLAIR VILLAGE)
INC., URBANCORP (PATRICIA) INC., URBANCORP
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THE "APPLICANTS") AND THE AFFILIATED ENTITIES
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Court of Appeal File No. M49270
Court File No. CV-16-11389-00CL

COURT OF APPEAL FOR ONTARIO

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

NOTICE OF APPEAL

THE APPELLANT, KSV KOFMAN INC., IN ITS CAPACITY AS COURT APPOINTED MONITOR, APPEALS to the Court of Appeal from the Order and Endorsement of the Honourable Mr. Justice Myers, dated May 11, 2018 (the "**Judgment**"), made at Toronto, Ontario.

THE APPELLANT ASKS that the Judgment be set aside and this Court grant an Order:

- (a) vacating the Judgment which declined the Monitor's motion for an order upholding its disallowance of the claim filed by Speedy Electrical Contractors Ltd. ("**Speedy**") pursuant to the Claims Procedure Order made in these *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36

(“**CCAA**”) proceedings on September 15, 2016 (the “**Claims Procedure Order**”);

- (b) affirming the Monitor’s disallowance of the claim filed by Speedy referred to in paragraph (a) immediately above; and
- (c) such further and other relief as the Appellant may request and this Honourable Court may deem just.

THE GROUNDS OF APPEAL are as follows:

A. Overview

2. The central issue on this appeal is whether the principal of a group of insolvent real estate companies is permitted to use the assets of a particular company in the group to satisfy: (a) his own unrelated personal liabilities; and (b) liabilities of other companies in the group to the detriment of the creditors of the particular company. Essentially, the issue can be summarized as whether the principal of a group of companies can take from creditors of Peter to pay the creditors of Paul. The Motions Judge held that such behaviour is permissible.

3. These CCAA proceedings concern a number of members of the Urbancorp Group of companies (the “**Urbancorp Group**”), the principal of which is Alan Saskin. Speedy has claimed \$2,323,638.54 against King Residential Inc. (“**KRI**”, an Applicant in these CCAA proceedings and a member of the Urbancorp Group) in respect of a guarantee and collateral mortgage (the “**Secured Guarantee**”) that KRI provided to Speedy. Speedy provided no goods or services to KRI. It advanced no funds to KRI. In fact, KRI received

no consideration whatsoever from Speedy, other than a token \$2. Rather, KRI provided the Secured Guarantee in respect of pre-existing unsecured personal debts owing by Alan Saskin, and pre-existing unsecured business debts owing by Edge on Triangle Park Inc. ("**Edge**"), another insolvent Saskin-controlled entity not subject to these CCAA proceedings.

4. KRI granted the Secured Guarantee within one year of the commencement of these CCAA proceedings at a time when it was insolvent. At the time, Speedy was also not dealing at arm's length from KRI or Mr. Saskin, and KRI granted the Secured Guarantee with the intent to defeat, hinder or delay KRI's creditors. At all times, both KRI and Edge were not dealing at arm's length from Mr. Saskin. The granting of the Secured Guarantee was therefore a transfer at undervalue and a fraudulent conveyance, and cannot form the basis for a valid claim by Speedy.

B. Background Facts

(i) The Parties

5. At the Guarantee Date (as defined below), KRI was a wholly-owned subsidiary and nominee of TCC/Urbancorp (Bay) LP ("**Bay LP**"). At the relevant time, Alan Saskin held a 79.99% limited partnership interest in Bay LP. Bay LP owned a number of nominees through which it held various distinct real estate projects.

6. At the relevant time, Edge was a wholly-owned subsidiary and nominee of TCC/Urbancorp (Bay Stadium) Limited Partnership ("**Bay Stadium LP**"), whose general partner was Deaja Partner (Stadium) Inc. (wholly owned by Mr. Saskin) and whose sole limited partner was Vestaco Investments (Stadium) Inc. (wholly owned by Mr. Saskin's

spouse, Doreen Saskin). Bay Stadium LP also held distinct real estate projects through various nominees.

7. While both Bay LP and Bay Stadium LP were controlled by Mr. Saskin, they were separate corporate groups engaged in various separate and distinct real estate projects. Edge was in one, and KRI was in the other. While they did not operate at arm's length given their ultimate common control at the hands of Mr. Saskin (directly or via family members or family trusts), they were distinct legal entities, each having its own distinct creditors and assets.

8. Speedy operates an electrical contracting business, and the Urbancorp Group of companies, which included Bay LP and Bay Stadium LP, had been one of Speedy's clients for more than 20 years. The President of Speedy, Albert Passero, has a long-standing relationship with Mr. Saskin.

9. In May 2016, the Urbancorp Group collapsed and the Applicants (a subset of the Urbancorp Group), including KRI, commenced the present insolvency proceedings under the CCAA. The moving party, KSV, was appointed by the Court to act as Monitor of the Applicants.

10. In addition, Edge is currently the subject of its own, separate CCAA proceedings and Mr. Saskin is currently the subject of a Proposal under the *Bankruptcy and Insolvency Act* ("**BIA**"). Speedy has filed proofs of claim in both the Edge CCAA proceedings, and in connection with Mr. Saskin's Proposal, for the same debt which is the subject of its claim against KRI.

(ii) Debts Owing by Edge to Speedy

11. On September 23, 2014, Mr. Saskin approached the President of Speedy and obtained a personal loan from Speedy for \$1 million. These funds were not paid to or for the benefit of KRI or Bay LP. This loan was evidenced by a one year term promissory note (due September 23, 2015) providing for 12.5% annual interest, payable biannually (the “**Note**”).

12. Shortly thereafter, Speedy completed the work on a \$6 million electrical contract for a condominium development owned by Edge. Speedy certified under oath that the last day of supply of services and materials for the project was October 22, 2014, at which time Speedy invoiced Edge for release of the *Construction Lien Act* (“**CLA**”) holdback amount of \$695,408.07.

13. The holdback amount, together with other outstanding amounts owing by Edge to Speedy, totalled \$1,038,911.34.

14. In or around the end of August 2015, Speedy became aware that Edge was having cash flow issues and Speedy began pressing Edge for payment. Mr. Saskin offered to provide Speedy with certain Edge condominium units as payment for the amounts owing by Edge to Speedy. This proposal was not accepted by Speedy, as Speedy was aware that it would be contrary to provisions of the CLA relating to improper preference or priority over other potential trade creditors or lien claimants. Instead, as set out below, Speedy proceeded to improperly register a claim for lien, threaten personal bankruptcy proceedings against Mr. Saskin, and ultimately improperly obtained the Secured Guarantee from KRI as security for the debts of Edge and Mr. Saskin.

15. On August 31, 2015, Speedy issued a further invoice to Edge for an additional holdback amount of \$7,348.75 in respect of work invoiced on December 19, 2014. This amount forms part of the \$1,038,911.34 claimed by Speedy.

16. On September 23, 2015, Mr. Saskin defaulted on the Note.

17. On September 30, 2015, almost a year after the last day of supply of service and materials for the project and well outside the 45 day time period provided for under s. 31(3) of the CLA, Speedy registered a claim for a construction lien against the Edge project pursuant to the CLA in the sum of \$1,038,911.44 (the “**Lien**”).

18. In the period that followed, Speedy threatened to petition Mr. Saskin into personal bankruptcy in respect of his personal debt and to bring legal proceedings in respect of the Lien.

19. At this time, KRI had no liability for either Mr. Saskin’s personal debt, or the Edge debt.

(iii) The Israeli Bond Issuance and the Secured Guarantee

20. In the summer and fall of 2015, Mr. Saskin was in the process of raising funds through a bond issuance on the public markets in Israel. The bond issuance was completed in December 2015, and Urbancorp Inc. raised \$64 million.

21. The bond issuance required that the Lien on Edge be discharged. Speedy was aware that the presence of its Lien on the Edge development precluded Mr. Saskin from being able to complete the Israeli bond issuance. Mr. Saskin approached Speedy and asked for a discharge of the Lien, as well as an extension of time for payment on the Note,

with the promise that the funds raised through the bond issuance would be used to repay Speedy and others who were owed money by Mr. Saskin and the Urbancorp Group.

22. In November 2015, Speedy, Mr. Saskin, Edge, and KRI entered into a debt extension agreement (the “**Debt Extension Agreement**”). Pursuant to the terms of the Debt Extension Agreement: (a) Speedy agreed to discharge the Lien, but maintained the claim for the underlying debt against Edge; (b) the maturity date of the Note for the personal debt owing to Speedy by Mr. Saskin was extended to January 30, 2016; and (c) Mr. Saskin agreed to cause KRI to provide a limited guarantee to Speedy for Mr. Saskin’s and Edge’s outstanding obligations to Speedy together with a mortgage on thirteen specific condominiums and thirteen specific parking spots of which KRI was the registered owner (the “**Secured Guarantee**”). KRI received no consideration for guaranteeing and securing debts owed by Mr. Saskin and Edge, other than a nominal \$2. At this time, KRI was insolvent and had its own creditors, which were distinct from those of Mr. Saskin and Edge.

23. One of the effects of KRI’s secured guarantee of the Note was to convert an unsecured obligation of Mr. Saskin into a secured obligation of KRI.

24. Consistent with the terms of the Debt Extension Agreement, the Lien was discharged and the Secured Guarantee was registered on title on November 16, 2015 (the “**Guarantee Date**”). KRI was insolvent as of the Guarantee Date.

25. The \$2 paid to KRI was grossly inadequate and entirely disproportionate to the value of the Secured Guarantee, which Speedy now claims is worth over \$2.3 million with costs and interest. Extending the maturity date of the Note did not benefit KRI and served

only to benefit Mr. Saskin personally, while the discharge of the Lien against Edge (even assuming that it were ever valid) by Speedy did not benefit KRI, but instead benefited Edge.

26. As required in order to complete the bond issuance, counsel for Urbancorp Inc. provided opinions which disclosed the existence and later removal of the Lien, but did not disclose that KRI had provided a secured guarantee in respect of the liabilities of Mr. Saskin and Edge at all, let alone without receiving any material consideration for having done so.

27. On December 7, 2015, the Tel Aviv Stock Exchange authorized the registration of a prospectus in connection with of the bond issuance. The prospectus does not disclose the existence of the Secured Guarantee.

28. Although Urbancorp Inc. raised approximately \$64 million in the bond issuance, Mr. Saskin did not use any of those funds to repay Speedy. Nor did any of these funds flow to KRI.

29. Soon after the bond issuance, the Urbancorp Group collapsed. On May 18, 2016, insolvency proceedings in respect of the Applicants (of which KRI is one) were commenced under the CCAA. Notably, given that the Secured Guarantee was granted by KRI to Speedy on November 16, 2015, the Secured Guarantee was granted within one year of the commencement of the CCAA proceedings.

30. The effect of the Secured Guarantee will be to defeat or hinder recoveries to the creditors of Urbancorp Inc., including the Israeli bondholders. Specifically, the Secured

Guarantee will deprive Urbancorp Inc. of approximately \$2.3 million it would have received (and expected to receive pursuant to the bond prospectus) but for the issuance of the Secured Guarantee. If the Secured Guarantee is invalid, Speedy retains the claims it has filed against both Edge and Mr. Saskin in their respective proceedings.

(iv) Speedy's Claim

31. On October 19, 2016, Speedy filed a proof of claim against KRI in the amount of \$2,323,638.54, comprising the \$1 million personal loan made to Mr. Saskin as well as the amounts owing to Speedy in respect of the Edge project (plus interest and costs that continue to accrue).

32. On November 11, 2016, the Monitor disallowed the claim in full on the basis that the granting of the Secured Guarantee was voidable as a transfer at undervalue pursuant to s. 96 of the BIA and void as a fraudulent conveyance under the *Fraudulent Conveyances Act* (“**FCA**”).

33. On November 25, 2016, Speedy filed a Notice of Dispute. Paragraph 36(b) of the Claims Procedure Order provides that in the event that an objection raised in a Notice of Dispute is not settled within a time period or in a manner satisfactory to the Monitor, the Monitor may refer the objection raised to the Court for adjudication.

C. The Motion Below and the Judgment

34. By Notice of Motion dated March 7, 2018, the Monitor brought a motion seeking to uphold its disallowance of Speedy's claim in full.

35. Mr. Justice Myers heard the Monitor's motion on May 1, 2018.

36. By way of Endorsement and Order dated May 11, 2018, the Motions Judge dismissed the Monitor's motion seeking to disallow Speedy's claim. He did so "based solely on the arm's length relationship and lack of fraudulent intent", finding that it was therefore unnecessary to deal with "a number of other issues" raised by the parties on the motion.

37. Unlike other types of determinations often made by supervising judges in CCAA proceedings, the Judgment did not involve an exercise of discretion by the Motions Judge in the context of managing an ongoing restructuring process. To the contrary, the Judgment arose from a straightforward adjudication of Speedy's claim and involved the application of relevant provisions of the CCAA, BIA and the FCA.

38. The Motions Judge ordered the Monitor to pay costs to Speedy in the amount of \$25,000, notwithstanding: (i) his express finding that "[i]t was reasonable and appropriate for the Monitor to bring this matter to the court"; and (ii) paragraph 36(b) of the Claims Procedure Order which expressly directs the Monitor to bring unsettled objections to the Court for adjudication.

D. Reversible Errors

39. The Monitor respectfully submits that the Motions Judge made reversible errors in reaching the Judgment, such that this Court can and should set aside the Judgment and dismiss Speedy's claim in full. In particular, the Motions Judge made a number of reversible errors, including:

- (a) erring in law and in principle and committing palpable and overriding errors by concluding that the Secured Guarantee should not be declared void as a transfer at undervalue under s. 96 of the BIA, including;
- (i) by concluding that Speedy and KRI were dealing with one another at arm's length at the time the Secured Guarantee was given by KRI;
 - (ii) by not addressing the fact that Mr. Saskin, Edge and KRI were not dealing with one another at arm's length at the time the Secured Guarantee was given by KRI;
 - (iii) by concluding that KRI, at the direction of Mr. Saskin, did not have the intention to defraud, defeat, or delay creditors, including:
 - (A) by treating Edge, KRI and Mr. Saskin as a single consolidated entity for purposes of determining whether there was a transfer at undervalue notwithstanding the fact that each had its own creditors;
 - (B) by disregarding clear evidence of numerous "badges of fraud", including:
 - (I) the insolvency of KRI at the Guarantee Date;
 - (II) the lack of consideration received by KRI in exchange for the Secured Guarantee;

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- (III) the failure to have protected the distinct creditors of KRI;
 - (IV) the close relationship between Speedy and Mr. Saskin, and the economic pressure that Speedy exerted over Mr. Saskin;
 - (V) the transfer being made in the face of threatened legal proceedings which to the knowledge of Speedy would have prevented the bond issuance; and
 - (VI) the fact that the transfer was kept secret from the main creditor prejudiced by the transfer, as evidenced by the fact that Mr. Saskin and his counsel (in the opinions provided in anticipation of the bond issuance) disclosed the existence and removal of the Lien, but failed to disclose that KRI had provided the Secured Guarantee in respect of the personal debts of Mr. Saskin and the liabilities of Edge;
- (C) by placing undue weight on the fact that Speedy registered its mortgages over the KRI condominium units on title as evidencing no secrecy in the transfer;
- (iv) by misinterpreting clear evidence that KRI was insolvent on a cash flow basis at the time it granted the Secured Guarantee; and

- (v) by misapplying the ruling in *Browne v. Dunn* (1893), 6 R. 67 (H.L.), and in doing so failing to conclude that the Lien was invalid under s. 31 of the CLA in face of clear evidence of its invalidity and, in particular, Speedy's sworn Statement of Last Supply under the CLA;
- (b) erring in law and in principle by concluding that the Secured Guarantee is not void as a fraudulent conveyance under the FCA for the same reasons set out immediately above; and
- (c) erring in law and in principle by ordering the Monitor to pay costs to Speedy in the amount of \$25,000 in the context of a court ordered claims process, in circumstances where the Motions Judge expressly found that it was both "reasonable and appropriate" for the Monitor to bring the dispute before the Court.

THE BASIS OF THE APPELLATE COURT'S JURISDICTION IS:

- 40. The Endorsement of Justices Lauwers, Miller and Nordheimer granting leave to appeal to this Court dated September 10, 2018.
- 41. The Judgment is a final order of a judge of the Superior Court of Justice pursuant to s. 6(1)(b) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.
- 42. Sections 11, 13 and 14 of the CCAA.

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September 19, 2018

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URBANCORP TORONTO MANAGEMENT INC. ET AL.
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Court of Appeal File No. M49270
Court File No. CV-16-11389-00CL

COURT OF APPEAL FOR ONTARIO

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPEAL

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Court of Appeal File No. **M49270**
Court File No. CV-16-11389-00CL

COURT OF APPEAL FOR ONTARIO

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

Applicant

**NOTICE OF MOTION
FOR LEAVE TO APPEAL**

The court appointed monitor, KSV Kofman Inc. ("**KSV**" or the "**Monitor**"), will make a motion for leave to appeal to the Court of Appeal for Ontario, pursuant to sections 13 and 14 of the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Subject to any motion for directions, the Court will hear the motion in writing at Osgoode Hall, 130 Queen Street West, Toronto, Ontario M5H 2N5.

PROPOSED METHOD OF HEARING: The motion is to be heard in writing, 36 days after service of the Monitor's motion record, factum and transcripts, if any, or on the filing of the Monitor's reply factum, if any, whichever is earlier, unless the Court orders an oral hearing.

THE MOTION IS FOR:

1. An order granting the Monitor leave to appeal the Order and Endorsement of Mr. Justice Myers dated May 11, 2018 (the "**Decision**"), declining the Monitor's motion for an order upholding its disallowance of the claim filed by Speedy Electrical Contractors Ltd. ("**Speedy**") pursuant to the Claims Procedure Order made in these CCAA proceedings on September 15, 2016 (the "**Claims Procedure Order**"); and
2. Such further and other relief as may be requested and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:**A. Overview**

3. Speedy has claimed \$2,323,638.54 against King Residential Inc. ("**KRI**", an Applicant in these CCAA proceedings) in respect of a guarantee and collateral mortgage (the "**Secured Guarantee**") that KRI provided despite receiving no consideration from Speedy. Rather, KRI provided the Secured Guarantee in respect of antecedent unsecured personal debts owing by Alan Saskin and antecedent unsecured business debts owing by Edge on Triangle Park Inc. ("**Edge**"), an entity not subject to these CCAA proceedings.
4. KRI granted the Secured Guarantee within one year of the commencement of these CCAA proceedings at a time when it was insolvent, and received only a nominal \$2 in return. In addition, at the time, Speedy was not dealing at arm's length with KRI or Mr. Saskin, and KRI granted the Secured Guarantee with the intent to defeat, hinder or delay KRI's creditors. The granting of the Secured Guarantee was therefore a transfer at undervalue and a fraudulent conveyance.

5. The proposed appeal deals with matters of importance to the Monitor, creditors of the Applicants, creditors of other Urbancorp affiliated entities which are the subject of other, separate insolvency proceedings with similar reviewable transaction issues with 14 similar actions outstanding, and future parties to insolvency proceedings generally.

6. The purpose and continued efficacy of provincial and federal fraudulent conveyance laws are placed into doubt by the Decision in the context of a corporate group controlled by the same individual. The Decision supports the proposition that, when insolvent, such an individual can ignore the best interests of any individual entity in the group (and those of the discrete creditors of each entity) if the prejudice incurred by the individual entity is of benefit to the group generally and the controlling individual personally. Accordingly, the Decision deals with a pervasive issue in commercial insolvencies – namely, how the rights of creditors of each separate entity in a group are to be analyzed when there has been a procedural consolidation of the proceedings but no substantive consolidation of the group.

7. In particular, the proposed appeal addresses, among other things, whether an insolvent entity controlled by an individual should be permitted to grant security over its assets to a third party for the antecedent unsecured debts of that individual and other entities controlled by that individual (which other entities have their own creditors and no interrelated business dealings with the first entity other than common control and management), in return for no consideration. The Decision answers this in the affirmative in the context of a party pressuring the insolvent entity to provide such security or risk the ability of affiliated companies to continue as a going

concern. This is precisely the type of prejudicial behaviour that the fraudulent conveyance laws applicable in this case are designed to safeguard against, and not condone, especially when dealing with entities under common control where the safeguards of independent directors and management do not exist. In this regard, the Decision undermines the very rationale for the existence of such legislation.

8. The issue of whether, as a matter of both law and policy, costs should be awarded in the context of reasonable claims disputes pursuant to claims procedure orders, will also be addressed.

B. Background Facts

(i) The Parties

9. At the Guarantee Date (as defined below), KRI was a wholly-owned subsidiary and nominee of TCC/Urbancorp (Bay) LP ("**Bay LP**"). At the relevant time, Alan Saskin held a 79.99% limited partnership interest in Bay LP.

10. At the relevant time, Edge was a wholly-owned subsidiary and nominee of TCC/Urbancorp (Bay Stadium) Limited Partnership, whose general partner was Deaja Partner (Stadium) Inc. (wholly owned by Mr. Saskin) and whose sole limited partner was Vestaco Investments (Stadium) Inc. (wholly owned by Mr. Saskin's spouse, Doreen Saskin).

11. Edge and KRI belonged to separate corporate groups. While they did not operate at arm's length given their ultimate common control at the hands of Mr. Saskin (directly or via family members or family trusts), they were distinct legal entities, each having its own creditors.

12. Speedy operates an electrical contracting business, and the Urbancorp group of companies (the “**Urbancorp Group**”) had been one of Speedy’s clients for more than 20 years. The President of Speedy, Albert Passero, has a long-standing relationship with Mr. Saskin.

13. In May 2016, the Urbancorp Group collapsed and the Applicants (a subset of the Urbancorp Group) commenced the present insolvency proceedings under the CCAA. The moving party, KSV, was appointed by the Court to act as Monitor of the Applicants.

(ii) **Debts Owning by Edge to Speedy**

14. On September 23, 2014, Mr. Saskin approached the President of Speedy and obtained a personal loan from Speedy for \$1 million, ostensibly to enable Mr. Saskin to fund some of his building projects. These funds were not paid to or for the benefit of KRI. This loan was evidenced by a one year term promissory note (due September 23, 2015) providing for 12.5% annual interest payable biannually (the “**Note**”).

15. Shortly thereafter, Speedy completed the work on a \$6 million electrical contract for a condominium development owned by Edge. Speedy certified that the last day of supply of service and materials for the project was October 22, 2014, at which time Speedy invoiced Edge for release of a *Construction Lien Act* (“**CLA**”) holdback amount of \$695,408.07.

16. The holdback amount, together with other outstanding amounts owing by Edge to Speedy, totalled \$1,038,911.34.

17. In or around the end of August 2015, Speedy became aware that Edge was having cash flow issues and Speedy began pressing Edge for payment. Mr. Saskin offered to provide Speedy with certain Edge condominium units as payment for the amounts owing by Edge to Speedy. This proposal was not accepted by Speedy as it would be contrary to provisions of the CLA relating to improper preference or priority over other potential trade creditors or lien claimants.

18. On August 31, 2015, Speedy issued a further invoice to Edge for an additional holdback amount of \$7,348.75 in respect of work invoiced on December 19, 2014. This amount forms part of the \$1,038,911.34 claimed by Speedy.

19. On September 23, 2015, Mr. Saskin defaulted on the Note.

20. On September 30, 2015, almost a year after the last day of supply of service and materials for the project and well outside the 45 day time period provided for under s. 31(3) of the CLA, Speedy registered a claim for a construction lien against the Edge project pursuant to the CLA in the sum of \$1,038,911.44 (the "Lien").

21. In the period that followed, Speedy threatened to petition Mr. Saskin into personal bankruptcy in respect of his personal debt and to bring legal proceedings in respect of the Lien.

22. At this time, KRI had no liability for either Mr. Saskin's personal debt, or the Edge debt.

(iii) **The Israeli Bond Issuance and the Secured Guarantee**

23. In the summer and fall of 2015, Mr. Saskin was in the process of raising funds through a bond issuance on the public markets in Israel.

24. The bond issuance required that the Lien on Edge be discharged. Speedy was aware that the presence of its Lien on the Edge development precluded Mr. Saskin from being able to complete the Israeli bond issuance. Mr. Saskin approached Speedy and asked for a discharge of the Lien, as well as an extension of time for payment on the Note, with the promise that the funds raised through the bond issuance would be used to repay Speedy and others who were owed money by Mr. Saskin and the Urbancorp Group.

25. In November 2015, Speedy, Mr. Saskin, Edge, and KRI entered into a debt extension agreement (the "**Debt Extension Agreement**"). Pursuant to the terms of the Debt Extension Agreement: (a) Speedy agreed to discharge the Lien, but maintained the claim for the underlying debt against Edge; (b) the maturity date of the Note for the personal debt owing to Speedy by Mr. Saskin was extended to January 30, 2016; and (c) KRI agreed to provide a limited guarantee to Speedy for Mr. Saskin's and Edge's outstanding obligations to Speedy together with a mortgage on thirteen specific condominiums and thirteen specific parking spots for which KRI was the registered owner (the "**Secured Guarantee**"). KRI received no consideration for guaranteeing and securing debts owed by Mr. Saskin and Edge, other than a nominal \$2. At this time, KRI had its own creditors, which were distinct from those of Mr. Saskin and Edge.

26. One of the effects of KRI's guarantee of the Note was to make an unsecured obligation of Mr. Saskin a secured obligation of KRI.

27. Consistent with the terms of the Debt Extension Agreement, the Lien was discharged and the Secured Guarantee was registered on title on November 16, 2015 (the "**Guarantee Date**").

28. The \$2 paid to KRI was grossly inadequate and entirely disproportionate to the value of the Secured Guarantee, which Speedy now claims is worth over \$2.3 million with costs and interest. Extending the maturity date of the Note did not benefit KRI and served only to benefit Mr. Saskin personally, while the discharge of the Lien (to the extent it was ever valid) by Speedy did not benefit KRI but instead benefited Edge.

29. As required in order to complete the bond issuance, counsel for Urbancorp Inc. provided opinions which disclosed the existence and later removal of the Lien, but intentionally failed to disclose that KRI had provided a guarantee in respect of the liabilities of Mr. Saskin and Edge without receiving any material consideration for having done so.

30. On December 7, 2015, the Tel Aviv Stock Exchange authorized the registration of a prospectus in connection with of the bond issuance. The prospectus does not disclose the existence of the Secured Guarantee.

31. Although Urbancorp Inc. raised approximately \$64 million in the bond issuance, Mr. Saskin did not use any of those funds to repay Speedy.

32. Soon after the bond issuance, the Urbancorp Group collapsed. On May 18, 2016, insolvency proceedings in respect of the Applicants (of which KRI is one) were commenced under the CCAA. Notably, given that the Secured Guarantee was granted by KRI to Speedy on November 16, 2015, the Secured Guarantee was granted within one year of the commencement of the CCAA proceedings.

33. The effect of the Secured Guarantee will be to defeat or hinder recoveries to the creditors of Urbancorp Inc., including the Israeli bondholders. Specifically, the Secured Guarantee will deprive Urbancorp Inc. of approximately \$2.3 million it would have received (and expected to receive pursuant to the bond prospectus) but for the issuance of the Secured Guarantee.

(iv) Speedy's Claim

34. On October 19, 2016, Speedy filed a proof of claim against KRI in the amount of \$2,323,638.54, comprising the \$1 million personal loan made to Mr. Saskin as well as the amounts owing to Speedy in respect of the Edge project (plus interest and costs that continue to accrue).

35. On November 11, 2016, the Monitor disallowed the claim in full on the basis that the granting of the Secured Guarantee was voidable as a transfer at undervalue pursuant to s. 96 of the *Bankruptcy and Insolvency Act* ("BIA") and void as a fraudulent conveyance under the *Fraudulent Conveyances Act* ("FCA"). As noted above, at the time the Secured Guarantee was granted, KRI was not dealing with Speedy at arm's length and was insolvent. Further, KRI received purely token consideration (\$2) in exchange for the Secured Guarantee which was made by KRI with

the intent to defraud, defeat, hinder or delay creditors (including the Israeli bondholders).

36. On November 25, 2016, Speedy filed a Notice of Dispute. Paragraph 36(b) of the Claims Procedure Order provides that in the event that an objection raised in a Notice of Dispute is not settled within a time period or in a manner satisfactory to the Monitor, the Monitor may refer the objection raised to the Court for adjudication.

D. The Motion Below and the Decision

37. By Notice of Motion dated March 7, 2018, the Monitor brought a motion seeking to uphold its disallowance of Speedy's claim in full.

38. Mr. Justice Myers heard the Monitor's motion on May 1, 2018.

39. By way of Endorsement and Order dated May 11, 2018, the Motions Judge dismissed the Monitor's motion seeking to disallow Speedy's claim. He did so "based solely on the arm's length relationship and lack of fraudulent intent", finding that it was therefore unnecessary to deal with "a number of other issues" raised by the parties on the motion.

40. Unlike other types of determinations often made by supervising judges in CCAA proceedings, the Decision did not involve an exercise of discretion by the Motions Judge in the context of managing an ongoing restructuring process. To the contrary, the Decision arose from a straightforward adjudication of Speedy's claim and involved the application of relevant provisions of the CCAA, BIA and the FCA.

41. The Motions Judge ordered the Monitor to pay costs to Speedy in the amount of \$25,000, notwithstanding: (i) his express finding that “[i]t was reasonable and appropriate for the Monitor to bring this matter to the court”; and (ii) paragraph 36(b) of the Claims Procedure Order which expressly directs the Monitor to bring unsettled objections to the Court for adjudication.

D. Leave to Appeal Should be Granted

42. Leave to appeal the Decision should be granted in the present case. There is good reason to doubt the correctness of the Decision, the proposed appeal is *prima facie* meritorious and the proposed appeal involves matters of importance to the Monitor, creditors of the Applicants, creditors of other Urbancorp affiliated entities which are the subject of other, separate insolvency proceedings with similar reviewable transaction issues (which proceedings are listed below), and future parties to insolvency proceedings generally.

43. The Monitor respectfully submits that the Motions Judge made reversible errors in reaching the Decision, such that this Court can and should intervene and set aside the Decision and dismiss Speedy’s claim in full. In particular, the Motions Judge made a number of reversible errors, including:

- (a) erring in law and in principle and committing palpable and overriding errors by concluding that the Secured Guarantee should not be declared void as a transfer at undervalue under s. 96 of the BIA, including;

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- (i) by concluding that Speedy and KRI were dealing with one another at arm's length at the time the Secured Guarantee was given by KRI;
- (ii) by concluding that KRI did not have the intention to defraud, defeat, or delay creditors, including:
 - (A) by treating Edge, KRI and Mr. Saskin as a single consolidated entity for purposes of determining whether there was a transfer at undervalue;
 - (B) by disregarding clear evidence of numerous "badges of fraud", including:
 - (I) the insolvency of KRI at the Guarantee Date;
 - (II) the lack of consideration received by KRI in exchange for the Secured Guarantee;
 - (III) the failure to have protected the distinct creditors of KRI;
 - (IV) the close relationship between Speedy and Mr. Saskin;
 - (V) the transfer being made in the face of threatened legal proceedings; and
 - (VI) the secrecy of the transfer from the main creditor prejudiced by the transfer as evidenced by the fact that Mr. Saskin and his counsel (in the opinions provided in anticipation of the bond issuance)

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disclosed the existence and removal of the Lien, but failed to disclose that KRI had provided the Secured Guarantee in respect of the personal debts of Mr. Saskin and the liabilities of Edge;

- (C) by placing undue weight on the fact that Speedy registered its mortgages over the KRI condominium units on title as evidencing no secrecy in the transfer;
 - (iii) by disregarding and/or misinterpreting clear evidence that KRI was insolvent on a cash flow basis at the time it granted the Secured Guarantee; and
 - (iv) by misapplying the ruling in *Browne v. Dunn* (1893), 6 R. 67 (H.L.), and in doing so failing to conclude that the Lien was invalid under s. 31 of the CLA in face of clear evidence of its invalidity and, in particular, Speedy's sworn Statement of Last Supply under the CLA;
- (b) erring in law and in principle by concluding that the Secured Guarantee is not void as a fraudulent conveyance under the FCA for the same reasons set out immediately above; and
 - (c) erring in law and in principle by ordering the Monitor to pay costs to Speedy in the amount of \$25,000 in the context of a court ordered claims process, in circumstances where the Motions Judge expressly found that it was both "reasonable and appropriate" for the Monitor to bring the dispute before the Court.

44. The proposed appeal will not unduly hinder the progress of the underlying “liquidating CCAA” proceedings. There is no ongoing operating business. The proceedings involve only the orderly disposition of various real estate assets, much of which has been completed to date. Accordingly, these proceedings primarily involve resolving a handful of disputed claims (of which Speedy is one) so as to be able to distribute the remaining money in the estate to its proven creditors.

45. Moreover, there are 14 other similar proceedings in the related Urbancorp Cumberland 2LP CCAA proceedings which will be affected by the determination herein, namely:

- (a) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. FirstService Residential Property Services Ontario Ltd.* (Court File No. CV-18-596827-00CL);
- (b) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. Barry Kerbel* (Court File No. CV-18-596828-00CL);
- (c) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al. v. MF Mechanical Ltd. et al.* (Court File No. CV-18-596830-00CL);
- (d) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. Elite Stone Design Corp. et al.* (Court File No. CV-18-596832-00CL);

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- (e) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. Lido Construction Inc. et al. (Court File No. CV-18-596834-00CL);*
- (f) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. Triumph Roofing and Sheet Metal Inc. et al. (Court File No. CV-18-596936-00CL);*
- (g) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. Pacific Hardwood Limited (Court File No. CV-18-596837-00CL);*
- (h) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. CLM General Enterprise Ltd. et al. (court File No. CV-18-596838-00CL);*
- (i) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. Furkin Construction Inc. (Court File No. CV-18-596840-00CL);*
- (j) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. M5V Realty Inc. et al. (Court File No. CV-18-596842-00CL);*
- (k) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. Olena Shcherbakova (Court File No. CV-18-596844-00CL);*

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- (l) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. Trang Tan* (Court File No. CV-18-596845-00CL);
- (m) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al .v. Wayne Cameron Murdock* (Court File No. CV-18-596846-00CL); and
- (n) *The Fuller Landau Group Inc. in its capacity as Court-Appointed Monitor of Urbancorp Cumberland 2 GP Inc. et al v. 994697 Ontario Inc. et al.* (Court File No. CV-18-596847-00CL).

46. Rules 37, 61.03.1 and 61.16 of the *Rules of Civil Procedure*.

47. Sections 11, 13 and 14 of the CCAA.

48. Such further and other grounds as the lawyers may advise.

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

1. The materials that were before Mr. Justice Myers on the Motion below;
2. The Endorsement and Order of Mr. Justice Myers dated May 11, 2018;
and
3. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

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June 1, 2018

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**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.**

Court of Appeal File No. **M49270**
Court File No. CV-16-11389-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION FOR LEAVE TO APPEAL

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Court of Appeal File No. M49270
Court File No. CV-16-11389-00CL

Court of Appeal for

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

**MOTION RECORD OF KSV KOFMAN INC., IN ITS
CAPACITY AS COURT-APPOINTED MONITOR**
(MOTION FOR LEAVE TO APPEAL)

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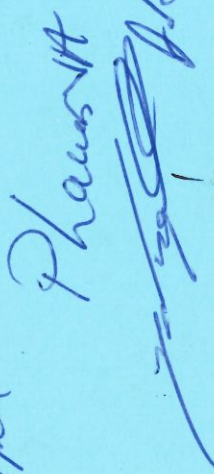
LAUWERS J.A. **MILLER J.A.**
NORDHEIMER J.A.

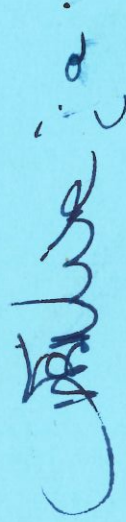
COURT OF APPEAL FOR ONTARIO
BEFORE

DATE ~~Aug 31 2018~~ *September 10, 2018*

DISPOSITION OF MOTION

Leave is granted. Costs reserved to be heard at the appeal.

Pharos


Laure J.A.




**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE MYRES

) *FRIDAY* THE *11TH* DAY OF MAY, 2018
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)

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

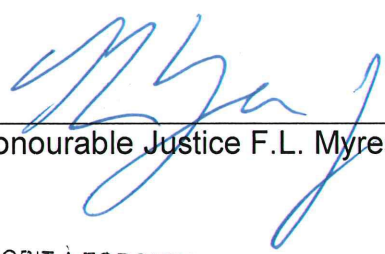
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF URBANCORP TORONTO
MANAGEMENT INC., URBANCORP (ST. CLAIR VILLAGE)
INC., URBANCORP (PATRICIA) INC., URBANCORP
(MALLOW) INC., URBANCORP (LAWRENCE) INC.,
URBANCORP DOWNSVIEW PARK DEVELOPMENT INC.,
URBANCORP (952 QUEEN WEST) INC., KING
RESIDENTIAL 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

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 disallowing the claim filed by Speedy Electrical Contractors Ltd. ("**Speedy**"), was heard on May 1, 2018 at 330 University Avenue, Toronto, Ontario.

ON READING the materials filed by the parties, and on hearing the submissions of counsel for the Monitor, counsel for Guy Gissin (the Israeli court-appointed Functionary and Foreign Representative of Urbancorp Inc.) and counsel for Speedy;

- 1. **THIS COURT ORDERS** that the Monitor's motion is dismissed.
- 2. **THIS COURT ORDERS** that the Monitor, on behalf of the debtor and not in its personal capacity, shall pay costs in the amount of \$25,000 to Speedy within 30 days.



The Honourable Justice F.L. Myres

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

MAY 30 2018

PER / PAR:



SCHEDULE "A"
LIST OF NON APPLICANT AFFILIATES

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Vestaco Investments Inc.

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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

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

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

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COURT FILE NO.: CV-16-11389-00CL
DATE: 20180511

**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
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SCHEDULE "A" HERETO**

BEFORE: F.L. Myers J.

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Kevin Sherkin and Jeremy Sacks, lawyers for Speedy Electrical Contractors Ltd.

HEARD: May 1, 2018

ENDORSEMENT

The Motion

[1] This motion involves a claim against the debtor King Residential Inc. ("KRI").

[2] KSV Kofman Inc., in its capacity as monitor moves for an order disallowing the claim filed by Speedy Electrical Contractors Ltd.

[3] Speedy claims \$2,323,638.54 against KRI pursuant to a secured guarantee given by KRI to Speedy. In support of its obligations under the guarantee, KRI granted mortgages in favour of Speedy over 13 condominium units and 13 parking spaces.

[4] The Monitor says that when KRI gave Speedy its guarantee and supporting mortgages it was insolvent. As such, the transaction is reviewable under s. 96 of the *Bankruptcy and*

Insolvency Act, RSC 1985, c. B-3 as incorporated into s. 36.1 of the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36. The Monitor asserts that the guarantee is a transaction at undervalue under s. 96 of the *BIA*, or a fraudulent conveyance under the *Fraudulent Conveyances Act*, RSO 1990, c. F.29, or that it was oppressive under the *Business Corporations Act*, RSO 1990, c. B.16.

[5] For the reason that follow, I dismiss the Monitor's motion and uphold the validity of Speedy's secured claim.

The Facts

[6] KRI is a nominee holding title to a condominium being developed by the Urbancorp group of companies. Urbancorp is a complex web of companies and business entities all ultimately owned by Alan Saskin. Mr. Saskin's spouse holds some interests in the corporate structure that do not factor into this motion. KRI was one of many single purpose nominees that held title to a single building that was initially owned through or under TCC/Urbancorp (Bay) LP.

[7] In late 2015, Mr. Saskin reorganized much of the Urbancorp empire for the purpose of raising funds through a bond issuance on public markets in Israel.

[8] Prior to the reorganization, Speedy had loaned \$1 million to Mr. Saskin personally. In addition, another Urbancorp entity, that has no relationship to the business of KRI, owed Speedy \$1,038,911.44 for electrical services performed by Speedy on a building on Lisgar St. in Toronto. Speedy registered a claim for lien against the Lisgar St. property.

[9] Mr. Saskin wanted to clean up title to the Lisgar St. property so as to be able to offer the unencumbered value of that property to support the Israeli underwriting. Speedy, through its counsel, was pressing Mr. Saskin on his personal debt as well as the liened debt. Speedy was threatening to bring proceedings against Mr. Saskin personally and pressing forward with its lien. Mr. Saskin wanted Speedy to give him time so he could raise funds in Israel to pay Speedy and others.

[10] On November 14, 2016, Speedy and Urbancorp entities entered into a debt extension agreement under which Speedy agreed to extend the due date of Mr. Saskin's personal loan to January 30, 2016; Speedy discharged its claims for lien on Lisgar St.; and KRI provided its secured guarantee for these two outstanding debts plus \$5,000 for costs.

[11] Several weeks after Speedy discharged its liens and took the KRI mortgages instead, the financing went ahead in Israel. Urbancorp Inc. raised over \$65 million from Israeli bondholders. However, Mr. Saskin did not use the funds to repay Speedy. Moreover, the Urbancorp enterprise collapsed and commenced insolvency proceedings within several months of the Israeli underwriting.

[12] The UCI bondholders, represented by Mr. Gissin, the Israeli court-appointed Functionary and Foreign Representative, are suing Mr. Saskin and others in Israel for a host of causes of action including alleged fraud and securities law violations in connection with that bond underwriting.

The Monitor's Position

[13] The Monitor argues that KRI received nothing of value in return for its guarantee and, as such, the guarantee and its supporting security should be declared void as a transfer at undervalue under s. 96 of the *BIA*. Even though KRI's guarantee may have been supported by consideration that would make it valid and binding against a solvent entity, where a guarantee is given by an insolvent company, the court needs to look at whether value has actually been "received by the debtor" commensurate with the obligation undertaken. This requirement is set out in the definition of "transfer at undervalue" in s. 2 of the *BIA*. If there was no value received or if conspicuously less quantifiable value was received than guaranteed, then the transaction diminishes the insolvent company's assets to the prejudice of its existing creditors and may be void under the statutory provisions on which the Monitor relies.

[14] The Monitor argues that Speedy and KRI were not at arm's length so that proof of KRI's insolvency is a sufficient basis to set aside the transaction under s. 96 (1)(b)(ii)(A) of the *BIA*. Alternatively, if the parties were operating at arm's length, the Monitor argues that in addition to proof of insolvency, it has established that KRI gave the guarantee with the intention to defraud, defeat, or delay creditors and therefore it violated s. 96 (1)(a) of the *BIA*.

Analysis

[15] The motion resolves to two findings. First, Speedy and KRI were operating at arm's length. As a result of this holding, s. 96 (1)(a)(iii) of the *BIA* requires that to succeed, the Monitor must establish that in granting the guarantee, KRI intended to defraud, defeat, or delay creditors. In my view, the Monitor has failed to prove that KRI held a fraudulent intention at the relevant time. As such, the claim does not meet the requirements for relief under s. 96 of the *BIA*.

Arm's Length

[16] In *Montor Business Corporation v. Goldfinger*, 2016 ONCA 406 (CanLII), the Court of Appeal discussed the inquiry into whether there is an arm's length relationship between a debtor and its creditor as follows:

[66] Section 4(4) of the *BIA* states: "It is a question of fact whether persons not related to one another were at a particular time dealing with each other at arm's length." As a result, absent a palpable and overriding error, the trial judge's finding on this issue is entitled to deference.

- 4 -

[67] The trial judge considered the *dicta* in *Abou-Rached (Re)*, 2002 BCSC 1022 (CanLII), 35 C.B.R. (4th) 165, at para. 46:

[A] transaction at arm's length could be considered to be a transaction between persons between whom there are no bonds of dependence, control or influence, in the sense that neither of the two co-contracting parties has available any moral or psychological leverage sufficient to diminish or possibly influence the free decision-making of the other. Inversely, the transaction is not at arm's length where one of the co-contracting parties is in a situation where he may exercise a control, influence or moral pressure on the free will of the other. Where one of the co-contracting parties is, by reasons of his influence or superiority, in a position to pervert the ordinary rule of supply and demand and force the other to transact for a consideration which is substantially different than adequate, normal or fair market value, the transaction in question is not at arm's length.

[68] He also considered *Piikani Energy Corporation (Trustee of) v. 607385 Alberta Ltd.*, 2013 ABCA 293 (CanLII), 556 A.R. 200, which identified factors that provide guidance on non-arm's length analysis in the context of *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) jurisprudence. These factors, enumerated at para. 29 of *Piikani*, are: was there a common mind which directed the bargaining for both parties to a transaction; were the parties to the transaction acting in concert without separate interests; and was there *de facto* control?

[69] There was no common mind directing Goldfinger and Annopol or indeed, Kimel. They were adverse in interest and on the verge of litigation. The evidence also fails to suggest that they were acting in concert. As discussed, the trial judge did not fail to consider the parties' relationship at the time of the Payments. Nor did Goldfinger or Annopol exercise *de facto* control over the other.

[17] In *Juhasz Estate v Cordeiro*, 2015 ONSC 1781 (CanLII), Wilton-Siegel J. looked at the economics at play and found that a relationship was not arm's length where in the negotiations between the parties there was a lack of incentive for the transferor to maximize the consideration for the property being transferred.

[18] In this case, the Monitor argued that the long term relationship between Mr. Saskin and Speedy and the fact that Speedy had loaned money to Mr. Saskin personally, gave Speedy leverage to subvert normal economic incentives so as to render the relationship non-arm's length.

[19] The Monitor also tried to support its argument by pointing to a document that appears to suggest that the lien filed by Speedy may have been untimely. It questioned Mr. Saskin's *bona fides* in offering up a secured guarantee to remove an invalid lien. But Speedy's witness testified that the lien was timely. He was not confronted on cross-examination with the

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document relied upon by the Monitor to enable him to explain any apparent inconsistency. Absent compliance with the rule in *Browne v Dunn* (1893), 6 R. 67 (H.L.), I am not prepared to make a credibility finding against Speedy.

[20] The contemporaneous written communication between counsel for Speedy and Mr. Saskin shows plainly that they were adverse in interest and were operating under normal economic incentives. There is no evidence suggesting that Speedy and KRI were under common control or acting in concert. The Monitor's counsel agreed that with the upcoming refinancing and faced with a late breaking registration against title to a property whose value was being relied upon in the proposed transaction, Mr. Saskin realistically had to respond regardless of the merits of the lien as claimed. Moreover, granting loans to longstanding business associates is perhaps an indication of a degree of trust and a statement of trustworthiness of the borrower's covenant and financial wherewithal. But that is no different than a multitude of relationships between business owners and lenders. Banks have lost on unsecured loans to longstanding personal clients who owned much bigger businesses than Urbancorp. A personal loan to a business owner with whom one has had lengthy business dealings, on its own, is not an indication of a non-arm's length relationship. In my view, there is no evidence to establish that the relationship between Speedy and KRI was anything other than an arm's length, businesslike one.

Fraudulent Intent

[21] To become entitled to relief for arm's length transactions that otherwise fall within s. 96 of the *BIA*, the trustee (or the monitor under the *CCAA*) must prove that the transferor (i.e. the bankrupt or the *CCAA* debtor) held the intent to defraud, defeat, or delay its creditors. The intention of the transferee/recipient is not part of the test to challenge a transaction at undervalue under s. 96 of the *BIA*.

[22] It is very difficult for an applicant to prove a debtor's subjective intention to defeat creditors. Therefore, the law provides that the court can infer the existence of a transferor's intention to defeat or delay creditors where there are recognized "badges of fraud" associated with a transaction. If the court draws the inference of fraudulent intent due to the existence of badges of fraud, then an evidentiary burden will fall to the respondent to explain its conduct to try to rebut the inference of fraudulent intent. The ultimate persuasive burden remains on the applicant throughout. *Indcondo v. Sloan*, 2014 ONSC 4018 (CanLII) at para. 53, aff'd 2015 ONCA 752 (CanLII).

[23] In *Indcondo*, Penny J. set out the badges of fraud as follows:

[52] The badges of fraud derive from *Twyne's Case* (1601) 76 E.R. 809. As interpreted by modern courts, the badges of fraud include:

(d)[sic] the donor continued in possession and continued to use the property as his own;

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- (e) the transaction was secret;
- (f) the transfer was made in the face of threatened legal proceedings;
- (g) the transfer documents contained false statements as to consideration;
- (h) the consideration is grossly inadequate;
- (i) there is unusual haste in making the transfer;
- (j) some benefit is retained under the settlement by the settlor;
- (k) embarking on a hazardous venture; and
- (l) a close relationship exists between parties to the conveyance.

[24] On the facts of this case, the adequacy of consideration is disputed. The only apparent badge of fraud is that the transaction was made in face of threatened legal proceedings. On its own however, as in *Montor* above, that badge is barely impactful as it is consistent with a *bona fide* transaction in circumstances such as those before the court. Of greater impact, in my view, is the fact that Speedy registered its mortgages on title. It gave notice to the world as one would expect any *bona fide* commercial creditor to do. There is nothing about the facts of this transaction that leads me to infer that it was made with a fraudulent intent rather than to obtain Speedy's cooperation to allow Urbancorp to refinance as intended at the time.¹

[25] In *XDG Ltd. v. 1099606 Ontario Ltd.*, 2002 CanLII 22043 (ON SC), on similar facts, (a guarantee by an insolvent affiliate for debts that did not relate to the specific business of the guarantor) D.J. Gordon J. found that there were badges of fraud that were sufficient to make the circumstances strongly suspicious. In that case, Gordon J. held that the lender knew or ought to have known that the debtor was insolvent. There was great haste. Gordon J. found that there was no consideration received by the debtor. Here, the solvency of the debtor depends upon whether one looks at the debtor on its own behalf (as Speedy submits) or considers the position of the beneficial owner TCC/Urbancorp (Bay) LP as a whole (as the Monitor submits). Even if one looks at the financial position of the broader business of TCC/Urbancorp (Bay) LP, with all of its various nominees and buildings, the Monitor accepts that the business was solvent on a balance sheet basis at the relevant time. The liquidity-based insolvency found by the Monitor required much *post facto* adjustment to financial statements. That is not to criticize the Monitor's finding. Rather, I am simply pointing out that the situation in *XDG* was quite different from this case in which the debtor was undertaking obligations to support the refinancing of the overall business within a few weeks' time and the refinancing occurred.

[26] I am therefore unable to infer that the KRI gave its secured guarantee with the intent to defraud, defeat, or delay a creditor.

¹ To the extent that the Functionary argues that the secured guarantees at KRI were also relevant in the Israeli underwriting and were not properly disclosed to bondholders, he has his own remedies.

Outcome

[27] Having found that the necessary intention was not proved, the remedies under s. 96 of the *BIA* and the *Fraudulent Conveyances Act* cannot apply. The Monitor conceded that the *CCAA* proceeding was brought too late for the presumption of intent in the unjust preference remedy in s. 95 of the *BIA* to apply.

[28] The Monitor has also raised the oppression remedy. Assuming that oppression can be raised in response to a debt in a *CCAA* claim process without an oppression claim being separately heard and an appropriate remedy granted, there is no basis on the evidence for an oppression remedy to lie. There is no evidence that any creditor of the debtor held a reasonable expectation that the debtor would not participate in, or grant security as part of group financing efforts. The entire group was owned by Mr. Saskin. As best as I can tell from these proceedings, businesses that dealt with Mr. Saskin in the ordinary course knew that he owned the entire enterprise and dealt with him accordingly i.e. indifferent as to the technicalities of legal title when the ultimate beneficial ownership all lay in the same hands.

[29] The Israeli bondholders may be an exception to this generality as they did not deal with Mr. Saskin day-to-day like the bulk of the trade creditors. As the granting of the guarantee by KRI pre-dates the bondholders' involvement, it is not clear if they could be entitled to relief for oppression. In responding to a claim in the claims process, I do not understand the Monitor to be purporting to bring an oppression proceeding on behalf of the bondholders or UCI *per se*. But nothing precludes the bondholders, UCI, or their representative from seeking leave to bring proceedings that they may believe appropriate. They have done so already in Mr. Saskin's bankruptcy proposal proceeding.

[30] I note that I have decided this motion based solely on the arm's length relationship and lack of fraudulent intent. It has not been necessary therefore for me to deal with a number of other issues raised by the parties orally and in their factums.

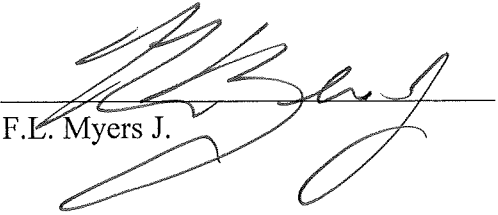
[31] The motion is dismissed.

Costs

[32] It was reasonable and appropriate for the Monitor to bring this matter to the court. While in some ways the facts of this case resembled those in the *XDG* case, there are important differences as noted above. Each case is determined on its own facts.

[33] The Monitor argues that there should be no costs unless it was found to have been unreasonable. In my view, the normative approach that costs follow the event should apply in this matter. The issue was one of money as between the other creditors of the debtor and Speedy. It is appropriate that those who would benefit from the proceeding bear their fair share of the costs in the ordinary course by a diminution of the assets of the debtor. The Monitor and Speedy agreed that costs, if appropriate, should be fixed at \$25,000 all-

inclusive. Therefore the Monitor, on behalf of the debtor and not in its personal capacity, shall pay costs in the amount of \$25,000 to Speedy within 30 days.


F.L. Myers J.

Date: May 11, 2018

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SCHEDULE "A"

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 Partners (King South) Inc.
Urbancorp (North Side) Inc.
Urbancorp Residential Inc.
Urbancorp Realtyco Inc.

**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**

NOTICE OF MOTION

(Returnable May 1, 2018 – Speedy Electrical Contractors Ltd. Claim)

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, on May 1, 2018 at 10:00 a.m., or as soon thereafter as the motion can be heard, at the Courthouse located at 330 University Avenue, 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. declaring that the claim filed by Speedy Electrical Contractors Ltd. ("**Speedy**") pursuant to the Claims Procedure Order made in these proceedings on September 15, 2016 (the "**Claims Procedure Order**") be disallowed in full; and
3. such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. On October 19, 2016, Speedy filed a proof of claim (the "**Proof of Claim**") against King Residential Inc. ("**KRI**") in the amount of \$2,323,638.54 (the "**Claim**") in respect of a limited guarantee provided by KRI on November 15, 2015 to Speedy for debts owing by Alan Saskin ("**Saskin**") and by Edge on Triangle Park Inc. ("**Edge**") (the "**Guarantee**");
2. KRI is a CCAA Entity and Edge is not;
3. As security for the Guarantee, KRI provided a collateral mortgage (the "**Mortgage**") to Speedy on thirteen specific condominiums and thirteen specific parking spots;
4. The Monitor was (and remains) unable to determine that anything more than nominal consideration was received by KRI for the Guarantee and/or Mortgage (the "**Secured Guarantee**"). Accordingly, on November 11, 2016, the Monitor issued a Notice of Revision or Disallowance to Speedy disallowing its Claim in full (the "**Disallowance**") on the basis that the granting of the Secured Guarantee could be voidable as a transfer at undervalue and as a fraudulent conveyance or preference;

5. The granting of the Secured Guarantee could also be considered to have been oppressive or unfairly prejudicial to or to have unfairly disregarded the interest of KRI's other creditors at the time it was granted;
6. On November 25, 2016, Speedy filed a Notice of Dispute of Revision or Disallowance with the Monitor (the "**Notice of Dispute**");
7. Paragraph 36(b) of the Claims Procedure Order provides that in the event that an objection raised in a Notice of Dispute is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the CCAA Entities, the Monitor may refer the objection raised in the Notice of Dispute to the Court for adjudication;
8. The relevant corporate entity was insolvent at the time the Secured Guarantee was granted;
9. KRI received conspicuously less than fair market value consideration for the granting of the Secured Guarantee;
10. The effect of the Secured Guarantee will defeat or hinder recoveries to the creditors of the CCAA Entities;
11. KRI intended to defeat, hinder or delay the creditors of the CCAA Entities by granting the Secured Guarantee;
12. Sections 9-11 of the CCAA and this Court's equitable and statutory jurisdiction thereunder;
13. 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
14. 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-Second Report of the Monitor date February 2, 2018; and
2. such further material as counsel may advise and this Court may permit.

March 7, 2018

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7

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Tel: 416.863.5502
Fax: 416.863.0871

Lawyers for the Monitor

TO: The E-Service List found at:
<http://ksvadvisory.com/assets/Uploads/insolvency-case-documents/Urbancorp%20Group/CCAA%20Proceedings/Service%20List/Urbancorp%20CCAA%20Service%20List%20as%20at%20September%2013%2C%202016.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 May 1, 2018— Speedy Electrical Claim)

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Facsimile: 416.863.0871

Lawyers for the Monitor

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

<p>THE HONOURABLE</p> <p>JUSTICE NEWBOULD</p>	<p>)</p> <p>)</p> <p>)</p>	<p>WEDNESDAY, THE 18TH</p> <p>DAY OF MAY, 2016</p>
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**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

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.

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.

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

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

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

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

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

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

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.

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

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

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

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

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

- (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

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").

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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 attachment 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****

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

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

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

INITIAL ORDER
(May 18, 2016)

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Lawyers for the Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	THURSDAY, THE 15 TH
)	
JUSTICE NEWBOULD)	DAY OF SEPTEMBER, 2016
)	



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

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

CLAIMS PROCEDURE ORDER

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 establishing a claims procedure for the identification and quantification of certain claims against (i) the CCAA Entities and (ii) the current and former directors and officers of the CCAA Entities, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Monitor and the Fifth Report of the Monitor dated September 8, 2016 (the "**Fifth 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.

DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Initial Order in these proceedings dated May 18, 2016, as amended, restated, supplemented and/or modified from time to time (the "**Initial Order**").

3. For the purposes of this Order the following terms shall have the following meanings:

- (a) "**Assessments**" means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority;

- (b) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) "**CCAA Proceedings**" means the CCAA proceedings commenced by the CCAA Entities in the Court under Court File No. CV-16-11389-00CL;
- (d) "**Claim**" means:
- (i) any right or claim of any Person against any of the CCAA Entities, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such CCAA Entities in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the CCAA Entities with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any claim against any of the CCAA Entities for

indemnification by any Director or Officer in respect of a D&O Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge (as defined in the Initial Order)) (each, a "**Pre-Filing Claim**", and collectively, the "**Pre-Filing Claims**");

- (ii) any right or claim of any Person against any of the CCAA Entities in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such CCAA Entity to such Person arising out of the restructuring, disclaimer, resiliation, repudiation, rescinding, termination or breach by such CCAA Entity on or after the Filing Date of any contract, lease or other agreement whether written or oral (each, a "**Restructuring Period Claim**", and collectively, the "**Restructuring Period Claims**"); and
- (iii) any right or claim of any Person against one or more of the Directors and/or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present arising

or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer (each a "**D&O Claim**", and collectively, the "**D&O Claims**"),

provided however that in any case "**Claim**" shall not include an Excluded Claim, but for greater certainty, shall include any Claim arising through subrogation against any CCAA Entity or Director or Officer;

- (e) "**Claimant**" means a Person asserting a Pre-Filing Claim or a Restructuring Period Claim (including in each case, for greater certainty, an Inter-CCAA Entity Claim) against the CCAA Entities, or any of them, and a Person asserting a D&O Claim against any of the Directors or Officers of any of the CCAA Entities;
- (f) "**Claims Bar Date**" means 5:00 p.m. on October 21, 2016;
- (g) "**Claims Officer**" means the individuals designated by the Court pursuant to paragraph 42 of this Order;
- (h) "**Claims Package**" means the document package which shall be disseminated by the Monitor to any potential Claimant in accordance with the terms of this Order and shall consist of a copy of this Order (without schedules) and such other materials as the Monitor, in consultation with the CCAA Entities, may consider appropriate;

- (i) "**Claims Process**" means the procedures outlined in this Order in connection with the assertion of Claims against the CCAA Entities and/or the Directors and Officers;
- (j) "**Court**" means the Ontario Superior Court of Justice (Commercial List);
- (k) "**Cumberland Entities**" means all of the CCAA Entities excluding the Non-Cumberland Entities;
- (l) "**D&O Claim Instruction Letter**" means the letter containing instructions for completing the D&O Proof of Claim form, substantially in the form attached as Schedule "B" hereto;
- (m) "**D&O Proof of Claim**" means the proof of claim referred to herein to be filed by Claimants in connection with any D&O Claim, substantially in the form attached hereto as Schedule "C" hereto, which shall include all supporting documentation in respect of such D&O Claim;
- (n) "**Director**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the CCAA Entities, in such capacity;
- (o) "**Excluded Claim**" means any:
 - (i) Claim secured by the Administration Charge, the Interim Lender's Charge, the Intercompany Lender's Charge, the Directors' Charge, the UDDI Administration Charge and DHI Facility Charge (as

defined in the order of this Court in these CCAA Proceedings dated June 15, 2016), and the DIP Lender's Charge (as defined in the order of this Court in these CCAA Proceedings dated June 30, 2016);

- (ii) Claim enumerated in sections 5.1(2) and 19(2) of the CCAA;
- (p) "**Filing Date**" means May 18, 2016;
- (q) "**Home Buyer**" means any Person who is a party to a Home Buyer Agreement which has been terminated, disclaimed, resiliated, repudiated, rescinded or fundamentally breached in the context of these CCAA Proceedings;
- (r) "**Home Buyer Agreement**" means any agreement of purchase and sale with a CCAA Entity for a portion of the lands owned by the relevant CCAA Entity on which was to be constructed a dwelling unit (such as a free-hold town home) as described and provided for in such agreement;
- (s) "**Home Buyer Claim Notice**" means the notice provided by the Monitor to Home Buyers setting out the Monitor's determination of the Home Buyer's Restructuring Period Claim arising as a result of the termination, disclaimer, resiliation, repudiation, rescinding or fundamental breach of the corresponding Home Buyer Agreement, which notice shall be substantially in the form attached as Schedule "D" hereto;

- (t) **"Home Buyer Objection Notice"** means the form substantially in the form attached as Schedule "E" hereto;
- (u) **"Inter-CCAA Entity Claim"** means any Claim of any CCAA Entity against any other CCAA Entity, but excluding any Claim pertaining to the Interim Lender's Charge or the Intercompany Lender's Charge;
- (v) **"Meetings"** and each a **"Meeting"** means a meeting of the creditors of the CCAA Entities called for the purpose of considering and voting in respect of a Plan;
- (w) **"Monitor's Website"** means <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>;
- (x) **"Monitor's Inter-CCAA Entity Claims Report"** shall have the meaning set out in paragraph 39 herein;
- (y) **"Non-Cumberland Entities"** means Urbancorp Toronto Management Inc., Urbancorp Downsview Park Development Inc., Urbancorp Power Holdings Inc., Vestaco Holdings Inc., Vestaco Investments Inc., 228 Queens Quay Inc., Urbancorp Residential Inc., Urbancorp Realtyco Inc., and Urbancorp Cumberland 1 GP Inc.
- (z) **"Notice to Claimants"** means the notice for publication by the Monitor as described in paragraph 15 herein, substantially in the form attached as Schedule "F" hereto;

- (aa) "**Notice of Dispute of Revision or Disallowance**" means the form substantially in the form attached as Schedule "G" hereto;
- (bb) "**Notice of Revision or Disallowance**" means the form substantially in the form attached as Schedule "H" hereto;
- (cc) "**Officer**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the CCAA Entities, in such capacity;
- (dd) "**Order**" means this Claims Procedure Order;
- (ee) "**Person**" means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;
- (ff) "**Plan**" means any proposed plan of compromise or arrangement that may be filed in respect of any or all of the CCAA Entities pursuant to the CCAA as the same may be amended, supplemented or restated from time to time in accordance the terms thereof;
- (gg) "**Proof of Claim**" means the proof of claim referred to herein to be filed by Claimants in respect of Pre-Filing Claims and Restructuring Period Claims (excluding, in each case, an Inter-CCAA Entity Claim), substantially in the

form attached hereto as Schedule "I" hereto, which shall include all supporting documentation in respect of such Claim;

(hh) "**Proof of Claim Instruction Letter**" means the letter containing instructions for completing the Proof of Claim form, substantially in the form attached as Schedule "J" hereto; and

(ii) "**Restructuring Period Claims Bar Date**" means, in respect of a Restructuring Period Claim, the later of (i) thirty (30) days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim or, where applicable, a Home Buyer Claim Notice and (ii) the Claims Bar Date.

4. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein, and any reference to an event occurring on a day that is not a Business Day shall mean the next following day that is a Business Day.

5. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation", all references to the singular herein include the plural, the plural include the singular, and any gender includes all genders.

GENERAL PROVISIONS

6. THIS COURT ORDERS that any Claim denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect at the Filing Date.

7. **THIS COURT ORDERS** that notwithstanding any other provisions of this Order, the solicitation by the Monitor or the CCAA Entities of Proofs of Claim and D&O Proofs of Claim, the delivery to any Home Buyer of a Home Buyer Claim Notice, and the filing by any Claimant of any Proof of Claim or D&O Proof of Claim shall not, for that reason only, grant any person any standing in the CCAA Proceedings or rights under any Plan.

8. **THIS COURT ORDERS** that the Monitor is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms delivered hereunder are completed and executed and the time in which they are submitted, and may, where the Monitor is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order, including in respect of the completion, execution and time of delivery of such forms.

9. **THIS COURT ORDERS** that amounts claimed in Assessments issued after the Filing Date shall be subject to this Order and there shall be no presumption of validity or deeming of the amount due in respect of the Claim set out in any Assessment where such Assessment was issued after the Filing Date.

MONITOR'S ROLE

10. **THIS COURT ORDERS** that, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and any other orders of the Court in the CCAA Proceedings, the Monitor is hereby directed and empowered to implement the Claims Process set out herein, including completing and delivering Home Buyer Claim Notices and preparing the Monitor's Inter-CCAA Entity Claims Report, and to take such other actions and fulfill such other roles as are authorized by this Order or incidental thereto.

11. **THIS COURT ORDERS** that the Monitor (i) shall have all of the protections given to it by the CCAA, the Initial Order, any other orders of the Court in the CCAA Proceedings, and this Order, or as an officer of the Court, including the stay of proceedings in its favour; (ii) shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, other than in respect of its gross negligence or wilful misconduct; (iii) shall be entitled to rely on the books and records of the CCAA Entities and any information provided by the CCAA Entities, all without independent investigation, provided that any Inter-CCAA Entity Claim is subject to independent investigation by the Monitor as provided in paragraph 39 herein; (iv) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information, including in respect of the preparation and delivery of Home Buyer Claim Notices and the Inter-CCAA Entity Claims Report; and (v) may seek such assistance as may be reasonably required to carry out its duties and obligations pursuant to this Order.

12. **THIS COURT ORDERS** that the CCAA Entities and their current and former shareholders, Officers, Directors, employees, agents and representatives shall fully cooperate with the Monitor in the exercise of its powers and discharge of its duties and obligations under this Order.

NOTICE TO CLAIMANTS

13. **THIS COURT ORDERS** that as soon as practicable, but no later than 5:00 p.m. on September 22, 2016, the Monitor shall cause a Claims Package to be sent to:

- (a) Each party that appears on the Service List or has requested a Claims Package; and
- (b) All known Claimants (other than the CCAA Entities), as evidenced by the books and records of the CCAA Entities at their respective last known addressees as recorded in the CCAA Entities' books and records.

14. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Claimants to be published for at least two (2) Business Days in The Globe and Mail (National Edition), by no later than 5:00 p.m. on September 22, 2016.

15. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Claimants and the Claims Package to be posted to the Monitor's Website by no later than 5:00 p.m. on September 19, 2016.

16. **THIS COURT ORDERS** that to the extent any Claimant requests documents or information relating to the Claims Process prior to the Claims Bar Date or if the CCAA Entities or the Monitor become aware of any further Claims, the Monitor

shall forthwith send such Claimant a Claims Package, direct such Claimant to the documents posted on the Monitor's Website or otherwise respond to the request for documents or information as the Monitor may consider appropriate in the circumstances.

17. **THIS COURT ORDERS** that the Claims Process and the forms of Notice to Claimants, Home Buyer Claim Notice, Home Buyer Objection Notice, Proof of Claim Instruction Letter, D&O Claim Instruction Letter, Proof of Claim, D&O Proof of Claim, Notice of Revision or Disallowance and Notice of Dispute of Revision or Disallowance are hereby approved. Notwithstanding the foregoing, the Monitor may, from time to time, make minor non-substantive changes to the forms as the Monitor, in its sole discretion, may consider necessary or desirable.

18. **THIS COURT ORDERS** that the sending of the Claims Package to the Claimants and the publication of the Notice to Claimants, in accordance with this Order, and the completion of the other requirements of this Order, shall constitute good and sufficient service and delivery of notice of this Order, the Claims Bar Date and the Restructuring Period Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert a Claim, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Order.

HOME BUYER CLAIMS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, Home Buyers are not required to file a Proof of Claim for any Restructuring Period

Claim that they may have as a result of the termination, disclaimer, resiliation, repudiation, rescinding or fundamental breach of their Home Buyer Agreement in the context of these CCAA Proceedings. Any such claim shall be determined by the Monitor and set out in a Home Buyer Claim Notice which the Monitor shall send to the relevant Home Buyer.

20. **THIS COURT ORDERS** that a Home Buyer Claim Notice together with the form of Home Buyer Objection Notice shall be included in any Claims Package sent to a Home Buyer.

21. **THIS COURT ORDERS** that if a Home Buyer intends to object to his or her Restructuring Period Claim as determined by the Monitor and set out in the Home Buyer Claim Notice, then the Home Buyer must deliver a completed Home Buyer Objection Notice, together with the reasons for such objection, to the Monitor on or before the Restructuring Period Claims Bar Date, unless otherwise ordered by this Court.

22. **THIS COURT ORDERS** that if the Monitor does not receive a Home Buyer Objection Notice by the date required in paragraph 21 herein, then the Home Buyer's Restructuring Period Claim shall be deemed to have been accepted as set out in the relevant Home Buyer Claim Notice and such Home Buyer shall have no further right to dispute same.

23. **THIS COURT ORDERS** that, in the event that an objection raised in a Home Buyer Objection Notice is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the CCAA Entities, the Monitor shall refer

the objection raised in the Home Buyer Objection Notice to a Claims Officer or the Court for adjudication at the Monitor's election.

24. **THIS COURT ORDERS** that any Home Buyer who believes that he or she has any Claim in addition to the Restructuring Period Claim as set out in its Home Buyer Claim Notice, or has not received a Home Buyer Claim Notice, is required to file a Proof of Claim or D&O Proof of Claim, as applicable, in accordance with the terms of this Order.

FILING OF PROOFS OF CLAIM

(A) Pre-Filing Claims

25. **THIS COURT ORDERS** that any Claimant that intends to assert a Pre-Filing Claim or D&O Claim shall file a Proof of Claim or D&O Proof of Claim, as applicable, with the Monitor on or before the Claims Bar Date. For the avoidance of doubt, a Proof of Claim or D&O Proof of Claim, as applicable, must be filed by every Claimant in respect of every Pre-Filing Claim or D&O Claim, regardless of whether or not a legal proceeding in respect of such Pre-Filing Claim or D&O Claim has been previously commenced.

26. **THIS COURT ORDERS** that any Claimant (other than a CCAA Entity) that does not file a Proof of Claim or D&O Proof of Claim, as applicable, so that such Proof of Claim or D&O Proof of Claim, is received by the Monitor on or before the Claims Bar Date, or such later date as the Monitor may agree in writing or the Court may otherwise direct:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Pre-Filing Claim against any of the CCAA Entities or any D&O Claim relating to such Pre-Filing Claim and all such Pre-Filing Claims or D&O Claims shall be forever extinguished;
- (b) will not be permitted to vote at any Meeting on account of such Pre-Filing Claim(s) or D&O Claim(s) relating to the Pre-Filing Claim(s);
- (c) will not be entitled to receive further notice with respect to the Claims Process or these proceedings unless the Monitor and/or the CCAA Entities become aware that such Claimant has a Restructuring Period Claim or D&O Claim relating to the Restructuring Period Claim; and
- (d) will not be permitted to participate in any distribution under any Plan, if applicable, on account of such Pre-filing Claim(s) or D&O Claim(s).

27. **THIS COURT ORDERS** that the provisions of paragraphs 25 and 26 herein shall not apply to Inter-CCAA Entity Claims.

(B) Restructuring Period Claims

28. **THIS COURT ORDERS** that upon becoming aware of a circumstance giving rise to a Restructuring Period Claim, the Monitor shall send a Claims Package to the Claimant in respect of such Restructuring Period Claim in the manner provided for herein.

29. **THIS COURT ORDERS** that any Claimant that intends to assert a Restructuring Period Claim or D&O Claim relating to a Restructuring Period Claim shall file a Proof of Claim or D&O Proof of Claim, as applicable, with the Monitor on or before the Restructuring Period Claims Bar Date. For the avoidance of doubt, a Proof of Claim or D&O Proof of Claim must be filed by every Claimant in respect of every Restructuring Period Claim or D&O Claim relating to a Restructuring Period Claim, regardless of whether or not a legal proceeding in respect of such Restructuring Period Claim or D&O Claim has been previously commenced.

30. **THIS COURT ORDERS** that any Claimant that does not file a Proof of Claim or D&O Proof of Claim, as applicable, so that such Proof of Claim or D&O Proof of Claim is received by the Monitor on or before the Restructuring Period Claims Bar Date, or such later date as the Monitor may agree in writing or the Court may otherwise direct:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Restructuring Period Claim against any of the CCAA Entities or any D&O Claim relating to such Restructuring Period Claim and

all such Restructuring Period Claim or D&O Claims shall be forever extinguished;

- (b) will not be permitted to vote at any Meeting on account of such Restructuring Period Claim(s) or D&O Claim(s);
- (c) will not be entitled to receive further notice with respect to the Claims Process or these proceedings unless the Monitor and/or the CCAA Entities become aware that such Claimant has another Restructuring Period Claim or D&O Claim relating to such additional Restructuring Period Claim; and
- (d) will not be permitted to participate in any distribution under any Plan, if applicable, on account of such Restructuring Period Claim(s) or D&O Claim(s).

31. **THIS COURT ORDERS** that the provisions of paragraphs 28 through to and including 30 herein shall not apply to Inter-CCAA Entity Claims.

ADJUDICATION OF CLAIMS (OTHER THAN INTER-CCAA ENTITY CLAIMS)

32. **THIS COURT ORDERS** that, for greater certainty, the procedures outlined in paragraphs 33 to 38 herein shall not apply to the adjudication of Inter-CCAA Entity Claims.

33. **THIS COURT ORDERS** that the Monitor shall review all Proofs of Claim received on or before the Claims Bar Date or the Restructuring Period Claims Bar Date and shall accept, revise or reject each Claim. With respect to a D&O Claim set out in a

D&O Proof of Claim, the Monitor shall, in consultation with the CCAA Entities and the Directors and Officers named in respect of such D&O Claim as to the merits of such Claim(s), as applicable, accept, revise or reject such D&O Claim.

34. **THIS COURT ORDERS** that if the Monitor intends to revise or reject a Claim, the Monitor shall notify the Claimant who has delivered such Proof of Claim or D&O Proof of Claim, as applicable, that such Claim has been revised or rejected and the reasons therefor, by sending a Notice of Revision or Disallowance by no later than November 11, 2016, unless otherwise ordered by this Court on application by the Monitor.

35. **THIS COURT ORDERS** that if the Monitor does not send a Notice of Revision or Disallowance by the date required in paragraph 34 herein, then the Claim shall be deemed to have been accepted as set out in the relevant Proof of Claim or D&O Proof of Claim, as applicable.

36. **THIS COURT ORDERS** that any Claimant who intends to dispute a Notice of Revision or Disallowance hereof shall:

- (a) deliver a completed Notice of Dispute of Revision or Disallowance, along with the reasons for the dispute, to the Monitor by no later than twenty-one (21) days after the date on which the Claimant is deemed to receive the Notice of Revision or Disallowance, or such other date as may be agreed to by the Monitor in writing; and

- (b) in the event that a dispute raised in a Notice of Dispute of Revision or Disallowance is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the CCAA Entities, the Monitor shall refer the dispute raised in the Notice of Dispute of Revision or Disallowance to a Claims Officer or the Court for adjudication at its election.

37. **THIS COURT ORDERS** that where a Claimant that receives a Notice of Revision or Disallowance does not file a completed Notice of Dispute of Revision or Disallowance by the time set out in paragraph 36(a), such Claimant's Claim or D&O Claim relating to such Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such Claimant shall have no further right to dispute same.

38. **THIS COURT ORDERS** that the Monitor may refer any Claim to a Claims Officer or the Court for adjudication at its election by sending written notice to the Claimant at any time.

ADJUDICATION OF INTER-CCAA ENTITY CLAIMS

39. **THIS COURT ORDERS** that the Monitor shall prepare a report to be served on the Service List and filed with the Court detailing its review of all claims between the Non-Cumberland Entities and the Cumberland Entities and assessing in detail, with reasonably sufficient particulars and analysis, the validity and quantum of such transactions for the purpose of determining such Inter-CCAA Entity Claims (the "**Monitor's Inter-CCAA Entity Claims Report**"), subject to further review and adjustments in respect of claims that may be pursued by the Monitor in accordance with

section 36.1 of the CCAA. The Monitor's Inter-CCAA Entity Claims Report shall include: (i) the amount of the debt; (ii) whether cash or services were provided by the creditor CCAA Entity to the debtor CCAA Entity; and (iii) a description of the transaction. The Monitor's Inter-CCAA Entity Claims Report shall be served no later than October 27, 2016 together with a notice of motion seeking this Court's approval of same, unless otherwise ordered by this Court on application by the Monitor. The return date for this motion shall be no later than November 30, 2016. For greater certainty, nothing in the Monitor's Inter-CCAA Entity Claims Report shall bind the Court with respect to its determination of such Inter-CCAA Entity Claims as the Court sees fit, including without limitation, the validity or quantum of such Inter-CCAA Entity Claims.

40. **THIS COURT ORDERS** that, after the service of the Monitor's Inter-CCAA Entity Claims Report, any Claimant may serve and file a responding motion record and factum, which may include, but are not limited to, any argument asserted for the subordination of outstanding intercompany debts of any of the CCAA Entities, any relief regarding claimed priority rights, and the validity and quantum of Inter-CCAA Entity Claims and any claim relating to debt recharacterization. Such responding motion record shall be served no later than November 15, 2016 and be returnable at the same time as the Monitor's motion seeking approval of the Monitor's Inter-CCAA Entity Claims Report as set out in paragraph 39 herein.

SET-OFF

41. **THIS COURT ORDERS** that nothing in this Order affects the rights of any Person pursuant to section 21 of the CCAA.

CLAIMS OFFICERS

42. **THIS COURT ORDERS** that, on application of the Monitor, a Claims Officers may be appointed by the Court.

43. **THIS COURT ORDERS** that the decision as to whether the disputed Claim should be adjudicated by the Court or a Claims Officer shall be in the sole discretion of the Monitor.

44. **THIS COURT ORDERS** that a Claims Officer shall determine the validity and amount of disputed Claims in accordance with this Order and to the extent necessary may determine whether any Claim or part thereof constitutes an Excluded Claim and shall provide written reasons. A Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced. A Claims Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before a Claims Officer shall be paid.

45. **THIS COURT ORDERS** that the Monitor, the Claimant or the applicable CCAA Entity may, within ten (10) days of such party receiving notice of a Claims Officer's determination of the value of a Claimant's Claim, appeal such determination or any other matter determined by the Claims Officer in accordance with paragraph 44 or otherwise to the Court by filing a notice of appeal, and the appeal shall be initially returnable within ten (10) days of filing such notice of appeal.

46. **THIS COURT ORDERS** that if no party appeals the determination of value of a Claim by a Claims Officer within the time set out in paragraph 45, above, the decision of the Claims Officer in determining the value of the Claimant's Claim shall be final and binding upon the relevant CCAA Entity, the Monitor, and the Claimant, and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of a Claim.

47. **THIS COURT ORDERS** that the provisions of paragraphs 42 to 46 herein shall not apply to Inter-CCAA Entity Claims.

NOTICE OF TRANSFEREES

48. **THIS COURT ORDERS** that from the date of this Order until seven (7) days prior to the date fixed by the Court for any distribution in the CCAA Proceedings or any other proceeding, including a bankruptcy, to the extent required, leave is hereby granted to permit a Claimant to provide notice of assignment or transfer of a Claim to any third party to the Monitor.

49. **THIS COURT ORDERS** that subject to the terms of any subsequent Order of this Court, if, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the CCAA Entities shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Monitor in writing and thereafter such transferee or assignee shall, for the purposes hereof, constitute the "Claimant" in respect of such

Claim or D&O Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to receipt and acknowledgement by the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which the CCAA Entities may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to the CCAA Entities.

50. **THIS COURT ORDERS** that no transfer or assignment shall be effective for voting purposes at any Meeting unless sufficient notice and evidence of such transfer or assignment has been received by the Monitor no later than 5:00 p.m. on the date that is seven (7) days prior to the date fixed by the Court for any Meeting, failing which the original Claimant shall have all applicable rights as the "Claimant" with respect to such Claim as if no transfer or assignment of the Claim had occurred.

SERVICE AND NOTICE

51. **THIS COURT ORDERS** that the Monitor may, unless otherwise specified by this Order, serve and deliver or cause to be served and delivered the Claims Package, and any letters, notices or other documents, to the Claimants or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the CCAA Entities or set out in such Claimant's Proof of Claim. Any such service and delivery

shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth (10th) Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

52. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Claimant to the Monitor under this Order shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email addressed to:

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

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

53. **THIS COURT ORDERS** that if, during any period during which notices or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail and then not received shall not,

absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Order.

MISCELLANEOUS

54. **THIS COURT ORDERS** that the Monitor may from time to time apply to this Court to extend the time for any action which the Monitor is required to take and for advice and directions concerning the discharge of its powers and duties under this Order or the interpretation or application of this Order.

55. **THIS COURT ORDERS** that nothing in this Order shall prejudice the rights and remedies of any Directors or Officers or other Persons under the Directors' Charge or any applicable insurance policy or prevent or bar any Person from seeking recourse against or payment from the CCAA Entities' insurance and any Director's or Officer's liability insurance policy or policies that exist to protect or indemnify the Directors or Officers or other Persons, whether such recourse or payment is sought directly by the Person asserting a Claim from the insurer or derivatively through the Director or Officer or any CCAA Entity; provided, however, that nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter any defence to such Claim available to the insurer pursuant to the provisions of any insurance policy or at law; and further provided that any Claim or portion thereof for which the Person receives payment directly from, or confirmation that she is covered by, the CCAA Entities' insurance or any Director's or

Officer's liability insurance or other liability insurance policy or policies that exist to protect or indemnify the Directors or Officers or other Persons shall not be recoverable as against a CCAA Entity or Director or Officer as applicable.

56. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada, Israel or elsewhere to give effect to this Order and to assist the 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 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 CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.



3389902

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

SEP 15 2016

PER / PAR: 

SCHEDULE "A"
LIST OF NON APPLICANT AFFILIATES

Urbancorp Power Holdings Inc.

Vestaco Homes Inc.

Vestaco Investments Inc.

228 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"

CLAIMANT'S GUIDE TO COMPLETING THE D&O PROOF OF CLAIM FORM FOR CLAIMS AGAINST DIRECTORS AND/OR OFFICERS OF THE CCAA ENTITIES¹

This Guide has been prepared to assist Claimants in filling out the D&O Proof of Claim form for claims against the Directors and/or Officers of the CCAA Entities. If you have any additional questions regarding completion of the D&O Proof of Claim, please consult the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/> or contact the Monitor, whose contact information is shown below.

The D&O Proof of Claim form is for Claimants asserting a claim against any Directors and/or Officers of the CCAA Entities, and NOT for claims against the CCAA Entities themselves. For claims against the CCAA Entities, please use the form titled "Proof of Claim Form for Claims Against the CCAA Entities", which is available on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

Additional copies of the D&O Proof of Claim form may be found at the Monitor's website address noted above.

Please note that this is a guide only, and that in the event of any inconsistency between the terms of this guide and the terms of the Claims Procedure Order made on September 15, 2016 (the "**Claims Procedure Order**"), the terms of the Claims Procedure Order will govern.

SECTION 1 – DEBTOR

1. The full name of all the CCAA Entities' Directors or Officers against whom the Claim is asserted must be listed.

SECTION 2(a) – ORIGINAL CLAIMANT

2. A separate D&O Proof of Claim must be filed by each legal entity or person asserting a claim against the CCAA Entities' Directors or Officers.
3. The Claimant shall include any and all D&O Claims it asserts against the CCAA Entities' Directors or Officers in a single D&O Proof of Claim.
4. The full legal name of the Claimant must be provided.
5. If the Claimant operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.

¹ 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., 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. (collectively, the "CCAA Entities").

6. If the claim has been assigned or transferred to another party, Section 2(b) must also be completed.
7. Unless the claim is assigned or transferred, all future correspondence, notices, etc. regarding the claim will be directed to the address and contact indicated in this section.

SECTION 2(b) – ASSIGNEE

8. If the Claimant has assigned or otherwise transferred its claim, then Section 2(b) must be completed.
9. The full legal name of the Assignee must be provided.
10. If the Assignee operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.
11. If the Monitor in consultation with the CCAA Entities is satisfied that an assignment or transfer has occurred, all future correspondence, notices, etc. regarding the claim will be directed to the Assignee at the address and contact indicated in this section.

SECTION 3 - AMOUNT OF CLAIM OF CLAIMANT AGAINST DEBTOR

12. Indicate the amount the Director(s) and/or Officer(s) was/were and still is/are indebted to the Claimant in the Amount of Claim column.

Currency

13. The amount of the claim must be provided in the currency in which it arose.
14. Indicate the appropriate currency in the Currency column.
15. If the claim is denominated in multiple currencies, use a separate line to indicate the claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule indicating the required information.
16. If necessary, currency will be converted in accordance with the Claims Procedure Order.

SECTION 4 - DOCUMENTATION

17. Attach to the D&O Proof of Claim form all particulars of the claim and supporting documentation, including amount and description of transaction(s) or agreement(s) or legal breach(es) giving rise to the claim.

SECTION 5 - CERTIFICATION

18. The person signing the D&O Proof of Claim should:
 - (a) be the Claimant or authorized representative of the Claimant.

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- (b) have knowledge of all the circumstances connected with this claim.
 - (c) assert the claim against the Debtor(s) as set out in the D&O Proof of Claim and certify all supporting documentation is attached.
 - (d) have a witness to its certification.
19. By signing and submitting the D&O Proof of Claim, the Claimant is asserting the claim against the Debtor(s).

SECTION 6 - FILING OF CLAIM

20. **The D&O Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on October 21, 2016 (the "Claims Bar Date") (or within thirty (30) days after the date on which the Monitor had sent you a Claims Package with respect to a Restructuring Period Claim) by **prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:****

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

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

Failure to file your D&O Proof of Claim so that it is actually received by the Monitor on or before 5:00 p.m., on the Claims Bar Date or Restructuring Period Claims Bar Date, as applicable, will result in your claim being barred and you will be prevented from making or enforcing a claim against the Directors and Officers of the CCAA Entities. In addition, you shall not be entitled to further notice in and shall not be entitled to participate as a creditor in the CCAA Entities' CCAA proceedings.

SCHEDULE "C"

**PROOF OF CLAIM FORM FOR CLAIMS AGAINST
DIRECTORS OR OFFICERS OF THE CCAA ENTITIES¹
(the "D&O Proof of Claim")**

This form is to be used only by Claimants asserting a claim against any Directors and/or, Officers of the CCAA Entities and NOT for claims against the CCAA Entities themselves. For claims against the CCAA Entities, please use the form titled "Proof of Claim Form for Claims Against the CCAA Entities", which is available on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

1. Name of CCAA Entity Officer(s) and/or Director(s) (the "Debtor(s))":

Debtor(s): _____

(A) Original Claimant (the "Claimant")

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

(B) Assignee, if claim has been assigned

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

¹ 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., 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. (collectively, the "CCAA Entities").

2. Amount of Claim

The Debtor(s) was/were and still is/are indebted to the Claimant as follows:

Name(s) of Director(s), and/or Officers	Currency	Amount of Claim
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Documentation

Provide all particulars of the Claim and supporting documentation, including any claim assignment/transfer agreement or similar document, if applicable, and including amount and description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim.

4. Certification

I hereby certify that:

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

Signature: _____ Name: _____ Title: _____	Witness: _____ (signature) _____ (print)
---	--

Dated at _____ this _____ day of _____, 2015

5. Filing of Claim

This D&O Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on October 21, 2016 (or within thirty (30) days after the date on which the Monitor had sent you a Claims Package with respect to a Restructuring Period Claim) **by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:**

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

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

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

SCHEDULE "D"

HOME BUYER CLAIM NOTICE
With respect to the CCAA Entities¹

YOU ARE RECEIVING THIS NOTICE PURSUANT TO THE CLAIMS PROCEDURE ORDER BECAUSE THE MONITOR HAS DETERMINED THAT YOU ARE A HOME BUYER WITH A RESTRUCTURING PERIOD CLAIM AS A RESULT OF THE TERMINATION, DISCLAIMER, RESILIATION, REPUDIATION, RESCINDING OR FUNDAMENTAL BREACH OF YOUR CORRESPONDING HOME BUYER AGREEMENT.

Capitalized terms used in this notice and not otherwise defined have the meaning given to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the CCAA Entities dated September 15, 2016 (the "**Claims Procedure Order**"). A copy of the Claims Procedure Order can be found on the Monitor's website at: <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

Claim Reference Number: ■

Contact Details

Name of Home Buyer (Claimant): ■

Address of Claimant: ■

E-mail: ■

Telephone Number: ■

Fax Number: ■

¹ 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., 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. (collectively, the "CCAA Entities").

**Details of Allowed Restructuring
Period Claim**

CCAA Entity with which Home Buyer ■
has a Home Buyer Agreement:

Description of Home Buyer ■
Agreement:

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that it has determined your allowed Restructuring Period Claim as a result of the termination, disclaimer, resiliation, repudiation, rescinding or fundamental breach of your corresponding Home Buyer Agreement in the context of these CCAA Proceedings. Subject to further dispute by you in accordance with the Claims Procedure Order, your Restructuring Period Claim will be as follows:

Allowed Claim Amount:

Deposit Amount \$■

Interest \$■

Total Allowed Restructuring Period ■
Claim Amount \$■

Legal Nature of Claim: Unsecured

SERVICE OF HOME BUYER OBJECTION NOTICES

If you intend to object to this Home Buyer Claim Notice, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is the later of the Claims Bar Date or 30 days after the date this Home Buyer Claim Notice is deemed to have been received by you (in accordance with paragraph 51 of the Claims Procedure Order), deliver a Home Buyer Objection Notice to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.

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

Attention: Noah Goldstein

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Email: ngoldstein@ksvadvisory.com
Fax: 416.932.6266

In accordance with the Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Home Buyer Objection Notice is enclosed and can also be accessed on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

IF YOU FAIL TO FILE A HOME BUYER OBJECTION NOTICE WITHIN THE PRESCRIBED TIME PERIOD, THIS HOME BUYER CLAIM NOTICE WILL BE BINDING UPON YOU.

DATED this _____ day of _____, 2016.

KSV Kofman Inc., solely in its capacity as Court-appointed Monitor of the CCAA Entities, and not in its personal or corporate capacity

Per: _____

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

PLEASE ALSO TAKE NOTICE that if you believe that you have a Claim in addition to that set out in this Home Buyer Claim Notice, then you must follow the regular procedure for filing Proofs of Claim or D&O Proofs of Claim as set out in the Claims Procedure Order. Only Proofs of Claim and D&O Proofs of Claim actually received by the Monitor on or before 5:00 p.m. (Toronto time) on October 21, 2016 will be considered filed by the Claims Bar Date.

SCHEDULE "E"

HOME BUYER OBJECTION NOTICE

With respect to the CCAA Entities¹

Claims Reference Number: _____

1. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if different)

 (the "Claimant")

Full Mailing Address of the Claimant:

Other Contact Information of the Claimant:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

¹ 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., 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. (collectively, the "CCAA Entities").

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2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim, if applicable

Have you acquired this purported Claim by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

3. Objection to Home Buyer Claim Notice:

The Claimant hereby disagrees with the value of its Claim, as set out in the Home Buyer Claim Notice and asserts its Claim as follows:

	Currency	Amount allowed by Monitor: (Home Buyer Claim Notice)	Amount claimed by Claimant:²
A. Deposit		\$	\$
B. Interest		\$	\$
Total Claim		\$	\$

4. Reasons for Objection to Home Buyer Claim Notice:
(Please detail reasons below)

² If necessary, currency will be converted in accordance with the Claims Procedure Order.

SCHEDULE "F"

**NOTICE TO CLAIMANTS WITH CLAIMS
AGAINST THE CCAA ENTITIES**

RE: NOTICE OF CLAIMS PROCESS FOR 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., 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. (COLLECTIVELY, THE "CCAA ENTITIES") PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT* (the "CCAA")

PLEASE TAKE NOTICE that on September 15, 2016, the Ontario Superior Court of Justice (Commercial List) issued an order (the "**Claims Procedure Order**") in the CCAA proceedings of the CCAA Entities (capitalized terms used in this notice and not otherwise defined have the meaning given to them in the Claims Procedure Order). A copy of the Claims Procedure Order can be found on the Monitor's website at: <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

ATTENTION HOME BUYERS. Home Buyers with Claims arising as a result of the termination, disclaimer, rescission, repudiation, rescinding or fundamental breach of their corresponding Home Buyer Agreement in the context of these CCAA Proceedings **DO NOT NEED TO FILE ANY PROOF OF CLAIM.** Rather, the Monitor will send you a Home Buyer Claim Notice reflecting its determination and acceptance of your Restructuring Period Claim. If you object to the amount of your Restructuring Period Claim as set out in the Home Buyer Claim Notice that you receive, then you are required to fill out and send to the Monitor a Home Buyer Objection Notice as set out in the Claims Procedure Order. If you believe that you have a Claim in addition to that set out in your Home Buyer Claim Notice, then you must follow the procedure set out below for all other creditors.

Other than for the Restructuring Period Claims of Home Buyers outlined above, the Claims Procedure Order requires that all Persons who assert a Claim against the CCAA Entities, whether unliquidated, contingent or otherwise, and all Persons who assert a claim against Directors and Officers of the CCAA Entities (as defined in the Claims Procedure Order, a "**D&O Claim**"), must file a Proof of Claim (with respect to Claims against the CCAA Entities) or D&O Proof of Claim (with respect to D&O Claims) with KSV Kofman Inc. (the "**Monitor**") **on or before 5:00**

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p.m. (Toronto time) on October 21, 2016 (the "Claims Bar Date"), by sending the Proof of Claim or D&O Proof of Claim to the Monitor by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:

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

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

Pursuant to the Claims Procedure Order, Claims Packages, including the form of Proof of Claim and D&O Proof of Claim, will be sent to all known Claimants by mail, on or before September 22, 2016. Claimants may also obtain the Claims Procedure Order and a Claims Package from the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>, or by contacting the Monitor by telephone (416.932.6207).

Other than for Restructuring Period Claims, only Proofs of Claim and D&O Proofs of Claim actually received by the Monitor on or before 5:00 p.m. (Toronto time) on October 21, 2016 will be considered filed by the Claims Bar Date. **It is your responsibility to ensure that the Monitor receives your Proof of Claim or D&O Proof of Claim by the Claims Bar Date.**

CLAIMS AND D&O CLAIMS WHICH ARE NOT RECEIVED BY THE APPLICABLE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED this ● day of ●, 2016.

SCHEDULE "G"

NOTICE OF DISPUTE OF NOTICE OF REVISION OR DISALLOWANCE

With respect to the CCAA Entities¹

Claims Reference Number: _____

1. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if different)

 (the "Claimant")

Full Mailing Address of the Claimant:

Other Contact Information of the Claimant:

Telephone Number:

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

¹ 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., 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. (collectively, the "CCAA Entities").

- 2 -

2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim, if applicable

Have you acquired this purported Claim by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

3. Dispute of Revision or Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim, as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Currency	Amount allowed by Monitor: (Notice of Revision or Disallowance)	Amount claimed by Claimant:²
A. Unsecured		\$	\$
B. Secured		\$	\$
C. D&O Claim		\$	\$
E. Total Claim		\$	\$

4. Reasons for Dispute of Revision or Disallowance of Claim:
(Please detail reasons below)

² If necessary, currency will be converted in accordance with the Claims Procedure Order.

SCHEDULE "H"

NOTICE OF REVISION OR DISALLOWANCE

**For Persons that have asserted Claims against the CCAA Entities¹,
D&O Claims against the Directors and/or Officers of the CCAA Entities**

Claims Reference Number: _____ ● _____

TO: ● _____
(the "Claimant")

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the CCAA Entities dated September 15, 2016 (the "**Claims Procedure Order**").

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim or D&O Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

	Amount as submitted		Amount allowed by Monitor
	Currency		
A. Unsecured Claim		\$	\$
B. Secured Claim		\$	\$
C. D&O Claim		\$	\$
E. Total Claim		\$	\$

¹ 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., 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. (collectively, the "CCAA Entities").

Reasons for Revision or Disallowance:**SERVICE OF DISPUTE NOTICES**

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is twenty-one (21) Calendar Days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 36(a) of the Claims Procedure Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.

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

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

In accordance with the Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this _____ day of _____, 2016.

KSV Kofman Inc., solely in its capacity as Court-appointed Monitor of the CCAA Entities, and not in its personal or corporate capacity

Per: _____

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

SCHEDULE "I"
PROOF OF CLAIM FORM FOR CLAIMS AGAINST
THE CCAA ENTITIES¹

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

Debtor: _____

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

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

2(b) Assignee, if claim has been assigned

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

¹ 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., 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. (collectively, the "CCAA Entities").

3. Amount of Claim

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

Currency	Amount of Claim	Unsecured Claim	Secured Claim
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

4. Documentation

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

5. Certification

I hereby certify that:

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

Signature: _____ Name: _____ Title: _____	Witness: _____ (signature) _____ (print)
Dated at _____ this _____ day of _____, 2016	

6. Filing of Claim

This Proof of Claim **must be received by the Monitor on or before 5:00 p.m. (Toronto time) on October 21, 2016** (or within thirty (30) days after the date on which the Monitor had sent you a Claims Package with respect to a Restructuring Period Claim) **by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:**

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

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

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

SCHEDULE "J"

CLAIMANT'S GUIDE TO COMPLETING THE PROOF OF CLAIM FORM FOR CLAIMS AGAINST THE CCAA ENTITIES¹

This Guide has been prepared to assist Claimants in filling out the Proof of Claim form for Claims against the CCAA Entities. If you have any additional questions regarding completion of the Proof of Claim, please consult the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/> or contact the Monitor, whose contact information is shown below.

Additional copies of the Proof of Claim may be found at the Monitor's website address noted above.

Please note that this is a guide only, and that in the event of any inconsistency between the terms of this guide and the terms of the Claims Procedure Order made on September 15, 2016 (the "**Claims Procedure Order**"), the terms of the Claims Procedure Order will govern.

SECTION 1 – DEBTOR

1. The full name of the CCAA Entity or Entities against which the Claim is asserted must be listed (see footnote 1 for complete list of CCAA Entities).

SECTION 2(a) – ORIGINAL CLAIMANT

2. A separate Proof of Claim must be filed by each legal entity or person asserting a claim against the CCAA Entities, or any of them.
3. The Claimant shall include any and all Claims it asserts against the CCAA Entities, or any of them, in a single Proof of Claim.
4. The full legal name of the Claimant must be provided.
5. If the Claimant operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.
6. If the Claim has been assigned or transferred to another party, Section 2(b) must also be completed.
7. Unless the Claim is assigned or transferred, all future correspondence, notices, etc. regarding the Claim will be directed to the address and contact indicated in this section.

¹ 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., 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. (collectively, the "CCAA Entities").

SECTION 2(b) – ASSIGNEE

8. If the Claimant has assigned or otherwise transferred its Claim, then Section 2(b) must be completed.
9. The full legal name of the Assignee must be provided.
10. If the Assignee operates under a different name or names, please indicate this in a separate schedule in the supporting documentation.
11. If the Monitor in consultation with the CCAA Entities is satisfied that an assignment or transfer has occurred, all future correspondence, notices, etc. regarding the Claim will be directed to the Assignee at the address and contact indicated in this section.

SECTION 3 - AMOUNT OF CLAIM OF CLAIMANT AGAINST DEBTOR

12. Indicate the amount the CCAA Entity or Entities was and still is indebted to the Claimant in the Amount of Claim column.

Currency

13. The amount of the Claim must be provided in the currency in which it arose.
14. Indicate the appropriate currency in the Currency column.
15. If the Claim is denominated in multiple currencies, use a separate line to indicate the Claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule indicating the required information.
16. If necessary, currency will be converted in accordance with the Claims Procedure Order.

Unsecured Claim

17. Check this box ONLY if the Claim recorded on that line is an unsecured claim.

Secured Claim

18. Check this box ONLY if the Claim recorded on that line is a secured claim.

SECTION 4 - DOCUMENTATION

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

SECTION 5 - CERTIFICATION

20. The person signing the Proof of Claim should:
- (a) be the Claimant or authorized representative of the Claimant.
 - (b) have knowledge of all the circumstances connected with this Claim.
 - (c) assert the Claim against the Debtor as set out in the Proof of Claim and certify all supporting documentation is attached.
 - (d) have a witness to its certification.
21. By signing and submitting the Proof of Claim, the Claimant is asserting the Claim against the CCAA Entity or Entities.

SECTION 6 - FILING OF CLAIM

22. **The Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on October 21, 2016 (the "Claims Bar Date") (or within thirty (30) days after the date on which the Monitor had sent you a Claims Package with respect to a Restructuring Period Claim) by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:**

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

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

Failure to file your Proof of Claim so that it is actually received by the Monitor on or before 5:00 p.m., on the Claims Bar Date or Restructuring Period Claims Bar Date, as applicable, will result in your claim being barred and you will be prevented from making or enforcing a Claim against the CCAA Entities. In addition, you shall not be entitled to further notice in and shall not be entitled to participate as a creditor in the CCAA Entities' CCAA proceedings.

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
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

CLAIMS PROCEDURE ORDER

DAVIES WARD PHILLIPS & VINEBERG LLP
155 WELLINGTON STREET WEST
TORONTO, ON M5V 3J7

Robin B. Schwill (LSUC #38452I)
Tel: 416.863.5502
Fax: 416.863.0871

Lawyers for the Monitor

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

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

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

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

**MOTION RECORD
OF THE MONITOR**

(Motion Returnable May 1, 2018 – Speedy Electrical Claim Dispute)

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7

Robin B. Schwill (LSUC #384521)
rschwill@dwpv.com
Tel: 416.863.5502
Fax: 416.863.0871

Lawyers for the Monitor
KSV Kofman Inc.

**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
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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 LISTED IN SCHEDULE "A" HERETO

NOTICE OF MOTION

(Returnable May 1, 2018 – Speedy Electrical Contractors Ltd. Claim)

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, on May 1, 2018 at 10:00 a.m., or as soon thereafter as the motion can be heard, at the Courthouse located at 330 University Avenue, 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. declaring that the claim filed by Speedy Electrical Contractors Ltd. ("**Speedy**") pursuant to the Claims Procedure Order made in these proceedings on September 15, 2016 (the "**Claims Procedure Order**") be disallowed in full; and
3. such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. On October 19, 2016, Speedy filed a proof of claim (the "**Proof of Claim**") against King Residential Inc. ("**KRI**") in the amount of \$2,323,638.54 (the "**Claim**") in respect of a limited guarantee provided by KRI on November 15, 2015 to Speedy for debts owing by Alan Saskin ("**Saskin**") and by Edge on Triangle Park Inc. ("**Edge**") (the "**Guarantee**");
2. KRI is a CCAA Entity and Edge is not;
3. As security for the Guarantee, KRI provided a collateral mortgage (the "**Mortgage**") to Speedy on thirteen specific condominiums and thirteen specific parking spots;
4. The Monitor was (and remains) unable to determine that anything more than nominal consideration was received by KRI for the Guarantee and/or Mortgage (the "**Secured Guarantee**"). Accordingly, on November 11, 2016, the Monitor issued a Notice of Revision or Disallowance to Speedy disallowing its Claim in full (the "**Disallowance**") on the basis that the granting of the Secured Guarantee could be voidable as a transfer at undervalue and as a fraudulent conveyance or preference;

5. The granting of the Secured Guarantee could also be considered to have been oppressive or unfairly prejudicial to or to have unfairly disregarded the interest of KRI's other creditors at the time it was granted;
6. On November 25, 2016, Speedy filed a Notice of Dispute of Revision or Disallowance with the Monitor (the "**Notice of Dispute**");
7. Paragraph 36(b) of the Claims Procedure Order provides that in the event that an objection raised in a Notice of Dispute is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the CCAA Entities, the Monitor may refer the objection raised in the Notice of Dispute to the Court for adjudication;
8. The relevant corporate entity was insolvent at the time the Secured Guarantee was granted;
9. KRI received conspicuously less than fair market value consideration for the granting of the Secured Guarantee;
10. The effect of the Secured Guarantee will defeat or hinder recoveries to the creditors of the CCAA Entities;
11. KRI intended to defeat, hinder or delay the creditors of the CCAA Entities by granting the Secured Guarantee;
12. Sections 9-11 of the CCAA and this Court's equitable and statutory jurisdiction thereunder;
13. 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
14. 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-Second Report of the Monitor date February 2, 2018; and
2. such further material as counsel may advise and this Court may permit.

March 7, 2018

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Fax: 416.863.0871

Lawyers for the Monitor

TO: The E-Service List found at:
<http://ksvadvisory.com/assets/Uploads/insolvency-case-documents/Urbancorp%20Group/CCAA%20Proceedings/Service%20List/Urbancorp%20CCAA%20Service%20List%20as%20at%20September%2013%2C%202016.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 May 1, 2018— Speedy Electrical Claim)

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Lawyers for the Monitor



**Twenty-Second Report to Court of
KSV Kofman Inc. as CCAA Monitor 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.,
KRI Residential Inc., Urbancorp 60 St.
Clair Inc., High Res. Inc., Bridge On King
Inc. and the Affiliated Entities Listed in
Schedule "A" Hereto**

February 2, 2018

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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 LISTED IN SCHEDULE "A" HERETO**

TWENTY-SECOND REPORT OF KSV KOFMAN INC.

February 2, 2018

1.0 Introduction

1. On April 21, 2016, Urbancorp (St. Clair Village) Inc. ("St. Clair"), Urbancorp (Patricia) Inc. ("Patricia"), Urbancorp (Mallow) Inc. ("Mallow"), Urbancorp Downsview Park Development Inc. ("Downsview"), Urbancorp (Lawrence) Inc. ("Lawrence") and Urbancorp Toronto Management Inc. ("UTMI") each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "NOI Proceedings"). (Collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence and UTMI are referred to as the "Companies".) KSV Kofman Inc. ("KSV") was appointed as the Proposal Trustee in the NOI Proceedings.
2. Pursuant to an order made by the Ontario Superior Court of Justice (Commercial List) (the "Court") dated May 18, 2016 (the "Initial Order"), the Companies, together with the entities listed on Schedule "A" attached (collectively, the "Cumberland CCAA Entities" and each a "Cumberland CCAA Entity") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed monitor (the "Monitor") (the "Cumberland CCAA Proceedings").

3. On September 15, 2016, the Court issued an order establishing a procedure to identify and quantify claims against the Cumberland CCAA Entities and against the current and former directors and officers of the Cumberland CCAA Entities and providing procedures for the resolution of any disputes arising therefrom (the "Claims Procedure Order").
4. On October 19, 2016, Speedy Electrical Contractors Ltd. ("Speedy") filed a proof of claim (the "Proof of Claim") against King Residential Inc. ("KRI") in the amount of \$2,323,638.54 (the "Claim") in respect of a limited guarantee provided on November 15, 2015 (the "Guarantee Date") by KRI to Speedy for debts owing by Alan Saskin ("Saskin") and by Edge on Triangle Park Inc. ("Edge") (the "Guarantee"); KRI is a Cumberland CCAA Entity and Edge is not.
5. As security for the Guarantee, KRI provided a collateral mortgage (the "Mortgage") to Speedy on thirteen specific condominiums and thirteen specific parking spots¹ (collectively, the "Residential Units"). A copy of the Proof of Claim is attached as Appendix "A".
6. The Monitor was (and remains) unable to determine that anything more than nominal consideration was received by KRI for the Guarantee and/or Mortgage (the "Secured Guarantee"). Accordingly, on November 11, 2016, the Monitor issued a Notice of Revision or Disallowance to Speedy disallowing its Claim in full (the "Disallowance"). The Claim was disallowed on the basis that the granting of the Secured Guarantee could be voidable as a transfer at undervalue and as a fraudulent conveyance or preference. A copy of the Disallowance is attached as Appendix "B".
7. The Monitor also notes that the granting of the Secured Guarantee could be considered to have been oppressive or unfairly prejudicial to or to have unfairly disregarded the interest of KRI's other creditors at the time it was granted.
8. On November 25, 2016, Speedy filed a Notice of Dispute of Revision or Disallowance with the Monitor (the "Notice of Dispute"). A copy of the Notice of Dispute is attached as Appendix "C". The Claim remains unresolved and therefore the parties have agreed to have it determined by the Court.
9. Additional information relating to these CCAA proceedings, including all reports previously filed by the Monitor, is available at the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

1.1 Purpose of this Report

1. The purposes of this report (the "Report") are to:
 - a) provide background information concerning the Cumberland CCAA Entities and these proceedings;
 - b) set out the Monitor's review of the Claim, including the solvency of Cumberland CCAA Entities at the Guarantee Date, and the basis for the Disallowance; and

¹ KRI owns 48 parking spots. The Speedy parking spots are a subset of those parking spots.

- c) recommend the Court make an order:
 - (i) confirming the Disallowance;
 - (ii) setting aside the Secured Guarantee as void as against KRI and the Monitor; and
 - (iii) declaring the Mortgage as unenforceable or, if the Court determines that the Claim is valid, limiting the Secured Guarantee to the net realizations from the sale of the Residential Units.

1.2 Restrictions

1. In preparing this Report, the Monitor has reviewed the following information:
 - a) unaudited financial and other information of the Urbancorp Group;²
 - b) accounting records for the Bay Entities;³ and
 - c) the Proof of Claim and Notice of Dispute.
2. In preparing this Report, the Monitor also relied on discussions with the Urbancorp Group's management, including Saskin and James Greff, an employee of UTMI.
3. The Monitor has not performed an audit or other independent verification of the information discussed herein. The Monitor expresses no opinion or other form of assurance with respect to the financial information presented in this Report. The Monitor has reviewed but not confirmed information and documentation concerning the Reorganization, as defined in Section 2.0 below.

2.0 Background

1. The Urbancorp Group appears to have been founded in 1991 by Saskin. The Urbancorp Group is principally involved in the development of residential real estate projects in the Greater Toronto Area.
2. The Urbancorp Group set up single purpose, project-specific corporations that in most instances acted as bare trustee corporations or nominees for their beneficial owners.
3. Prior to a corporate reorganization completed on or around December 15, 2015 (the "Reorganization"), the beneficial owners of the various development projects were limited partnerships each owned by Saskin and/or members of his family. The limited partnerships that were the beneficial owners of the various projects prior to the Reorganization were:
 - TCC/Urbancorp (Bay) LP ("Bay LP");
 - Urbancorp (Bay/Stadium) LP ("Bay/Stadium LP"); and

² The Cumberland CCAA Entities together with several affiliates comprise the "Urbancorp Group".

³ The direct and indirect subsidiaries of TCC/Urbancorp (Bay) LP comprise the Bay Entities.

- Urbancorp (Stadium Road) LP (“Stadium Road”).
4. The ownership of Bay LP at the Guarantee Date is believed to have been:
 - Deaja Partner (Bay) Inc. – General Partner - .01%
 - Saskin – Limited Partner – 79.99%
 - Vestaco Investments Inc., as nominee for Doreen Saskin – Limited Partner – 20.00%
 5. A copy of the corporate chart reflecting the ultimate owners of Bay/Stadium LP and Stadium Road at the Guarantee Date is attached as Appendix “D”.
 6. The Secured Guarantee was provided prior to the Reorganization. At the time the Secured Guarantee was provided, KRI was a wholly-owned subsidiary and nominee of Bay LP and Edge was a wholly-owned subsidiary and nominee of Bay/Stadium LP.

2.1 Bay LP

1. The Monitor understands that Bay LP was formed in 1999. Bay LP owned and developed various real estate projects through nominee corporations.
2. A copy of Bay LP’s corporate chart prior to the Reorganization is provided in Appendix “E”.
3. Bay LP owned, directly or indirectly, each of the following entities prior to the Reorganization:⁴
 - KRI
 - St. Clair
 - Patricia
 - Mallow
 - Lawrence
 - Urbancorp (North Side) Inc. (“North Side”)
 - Urbancorp (952 Queen West) Inc. (“Queen”)
 - Urbancorp New Kings Inc. (“UNKI”)
 - Urbancorp Partner (King South) Inc. (“King South”)
 - Urbancorp 60 St. Clair Inc. (“60 St. Clair”)
 - Urbancorp (Woodbine) Inc. (“Woodbine”)
 - Urbancorp (Bridlepath) Inc. (“Bridlepath”)
 - High Res Inc. (“High Res”)
 - Urbancorp the Bridge Inc. (the “Bridge”)⁵
 - The Townhouses of Hogg’s Hollow Inc. (“Hoggs Hollow”)
 - King Towns Inc. (“King Towns”)
 - Newtowns at Kingtowns Inc. (“Newtowns”)

⁴ Downsview was also a subsidiary of Bay LP. It was transferred to Urbancorp Inc. prior to the Reorganization.

⁵ The name of this entity was subsequently changed to The Bridge on King Inc.

Collectively, the direct and indirect subsidiaries of Bay LP prior to the Reorganization are referred to as the "Bay Entities" and each individually is a "Bay Entity". The Monitor understands that prior to the Reorganization, each Bay Entity was a nominee for Bay LP and, as such, their assets and liabilities were assets and liabilities of Bay LP.

4. Set out in Appendix "F" is a brief description of the purpose of each Bay Entity, each of which is believed to be a single purpose entity.

2.2 Reorganization

1. Urbancorp Inc. ("UCI") was incorporated in June, 2015 in connection with the Reorganization for the purpose of raising capital through a bond issuance in the public markets in Israel (the "Israel Bond Issue"). As part of the Reorganization, the following entities were formed and became wholly-owned subsidiaries of UCI:
 - Urbancorp Realtyco Inc.;
 - Urbancorp Residential Inc.;
 - Urbancorp Cumberland 1 LP ("Cumberland 1"); and
 - Urbancorp Cumberland 2 LP ("Cumberland 2").
2. In connection with the Israel Bond Issue:
 - a) all Bay Entities were transferred to Cumberland 1 (collectively, the "Cumberland Entities"⁶), except for Woodbine, Bridlepath, Hoggs Hollow, King Towns and Newtowns, all of which remained subsidiaries of Bay LP (the "Remaining Bay Entities"); and
 - b) Bay/Stadium LP transferred certain of its subsidiaries to Cumberland 2, including Edge.
3. In exchange for these transfers:
 - a) Bay LP received Class D Shares of Urbancorp Holdco Inc. ("UHI"), the parent company of UCI; and
 - b) Bay/Stadium LP received Class "E" shares of UHI.
4. The UCI group's corporate organizational chart after the Reorganization is attached as Appendix "G".
5. The Remaining Bay Entities are subject to separate CCAA proceedings pursuant to which KSV is also the monitor (the "Bay Monitor"). The Reorganization is discussed in greater detail in the Bay Monitor's Tenth Report to Court, dated July 24, 2017, which can be found on the Monitor's website at: <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

⁶ St. Clair, Patricia, Mallow, Lawrence, KRI, North Side, Queen, UNKI, King South, 60 St. Clair, High Res and Bridge.

2.3 The Israel Bond Issue

1. The Israel Bond Issue closed in December, 2015. UCI raised approximately \$64.2 million before costs and reserves for future interest and expenses totaling approximately \$7.4 million. The net proceeds received by UCI from the Israel Bond Issue was approximately \$56.8 million (the "Proceeds"). Of this amount, \$51.9 million was used to repay secured debt owed by various indirect subsidiaries of UCI and the remainder was used for general working capital purposes.

2.4 Insolvency of the Urbancorp Group

1. Within five months of the Israel Bond Issue, substantially all of the entities in the Urbancorp Group were subject to insolvency proceedings, including all direct and indirect subsidiaries of UCI.⁷ In addition to the Cumberland CCAA Proceedings, the following insolvency proceedings were commenced:
 - a) on April 25, 2016, the District Court in Tel Aviv-Yafo issued a decision appointing Guy Gissin as the functionary officer and foreign representative (the "Foreign Representative") of UCI and granting him certain powers, authorities and responsibilities over UCI (the "Israeli Proceedings"). The Israeli Proceedings have been recognized in Canada under Part IV of the CCAA. KSV was appointed as the Information Officer in the Israeli Proceedings;
 - b) on April 25, 2016, Woodbine and Bridlepath each filed a Notice of Intention to file a Proposal ("NOI") pursuant to the *Bankruptcy and Insolvency Act* ("BIA"). KSV was appointed as the Proposal Trustee in these proceedings. Pursuant to an order made by the Court dated October 18, 2016, the Remaining Bay Entities, Bay LP and Deaja Partner (Bay) Inc., the general partner of Bay LP (collectively, the "Bay CCAA Entities"), were granted CCAA protection and KSV was appointed as the Bay Monitor;
 - c) on April 29, 2016, Edge, Bosvest Inc. and Edge Residential Inc. (collectively, the "Edge Entities") each filed a NOI pursuant to the BIA. On October 16, 2016, the Edge Entities, Cumberland 2 and Urbancorp Cumberland 2 GP Inc. (collectively, the "Cumberland 2 Entities") filed for and were granted protection under the CCAA (the "Cumberland 2 CCAA Proceedings"). The Fuller Landau Group Inc. ("Fuller Landau") is the Monitor in the Cumberland 2 CCAA Proceedings;
 - d) on April 29, 2016, Saskin filed a NOI pursuant to the BIA. Fuller Landau is the Proposal Trustee in Saskin's proposal proceedings; and

⁷ Other than UNKI. Pursuant to the Initial Order, Robert Kofman, the President of KSV and the person with primary oversight of these proceedings on behalf of the Monitor, or such representative of KSV as Mr. Kofman may designate in writing from time-to-time, was appointed to the management committee of the Kingsclub project owned by UNKI in place of Saskin, the sole officer and director of UNKI.

- e) on May 31, 2016, the Court issued an order appointing Alvarez & Marsal Canada Inc. as receiver and manager of Urbancorp (Leslieville) Developments Inc. ("Leslieville"), Urbancorp (Riverdale) Developments Inc. and Urbancorp (The Beach) Developments Inc. (the "Leslieville Entities"). The Leslieville Entities are subsidiaries of Bay/Stadium LP.

3.0 Overview of Speedy's Claim

1. There are two components to Speedy's claim:
 - a \$1 million unsecured loan to Saskin, plus interest and costs which continue to accrue (the "Saskin Loan"); and
 - \$1,038,911.44 the ("Edge Amount") in respect of electrical services provided by Speedy to Edge in respect of a project located at 38 Lisgar Street, Toronto (the "Edge Project").
2. The following is a chronology of the events relevant to Speedy's Claim:
 - The Saskin Loan was made pursuant to a promissory note dated September 22, 2014. It bears interest at 12.5% per annum and originally matured on September 23, 2015. This loan was not connected to the business and operations of KRI; and
 - From 2012 to 2015, Speedy provided electrical contracting services on the Edge Project. At the time, Edge was a wholly-owned subsidiary and nominee of Bay/Stadium LP – it is now a subsidiary and nominee of Cumberland 2. On September 30, 2015, Speedy registered a construction lien against title to the Edge Project for the amounts owed to it related to the Edge Project (the "Lien").

3.1 Debt Extension Agreement (November 14, 2015)

1. On November 14, 2015, Speedy, Saskin, Edge and KRI executed a Debt Extension Agreement (the "Debt Extension Agreement") pursuant to which:
 - Speedy paid \$2 to KRI;
 - the maturity date of the Saskin Loan was extended to January 30, 2016;⁸
 - the Lien was discharged; and
 - KRI provided the Secured Guarantee for obligations owed to Speedy in respect of the Saskin Loan and the outstanding Edge Amount. The Secured Guarantee is limited to the value of the assets charged by the Mortgage, plus up to \$5,000 for legal costs. A copy of the Mortgage is attached as Appendix "H".

⁸ Saskin does not recall extending the Saskin Loan after the January 30, 2016 maturity date.

2. Saskin has advised the Monitor that KRI entered into the Debt Extension Agreement in order to facilitate the Israel Bond Issue. According to Saskin, the Israel Bond Issue could not be completed with the Lien registered on the Edge Project.
3. From a review of the Urbancorp Group's books and records, it appears that as early as October 1, 2015, Speedy was pressing certain claims against Edge and Saskin, including looking to petition Saskin into bankruptcy. Attached as Appendix "I" are copies of e-mails dated October 1, 2015 from Speedy's counsel and a UTMI employee reflecting that Speedy was considering petitioning Saskin into bankruptcy. It also appears that settlement discussions ensued quickly thereafter and that Speedy was concerned with determining the creditors of Edge at that time. Attached as Appendix "J" is an e-mail from Saskin to a UTMI employee regarding Speedy attempting to determine the creditors of Edge.
4. The settlement ultimately reached appears to be reflected in the terms of the Debt Extension Agreement which appears to have been signed by Saskin on November 1, 2015 and implemented on November 16, 2015, the date on which the Mortgage was registered on title and the Lien discharged. A copy of the Parcel Register (the "Parcel Register") from the Land Registry Office reflecting the discharge of the Lien is attached as Appendix "K".
5. The Secured Guarantee was provided to Speedy by KRI in November 2015, approximately six months before the Cumberland CCAA Entities filed for and obtained protection under the CCAA (May 18, 2016).
6. A copy of the Debt Extension Agreement included with the Proof of Claim was not executed by Speedy. The Monitor's counsel, Davies Ward Phillips & Vineberg LLP, has requested a fully executed copy of this agreement from Speedy's counsel, but as of the date of this Report it has not been provided.
7. Together with applicable interest and legal fees payable under the Saskin Loan, Speedy's Proof of Claim asserts a secured claim against all Cumberland CCAA Entities in the total amount of \$2,323,638.54, comprised of \$1,274,727.10 owing under the Saskin Loan (with interest), legal fees of \$10,000 and the outstanding Edge Amount of \$1,038,911.44.

3.2 The Secured Guarantee

3.2.1 Current Value

1. The Secured Guarantee is limited to the value of the Residential Units and the legal costs to a maximum of \$5,000 in connection with the enforcement of the Mortgage. The Mortgage was registered on title subsequent to mortgages on the Residential Units held by TD Bank and Canadian Imperial Bank of Commerce ("CIBC").
2. Pursuant to Court orders issued in the Cumberland CCAA Proceedings, the Monitor is carrying out a sale process for 28 condominiums, 51 parking spots and seven lockers owned by the Cumberland CCAA Entities, including the Residential Units. Of the thirteen condominiums and thirteen parking spots subject to the Secured Guarantee, nine condominiums and one parking spot have been sold. The remaining condominiums are expected to be sold over the next few months. It is unclear if all of the parking spots are saleable.

3. The estimated value of the Secured Guarantee is set out in the below table.

(\$000s; unaudited)	
Description	Amount
Net realizations to date (9 condominiums and one parking spot)	1,427
Expected future gross realizations (4 condominiums)	1,141
Costs	
TD Bank/CIBC Secured Debt	(705)
Expected future realtor commissions (4.6% of list prices)	(52)
Projected professional fees ⁹	(40)
	<u>(797)</u>
Estimated Value of Secured Guarantee, before realizing on the parking spots	<u>1,771</u>

4. Based on the table above, the estimated value of the Secured Guarantee is approximately \$1.771 million, prior to the sale of the remaining twelve parking spots. The projected proceeds from the parking spots have been excluded from this estimate because of the uncertainty related to their saleability. The ultimate value of the Secured Guarantee cannot be fully determined until each of the Residential Units has been sold.

3.2.2 Guarantee Date Value

1. The Monitor has also estimated the value of the Secured Guarantee as of the Guarantee Date.

(\$000s; unaudited)	
Description	Amount
Fair value of condominiums ¹⁰	3,141
CIBC/TD mortgages	<u>(2,487)</u>
Estimated Value of Secured Guarantee, before realizing on the parking spots	<u>654</u>

2. Based on the table above, the estimated value of the Secured Guarantee at the Guarantee Date was approximately \$654,000, prior to the realization of the thirteen parking spots. Accordingly, KRI provided a secured guarantee valued at \$654,000 in return for \$2.

3.3 Impact of the Speedy Claim on UCI

1. UCI raised approximately \$64.2 million through the Israel Bond Issue. Substantially all of the proceeds from the Israel Bond Issue were advanced to the Urbancorp Group.

⁹ Assumes professional fees on the sale of each unit are \$10,000. Includes professional fees of the Monitor and its legal counsel. Also includes an allocation of the fees relating to the condominium sale process motion across each unit.

¹⁰ The fair value analysis for the condominiums is provided in Note 7 to Appendix "N".

2. A summary of UCI's admitted claims and distributions to UCI in the Cumberland CCAA Proceedings to date is provided below.

(\$000s; unaudited)					
Entities	Claims Filed	Admitted Claims	Distributions	Unpaid Admitted Claims	Total Disputed Claims ^a
Cumberland Entities	46,275	37,174	30,352	6,822	-
Non-Cumberland Entities ¹¹	11,457	10,155	-	10,155	1,302
	57,732	47,329	30,352	16,977	1,302

a) The Monitor disallowed \$9.1 million of the UCI claims filed against the Cumberland Entities, which were objected to by UCI. Subsequently, UCI agreed to withdraw its objection.

3. The table reflects that approximately \$17 million of UCI's admitted claim against the Cumberland CCAA Entities remains unpaid. There are approximately \$12 million of claims against the Cumberland CCAA Entities subject to dispute; all other claims have been paid in full.
4. The Cumberland CCAA Entities have realized on all of their assets, other than eight condominiums, 47 parking spots, three lockers,¹² geothermal assets and their interests in Downsview and the Kingsclub development owned by UNKI.
5. In addition to the Cumberland CCAA Entities, UCI may also generate recoveries from:
- distributions to UCI from the Cumberland 2 Entities;
 - distributions to UCI from the Bay CCAA Entities; and
 - realizations from litigation commenced by UCI against Saskin and individuals and entities related to Saskin and other parties.
6. It is uncertain whether UCI will generate recoveries sufficient to fully repay the amounts owing from the Israel Bond Issue. Monies paid to satisfy the Speedy Claim will reduce the amounts ultimately recoverable by UCI.

¹¹ Downsview, UTMI, Vestaco Homes Inc., Vestaco Investments Inc. and 228 Queen Quay West Limited.

¹² Four of these condominiums and 12 of these parking spots are subject to the Secured Guarantee.

3.4 Edge and Bay Creditor Groups

- The Bay Entities and Edge¹³ had different creditor groups as of the Guarantee Date. Accounts payable ledgers for the Bay Entities and Edge as of the Guarantee Date are attached as Appendix "L" and "M", respectively. A summary of each of the accounts payable ledgers is provided in the table below.¹⁴

(\$000s; unaudited)	Edge	Bay Entities
Amount owing	21,163	6,970
Largest creditor	Canada Revenue Agency (14,533)	City of Toronto (978)

4.0 Solvency of Bay LP

- In performing its assessment of Speedy's claim, and as required under the BIA, *Fraudulent Conveyances Act (Ontario)* ("FCA") and *Assignment and Preferences Act (Ontario)* ("APA"), the Monitor has considered the debtor's solvency at the time of and in connection with the Secured Guarantee transaction.
- At the time of the Debt Extension Agreement and the Guarantee Date, KRI was a nominee of Bay LP. Accordingly, the Monitor has prepared a solvency analysis of Bay LP, as discussed below.

4.1 Definition of an Insolvent Person

- An "insolvent person" is defined in section 2 of the BIA as:

a person who is not bankrupt and who resides, carries on a business or has property in Canada, whose liabilities to creditors payable as claims under this Act amount to one thousand dollars and:

 - who is, for any reason, unable to meet his obligations as they generally become due, or
 - who has ceased paying his current obligations in the ordinary course of business generally as they become due, or
 - the aggregate of whose property is not, at fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations, due and accruing due.

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

¹³ At the Guarantee Date, Edge was a nominee of Bay/Stadium LP. The table in Section 3.4 provides a summary of the creditors of Edge at the Guarantee Date to illustrate that the composition of its creditors was different than the Bay Entities' creditor composition. Bay/Stadium LP had creditors at the Guarantee Date, in addition to those in Edge.

¹⁴ According to the Urbancorp Group's books and records as at the Guarantee Date.

4.2 Balance Sheet Test

1. The Monitor has reviewed the books and records of the Bay Entities as at the Guarantee Date. The Bay LP balance sheet has been adjusted to estimate the fair valuation of Bay LP's assets. Set out below is the Bay LP estimated balance sheet as at the Guarantee Date (November 15, 2015), both at book value and at estimated fair valuation:¹⁵

(\$000's; unaudited)	Book Value	Fair Value Adjustments	Fair Valuation
Assets			
Current Assets			
Bank	(224)	224	-
Restricted Cash	1,542	(1,542)	-
Short term investments	531	(531)	-
Intercompany receivables	11,392	(11,392)	-
Sundry Assets	4,494	(2,473)	2,021
	<u>17,735</u>	<u>(15,714)</u>	<u>2,021</u>
Property held for Development	98,541	4,254	102,795
	<u>116,276</u>	<u>(11,460)</u>	<u>104,816</u>
Liabilities			
Current liabilities			
Accounts payable	6,969	224	7,194
Mortgages (Laurentian Bank of Canada) ¹⁶	12,680	-	12,680
Total current liabilities.	<u>19,649</u>	<u>224</u>	<u>19,873</u>
Long term debt			
Purchaser Deposits	16,198	(1,542)	14,656
Mortgages and other loans	55,676	-	55,676
Intercompany payable	7,400	-	7,400
Guarantee (contingent obligation) ¹⁷	-	2,400	2,400
Other	357	-	357
Total long term debt	<u>79,631</u>	<u>858</u>	<u>80,489</u>
Total liabilities	<u>99,280</u>	<u>1,082</u>	<u>100,362</u>
Partners' Equity	16,996	(12,542)	4,453
Total Liabilities and Equity	<u>116,276</u>	<u>(11,460)</u>	<u>104,816</u>

¹⁵ The Bay Entities do not maintain general ledgers for UNKI and North Side. The value of the assets of UNKI at the time of the Guarantee Date is uncertain. Realizations from UNKI are uncertain and may not be significant – it may not generate any recoveries. The Monitor understands that North Side's only asset is its ownership interest in Bridge and the assets and liabilities of the Bridge are included in the estimated fair valuation. UNKI and North Side have been excluded from the estimated fair valuation.

¹⁶ The Laurentian Bank of Canada ("LBC") mortgage has been classified as a current liability as LBC had advised the Bay Entities that it would not be renewing its loans.

¹⁷ For presentation purposes, the Secured Guarantee has been reflected at its face value of \$2.4 million. The Bay Entities also guaranteed a bond from Travelers Guarantee Company of Canada ("Travelers") in the amount of approximately \$9.3 million in respect of the Leslieville project. Travelers filed a contingent claim in the CCAA proceedings for approximately \$4.4 million. As at the date of the Report, the value of the guarantee is undetermined; however, the guarantee has not been reflected as a fair value adjustment as it appears that there will be no exposure to the Cumberland CCAA Entities under the Guarantee.

2. Based on the above, it appears that Bay LP had book equity of approximately \$4.453 million as at the Guarantee Date, after giving effect to the Secured Guarantee.
3. A schedule detailing each of the fair value adjustments is provided in Appendix "N".

4.3 Cash Flow Test

1. As at the Guarantee Date, the Bay Entities were facing a liquidity crisis. The Bay Entities were not regularly paying vendors and were facing pressure from their lenders. The following sections provide an overview of the Bay Entities' liquidity at the time. In order to perform this review, the Monitor has considered the Bay Entities' obligations at the Guarantee Date to determine if they were being serviced in the ordinary course.
2. It should also be noted that within five months of providing the Secured Guarantee, certain of the Cumberland CCAA Entities had filed NOIs pursuant to the BIA and shortly thereafter substantially all of the Urbancorp Group was subject to some form of insolvency process.

4.4 Accounts payable

1. A summary of the aging of the accounts payable for the Bay Entities at the Guarantee Date is provided in the following table.¹⁸

(\$000's unaudited)					
0-60 days	60-90 days	+90 days	Total	% over 90 days	
199	197	6,572	6,969	94%	

2. The table above reflects that 94% of the Bay Entities' accounts payable were aged more than 90 days at the Guarantee Date.¹⁹ The majority of the over 90-day payables are in respect of vendors that were required to develop the projects, including architects, consultants and legal counsel in respect of predevelopment activities.²⁰ A creditors' list for the Bay Entities as of the Guarantee Date is attached as Appendix "L".
3. The Monitor understands from Saskin that, as at the Guarantee Date, the Bay Entities had no access to additional liquidity to pay these liabilities or to bring them current. The Urbancorp Group undertook the Israeli Bond Issue and the Reorganization to address these and other liquidity issues.

¹⁸ Excludes the fair value adjustment of \$225,000.

¹⁹ According to the Bay Entities' aged payable sub-ledgers as of November 15, 2015.

²⁰ The accounts payable balance includes \$278,112 owing to UTMI. Of the balance owed to UTMI, \$35,348 is aged under 60 days, \$17,488 is aged 60-90 days and \$225,276 is aged greater than 90 days.

4.5 Mortgages

- Each of the Bay Entities' properties was subject to a mortgage at the Guarantee Date. A summary of the mortgages is provided in the table below.

(\$000s; unaudited)			Percentage of Total Mortgage Debt
Mortgagee	Security	Amount Outstanding	
Terra Firma Capital Corporation	St. Clair, Lawrence, Patricia, Mallow, 60 St. Clair, Bridlepath, King South	42,644	62.4%
Laurentian Bank	Patricia, Woodbine	12,680	18.6%
Other lenders	Patricia, 60 St. Clair, King South, Lawrence	13,032	19.0%
Total		68,356	100%

4.6 Terra Firma Capital Corporation

- Terra Firma Capital Corporation ("TFCC") provided secured advances to numerous Bay Entities²¹. The Bay Entities collectively owed TFCC approximately \$42.644 million as at the Guarantee Date.
- During the latter part of 2014 and throughout 2015, the Urbancorp Group required liquidity and was having difficulty servicing its various loans, including the loans from TFCC. In order to keep the TFCC loans from going into arrears, TFCC extended or renewed loans at higher amounts, the effect of which was to capitalize unpaid interest and costs.
- Examples of TFCC extending or renewing loans at higher loan levels include:
 - Loan renewal for Lawrence dated October 5, 2015. The loan was increased to \$7,953,495 to include accrued interest of \$483,496 from the initial advance date. The loan renewal for Lawrence is attached as Appendix "O".
 - Loan renewal for St. Clair Village dated November 24, 2015. The loan was increased to \$7,380,000 to include accrued interest of \$450,000 from the initial advance date. The loan renewal for St. Clair Village is attached as Appendix "P".
- The above two loans were renewed after the loans had matured and therefore at the time of the renewal the loans were already due and payable.

²¹ Includes loans administered by Terra Firma Capital Corporation.

4.7 Laurentian Bank of Canada (“LBC”)

1. At the Guarantee Date, LBC had two loans outstanding to the Bay Entities: one for approximately \$7.7 million owing from Patricia and one for approximately \$5 million owing from Woodbine. In September, 2015, LBC placed these loans in their special loans group.
2. LBC was also part of the banking syndicate (led by CIBC) that provided a loan to Leslieville, which is not a Bay Entity. By mid-2015, Leslieville was in default on the loan. As a result, LBC advised Saskin that it would not be renewing or extending any loans to any Urbancorp Group entity upon maturity.
3. The LBC loan to Woodbine matured on February 1, 2016, approximately four months after the Guarantee Date. On March 4, 2016, LBC demanded repayment and issued a Notice of Intention to Enforce Security under Section 244 of the BIA. As of March 4, 2016, Woodbine owed LBC interest arrears of approximately \$44,000. The LBC Loan was repaid in October 2016 from the proceeds of sale of the property owned by Woodbine in the sale process conducted by KSV as the Bay Monitor.
4. A portion of the Proceeds from the Israel Bond Issue was used to repay LBC’s loan to Patricia.

4.8 Other Indicators of Distress

1. In addition to the cash flow issues reflected above, other indicators of financial distress in October, 2015 include:
 - a) the Urbancorp Group retained A. Farber & Partners (“Farber”) to provide distressed consulting services. Farber’s engagement letter with the Urbancorp Group is dated October 19, 2015;
 - b) virtually all of the Urbancorp Group’s projects were delayed. In that respect, Tarion Warranty Corporation, the Ontario regulator for home builders, was investigating delays on construction of the Urbancorp Group’s Leslieville project. An email dated October 16, 2015 from Tarion to Saskin regarding the delays on Leslieville is attached as Appendix “Q”; and
 - c) liens had been placed on several projects, including the Edge Project, and vendors were applying pressure to be repaid. Based on the Parcel Register for the Edge Project, liens had been registered on the Edge Project by, among others, Speedy, Lido Construction Inc. and EXP services Inc. As evidenced by the e-mails provided in Appendix “I”, Speedy was applying payment pressure. Speedy and its counsel appear to have been well aware of the financial distress being encountered by Saskin and the Urbancorp Group.

5.0 Conclusion

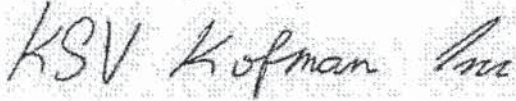
1. Based on the Monitor's review of the Claim in context, the following overall conclusions can be made:
 - i. Based on the cash flow test, Bay LP was insolvent at the Guarantee Date;
 - ii. Saskin entered into the Debt Extension Agreement at the time he controlled both Edge and KRI;
 - iii. Bay LP, through its KRI subsidiary, does not appear to have received any benefit, other than the nominal consideration of \$2.00, in return for granting the Secured Guarantee with a value of approximately \$654,000 at the time;
 - iv. releasing the Lien pursuant to the Debt Extension Agreement benefited the creditors of Bay/Stadium LP, Edge's beneficial owner, without providing any benefit to KRI;
 - v. in respect of the Saskin Loan, providing the Secured Guarantee pursuant to the Debt Extension Agreement benefited Saskin personally and Speedy in providing valuable security for the recovery of what was an unsecured personal obligation at the time without providing any benefit to KRI;
 - vi. Speedy and Saskin were aware of the Urbancorp Group's financial distress at the time and Speedy was granted and took security over assets held by KRI to address this risk;
 - vii. the effect of the Secured Guarantee will defeat or hinder recoveries to the creditors of the Cumberland CCAA Entities, namely UCI's creditors, primarily the Israeli bondholders;
 - viii. given the foregoing, the Monitor considers that having Edge and KRI enter into the Debt Extension Agreement was oppressive, unfairly prejudicial to or unfairly disregarded the interests of Bay LP's creditors while providing a benefit to Speedy and personally to Saskin;
 - ix. given the foregoing, it is also the Monitor's position that the Secured Guarantee is voidable as a "transfer at undervalue" under the BIA, fraudulent conveyance under the FCA, or fraudulent preference under the APA; and
 - x. even if the Claim is valid, the value of the Secured Guarantee should be limited to the net realizations from the Residential Units.

6.0 Recommendation

1. Based on the foregoing, the Monitor recommends the Court make an order as set out in Section 1.1 1(c).

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE CUMBERLAND CCAA ENTITIES
AND NOT IN ITS PERSONAL CAPACITY**

Schedule "A"

Urbancorp (952 Queen West) Inc.
King Residential Inc.
Urbancorp 60 St. Clair Inc.
High Res. Inc.
Bridge on King Inc.
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.

Appendix “A”

Levine, Sherkin, Boussidan

B A R R I S T E R S

*LARRY J. LEVINE, Q.C.

KEVIN D. SHERKIN

CARMINE SCALZI

RYAN WOZNAK

JASON GOTTLIEB

JEREMY K. SACKS

MITCHELL WINE

LIZZIE BARRASS

A Professional Corporation

Jeremy Sacks – Ext. 119
jeremy@lsblaw.com

October 21, 2016

LETTER SENT VIA EMAIL & COURIER

KSV KOFMAN INC.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9
Attention: Noah Goldstein

Dear Mr. Goldstein:

RE: CCAA Proceedings
Court File No. CV-16-11389-00CL
Our File No.: 5204-001

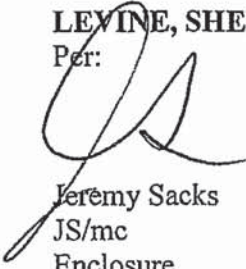
Please be advised that we are counsel for Speedy Electrical Contractors Ltd. and we are submitting our client's Proof of Claims against the CCAA Entities and their Officers and Directors, which are enclosed herein. A hardcopy of same will follow by courier.

If you have any questions, please feel free to contact me.

Yours very truly,

LEVINE, SHERKIN, BOUSSIDAN

Per:


Jeremy Sacks

JS/mc

Enclosure

c. client

Robin B. Schwill of Davies Ward Phillips & Vineberg LLP – counsel for the Monitor

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.,
UNBANCORP (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

**PROOF OF CLAIM OF SPEEDY ELECTRICAL CONTRACTORS LTD.
AGAINST THE CCAA ENTITIES**

October 19, 2016

LEVINE SHERKIN BOUSSIDAN
Barristers
23 Lesmill Road., Suite 300
Toronto ON M3B 3P6

KEVIN D. SHERKIN – LSUC#27099B
Email: kevin@lsblaw.com
JEREMY SACKS – LSUC#62361R
Email: Jeremy@lsblaw.com

Tel: 416-224-2400
Fax: 416-224-2408

Lawyers for Speedy Electrical Contractors Ltd.

TO: KSV KOFMAN INC.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

NOAH GOLDSTEIN
Email: ngoldstein@ksvadvisory.com
Fax: 416-932-62266

Index

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
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(MALLOW) INC., URBANCORP (LAWRENCE) INC.,
UNBANCORP (952 QUEEN WEST) INC., KING
RESIDENTIAL INC., URNBANCORP 60 ST. CLAIR INC.,
HIGH RES. INC., BRIDGE ON KING INC. (Collectively the
"Applicants") AND THE AFFILIATED ENTITIES LISTED IN
SCHEDULE "A" HERETO

INDEX

Tab	Document
1.	Proof of Claim Form
A.	Speedy cheque in the amount of \$1,000,000.00 payable to Alan Saskin
B.	Promissory note dated September 23, 2014
C.	Debt Extension Agreement dated November 15, 2015

Tab 1

SCHEDULE "I"

PROOF OF CLAIM FORM FOR CLAIMS AGAINST
THE CCAA ENTITIES¹

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

Debtor: King Residential Inc.

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

Legal Name of Claimant Speedy Electrical Contractors Ltd.

Name of Contact Jeremy Sacks

Address 10 Levee Sherkin Bannside

Title Lawyer

23 Lesmill Rd., Suite 300

Phone # 416 224 2400

Fax # 416 224 2408

City Toronto Prov /State ON

email jeremy@1sb1aw.com

Postal/Zip Code M3B 3P6

2(b) Assignee, if claim has been assigned

Legal Name of Assignee _____

Name of Contact _____

Address _____

Phone # _____

Fax # _____

City _____ Prov /State _____

email: _____

Postal/Zip Code _____

¹ 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., 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. (collectively, the "CCAA Entities").

3. Amount of Claim

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

Currency	Amount of Claim	Unsecured Claim	Secured Claim
Canadian	\$2,323,638.54	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

4. Documentation See attached Schedule "A"

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

5. Certification

I hereby certify that:

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

Signature: <u>[Signature]</u>	Witness: <u>[Signature]</u>
Name: <u>Jeremy Sacks</u>	(signature) <u>Michelle Cruz</u>
Title: <u>Lawyer</u>	(print)

Dated at Toronto this 17th day of October, 2016

6. Filing of Claim

This Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on October 21, 2016 (or within thirty (30) days after the date on which the Monitor had sent you a Claims Package with respect to a Restructuring Period Claim) by **prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:**

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

- 3 -

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

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

Schedule A

SCHEDULE "A"

OVERVIEW

1. Speedy Electrical Contractors Limited (hereinafter referred to as "Speedy"), is a company incorporated pursuant to the laws of the Province of Ontario, and supplies and installs, *inter alia*, electrical contracting work.
2. King Residential Inc. has guaranteed certain debts owing to Speedy, as follows:
 - a. A loan to Alan Saskin in the principal amount of \$1,000,000, and bearing interest at the rate of 12.5% since September 23, 2014.
 - b. An outstanding account owing to Speedy for electrical services supplied to the Urbancorp project at 38 Lisgar Street in Toronto, known as the Edge Project.

King Residential Inc. provides a Guarantee and Mortgage

3. On September 22, 2014, Speedy loaned Alan Saskin the sum of \$1,000,000 pursuant to a promissory note (the "Promissory Note"). The Promissory Note included interest at the rate of 12.5% per annum, compounded annually, and had a maturity date of September 23, 2015. The Promissory Note also provided for payment of costs on a solicitor client scale for any collection proceedings. Attached hereto at **Tab "A"** is a copy of the cheque payable to Alan Saskin. Attached hereto at **Tab "B"** is a copy of the Promissory Note.
4. Speedy also has an outstanding account in the amount of \$1,038,911.44 for electrical services it supplied to Edge on Triangle Park Inc. with respect to the Edge Project, as

stated above. on September 30, 2015, Speedy registered a construction lien on the Edge Project for the outstanding account (registered as Instrument AT4024509 at the Toronto Land Registry Office).

5. On or around November 14, 2015, Speedy, Alan Saskin, Edge on Triangle Park Inc. and King Residential Inc. entered into a “Debt Extension Agreement”, which included the following (the Agreement is attached hereto at **Tab “C”**):
 - a. Speedy extended the term the Promissory Note to January 30, 2016;
 - b. Speedy agreed to discharge the construction lien registered against the Edge Project;
 - c. King Residential Inc. agreed to guarantee the amounts outstanding to Speedy as principal debtor, which included the loan to Mr. Saskin, and accumulated interest, and the amount outstanding with respect to the Edge Project;
 - d. King Residential Inc. provided Speedy with a collateral mortgage, securing the amount of \$2,400,000, a copy of which is attached as Schedule “B” to the “Debt Extension Agreement”.

Amount Outstanding on the Promissory Note

6. The amount outstanding on the Promissory Note is calculated as follows:

Principal:	\$1,000,000
Interest from September 23, 2014 to September 22, 2015 (12.5%)	<u>\$125,000</u>
Balance as of September 22, 2015	\$1,125,000

Interest from September 23, 2015 to September 22, 2016 (12.5%)	<u>\$140,625</u>
Balance as of September 22, 2016	\$1,265,625
Interest as of September 23, 2016 to October 14, 2016 (12.5%)	<u>\$9,102.10</u>
Balance as of October 14, 2016	\$1,274,727.10

7. The per diem interest on the Promissory Note is \$433.43. Legal fees on account of collection are \$10,000.

SUMMARY

8. Based on the guarantees provided by King Residential Inc., the total amount owing by King Residential Inc. as of October 14, 2016, is the following:

Promissory Note	\$1,274,727.10
Solicitor-client costs	\$10,000
Edge Project	<u>\$1,038,911.44</u>
TOTAL	\$2,323,638.54 (plus per diem interest of \$433.43)

Tab A

Speedy
 Canadian Imperial Bank of Commerce
 2840 Finch Avenue West
 North York, Ontario M9M 2G7

CHEQUE NUMBER 78452

DATE 09 22 2014
 M M D D Y Y Y Y

/DOLLARS \$1,000,000.00


ELECTRICAL CONTRACTORS LIMITED
 114A Cassiar Ave., Woodbridge, Ontario L4L 5Y9
 Tel. 905-267-2344 Fax 905-854-1150

PAY ONE MILLION DOLLARS

TO THE ORDER OF ALAN SASKIN
 TORONTO ON
 Canada

SPEEDY ELECTRICAL CONTRACTORS LIMITED

PER _____ AUTHORIZED SIGNATURE



LOAN ⑆078452⑆ ⑆04322010⑆ 86005815⑆

SPEEDY ELECTRICAL CONTRACTORS LIMITED

* DETAILS *

22-Sep-14 Vendor No. ALAN SASKIN

CHEQUE # 00078452

22-Sep-14 0000281049 Invoice

0000078452

\$1,000,000.00

Cheque Total: \$1,000,000.00

Tab B

PROMISSORY NOTE

CANADIAN \$1,000,000
Toronto, Ontario

DUE:
Date:

September 23, 2015
September 23, 2014

FOR VALUE RECEIVED, the undersigned ALAN SASKIN ("Borrower"), hereby promises to pay to the order of SPEEDY ELECTRICAL CONTRACTORS INC. (the "Holder"), which term shall include its successors and assigns, at 114A Caster Avenue, Woodbridge, ON L4L 5Y9 or at such other place as the Holder may from time to time in writing designate, in lawful money of Canada, the principal sum of One Million (\$1,000,000) (the "Principal Amount") together with interest as hereinafter set forth.

The Principal Amount shall bear interest at a rate per annum, calculated and compounded annually, not in advance, both before and after demand, default, maturity and judgment, equal to twelve and one-half per cent (12.5%), with interest on overdue interest at the same rate, and payable biannually on the outstanding Principal Amount. The first interest payment shall be due on March 17, 2015 and on September 17, 2015 and on the same dates each year until this Promissory Note is paid in full.

The Borrower may prepay the Principal and Interest Balance in whole or in part at any time or from time to time without notice or bonus. All payments received shall be applied first in satisfaction of any accrued but unpaid interest and then against the outstanding portion of the Principal Amount.

If this Promissory Note is placed in the hands of a solicitor for collection or if collected through any legal proceeding, the Borrower promises to pay all costs of collection including the Holder's solicitors' fees and Court costs as between a solicitor and his own client.

The whole of the Principal Amount remaining unpaid, any accrued but unpaid interest, and all other moneys evidenced by this promissory note shall, at the option of the Holder, become immediately due and payable in each of the following events (each event being herein called an "Event of Default"):

- (a) if the Borrower defaults in payment of the Principal and Interest due pursuant to this Promissory Note when the same becomes due and payable;
- (b) if a notice of intention to make a proposal is filed or a proposal is made by the Borrower to his creditors under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or an application is filed by or against the Borrower or an authorized assignment is made by the Borrower under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or any successor or similar legislation;
- (c) if an encumbrancer or encumbrancers, whether permitted or otherwise, takes possession of any part of the property of the Borrower or any execution, distress or other process of any court becomes enforceable against any part of the property of the Borrower, or a distress or like process is levied upon any of such property and the aggregate value of all property subject to any such action exceeds \$25,000;
- (d) if there shall be expropriated or taken by power of eminent domain the whole or any substantial portion of the assets of the Borrower and the Holder is of the reasonable opinion that such expropriation has the materially adverse effect on the financial prospects of the Borrower; or

- (e) if the Borrower defaults in payment of any obligation or obligations in the aggregate exceeding \$25,000 (including any indebtedness payable on demand where such demand has been made) and such obligation or obligations is or are declared by the creditor thereunder to be due and payable prior to the stated maturity thereof.

All payments to be made by the Borrower pursuant to this Promissory Note are to be made in freely transferrable, immediately available funds, not subject to any counter-claim and without set-off, withholding or deduction of any kind whatsoever. This Promissory Note shall enure to the benefit of the Holder and its successors and assigns, and shall be binding upon the Borrower and his heirs, executors, administrators and personal legal representatives.

The Holder and all persons liable or to become liable on this Promissory Note waive presentment, protest and demand, notice or protest, demand and dishonour and non-payment of this Promissory Note, and consent to any and all renewals and extensions in the time of payment hereof, and agree further that, at any time and from time to time without notice, the terms of payment herein may be modified, without affecting the liability of any party to this instrument or any person liable or to become liable with respect to any indebtedness evidenced hereby.

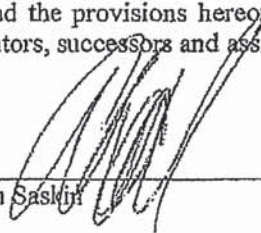
Time is of the essence hereof.

This Promissory Note shall be governed by the laws of the Ontario and shall not be changed, modified, discharged or cancelled orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors and assigns and the provisions hereof shall bind and enure to the benefit of their respective heirs, executors, administrators, successors and assigns forever.

Witness:



Alan Saskin



Tab C

SPEEDY ELECTRICAL CONTRACTORS INC. ("SPEEDY")

- and -

**EDGE OF TRIANGLE PARK INC. ("EDGE"), ALAN SASKIN ("ALAN") and KING
RESIDENTIAL INC. ("KING")**

DEBT EXTENSION AGREEMENT

WHEREAS Edge owes Speedy certain amounts from its construction on the Edge Condominium project to Speedy.

AND WHEREAS Saskin owes Speedy certain funds under a Promissory Note ("Note") dated September 23, 2014 that is now due.

AND WHEREAS King is agreeing to provide a limited guarantee and security in consideration for the extension of the amounts presently due to Speedy by Edge and Saskin.

AND WHEREAS Saskin is the principal and sole officer and director of King.

AND WHEREAS as at September 23, 2015, Saskin owed Speedy \$1,125,000.00 with interest running at 12.5 % annually and Edge owes Speedy \$1,038,911.44.

THE PARTIES agree as follows:

1. Speedy and Saskin agree to extend the term of the Note until January 30, 2016 at the same rate as set out therein attached as Schedule "A" hereto.

Page 2 of 4

2. The other terms of the existing promissory Note dated September 23, 2014 continue.
3. Edge confirms it owes Speedy \$1,038,911.44 and Speedy has registered a lien registered as AT4024509 in the Toronto Registry office on September 30, 2015 and at the time of signature of this agreement and registration of the mortgage contemplated herein Speedy will discharge its lien.
4. In consideration to the extension of the Note in paragraph 1 and the discharge of the lien, and the payment of the sum of \$2.00, King hereby agrees to guarantee the amounts outstanding to Speedy by Edge and Saskin set out herein as principal debtor and not as surety, and agrees to provide a collateral mortgage attached as Schedule "B" hereto to provide security for such guarantee. The guarantee of King shall be strictly limited to the collateral mortgage as well as the cost of collection on the said mortgage. Should the funds in paragraphs 1 and 3 not be repaid by January 30, 2016, Speedy will be at liberty to collect on the guarantee and enforce the mortgage in addition to its rights against the other parties herein. In the event of default, all costs of collections shall be on a solicitor and own client basis and borne by Edge, Saskin and King. Following a default, the blended amounts outstanding with interest as set out in paragraphs 1 and 3, shall bear interest at 6% as set out in the mortgage.
5. Nothing in this agreement hereby modifies or changes the existing indebtedness of the parties to one another and the removal of the lien is in no way an acknowledgment that the funds are

not owed by Edge or Saskin.

- 6. King agrees to provide evidence showing that there are no common element arrears of the units listed on Schedule B or pay such arrears on closing and confirms the taxes on the units are up to date.
- 7. King agrees it will obtain a discharge or postponement prior to the registration of the mortgage contemplated herein of the Travelers Guarantee Company of Canada mortgage registered as Instrument No. AT1587699 on the units being provided under the mortgage.
- 8. Edge, Saskin and King, agree to pay 50% of Speedy's Reasonable legal costs in regard to the within Debt Extension Agreement, mortgage contemplated herein and lien, such fee not to exceed \$5,000.00, plus disbursements and HST.

Dated this _____ day of _____, 2015

Witness

SPEEDY ELECTRICAL CONTRACTORS INC.

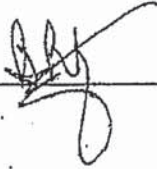
Dated this 14 day of NOVEMBER, 2015

Witness



EDGE OF TRIANGLE PARK INC.

Dated this 1st day of NOVEMBER, 2015


Witness  _____



ALAN SASHIN

Dated this 1st day of NOVEMBER, 2015

Witness _____



KING RESIDENTIAL INC.

Schedule "A"

PROMISSORY NOTE

CANADIAN \$1,000,000
Toronto, Ontario

DUE:
Date:

September 23, 2015
September 23, 2014

FOR VALUE RECEIVED, the undersigned ALAN SASKIN ("Borrower"), hereby promises to pay to the order of SPEEDY ELECTRICAL CONTRACTORS INC. (the "Holder"), which term shall include its successors and assigns, at 114A Caster Avenue, Woodbridge, ON L4L 5Y9 or at such other place as the Holder may from time to time in writing designate, in lawful money of Canada, the principal sum of One Million (\$1,000,000) (the "Principal Amount") together with interest as hereinafter set forth:

The Principal Amount shall bear interest at a rate per annum, calculated and compounded annually, not in advance, both before and after demand, default, maturity and judgment, equal to twelve and one-half per cent (12.5%), with interest on overdue interest at the same rate, and payable biannually on the outstanding Principal Amount. The first interest payment shall be due on March 17, 2015 and on September 17, 2015 and on the same dates each year until this Promissory Note is paid in full.

The Borrower may prepay the Principal and Interest Balance in whole or in part at any time or from time to time without notice or bonus. All payments received shall be applied first in satisfaction of any accrued but unpaid interest and then against the outstanding portion of the Principal Amount.

If this Promissory Note is placed in the hands of a solicitor for collection or if collected through any legal proceeding, the Borrower promises to pay all costs of collection including the Holder's solicitors' fees and Court costs as between a solicitor and his own client.

The whole of the Principal Amount remaining unpaid, any accrued but unpaid interest, and all other moneys evidenced by this promissory note shall, at the option of the Holder, become immediately due and payable in each of the following events (each event being herein called an "Event of Default"):

- (a) if the Borrower defaults in payment of the Principal and Interest due pursuant to this Promissory Note when the same becomes due and payable;
- (b) if a notice of intention to make a proposal is filed or a proposal is made by the Borrower to his creditors under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or an application is filed by or against the Borrower or an authorized assignment is made by the Borrower under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or any successor or similar legislation;
- (c) if an encumbrancer or encumbrancers, whether permitted or otherwise, takes possession of any part of the property of the Borrower or any execution, distress or other process of any court becomes enforceable against any part of the property of the Borrower, or a distress or like process is levied upon any of such property and the aggregate value of all property subject to any such action exceeds \$25,000;
- (d) if there shall be expropriated or taken by power of eminent domain the whole or any substantial portion of the assets of the Borrower and the Holder is of the reasonable opinion that such expropriation has the materially adverse effect on the financial prospects of the Borrower; or

- (e) if the Borrower defaults in payment of any obligation or obligations in the aggregate exceeding \$25,000 (including any indebtedness payable on demand where such demand has been made) and such obligation or obligations is or are declared by the creditor thereunder to be due and payable prior to the stated maturity thereof.

All payments to be made by the Borrower pursuant to this Promissory Note are to be made in freely transferrable, immediately available funds, not subject to any counter-claim and without set-off, withholding or deduction of any kind whatsoever. This Promissory Note shall enure to the benefit of the Holder and its successors and assigns, and shall be binding upon the Borrower and his heirs, executors, administrators and personal legal representatives.

The Holder and all persons liable or to become liable on this Promissory Note waive presentment, protest and demand, notice or protest, demand and dishonour and non-payment of this Promissory Note, and consent to any and all renewals and extensions in the time of payment hereof, and agree further that at any time and from time to time without notice, the terms of payment herein may be modified, without affecting the liability of any party to this instrument or any person liable or to become liable with respect to any indebtedness evidenced hereby.

Time is of the essence hereof.

This Promissory Note shall be governed by the laws of the Ontario and shall not be changed, modified, discharged or cancelled orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors and assigns and the provisions hereof shall bind and enure to the benefit of their respective heirs, executors, administrators, successors and assigns forever.

Witness: _____

Alan Siskin _____

Speedy
ELECTRICAL CONTRACTORS LIMITED
1140 Casper Ave. Woodbridge, Ontario L4L 6V9
Tel: 905-226-2244 Fax: 905-241-1168

Canadian Imperial Bank of Commerce
2540 Finch Avenue West
North York, Ontario M2N 2G7

CHEQUE NUMBER: 78452
DATE: 09.22.2014
MM DD YYYY

PER: _____
AUTHORIZED SIGNATURE

TO THE ORDER OF: ALAN SASKIN
TORONTO ON
Canada

ONE MILLION DOLLARS
\$1,000,000.00

SPEEDY ELECTRICAL CONTRACTORS LIMITED

LOAN #078452 #0432210101 B6M058151

SPEEDY ELECTRICAL CONTRACTORS LIMITED

22-Sep-14 Vendor No. ALAN SASKIN

22-Sep-14 0000281049 Invoice

* DETAILS *

CHEQUE # 00078452

0000078452

\$1,000,000.00

Cheque Total: \$1,000,000.00

Schedule "B"

ACKNOWLEDGEMENT AND DIRECTION

TO: Kevin David Sheridan
(insert lawyer's name)

AND TO: LEVINE SHERKIN BOUSSIDAN
(insert firm name)

RE: _____ (the transaction)
(insert brief description of transaction)

This will confirm that:

- We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and Sale herein. We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- I, _____, in the capacity of _____ the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgement and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) indicated below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
- A Charge of the land described above.
- Other documents set out in Schedule "B" attached hereto.

Dated at Toronto, this 1st day of November, 2015

WITNESS

(As to all signatures, if required)

KING RESIDENTIAL INC.

Per: [Signature]
Alan Baskin, President

I have the authority to bind the Corporation

Schedule "B"

ACKNOWLEDGEMENT AND DIRECTION

TO: Kevin David Sherkin
 (insert lawyer's name)

AND TO: LEVINE SHERKIN BOUSSIDAN
 (insert firm name)

RE: _____ (the transaction)
 (insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and Sale herein. I/We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- I, _____, am the spouse of _____ the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgment and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
 - A Charge of the land described above.
 - Other documents set out in Schedule "B" attached hereto.
- Dated at Toronto, this 1st day of November, 2015

WITNESS

(As to all signatures, if required)

KING RESIDENTIAL INC.

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

LRO # 80 Charge/Mortgage.

In preparation on 2015 10 23 at 14:29

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 4

Propertles

<i>PIN</i>	76302 - 0002 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 2, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0004 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 4, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0005 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 5, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0008 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 1, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0010 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 2, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0181 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 16, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0262 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 10, LEVEL 7, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0341 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 2, LEVEL 10, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0449 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 23, LEVEL 13, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0473 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 18, LEVEL 14, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0477 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 22, LEVEL 14, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		

LRO # 80 Charge/Mortgage

In preparation on 2016 10 23 at 14:29

This document has not been submitted and may be incomplete.

yyyy mm dd Page 2 of 4

Properties			
<i>PIN</i>	76302 - 0478 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 23, LEVEL 14, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0598 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 9, LEVEL 19, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0752 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 28, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0763 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 29, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0764 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 30, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0765 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 31, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0756 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 32, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0757 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 33, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0758 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 34, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0759 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 35, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0760 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 36, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		

LRO # 80 Charge/Mortgage

In preparation on 2015 10 23 at 14:29

This document has not been submitted and may be incomplete.

yyyy mm dd Page 3 of 4

Properties

<i>PIN</i>	76302 - 0761 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 37, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0762 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 36, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0784 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 70, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 1140 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 17, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name KING RESIDENTIAL INC.
Acting as a company
Address for Service 1100 King Street West
Toronto, ON M8K 1E8

I, Alan Saekln, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

<i>Chargee(s)</i>	<i>Capacity</i>	<i>Share</i>
-------------------	-----------------	--------------

<i>Name</i>	SPEEDY ELECTRICAL CONTRACTORS LIMITED Acting as a company
<i>Address for Service</i>	c/o Levine, Sherkln, Bousaidan 300-23 Leasmill Road Toronto, ON M3B 3P6

LRO # 80 Charge/Mortgage

In preparation on 2015 10 23 at 14:29

This document has not been submitted and may be incomplete.

yyyy mm dd Page 4 of 4

Provisions

Principal	\$ 2,400,000.00	Currency	CDN
Calculation Period			
Balance Due Date	2016/12/31		
Interest Rate	5% per annum		
Payments			
Interest Adjustment Date			
Payment Date			
First Payment Date			
Last Payment Date			
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor			

File Number

Chargee Client File Number: 5195-001

Land Registration Reform Act
SET OF STANDARD CHARGE TERMS
 (Electronic Filing)

078 & 007344 COL. #12
 FEB. 16, 2006

Filed by
 Dye & Durham Co., Inc.

Filing Date: November 3, 2000

Filing number: 200033

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L-6 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge".

- | | |
|---|--|
| <i>Exclusion of Statutory Covenants</i> | 1. The implied covenants deemed to be included in a charge under subsection 7(1) of the Land Registration Reform Act as amended or re-enacted are excluded from the Charge. |
| <i>Right to Charge the Land</i> | 2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge. |
| <i>No Act to Encumber</i> | 3. The Chargor has not done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose. |
| <i>Good Title in Fee Simple</i> | 4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown. |
| <i>Warrant to Pay and Perform</i> | 5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same. |
| <i>Interest After Default</i> | 6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case this interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land. |
| <i>No Obligation to Advance</i> | 7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the execution of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand thereof, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable. |
| <i>Costs Added to Principal</i> | 8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable. |
| <i>Power of Sale</i> | 9. The Chargee on default of payment for at least fifteen (15) days may, or at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the <i>Mortgages Act</i> . In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly |

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

- 10. Upon default in payment of principal and interest under this Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.**
- 11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.**
- 12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whatsoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised, advised or required.**
- 13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal properly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.**
- 14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.**
- 15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.**
- 16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurances against loss or damage by fire but also insurances against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurances. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurances having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.**
- 17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisions, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment**

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

- Righting Charge** 18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.
- Extensions not to Prejudice** 19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.
- No Merger of Covenants** 20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.
- Change in Status** 21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.
- Condominium Provisions** 22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the sums to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 18 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.
- Discharge** 23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.
- Guarantee** 24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and his successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
 - (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
 - (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.
- Sovereignty** 25. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.
- Interpretation** 26. In construing these covenants the words "Charge", "Chargee", "Chargor", "and" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.
- Paragraph headings** 27. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.
- Date of Charge** 28. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.
- Effect of Delivery of Charge** 29. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

DATED this day of (year)

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 (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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

**PROOF OF CLAIM OF SPEEDY ELECTRICAL
CONTRACTORS LTD.
AGAINST THE CCAA ENTITIES**

LEVINE SHERKIN BOUSSIDAN

Barristers
23 Lesmill Road., Suite 300
Toronto ON M3B 3P6

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Lawyers for Speedy Electrical Contractors Ltd.

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.,
UNBANCORP (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

**PROOF OF CLAIM OF SPEEDY ELECTRICAL CONTRACTORS LTD.
AGAINST DIRECTORS OR OFFICERS OF THE CCAA ENTITIES**

October 19, 2016

LEVINE SHERKIN BOUSSIDAN
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Fax: 416-932-62266

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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)
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UNBANCORP (952 QUEEN WEST) INC., KING
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HIGH RES. INC., BRIDGE ON KING INC. (Collectively the
"Applicants") AND THE AFFILIATED ENTITIES LISTED IN
SCHEDULE "A" HERETO

INDEX

Tab Document

1. Proof of Claim Form
- A. Speedy cheque in the amount of \$1,000,000.00 payable to Alan Saskin
- B. Promissory note dated September 23, 2014
- C. Debt Extension Agreement dated November 15, 2015

Tab 1

SCHEDULE "C"

PROOF OF CLAIM FORM FOR CLAIMS AGAINST DIRECTORS OR OFFICERS OF THE CCAA ENTITIES¹
(the "D&O Proof of Claim")

This form is to be used only by Claimants asserting a claim against any Directors and/or, Officers of the CCAA Entities and NOT for claims against the CCAA Entities themselves. For claims against the CCAA Entities, please use the form titled "Proof of Claim Form for Claims Against the CCAA Entities", which is available on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

1. Name of CCAA Entity Officer(s) and/or Director(s) (the "Debtor(s)"): Debtor(s): Alan Saskin, Philip Gales, Susan Hahn, David Mandell, Christine Honrade, Joe Pietrangolo, Robert Jacobs

(A) Original Claimant (the "Claimant")

Legal Name of Claimant: Speedy Electrical Contractors Ltd Name of Contact: Jeremy Sacks
 Address: c/o Levine Shekerin Bussidan Title: Lawyer
 23 Lesmill Road, Suite 300 Phone #: 416 224 2400
 Fax #: 416 224 2408
 City: Toronto Prov /State: ON email: jeremy@lsblaw.com
 Postal/Zip Code: M3B 3P6

(B) Assignee, if claim has been assigned

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

¹ 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., 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. (collectively, the "CCAA Entities").

2. Amount of Claim

The Debtor(s) was/were and still is/are indebted to the Claimant as follows:

Name(s) of Director(s), and/or Officers	Currency	Amount of Claim
Alan Saskin	Canadian	\$1,038,911.44
Alan Saskin	Canadian	\$1,284,727.10
Phillip Gales	CND	\$1,038,911.44
Susan Hahn	CND	\$1,038,911.44
David Mandell	CND	\$1,038,911.44
Christine Hourcade	Cnd	\$1,038,911.44
Joe Pietrangolo	Cnd	\$1,038,911.44
Robert Jacobs	Cnd	\$1,038,911.44

3. Documentation


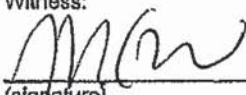
See attached Schedule "A"

Provide all particulars of the Claim and supporting documentation, including any claim assignment/transfer agreement or similar document, if applicable, and including amount and description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim.

4. Certification

I hereby certify that:

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

Signature:  Name: <u>Jeremy Sacks</u> Title: <u>Lawyer</u>	Witness:  (signature) <u>Michelle Cruz</u> (print)
Dated at <u>Toronto</u> this <u>17th</u> day of <u>October</u> , 2015	

5. Filing of Claim

This D&O Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on October 21, 2016 (or within thirty (30) days after the date on which the Monitor had sent you a Claims Package with respect to a Restructuring Period Claim) by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:

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

- 3 -

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

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

Schedule A

SCHEDULE "A"

Loan to Alan Saskin

1. On September 22, 2014, Speedy Electrical Contractors Limited (hereinafter referred to as "Speedy") loaned Alan Saskin the sum of \$1,000,000 pursuant to a promissory note (the "Promissory Note"). The Promissory Note included interest at the rate of 12.5% per annum, compounded annually, and had a maturity date of September 23, 2015. The Promissory Note also provided for payment of costs on a solicitor client scale for any collection proceedings. Attached hereto at **Tab "A"** is a copy of the cheque payable to Alan Saskin. Attached hereto at **Tab "B"** is a copy of the Promissory Note.

2. On or around November 14, 2015, Speedy, Alan Saskin, Edge on Triangle Park Inc. and King Residential Inc. entered into a "Debt Extension Agreement", which extended the term the Promissory Note to January 30, 2016 in consideration for certain guarantees and other security provided by King Residential Inc. (the Agreement is attached hereto at **Tab "C"**).

Amount Outstanding on the Promissory Note

3. The amount outstanding on the Promissory Note is calculated as follows:

Principal:	\$1,000,000
Interest from September 23, 2014 to September 22, 2015 (12.5%)	<u>\$125,000</u>
Balance as of September 22, 2015	\$1,125,000
Interest from September 23, 2015	

to September 22, 2016 (12.5%)	<u>\$140,625</u>
Balance as of September 22, 2016	\$1,265,625
Interest as of September 23, 2016 to October 14, 2016 (12.5%)	<u>\$9,102.10</u>
Balance as of October 14, 2016	\$1,274,727.10
Legal fees	<u>\$10,000</u>
Total	\$1,284,727.10

4. The per diem interest on the Promissory Note is \$433.43.

Breach of Trust Claim

- Speedy is an electrical contractor that supplied work to the Urbancorp project known as Edge on Park.
- Speedy has an outstanding account in the amount of \$1,038,911.44 for electrical services it supplied to Edge on Triangle with respect to the Edge Project, as stated above. on September 30, 2015, Speedy registered a construction lien on the Edge Project for the outstanding account (registered as Instrument AT4024509 at the Toronton Land Registry Office). There is no dispute that the debt is owing with respect to the Edge Project given the admissions set out in the "Debt Extension Agreement" attached at Tab "C".
- Urbancorp has made repeated promises to pay the outstanding accounts, but to date they remain unpaid.

4. Speedy has a breach of trust claim against the officers and directors of Urbancorp, in accordance with the Trust Provisions set out in the *Construction Lien Act*, with respect to the outstanding account.
5. Speedy states that the Urbancorp entities received financing and/or payment for the work being supplied by the construction trades for the aforementioned projects, but the funds received by Urbancorp were not paid to the trades (including Speedy). All funds received by the Urbancorp entities are trust funds for the benefit of the construction trades, in accordance with the *Construction Lien Act*.
6. Speedy states that Urbancorp's failure to pay the construction trades, including Speedy, is a breach of trust.
7. Further, in accordance with section 13 of the *Construction Lien Act*, Speedy states that the officers and directors of Urbancorp are liable for breach of trust as they assented to, or acquiesced, to Urbancorp's breach of trust. This includes breach of trust claims in the amount of the outstanding account (\$1,038,911.44) against the following officers and directors: Alan Saskin, Phillip Gales, Susan Hahn, David Mandell, Christine Honrade, Joe Pietrangelo, and Robert Jacobs.

Tab A

Speedy
 Canadian Imperial Bank of Commerce
 2840 Finch Avenue West
 North York, Ontario M2M 2G7

CHEQUE NUMBER: 78452
 DATE: 09.22.2014
 M M D D Y Y Y Y

ELECTRICAL CONTRACTORS LIMITED
 1140, Glenau Ave., Woodbridge, Ontario L7L 6V9
 TEL: 905-304-2584 Fax: 905-394-1159

PER: _____
 AUTHORIZED SIGNATURE

TO THE ORDER OF: ALAN SASKIN
 TORONTO ON
 Canada

ONE MILLION DOLLARS
 \$1,000,000.00

SPEEDY ELECTRICAL CONTRACTORS LIMITED

LOAN # 078452# 01322010: 8605815#

SPEEDY ELECTRICAL CONTRACTORS LIMITED

22-Sep-14 Vendor No. ALAN SASKIN

* DETAILS *

CHEQUE # 00078452

22-Sep-14 0000281049 Invoice

0000078452

\$1,000,000.00

Cheque Total: \$1,000,000.00

Tab B

Schedule "A"

PROMISSORY NOTE

CANADIAN \$1,000,000
Toronto, Ontario

DUE:
Date:

September 23, 2015
September 23, 2014

FOR VALUE RECEIVED, the undersigned ALAN SASKIN ("Borrower"), hereby promises to pay to the order of SPEEDY ELECTRICAL CONTRACTORS INC. (the "Holder"), which term shall include its successors and assigns, at 114A Caster Avenue, Woodbridge, ON L4L 5Y9 or at such other place as the Holder may from time to time in writing designate, in lawful money of Canada, the principal sum of One Million (\$1,000,000) (the "Principal Amount") together with interest as hereinafter set forth:

The Principal Amount shall bear interest at a rate per annum, calculated and compounded annually, not in advance, both before and after demand, default, maturity and judgment, equal to twelve and one-half per cent (12.5%), with interest on overdue interest at the same rate, and payable biannually on the outstanding Principal Amount. The first interest payment shall be due on March 17, 2015 and on September 17, 2015 and on the same dates each year until this Promissory Note is paid in full.

The Borrower may prepay the Principal and Interest Balance in whole or in part at any time or from time to time without notice or bonus. All payments received shall be applied first in satisfaction of any accrued but unpaid interest and then against the outstanding portion of the Principal Amount.

If this Promissory Note is placed in the hands of a solicitor for collection or if collected through any legal proceeding, the Borrower promises to pay all costs of collection including the Holder's solicitors' fees and Court costs as between a solicitor and his own client.

The whole of the Principal Amount remaining unpaid, any accrued but unpaid interest, and all other moneys evidenced by this promissory note shall, at the option of the Holder, become immediately due and payable in each of the following events (each event being herein called an "Event of Default"):

- (a) if the Borrower defaults in payment of the Principal and Interest due pursuant to this Promissory Note when the same becomes due and payable;
- (b) if a notice of intention to make a proposal is filed or a proposal is made by the Borrower to his creditors under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or an application is filed by or against the Borrower or an authorized assignment is made by the Borrower under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or any successor or similar legislation;
- (c) if an encumbrancer or encumbrancers, whether permitted or otherwise, takes possession of any part of the property of the Borrower or any execution, distress or other process of any court becomes enforceable against any part of the property of the Borrower, or a distress or like process is levied upon any of such property and the aggregate value of all property subject to any such action exceeds \$25,000;
- (d) if there shall be expropriated or taken by power of eminent domain the whole or any substantial portion of the assets of the Borrower and the Holder is of the reasonable opinion that such expropriation has the materially adverse effect on the financial prospects of the Borrower; or

- (e) if the Borrower defaults in payment of any obligation or obligations in the aggregate exceeding \$25,000 (including any indebtedness payable on demand where such demand has been made) and such obligation or obligations is or are declared by the creditor thereunder to be due and payable prior to the stated maturity thereof.

All payments to be made by the Borrower pursuant to this Promissory Note are to be made in freely transferrable, immediately available funds, not subject to any counter-claim and without set-off, withholding or deduction of any kind whatsoever. This Promissory Note shall enure to the benefit of the Holder and its successors and assigns, and shall be binding upon the Borrower and his heirs, executors, administrators and personal legal representatives.

The Holder and all persons liable or to become liable on this Promissory Note waive presentment, protest and demand, notice of protest, demand and dishonour and non-payment of this Promissory Note, and consent to any and all renewals and extensions in the time of payment hereof, and agree further that at any time and from time to time without notice, the terms of payment herein may be modified, without affecting the liability of any party to this instrument or any person liable or to become liable with respect to any indebtedness evidenced hereby.

Time is of the essence hereof.

This Promissory Note shall be governed by the laws of the Ontario and shall not be changed, modified, discharged or cancelled orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors and assigns and the provisions hereof shall bind and enure to the benefit of their respective heirs, executors, administrators, successors and assigns forever.

Witness: _____

Alan Siskin _____

Tab C

SPEEDY ELECTRICAL CONTRACTORS INC. ("SPEEDY")

- and -

**EDGE OF TRIANGLE PARK INC. ("EDGE"), ALAN SASKIN ("ALAN") and KING
RESIDENTIAL INC. ("KING")**

DEBT EXTENSION AGREEMENT

WHEREAS Edge owes Speedy certain amounts from its construction on the Edge Condominium project to Speedy.

AND WHEREAS Saskin owes Speedy certain funds under a Promissory Note ("Note") dated September 23, 2014 that is now due.

AND WHEREAS King is agreeing to provide a limited guarantee and security in consideration for the extension of the amounts presently due to Speedy by Edge and Saskin.

AND WHEREAS Saskin is the principal and sole officer and director of King.

AND WHEREAS as at September 23, 2015, Saskin owed Speedy \$1,125,000.00 with interest running at 12.5 % annually and Edge owes Speedy \$1,038,911.44.

THE PARTIES agree as follows:

1. Speedy and Saskin agree to extend the term of the Note until January 30, 2016 at the same rate as set out therein attached as Schedule "A" hereto.

Page 2 of 4

2. The other terms of the existing promissory Note dated September 23, 2014 continue.

3. Edge confirms it owes Speedy \$1,038,911.44 and Speedy has registered a lien registered as AT4024509 in the Toronto Registry office on September 30, 2015 and at the time of signature of this agreement and registration of the mortgage contemplated herein Speedy will discharge its lien.

4. In consideration to the extension of the Note in paragraph 1 and the discharge of the lien, and the payment of the sum of \$2.00, King hereby agrees to guarantee the amounts outstanding to Speedy by Edge and Saskin set out herein as principal debtor and not as surety, and agrees to provide a collateral mortgage attached as Schedule "B" hereto to provide security for such guarantee. The guarantee of King shall be strictly limited to the collateral mortgage as well as the cost of collection on the said mortgage. Should the funds in paragraphs 1 and 3 not be repaid by January 30, 2016, Speedy will be at liberty to collect on the guarantee and enforce the mortgage in addition to its rights against the other parties herein. In the event of default, all costs of collections shall be on a solicitor and own client basis and borne by Edge, Saskin and King. Following a default, the blended amounts outstanding with interest as set out in paragraphs 1 and 3, shall bear interest at 6% as set out in the mortgage.

5. Nothing in this agreement hereby modifies or changes the existing indebtedness of the parties to one another and the removal of the lien is in no way an acknowledgment that the funds are

not owed by Edge or Saskin.

- 6. King agrees to provide evidence showing that there are no common element arrears of the units listed on Schedule B or pay such arrears on closing and confirms the taxes on the units are up to date.
- 7. King agrees it will obtain a discharge or postponement prior to the registration of the mortgage contemplated herein of the Travelers Guarantee Company of Canada mortgage registered as Instrument No. AT1587699 on the units being provided under the mortgage.
- 8. Edge, Saskin and King, agree to pay 50% of Speedy's Reasonable legal costs in regard to the within Debt Extension Agreement, mortgage contemplated herein and lien, such fee not to exceed \$5,000.00, plus disbursements and HST.

Dated this _____ day of _____, 2015

Witness

SPEEDY ELECTRICAL CONTRACTORS INC.

Dated this 15 day of NOVEMBER, 2015

Witness



EDGE OF TRIANGLE PARK INC.

Dated this 1st day of NOVEMBER, 2015

Witness



ALAN SASKIN



Dated this 1st day of NOVEMBER, 2015

Witness

KING RESIDENTIAL INC.



Schedule "A"

PROMISSORY NOTE

CANADIAN \$1,000,000
Toronto, Ontario

DUE:
Date:

September 23, 2015
September 23, 2014

FOR VALUE RECEIVED, the undersigned ALAN SASKIN ("Borrower"), hereby promises to pay to the order of SPEEDY ELECTRICAL CONTRACTORS INC. (the "Holder"), which term shall include its successors and assigns, at 114A Caster Avenue, Woodbridge, ON L4L 5Y9 or at such other place as the Holder may from time to time in writing designate, in lawful money of Canada, the principal sum of One Million (\$1,000,000) (the "Principal Amount") together with interest as hereinafter set forth:

The Principal Amount shall bear interest at a rate per annum, calculated and compounded annually, not in advance, both before and after demand; default, maturity and judgment, equal to twelve and one-half per cent (12.5%), with interest on overdue interest at the same rate, and payable biannually on the outstanding Principal Amount. The first interest payment shall be due on March 17, 2015 and on September 17, 2015 and on the same dates each year until this Promissory Note is paid in full.

The Borrower may prepay the Principal and Interest Balance in whole or in part at any time or from time to time without notice or bonus. All payments received shall be applied first in satisfaction of any accrued but unpaid interest and then against the outstanding portion of the Principal Amount.

If this Promissory Note is placed in the hands of a solicitor for collection or if collected through any legal proceeding, the Borrower promises to pay all costs of collection including the Holder's solicitors' fees and Court costs as between a solicitor and his own client.

The whole of the Principal Amount remaining unpaid, any accrued but unpaid interest, and all other moneys evidenced by this promissory note shall, at the option of the Holder, become immediately due and payable in each of the following events (each event being herein called an "Event of Default"):

- (a) if the Borrower defaults in payment of the Principal and Interest due pursuant to this Promissory Note when the same becomes due and payable;
- (b) if a notice of intention to make a proposal is filed or a proposal is made by the Borrower to his creditors under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or an application is filed by or against the Borrower or an authorized assignment is made by the Borrower under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or any successor or similar legislation;
- (c) if an encumbrancer or encumbrancers, whether permitted or otherwise, takes possession of any part of the property of the Borrower or any execution, distress or other process of any court becomes enforceable against any part of the property of the Borrower, or a distress or like process is levied upon any of such property and the aggregate value of all property subject to any such action exceeds \$25,000;
- (d) if there shall be expropriated or taken by power of eminent domain the whole or any substantial portion of the assets of the Borrower and the Holder is of the reasonable opinion that such expropriation has the materially adverse effect on the financial prospects of the Borrower; or

- (e) if the Borrower defaults in payment of any obligation or obligations in the aggregate exceeding \$25,000 (including any indebtedness payable on demand where such demand has been made) and such obligation or obligations is or are declared by the creditor thereunder to be due and payable prior to the stated maturity thereof.

All payments to be made by the Borrower pursuant to this Promissory Note are to be made in freely transferrable, immediately available funds, not subject to any counter-claim and without set-off, withholding or deduction of any kind whatsoever. This Promissory Note shall enure to the benefit of the Holder and its successors and assigns, and shall be binding upon the Borrower and his heirs, executors, administrators and personal legal representatives.

The Holder and all persons liable or to become liable on this Promissory Note waive presentment, protest and demand, notice or protest, demand and dishonour and non-payment of this Promissory Note, and consent to any and all renewals and extensions in the time of payment hereof and agree further that at any time and from time to time without notice, the terms of payment herein may be modified, without affecting the liability of any party to this instrument or any person liable or to become liable with respect to any indebtedness evidenced hereby.

Time is of the essence hereof.

This Promissory Note shall be governed by the laws of the Ontario and shall not be changed, modified, discharged or cancelled orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors and assigns and the provisions hereof shall bind and enure to the benefit of their respective heirs, executors, administrators, successors and assigns forever.

Witness: _____

Alan Siskin _____

Speedy
 ELECTRICAL CONTRACTORS LIMITED
 1144 Casper Ave., Woodbridge, Ontario L4L 6V9
 Tel: 905-244-2244 Fax: 905-244-1159

Canadian Imperial Bank of Commerce
 2540 Finch Avenue West
 North York, Ontario M9M 2G7

CHEQUE NUMBER: 78452
 DATE: 09.22.2014
 M M D D Y Y Y Y

PER: _____
 AUTHORIZED SIGNATURE

TO THE ORDER OF: ALAN SASKIN
 TORONTO ON
 Canada

PAID TO: ONE MILLION DOLLARS
 \$1,000,000.00

SPEEDY ELECTRICAL CONTRACTORS LIMITED

LOAN # 078452# 043221010# 8605815#

SPEEDY ELECTRICAL CONTRACTORS LIMITED

22-Sep-14 Vendor No. ALAN SASKIN

22-Sep-14 0000281049 Invoice

DETAILS

CHEQUE # 00078452

0000078452 \$1,000,000.00

Cheque Total: \$1,000,000.00

Schedule "B"

ACKNOWLEDGEMENT AND DIRECTION

TO: Kavij David Sherkin
(insert lawyer's name)

AND TO: LEVINE SHERKIN BOUSSIDAN
(insert firm name)

RE: _____ (the transaction)
(insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate;
 - You, your agent or employee are authorized and directed to sign, deliver, enter or register electronically, on my/our behalf the Documents in the form attached.
 - You are hereby authorized and directed to enter into an e-crow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the Website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and Sale herein. I/We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;
 - The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
 - I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- I, _____, am the spouse of _____ the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgement and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
- A Charge of the land described above.
- Other documents set out in Schedule "B" attached hereto.

Dated at Toronto, this 1st day of November, 2015

WITNESS

(As to all signatures, if required)

KING RESIDENTIAL INC.

Per: Alan Baskin, President

I have the authority to bind the Corporation

Schedule "B"

ACKNOWLEDGEMENT AND DIRECTION

TO: Kevin David Sherkin
(Insert lawyer's name)

AND TO: LEVINE SHERKIN BOUSSIDAN
(Insert firm name)

RE: _____ (the transaction)
(Insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate;
- You, your agent or employees are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and sale herein. I/We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- I, _____ am the spouse of _____ the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgment and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
- A Charge of the land described above.
- Other documents set out in Schedule "B" attached hereto.

Dated at Toronto, this 1st day of November, 2015

WITNESS

(As to all signatures, if required)

KING RESIDENTIAL INC.

Per: _____

Alan Saskin, President

I have the authority to bind the Corporation

LRO # 80 Charge/Mortgage.

In preparation on 2015/10/23 at 14:29

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 4

<i>Properties</i>			
<i>PIN</i>	76302 - 0002 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 2, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0004 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 4, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0006 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 5, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0009 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 1, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0010 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 2, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0181 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 16, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0262 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 10, LEVEL 7, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0341 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 2, LEVEL 10, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0449 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 23, LEVEL 13, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0473 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 18, LEVEL 14, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0477 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 22, LEVEL 14, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		

LRO # 80 Charge/Mortgage

In preparation on 2016 10 23 at 14:29

This document has not been submitted and may be incomplete.

yyyy mm dd Page 2 of 4

Properties			
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<i>PIN</i>	78302 - 0470 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 23, LEVEL 14, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0590 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 9, LEVEL 19, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0752 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 28, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0753 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 29, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0754 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 30, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0755 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 31, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0756 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 32, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0757 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 33, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0758 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 34, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0759 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 35, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0760 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 36, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		

LRO # 80 Charge/Mortgage

In preparation on 2016 10 23 at 14:29

This document has not been submitted and may be incomplete.

yyyy mm dd Page 3 of 4

Properties

<i>Pin</i>	78302 - 0761 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 37, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270698		
<i>Address</i>	TORONTO		
<i>Pin</i>	76302 - 0762 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 38, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>Pin</i>	76302 - 0794 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 70, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270698		
<i>Address</i>	TORONTO		
<i>Pin</i>	78302 - 1140 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 17, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name KING RESIDENTIAL INC.
Acting as a company

Address for Service 1100 King Street West
Toronto, ON M8K 1E8

I, Alan Saekin, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name SPEEDY ELECTRICAL CONTRACTORS LIMITED
Acting as a company

Address for Service c/o Levine, Sharfkin, Bousaldan
300-23 Leaside Road
Toronto, ON M3B 3P6

LRO # 80 Charge/Mortgage

In preparation on 2015 10 23 at 14:29

This document has not been submitted and may be incomplete.

yyyy mm dd Page 4 of 4

Provisions

Principal \$ 2,400,000.00 *Currency* CDN
Calculation Period
Balance Due Date 2015/12/31
Interest Rate 5% per annum
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

File Number

Charge Client File Number : 5198-001

Page 1

Land Registration Reform Act
SET OF STANDARD CHARGE TERMS
 (Electronic Filing)

ONTARIO REGISTRY OF LANDS
 Form No. 2008

Filed by
 Dye & Durham Co. Inc.

Filing Date: November 3, 2009
 Filing number: 200033

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L4 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to this above-noted filing number in such charge shall hereinafter be referred to as the "Charge".

- | | |
|---|--|
| <i>Exclusion of Statutory Covenants</i> | 1. The implied covenants deemed to be included in a charge under subsection 7(1) of the <i>Land Registration Reform Act</i> as amended or re-enacted are excluded from the Charge. |
| <i>Right to Charge the Land</i> | 2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge. |
| <i>No Act to Encumber</i> | 3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose. |
| <i>Good Title in Fee Simple</i> | 4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, privileges, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown. |
| <i>Provision to Pay and Perform</i> | 5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same. |
| <i>Interest After Default</i> | 6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land. |
| <i>No Obligation to Advance</i> | 7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable. |
| <i>Costs Added to Principal</i> | 8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable. |
| <i>Power of Sale</i> | 9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the <i>Mortgages Act</i> . In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling of any of them without any notice, if being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly |

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

- Only Possessor* 10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 8 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or dissent of the Chargor or any other person or persons whomsoever.
- Right to Distain* 11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.
- Further Assurances* 12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whatsoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.
- Accelerator of Principal and Interest* 13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.
- Waiver*
Unapproved Sale 14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.
- Partial Release* 15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.
- Obligation to Insure* 16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, lampoil, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.
- Obligation to Repair* 17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims (thereon subsequent) to the Chargee. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisions, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

- Building Charge** 18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.
- Extensions not to Prejudice** 19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so stated over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.
- No Merger of Covenants** 20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and time provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.
- Change in Status** 21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.
- Condominium Provisions** 22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in the insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 18 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.
- Discharge** 23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.
- Guarantee** 24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
- (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
- (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

Sovereignty 25. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

Interpretation 26. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the Land Registration Reform Act and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

Paragraph headings 27. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

Date of Charge 28. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.

Effect of Delivery of Charge 29. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

DATED this day of (year)

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 (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

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

**PROOF OF CLAIM OF SPEEDY ELECTRICAL
CONTRACTORS LTD. AGAINST DIRECTORS OR
OFFICERS OF THE CCAA ENTITIES**

LEVINE SHERKIN BOUSSIDAN

Barristers

23 Lesmill Road., Suite 300
Toronto ON M3B 3P6

KEVIN D. SHERKIN – LSUC#27099B

Email: kevin@lsblaw.com

JEREMY SACKS – LSUC#62361R

Email: Jeremy@lsblaw.com

Tel: 416-224-2400

Fax: 416-224-2408

Lawyers for Speedy Electrical Contractors Ltd.

Appendix “B”



Noah Goldstein

ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6207

F +1 416 932 6266

ngoldstein@ksvadvisory.com

November 11, 2016

DELIVERED BY REGISTERED MAIL

Speedy Electrical Contractors Ltd.
c/o Levine, Sherkin, Boussidan
Suite 300, 23 Lesmill Road
Toronto, ON M3B 3P6

Attention: Jeremy Sacks

Dear Jeremy:

Re: The Urbancorp CCAA Entities

KSV Kofman Inc., in its capacity as Court-appointed Monitor of the entities listed on Schedule "A", acknowledges receipt of your proof of claim. Attached please find a Notice of Revision or Disallowance in respect of your claim.

Should you have any questions regarding this matter, do not hesitate to contact Noah Goldstein at ngoldstein@ksvadvisory.com.

Yours very truly,

**KSV KOFMAN INC.
IN ITS CAPACITY AS COURT-APPOINTED MONITOR
OF THE URBANCORP CCAA ENTITIES
AND NOT IN ITS PERSONAL CAPACITY**

Schedule "A"

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.
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.

NOTICE OF REVISION OR DISALLOWANCE

**For Persons that have asserted Claims against the CCAA Entities¹,
D&O Claims against the Directors and/or Officers of the CCAA Entities**

Claims Reference Number:

34

Claim against King Residential Inc.

TO:

Speedy Electrical Contractors Ltd.
(the "Claimant")

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the CCAA Entities dated September 15, 2016 (the "Claims Procedure Order").

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim or D&O Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

	Amount as submitted		Amount allowed by Monitor
	Currency		
A. Unsecured Claim	CAD	\$2,323,638.54	\$0.00
B. Secured Claim			
C. D&O Claim			
E. Total Claim	CAD	\$2,323,638.54	\$0.00

¹ 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., 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. (collectively, the "CCAA Entities").

- 2 -

Reasons for Revision or Disallowance:

The secured claim against King Residential Inc. pursuant to a guarantee of a loan to Alan Saskin is disallowed on the basis that the Monitor has not been able to determine any direct consideration having been provided to King Residential Inc. for the provision of such secured guarantee. Accordingly, the granting of such a secured guarantee appears to be voidable as a transfer at undervalue and, in addition, may also be voidable as a fraudulent conveyance or preference.

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is twenty-one (21) Calendar Days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 36(a) of the Claims Procedure Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.

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

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

In accordance with the Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this 11th day of November, 2016.

KSV KOFMAN INC., SOLELY IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF THE CCAA ENTITIES, AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: 

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

Appendix “C”

Levine, Sherkin, Boussidan

B A R R I S T E R S

*LARRY J. LEVINE, Q.C.

KEVIN D. SHERKIN

CARMINE SCALZI

RYAN WOZNAK

JASON GOTTLIEB

JEREMY K. SACKS

MITCHELL WINE

LIZZIE BARRASS

A Professional Corporation

Jeremy Sacks – Ext. 119
jeremy@lsblaw.com

November 25, 2016

LETTER SENT VIA EMAIL & COURIER

KSV KOFMAN INC.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9
Attention: Noah Goldstein

Dear Mr. Goldstein:

RE: CCAA Proceedings
Court File No. CV-16-11389-00CL
Our File No.: 5204-001

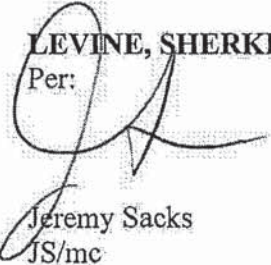
Please be advised that we are counsel for Speedy Electrical Contractors Ltd. and we are in receipt of the Monitor's "Notice of Revision or Disallowance" in respect to our client's claim. Enclosed please find our client's "Notice of Dispute of Revision or Disallowance" with respect to the claims against the CCAA entities.

If you have any questions, please feel free to contact me.

Yours very truly,

LEVINE, SHERKIN, BOUSSIDAN

Per:



Jeremy Sacks

JS/mc

Enclosure

c. client

Robin B. Schwill of Davies Ward Phillips & Vineberg LLP – counsel for the Monitor

NOTICE OF DISPUTE OF NOTICE OF REVISION OR DISALLOWANCE

With respect to the CCAA Entities¹

Claims Reference Number: 34

1. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if different)

Speedy Electrical Contractors Ltd. ("Speedy")

(the "Claimant")

Full Mailing Address of the Claimant:

c/o Levine Sherkin Boussidan

23 Lesmill Rd., Suite 300

Toronto, ON M3B 3P6

Other Contact Information of the Claimant:

Telephone Number: 416 224-2400

Email Address: jeremy@lsblaw.com

Facsimile Number: 416 224-2408

¹ 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., 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. (collectively, the "CCAA Entities").

- 2 -

Attention (Contact Person): Jeremy Sacks

2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim, if applicable

Have you acquired this purported Claim by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

3. Dispute of Revision or Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim, as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Currency	Amount allowed by Monitor: (Notice of Revision or Disallowance)	Amount claimed by Claimant: ²
A. Unsecured		\$	\$
B. Secured		\$0	\$2,323,638.54
C. D&O Claim		\$	\$
E. Total Claim		\$	\$

4. Reasons for Dispute of Revision or Disallowance of Claim:

The premise of the Monitor rejecting Speedy's claim against King Residential Inc. was the following:

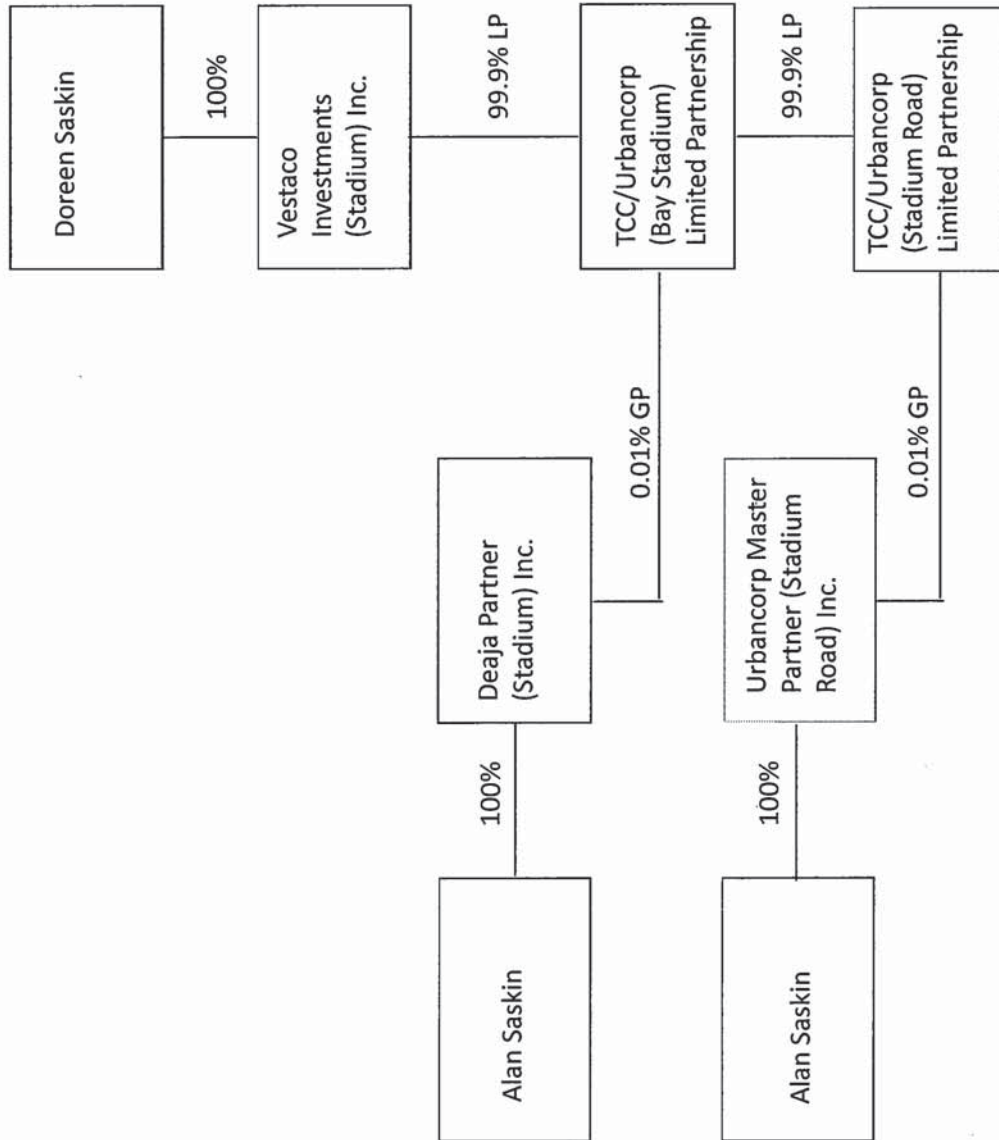
- (a) The Monitor could not determine any direct consideration having been provided to King Residential Inc. for the provision of the secured guarantee. Speedy states that the following consideration was received by King Residential Inc. in return for the mortgage:

² If necessary, currency will be converted in accordance with the Claims Procedure Order.

- 3 -

- (i) The Debt Extension Agreement attached at Tab "C" to the original Proof of Claim submissions, dated October 19, 2016, explicitly states that King Residential Inc. received consideration of \$2.00; and
 - (ii) The additional consideration received by King Residential Inc. was the extension of the loan agreement provided to an officer/director/principal of King Residential Inc. (Alan Saskin)
- (b) The Monitor states that the granting of such a secured guarantee appears to be voidable as a transfer at undervalue. Speedy does not understand why the mortgage would be invalid on that basis.
- (c) The Monitor states that the granting of such a secured guarantee may be voidable as a fraudulent preference and/or conveyance. In response, Speedy states that the granting of the mortgage could only be a fraudulent preference and/or conveyance if King Residential Inc. was insolvent at the time. The mortgage was granted in November 2015, and there is no evidence that King Residential Inc. was insolvent at that time. Speedy requests that the Monitor provides Speedy with King Residential Inc.'s Financial Statements for the period that encompasses November 2015.

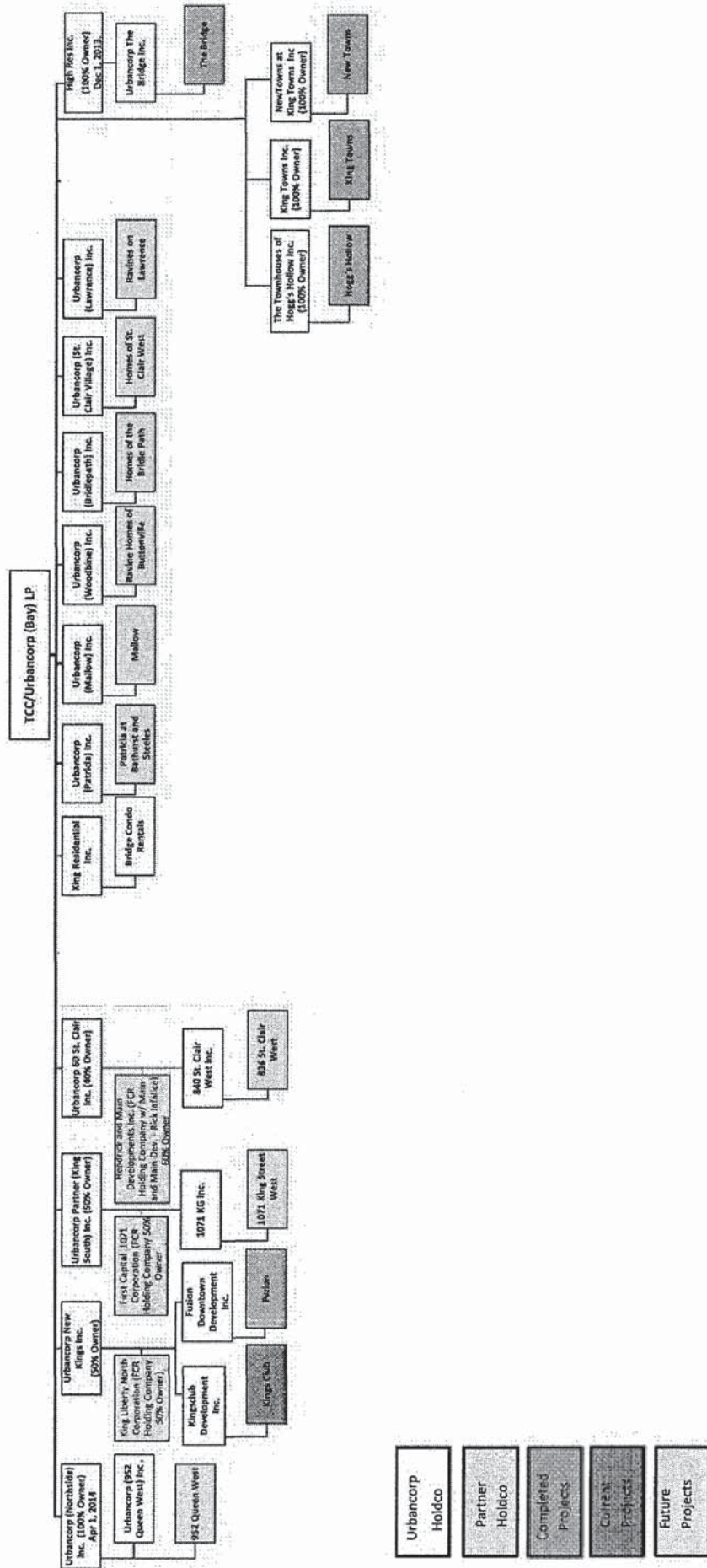
Appendix “D”



Appendix “E”

September 17, 2014

TCC/Urbancorp (Bay) Limited Partnership
Corporate Structure (Chart #3)



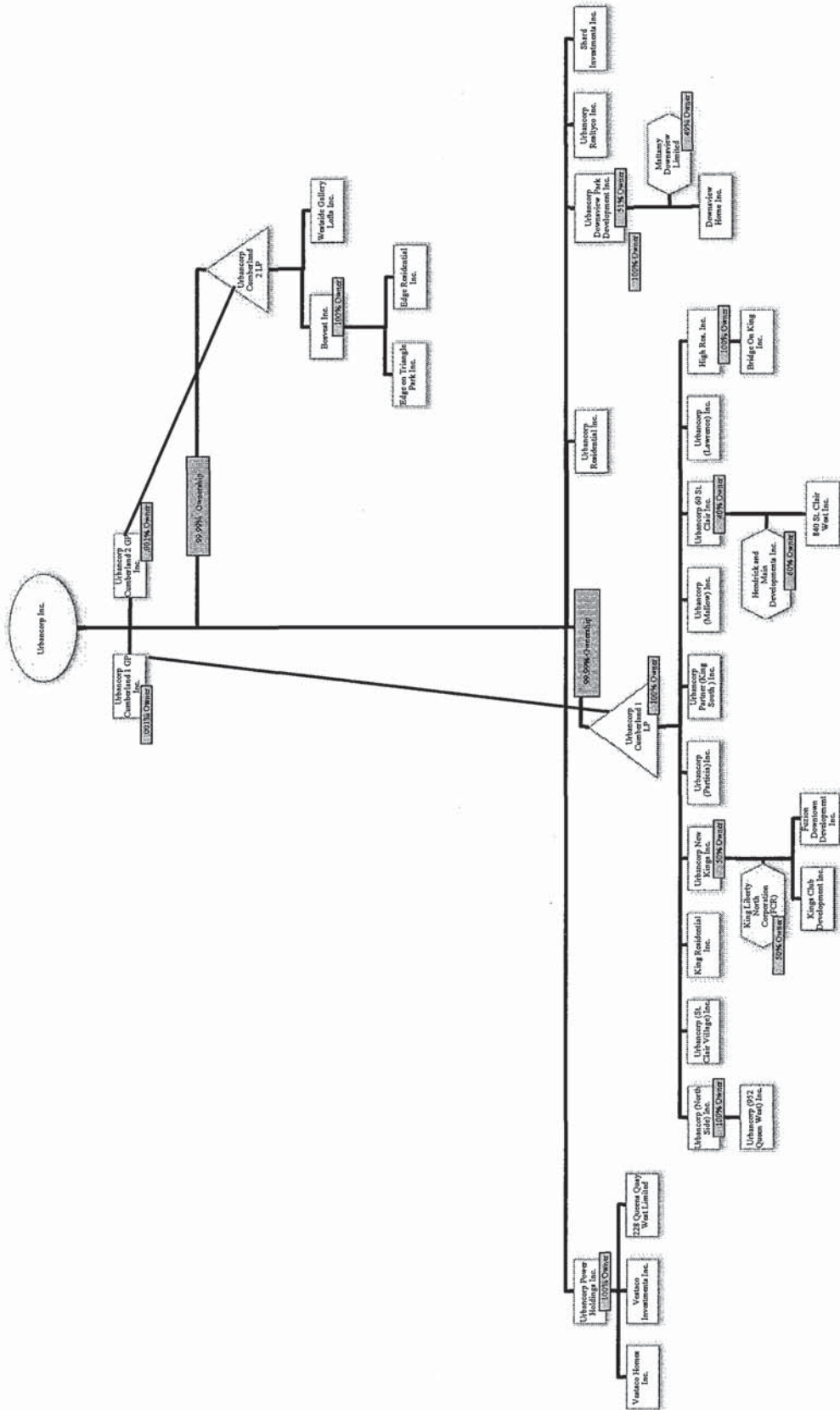
Appendix “F”

Appendix "F"
Description of Single Purpose Entities¹

Entity	Description
Woodbine	Was intended to be a residential townhome development. The project did not advance past the pre-construction phase.
Bridlepath	Was intended to be a low-rise residential development. The project did not advance past the pre-construction phase.
Hogg's Hollow	Low-rise residential development. The project was completed in 2006.
King Towns	Low-rise residential development. The project was completed in 2006.
Newtowns	Low-rise residential development. The project was completed in 2007.
St. Clair	Was intended to be a residential townhome development. The project did not advance past the pre-construction phase.
Patricia	Was intended to be a low-rise residential development. The project did not advance past the pre-construction phase.
Mallow	Was intended to be a low-rise residential development. The project did not advance past the pre-construction phase.
Lawrence	Was intended to be a low-rise residential development. The project did not advance past the pre-construction phase.
High Res	Is the sole shareholder of Bridge.
KRI	Owns 13 residential rental units in the Bridge condominium.
Queen	Is a nominee for North Side and was the registered owner of property at 944 and 952 Queen Street.
60 St. Clair	Is a 40% owner of property at 840 St. Clair Avenue West. The property was intended to become a residential condominium and retail project but is not proceeding.
UNKI	Holds a 50% interest in an apartment project that is under construction. The co-owner is an affiliate of First Capital Corporation.
North Side	Was the beneficial owner of 944 and 952 Queen Street West. The property was sold in 2015.
King South	Held a 50% interest in a mixed use rental property project under development. King South sold its interest in 2016.
Bridge	Was the developer of a 534 unit condominium at 38 Shuster Way, which was completed and closed.

¹ This appendix has been prepared based on Company information and is subject to Section 1.2 of the Report.

Appendix "G"



Appendix “H”

SPEEDY ELECTRICAL CONTRACTORS INC. ("SPEEDY")

- and -

**EDGE OF TRIANGLE PARK INC. ("EDGE"), ALAN SASKIN ("ALAN") and KING
RESIDENTIAL INC. ("KING")**

DEBT EXTENSION AGREEMENT

WHEREAS Edge owes Speedy certain amounts from its construction on the Edge Condominium project to Speedy.

AND WHEREAS Saskin owes Speedy certain funds under a Promissory Note ("Note") dated September 23, 2014 that is now due.

AND WHEREAS King is agreeing to provide a limited guarantee and security in consideration for the extension of the amounts presently due to Speedy by Edge and Saskin.

AND WHEREAS Saskin is the principal and sole officer and director of King.

AND WHEREAS as at September 23, 2015, Saskin owed Speedy \$1,125,000.00 with interest running at 12.5 % annually and Edge owes Speedy \$1,038,911.44.

THE PARTIES agree as follows:

1. Speedy and Saskin agree to extend the term of the Note until January 30, 2016 at the same rate as set out therein attached as Schedule "A" hereto.

Page 2 of 4

2. The other terms of the existing promissory Note dated September 23, 2014 continue.
3. Edge confirms it owes Speedy \$1,038,911.44 and Speedy has registered a lien registered as AT4024509 in the Toronto Registry office on September 30, 2015 and at the time of signature of this agreement and registration of the mortgage contemplated herein Speedy will discharge its lien.
4. In consideration to the extension of the Note in paragraph 1 and the discharge of the lien, and the payment of the sum of \$2.00, King hereby agrees to guarantee the amounts outstanding to Speedy by Edge and Saskin set out herein as principal debtor and not as surety, and agrees to provide a collateral mortgage attached as Schedule "B" hereto to provide security for such guarantee. The guarantee of King shall be strictly limited to the collateral mortgage as well as the cost of collection on the said mortgage. Should the funds in paragraphs 1 and 3 not be repaid by January 30, 2016, Speedy will be at liberty to collect on the guarantee and enforce the mortgage in addition to its rights against the other parties herein. In the event of default, all costs of collections shall be on a solicitor and own client basis and borne by Edge, Saskin and King. Following a default, the blended amounts outstanding with interest as set out in paragraphs 1 and 3, shall bear interest at 6% as set out in the mortgage.
5. Nothing in this agreement hereby modifies or changes the existing indebtedness of the parties to one another and the removal of the lien is in no way an acknowledgment that the funds are

not owed by Edge or Saskin.

- 6. King agrees to provide evidence showing that there are no common element arrears of the units listed on Schedule B or pay such arrears on closing and confirms the taxes on the units are up to date.
- 7. King agrees it will obtain a discharge or postponement prior to the registration of the mortgage contemplated herein of the Travelers Guarantee Company of Canada mortgage registered as Instrument No. AT1587699 on the units being provided under the mortgage.
- 8. Edge, Saskin and King, agree to pay 50% of Speedy's Reasonable legal costs in regard to the within Debt Extension Agreement, mortgage contemplated herein and lien, such fee not to exceed \$5,000.00, plus disbursements and HST.

Dated this _____ day of _____, 2015

Witness

SPEEDY ELECTRICAL CONTRACTORS INC.

Dated this 14 day of NOVEMBER, 2015

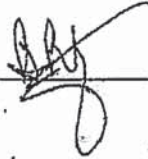
Witness



EDGE OF TRIANGLE PARK INC.

Dated this 15th day of NOVEMBER, 2015

Witness



ALAN SASKIN



Dated this 15th day of NOVEMBER, 2015

Witness

KING RESIDENTIAL INC.



Schedule "A"

PROMISSORY NOTE

CANADIAN \$1,000,000
Toronto, Ontario

DUE:
Date:

September 23, 2015
September 23, 2014

FOR VALUE RECEIVED, the undersigned ALAN SASKIN ("Borrower"), hereby promises to pay to the order of SPEEDY ELECTRICAL CONTRACTORS INC. (the "Holder"), which term shall include its successors and assigns, at 114A Caster Avenue, Woodbridge, ON L4L 5Y9 or at such other place as the Holder may from time to time in writing designate, in lawful money of Canada, the principal sum of One Million (\$1,000,000) (the "Principal Amount") together with interest as hereinafter set forth.

The Principal Amount shall bear interest at a rate per annum, calculated and compounded annually, not in advance, both before and after demand, default, maturity and judgment, equal to twelve and one-half per cent (12.5%), with interest on overdue interest at the same rate, and payable biannually on the outstanding Principal Amount. The first interest payment shall be due on March 17, 2015 and on September 17, 2015 and on the same dates each year until this Promissory Note is paid in full.

The Borrower may prepay the Principal and Interest Balance in whole or in part at any time or from time to time without notice or bonus. All payments received shall be applied first in satisfaction of any accrued but unpaid interest and then against the outstanding portion of the Principal Amount.

If this Promissory Note is placed in the hands of a solicitor for collection or if collected through any legal proceeding, the Borrower promises to pay all costs of collection including the Holder's solicitors' fees and Court costs as between a solicitor and his own client.

The whole of the Principal Amount remaining unpaid, any accrued but unpaid interest, and all other moneys evidenced by this promissory note shall, at the option of the Holder, become immediately due and payable in each of the following events (each event being herein called an "Event of Default"):

- (a) if the Borrower defaults in payment of the Principal and Interest due pursuant to this Promissory Note when the same becomes due and payable;
- (b) if a notice of intention to make a proposal is filed or a proposal is made by the Borrower to his creditors under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or an application is filed by or against the Borrower or an authorized assignment is made by the Borrower under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or any successor or similar legislation;
- (c) if an encumbrancer or encumbrancers, whether permitted or otherwise, takes possession of any part of the property of the Borrower or any execution, distress or other process of any court becomes enforceable against any part of the property of the Borrower, or a distress or like process is levied upon any of such property and the aggregate value of all property subject to any such action exceeds \$25,000;
- (d) if there shall be expropriated or taken by power of eminent domain the whole or any substantial portion of the assets of the Borrower and the Holder is of the reasonable opinion that such expropriation has the materially adverse effect on the financial prospects of the Borrower; or

- (e) if the Borrower defaults in payment of any obligation or obligations in the aggregate exceeding \$25,000 (including any indebtedness payable on demand where such demand has been made) and such obligation or obligations is or are declared by the creditor thereunder to be due and payable prior to the stated maturity thereof.

All payments to be made by the Borrower pursuant to this Promissory Note are to be made in freely transferrable, immediately available funds, not subject to any counter-claim and without set-off, withholding or deduction of any kind whatsoever. This Promissory Note shall enure to the benefit of the Holder and its successors and assigns, and shall be binding upon the Borrower and his heirs, executors, administrators and personal legal representatives.

The Holder and all persons liable or to become liable on this Promissory Note waive presentment, protest and demand, notice or protest, demand and dishonour and non-payment of this Promissory Note, and consent to any and all renewals and extensions in the time of payment hereof, and agree further that, at any time and from time to time without notice, the terms of payment herein may be modified, without affecting the liability of any party to this instrument or any person liable or to become liable with respect to any indebtedness evidenced hereby.

Time is of the essence hereof.

This Promissory Note shall be governed by the laws of the Ontario and shall not be changed, modified, discharged or cancelled orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors and assigns and the provisions hereof shall bind and enure to the benefit of their respective heirs, executors, administrators, successors and assigns forever.

Witness: _____

Alan Bashir _____

Speedy
ELECTRICAL CONTRACTORS LIMITED
174, Casper Ave., Woodbridge, Ontario L4L 6P9
TEL: 905-884-8811 FAX: 905-884-1159

Chequian Imperial Bank of Commerce
2540 Finch Avenue West
North York, Ontario M9M 2C7

7-8-452
09.22.2014
M M D D Y Y Y Y

DATE

PER

ALAN SASKIN

TO THE ORDER OF

ALAN SASKIN
TORONTO ON
Canada

ONE MILLION DOLLARS

\$1,000,000.00

DOLLARS

SPEEDY ELECTRICAL CONTRACTORS LIMITED.

AUTHORIZED SIGNATURE

CHEQUE NUMBER

LOAN # 0 7 8 4 5 2 # 0 4 3 2 2 1 0 1 0 # 8 6 # 0 5 8 1 5 #

SPEEDY ELECTRICAL CONTRACTORS LIMITED

* DETAILS *

22-Sep-14 Vendor No. ALAN SASKIN

CHEQUE # 00078452

22-Sep-14 0000281049 Invoice

0000078452

\$1,000,000.00

Cheque Total: \$1,000,000.00

Schedule B

ACKNOWLEDGEMENT AND DIRECTION

TO: Kevin David Sherkin
(insert lawyer's name)

AND TO: LEVINE SHERKIN BOUSSIDAN
(insert firm name)

RE: _____ (the transaction)
(insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out in this Acknowledgment and Direction and in the documents described below (the "Documents"), and that this information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and Sale hereto. I/We hereby acknowledge this said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- I, _____, am the spouse of _____ the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgment and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgment and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
 - A Charge of the land described above.
 - Other documents set out in Schedule "B" attached hereto.
- Toronto, 1st day of November, 2015
- Dated at _____, this _____ day of _____, 20____.

WITNESS

(As to all signatures, if required)

KING RESIDENTIAL INC.

Per: [Signature]
Alan Suskin, President
I have the authority to bind the Corporation

Schedule "B"

ACKNOWLEDGEMENT AND DIRECTION

TO: Kevin David Sherkin
(insert lawyer's name)

AND TO: LEVINE SHERKIN BOUSSIDAN
(insert firm name)

RE: _____ (the transaction)
(insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and Sale herein. I/We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- I, _____, am the spouse of _____ the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgment and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
- A Charge of the land described above.
- Other documents set out in Schedule "B" attached hereto.

Dated at Toronto, this 1st day of November, 2015

WITNESS

(As to all signatures, if required)

KING RESIDENTIAL INC.

Per: _____

Alan Sabkin, President

I have the authority to bind the Corporation

LRO # 80 Charge/Mortgage.

In preparation on 2015-10-23 at 14:29

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 4

Properties			
PIN	Interest/Estate	Fee Simple	
78302 - 0002 LT			
Description	UNIT 2, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0004 LT			
Description	UNIT 4, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0006 LT			
Description	UNIT 5, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0008 LT			
Description	UNIT 1, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0010 LT			
Description	UNIT 2, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0181 LT			
Description	UNIT 16, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0262 LT			
Description	UNIT 10, LEVEL 7, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0341 LT			
Description	UNIT 2, LEVEL 10, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0449 LT			
Description	UNIT 23, LEVEL 13, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0473 LT			
Description	UNIT 18, LEVEL 14, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		
78302 - 0477 LT			
Description	UNIT 22, LEVEL 14, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
Address	TORONTO		

LRO # 80 Charge/Mortgage

In preparation on 2015 10 23 at 14:29

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Properties			
<i>PIN</i>	78302 - 0478 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 23, LEVEL 14, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0598 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 9, LEVEL 18, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0762 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 28, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0783 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 29, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0764 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 30, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0755 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 31, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0756 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 32, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0757 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 33, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0758 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 34, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0759 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 35, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 0760 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 36, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		

LRO # 60 Charge/Mortgage

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Properties

<i>PIN</i>	76302 - 0761 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 37, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270698		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0762 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 38, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		
<i>PIN</i>	76302 - 0794 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 70, LEVEL B, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270698		
<i>Address</i>	TORONTO		
<i>PIN</i>	78302 - 1140 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<i>Description</i>	UNIT 17, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2302 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3270699		
<i>Address</i>	TORONTO		

Charger(s)

The charger(s) hereby charges the land to the charge(s). The charger(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name KING RESIDENTIAL INC.
Acting as a company
Address for Service 1100 King Street West
Toronto, ON M8K 1E8

I, Alan Seckin, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name SPEEDY ELECTRICAL CONTRACTORS LIMITED
Acting as a company
Address for Service c/o Levine, Sherkin, Boucaldon
300-23 Lesmill Road
Toronto, ON M3B 3P6

LRO # 80 Charge/Mortgage

In preparation on 2015 10 23 at 14:29

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yyyy mm dd Page 4 of 4

Provisions

<i>Principal</i>	\$ 2,400,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>			
<i>Balance Due Date</i>	2015-12-31		
<i>Interest Rate</i>	0% per annum		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>			
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

File Number

Charge Client File Number: 8198-001

Page 5

Land Registration Reform Act
SET OF STANDARD CHARGE TERMS
(Electronic Filing)

ONTARIO SURVEY ACT, R.S.O. 1990, c. 24, s. 2008

Filed by
Dye & Durham Co. Inc.

Filing Date: November 3, 2000
Filing number: 200093

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. 24 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to this above-noted filing number in such charge shall hereinafter be referred to as the "Charge".

- Exclusion of Statutory Covenants**

1. The implied covenants deemed to be included in a charge under subsection 7(1) of the Land Registration Reform Act as amended or re-enacted are excluded from the Charge.
- Right to Charge the Land**

2. The Changer now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.
- No Act to Encumber**

3. The Changer has not done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.
- Good Title to Fee Simple**

4. The Changer, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.
- Wishes to Pay and Perform**

5. The Changer will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.
- Interest After Default**

6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgment, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.
- No Obligation to Advance**

7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Changer. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.
- Costs Added to Principal**

8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and, on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.
- Power of Sale**

9. The Chargee on default of payment for at least fifteen (15) days may, or at least thirty-five (35) days' notice in writing given to the Changer, enter on and lease the land or sell the land. Each notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Changer at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling of any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or re-lease or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

- 10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 8 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.**
- 11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.**
- 12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whatsoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.**
- 13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal properly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.**
- 14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.**
- 15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.**
- 16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.**
- 17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisions, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment**

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

- Building Charge** 18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.
- Extension not to Prejudice** 19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Chargee may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so stated over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.
- No Merger of Covenants** 20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or effect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.
- Change in Status** 21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.
- Condominium Provisions** 22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay (the same to the Chargee upon being so notified). The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for the full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.
- Discharge** 23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.
- Guarantee** 24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
- (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releasee of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
- (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

- the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.
- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.
- Sovereignty** 25. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.
- Interpretation** 26. In construing these covenants the words "Charge", "Chargee", "Chargor", "lend" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.
- Paragraph headings** 27. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.
- Date of Charge** 28. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.
- Effect of Delivery of Charge** 29. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

DATED this _____ day of _____ (year)

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 (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

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

**PROOF OF CLAIM OF SPEEDY ELECTRICAL
CONTRACTORS LTD. AGAINST DIRECTORS OR
OFFICERS OF THE CCAA ENTITIES**

LEVINE SHERKIN BOUSSIDAN

Barristers

23 Lesmill Road., Suite 300
Toronto ON M3B 3P6

KEVIN D. SHERKIN – LSUC#27099B

Email: kevin@lsblaw.com

JEREMY SACKS – LSUC#62361R

Email: Jeremy@lsblaw.com

Tel: 416-224-2400

Fax: 416-224-2408

Lawyers for Speedy Electrical Contractors Ltd.

Appendix "I"

From: Joe Pietrangelo
Sent: October 6, 2015 11:24 AM
To: Jeff Cecilio
Subject: FW: FW: I am waiting on hold

Joe Pietrangelo

From: Joe Pietrangelo
Sent: October-05-15 5:01 PM
To: 'apassero@speedyelectric.ca'
Subject: FW: FW: I am waiting on hold

Albert, see below from Alan's Lawyer.

After you and I spoke today your lawyer is still not cooperating in this process. I think your lawyer is deliberately abusing the process, to piss off other trades, to get more clients he doesn't want you to settle and free up the edge units

Again please call me anytime to discuss

Joe Pietrangelo

From: Joe Pietrangelo
Sent: October 1, 2015 12:03 PM
To: Jeff Cecilio
Subject: FW: Fw:

Joe Pietrangelo

From: Joe Pietrangelo
Sent: October-01-15 11:34 AM
To: 'apassero@speedyelectric.ca'; 'Maurizio Passero'
Cc: 'Alan Saskin (alansaskin@gmail.com)'
Subject: FW: Fw:

Hi Albert, not sure if you check your emails regularly, so I have copied Maurizio to ensure you see this email.

Please see below email threatening Alan with personal bankruptcy proceedings.

It is my understanding that we are resolving this and we only asked to delay payment for 2 months. The lawyer is out of line, running the risk of damaging our long relationship with these extreme actions.

We can meet you anytime to discuss and to preserve our relationship.

Regards,

Joe

From: Kevin Sherkin [mailto:Kevin@LSBLAW.com]
Sent: Wednesday, September 30, 2015 05:39 PM
To: Barry Rotenberg
Cc: Angela Bazos & <Angela@LSBLAW.com>
Subject:

Barry

I served this today on Mandel and am sending a notice of claim to the other statutory owners listed on the lien tomorrow. In addition I have another client who will register a lien tomorrow. I also have a breach of trust claim against Alan and a number of the other senior employees and former Director of your client. Let me know if you want to accept service of that as well. I also want to know if you will accept service of the petition in bankruptcy for Alan

Kevin D. Sherkin

Levine Sherkin Boussidan

A Professional Corporation of Barristers

23 Lesmill Road., Suite 300

Toronto, Ontario

M3B 3P6

(

Appendix “J”

From: Alan Saskin
Sent: October 2, 2015 4:49 PM
To: Jeff Cecilio
Subject: Fwd: Can u please call me on cell

Please cal or have joe call Albert of speedy now, today

Or leave message
His lawyer has agreed to other security for edge
But his lawyer insisting we tell him who all the edge creditors are
And we refuse
It's none of his business
His security is not on edge

We think his lawyer is looking for new clients to hire
Want him to call his lawyer
And make the agreed upon deal

Please confirm
Thanks
Alan

Sent from my iPhone

Appendix “K”



LAND REGISTRY OFFICE #66

76448-0001 (LT)

PAGE 1 OF 5
PREPARED FOR Rvankooten
ON 2018/01/29 AT 14:43:40

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PROPERTY DESCRIPTION: UNIT 1, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2448 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3869514; CITY OF TORONTO

FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/6.

RECENTLY:
CONDOMINIUM FROM 21298-0509
PIN CREATION DATE:
2015/05/11

OWNERS' NAMES
EDGE RESIDENTIAL INC.
CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2015/05/11 **						
E4939AZ	1996/05/14	APL ANNEX REST COV		*** DELETED AGAINST THIS PROPERTY *** WESTSIDE ON THE PARK INC.	EDGE ON TRIANGLE PARK INC.	C
AT2660956	2011/04/07	APL CH NAME OWNER		*** DELETED AGAINST THIS PROPERTY *** EDGE ON TRIANGLE PARK INC.	AVIVA INSURANCE COMPANY OF CANADA	
AT2688219	2011/05/10	CHARGE		CITY OF TORONTO	EDGE ON TRIANGLE PARK INC.	C
AT2724294	2011/06/17	NOTICE	\$2			
REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD						
AT2724296	2011/06/17	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** AVIVA INSURANCE COMPANY OF CANADA	CITY OF TORONTO	
REMARKS: AT2688219 TO AT 2724294						
AT2786348	2011/08/17	CHARGE		*** DELETED AGAINST THIS PROPERTY *** EDGE ON TRIANGLE PARK INC.	BANK OF MONTREAL	
AT2786349	2011/08/17	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** AVIVA INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
REMARKS: AT2688219 POSTPONED TO AT2786348						
AT2799704	2011/08/31	CHARGE		*** DELETED AGAINST THIS PROPERTY *** EDGE ON TRIANGLE PARK INC.	URBANCORP EQUITY INC.	
AT2799705	2011/08/31	CHARGE		*** DELETED AGAINST THIS PROPERTY *** EDGE ON TRIANGLE PARK INC.	KJ EQUITY INC.	
AT3226393	2013/01/29	TRANSFER EASEMENT	\$2	EDGE ON TRIANGLE PARK INC.	ROGERS COMMUNICATIONS INC.	C
AT3240353	2013/02/20	NOTICE	\$2	CITY OF TORONTO	EDGE ON TRIANGLE PARK INC.	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.

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT3240354	2013/02/20	POSTPONEMENT REMARKS: AT2688219 TO AT3240353		*** DELETED AGAINST THIS PROPERTY *** AVIVA INSURANCE COMPANY OF CANADA	CITY OF TORONTO	
AT3240355	2013/02/20	POSTPONEMENT REMARKS: AT2786348 TO AT3240353		*** DELETED AGAINST THIS PROPERTY *** BANK OF MONTREAL	CITY OF TORONTO	
AT3240356	2013/02/20	POSTPONEMENT REMARKS: AT2799704 TO AT3240353		*** DELETED AGAINST THIS PROPERTY *** URBANCORP EQUITY INC.	CITY OF TORONTO	
AT3240357	2013/02/20	POSTPONEMENT REMARKS: AT2799705 TO AT3240353		*** DELETED AGAINST THIS PROPERTY *** KJ EQUITY INC.	CITY OF TORONTO	
AT3240358	2013/02/20	POSTPONEMENT REMARKS: AT3226393 TO AT3240353		ROGERS COMMUNICATIONS INC.	CITY OF TORONTO	C
AT3319404	2013/06/07	NOTICE REMARKS: AT2786348		*** DELETED AGAINST THIS PROPERTY *** EDGE ON TRIANGLE PARK INC.	BANK OF MONTREAL	
AT3319405	2013/06/07	POSTPONEMENT REMARKS: AT2799705 TO AT3319404		*** DELETED AGAINST THIS PROPERTY *** KJ EQUITY INC.	BANK OF MONTREAL	
AT3319406	2013/06/07	POSTPONEMENT REMARKS: AT2688219 TO AT3319404		*** DELETED AGAINST THIS PROPERTY *** AVIVA INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
AT3319407	2013/06/07	POSTPONEMENT REMARKS: AT2799704 TO AT3319404		*** DELETED AGAINST THIS PROPERTY *** URBANCORP EQUITY INC.	BANK OF MONTREAL	
AT3321441	2013/06/11	NOTICE REMARKS: AT2688219		*** DELETED AGAINST THIS PROPERTY *** EDGE ON TRIANGLE PARK INC.	AVIVA INSURANCE COMPANY OF CANADA	
AT3325493	2013/06/14	POSTPONEMENT REMARKS: AT2799704 TO AT3321441		*** DELETED AGAINST THIS PROPERTY *** URBANCORP EQUITY INC.	AVIVA INSURANCE COMPANY OF CANADA	

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REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 3 OF 5

PREPARED FOR Rvankooten
ON 2018/01/29 AT 14:43:40

76448-0001 (LT)

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AT3325494	2013/06/14	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KJ EQUITY INC.	AVIVA INSURANCE COMPANY OF CANADA	
	REMARKS: AT2799705 TO AT3321441					
AT3639361	2014/07/21	NOTICE		*** DELETED AGAINST THIS PROPERTY *** EDGE ON TRIANGLE PARK INC.	URBANCORP EQUITY INC.	
	REMARKS: AT2799704					
AT3639362	2014/07/21	NOTICE		*** DELETED AGAINST THIS PROPERTY *** EDGE ON TRIANGLE PARK INC.	KJ EQUITY INC.	
	REMARKS: AT2799705					
AT3751038	2014/11/27	NOTICE	\$2	CITY OF TORONTO	EDGE ON TRIANGLE PARK INC.	C
	REMARKS: SITE PLAN AGREEMENT					
TCP2448	2015/04/29	STANDARD CONDO PLAN		EDGE ON TRIANGLE PARK INC.		C
AT3869514	2015/04/29	CONDO DECLARATION		TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2448		C
AT3883675	2015/05/15	CONDO BYLAW/98		TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2448		C
	REMARKS: BY-LAW NO. 1					
AT3883676	2015/05/15	CONDO BYLAW/98		TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2448		C
	REMARKS: BY-LAW NO. 2					
AT3883677	2015/05/15	CONDO BYLAW/98		TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2448		C
	REMARKS: BY-LAW NO. 3					
AT3883678	2015/05/15	NOTICE		TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2448		C
AT3883679	2015/05/15	NOTICE		TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2448		C
	REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD.					
AT3884850	2015/05/19	APL ANNEX REST COV	\$2	EDGE ON TRIANGLE PARK INC.		C
AT3904300	2015/06/04	NOTICE		EDGE ON TRIANGLE PARK INC.		C
	REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD					
AT3928867	2015/06/29	NOTICE		TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2448		C
AT3930943	2015/06/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		C
	REMARKS: AT2786348.					

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 PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER
 76448-0001 (LT)
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PAGE 4 OF 5
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT3935180	2015/07/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** AVIVA INSURANCE COMPANY OF CANADA		
		REMARKS: AT2666219.				
AT3937184	2015/07/06	TRANSFER	\$2	EDGE ON TRIANGLE PARK INC.	EDGE RESIDENTIAL INC.	C
AT3937381	2015/07/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** URBANCORP EQUITY INC.		
		REMARKS: AT2799704.				
AT3937488	2015/07/06	CHARGE	\$8,100,000	EDGE RESIDENTIAL INC.	TERRA FIRMA CAPITAL CORPORATION	C
AT3937489	2015/07/06	NO ASSGN RENT GEN		EDGE RESIDENTIAL INC.	TERRA FIRMA CAPITAL CORPORATION	C
		REMARKS: AT3937488.				
AT3938620	2015/07/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** KJ EQUITY INC.		
		REMARKS: AT2799705.				
AT3948425	2015/07/16	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** AFFINITY ALUMINUM SYSTEMS LTD.		
AT3964507	2015/07/31	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** STERLING TILE & CARPET		
AT3968962	2015/08/05	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** AFFINITY ALUMINUM SYSTEMS LTD.		
		REMARKS: AT3948425.				
AT3969319	2015/08/05	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** STERLING TILE & CARPET		
		REMARKS: AT3964507.				
AT4024509	2015/09/30	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SPEEDY ELECTRICAL CONTRACTORS LIMITED		
AT4031286	2015/10/07	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** LIDO CONSTRUCTION INC.		
AT4057407	2015/11/03	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** EXP SERVICES INC.		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT4067445 REMARKS: AT4024509.	2015/11/16	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** SPEEDY ELECTRICAL CONTRACTORS LIMITED		
AT4070066 REMARKS: AT4057407.	2015/11/18	DIS CONSTRUCT LIEN		*** DELETED AGAINST THIS PROPERTY *** EXP SERVICES INC.		
AT4076614	2015/11/25	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** LIDO CONSTRUCTION INC.		
AT4112384	2016/01/08	CONSTRUCTION LIEN	\$2,313,335	DOLVIN MECHANICAL CONTRACTORS LTD.	EDGE ON TRIANGLE PARK INC. EDGE RESIDENTIAL INC.	C
AT4169881	2016/03/17	CERTIFICATE		DOLVIN MECHANICAL CONTRACTORS LTD.	TORONTO STANDARD CONOMINIUM 2448 URBANCORP EQUITY INC. AVIVA INSURANCE COMPANY OF CANADA TERRA FIRM CAPITAL CORPORATION	C
REMARKS: AT4112384						
AT4196821	2016/04/19	CONSTRUCTION LIEN	\$53,220	207875 ONTARIO LIMITED		C
AT4201036	2016/04/25	CONSTRUCTION LIEN	\$20,295	MDF MECHANICAL LIMITED		C
AT4237197	2016/06/03	CERTIFICATE		207875 ONTARIO LIMITED		C
REMARKS: AT4196821						
AT4240590	2016/06/07	CERTIFICATE		MDF MECHANICAL LIMITED		C
REMARKS: AT4201036						
AT4322999	2016/08/26	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	DAVAD INVESTMENTS LIMITED	C

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Appendix "L"

Bay LP

Aged Payables by Supplier for Bay LP and Subsidiaries as of Nov. 15, 2015

Prepared by Company

(unaudited; \$)

Supplier	On-Hold	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Treasurer, City of Toronto	-	126,261.61	-	152,138.10	951,686.85	977,563.34
ProGreen Demolition Ltd.	-	-	-	-	939,657.15	939,657.15
Dolvin Mechanical Contractors Ltd.	-	-	-	-	657,291.71	657,291.71
International Home Marketing	-	-	-	-	623,602.99	623,602.99
TACT Architecture Inc.	-	5,650.00	31,168.01	-	337,194.66	374,012.67
Tradeworld Realty Inc.	-	-	-	-	326,587.36	326,587.36
Urbancorp Toronto Management Inc.	-	18,796.85	16,551.44	17,488.23	225,276.40	278,112.92
Kasian	-	-	-	-	205,962.34	205,962.34
Guidelines Advertising Inc.	-	-	-	-	191,612.26	191,612.26
Brad J. Lamb Realty Inc.	-	-	-	-	183,526.12	183,526.12
Premier Matrix Ltd.	-	-	-	-	182,644.80	182,644.80
Terra Firma MA Ltd.	-	159,000.00	-	-	-	159,000.00
MMM Group Limited	-	5,089.01	4,969.20	19,691.15	100,524.68	130,274.04
Harris, Sheaffer Barristers & Solicitors	-	47,496.24	-	3,784.51	48,071.88	99,352.63
EXP Services Inc.	-	-	-	-	94,280.42	94,280.42
Isherwood Geotechnical Engineers	5,387.28	-	-	-	80,135.10	85,522.38
Terraplan Landscape Architects Inc.	-	-	-	-	83,462.45	83,462.45
840 St. Clair West Inc.	-	-	-	-	58,000.00	58,000.00
Power Engineering Construction Consulting Ltd.	-	-	-	-	57,311.34	57,311.34
CBM Group and Associates Ltd.	-	-	-	-	57,206.25	57,206.25
Leonard Kalishenko & Associates Ltd.	-	-	-	-	56,749.60	56,749.60
Hendrick and Main Developments Inc.	-	-	-	-	56,519.73	56,519.73
Tradeworld Realty Inc. Brokerage	-	-	-	-	47,380.03	47,380.03
KRG Insurance Brokers Inc.	-	-	-	-	42,683.18	42,683.18
2324050 Ontario Limited	-	-	-	-	40,833.32	40,833.32
Aird & Berlis LLP	-	7,402.65	-	-	32,079.36	39,482.01
Premier Matrix Realty Ltd.	-	-	-	-	38,716.29	38,716.29
Furkin Construction Inc.	-	-	-	-	34,323.75	34,323.75
Carlos Bolullo	-	-	-	-	34,000.00	34,000.00
Ming Pao Newspaper (Canada) Ltd.	-	-	-	-	32,761.64	32,761.64
Finnegan- Marshall Inc.	-	798.91	-	3,195.64	27,660.38	31,654.93
FirstService Residential	-	-	-	-	30,672.27	30,672.27
Sing Tao Newspapers(Canada 1988) Limited	-	-	-	-	30,009.40	30,009.40
BA Consulting Group Ltd.	-	-	-	875.56	27,663.37	28,538.93
Simerra Residential Property Services Ltd.	-	-	-	-	27,769.40	27,769.40
Sutton Group Admiral Realty Inc.	-	-	-	-	26,219.70	26,219.70
Sharon Express Printing	-	-	-	-	22,312.15	22,312.15
City of Markham	-	-	-	-	21,475.96	21,475.96
Altus Group Limited	-	-	-	-	20,814.55	20,814.55
Midnorthern Appliance Industries Corp.	-	-	-	-	17,057.29	17,057.29
Elite Stone and Design Corp.	-	-	-	-	16,441.50	16,441.50
Toronto and Region Conservation Authority	-	-	-	-	16,400.00	16,400.00
Lido Construction Inc.	-	-	-	-	16,288.95	16,288.95
Uptown Hardware Limited	-	-	-	-	14,373.10	14,373.10
Illuminati Corp.	-	-	-	-	14,125.00	14,125.00
Travelers Insurance Company of Canada	-	-	-	-	13,800.00	13,800.00
R. Avis Surveying Inc.	-	-	-	-	13,249.11	13,249.11
PETRA Consultants Ltd.	-	13,227.78	-	-	-	13,227.78
MNP LLP	-	-	-	-	13,051.52	13,051.52
CBM Group + Assoc. Inc.	-	-	-	-	12,995.00	12,995.00
N. Barry Lyon Consultants Limited	-	-	-	-	11,419.78	11,419.78
Janterra Real Estate Advisors	-	-	-	-	11,300.00	11,300.00
Reprodux Copy Centre	-	26.56	-	559.80	10,591.20	11,177.56
TACT Design	-	-	-	-	10,905.00	10,905.00
Alpha Omega Signs Inc.	-	-	-	-	10,902.24	10,902.24

Bay LP

Aged Payables by Supplier for Bay LP and Subsidiaries as of Nov. 15, 2015

Prepared by Company

(unaudited; \$)

Supplier	On-Hold	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
RE/MAX Condos Plus Corp.	-	-	-	-	10,591.59	10,591.59
Korean Real Estate Post	-	-	-	-	10,396.00	10,396.00
Mary Neumann	-	-	-	-	10,000.00	10,000.00
V.I.P Railing Inc.	-	-	-	-	9,887.50	9,887.50
Royal LePage Signature Realty	-	-	-	-	9,577.23	9,577.23
Homelife Frontier Realty Inc.	-	-	-	-	9,239.90	9,239.90
Armando Barbini Planning and Permit Services Inc.	-	-	-	-	9,096.50	9,096.50
Jensen Hughes Consulting Canada Ltd.	-	-	-	-	8,999.83	8,999.83
Law Office of Benjamin Blufarb	-	-	-	-	8,489.06	8,489.06
Great Canadian Realty	-	-	-	-	8,441.69	8,441.69
Urbancorp Toronto Management Inc. (DO NOT USE)	-	-	-	-	8,379.15	8,379.15
LK Protection	-	-	-	-	7,464.33	7,464.33
Simerra Property Management Inc.	-	-	-	-	7,431.02	7,431.02
Remax West Realty inc	-	-	-	-	7,316.98	7,316.98
Royal LePage Real Estate Services Ltd.	-	-	-	-	7,276.74	7,276.74
Ivy Ng	-	-	-	-	7,127.76	7,127.76
Toro Aluminum	-	-	-	-	7,111.09	7,111.09
Randal Brown & Associates Engineering Ltd.	-	-	-	-	6,626.04	6,626.04
Ciro Excavating & Grading Ltd.	-	-	-	-	6,481.63	6,481.63
Homelife New World Realty Inc.	-	-	-	-	6,439.90	6,439.90
E Yunger Consultation Services	-	-	-	-	6,328.00	6,328.00
Astral Media Affichage	-	-	-	-	6,220.23	6,220.23
SRS Consulting Engineers Inc.	-	-	6,215.00	-	-	6,215.00
The Korea Times Daily	-	-	-	-	6,102.00	6,102.00
Dillon Consulting Limited	-	-	-	-	5,508.75	5,508.75
Valcoustics Canada Ltd.	-	-	1,356.00	-	4,011.43	5,367.43
Urbangreen Construction LTD	-	-	-	-	5,085.00	5,085.00
BuzzBuzzHome Corp.	-	-	-	-	4,520.00	4,520.00
Signature Service/GMAC Real Estate	-	-	-	-	4,399.29	4,399.29
Argo Lumber Company	-	-	-	-	4,328.02	4,328.02
Safe Tech Alarm Systems	-	-	-	-	4,226.20	4,226.20
Bousfields Inc.	-	-	-	1,230.00	5,386.52	4,156.52
Sure Seal Crack Injections	-	-	-	-	4,152.75	4,152.75
Reliable Lumber Products	-	-	-	-	4,085.24	4,085.24
Cartier Kitchens	-	-	-	-	3,955.00	3,955.00
Eastgate Plumbing Inc.	-	-	-	-	3,765.30	3,765.30
BlueLine Rental	-	-	-	-	3,545.22	3,545.22
Guardtek System Inc.	-	-	-	-	3,477.01	3,477.01
OMM Cleaning Services	-	-	-	-	3,390.00	3,390.00
Adrian McCalla	-	-	-	-	3,390.00	3,390.00
RE/MAX rouge river realty ltd.,Brokerage	-	-	-	-	3,312.90	3,312.90
Premier Matrix Realty Ltd.,Brokerage	-	-	-	-	3,278.24	3,278.24
CLM General Enterprise Ltd.	-	-	-	-	2,910.88	2,910.88
Signature Air Systems	-	-	-	-	2,867.59	2,867.59
Enermodal Engineering	-	-	-	-	2,712.00	2,712.00
Triumph	-	-	-	-	2,711.99	2,711.99
Ferris + Associates Inc.	-	-	-	-	2,487.08	2,487.08
Jaywal Mechanical LTD	-	-	-	-	2,486.00	2,486.00
Tyco Integrated Fire & Security	-	-	-	-	2,415.94	2,415.94
U-Pak Disposals (1989) Limited	-	-	-	153.48	2,244.58	2,398.06
Guardtek Monitoring Inc.	-	-	-	621.50	1,754.53	2,376.03
Harvey Kalles Real Estate Ltd.	-	-	-	-	2,260.00	2,260.00
Link Tree Service	-	-	-	-	2,090.50	2,090.50
WAKAY ENT	-	-	-	-	2,034.00	2,034.00
Homelife/Superstars	-	-	-	-	1,891.04	1,891.04

Bay LP

Aged Payables by Supplier for Bay LP and Subsidiaries as of Nov. 15, 2015

Prepared by Company

(unaudited; \$)

Supplier	On-Hold	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
GMF Excavation and Grading	-	-	-	-	1,808.00	1,808.00
Speedy Electrical Contractors Limited	-	-	-	-	1,729.83	1,729.83
McBain, Dillon	-	-	1,650.00	-	-	1,650.00
Bruce A. Brown Design Ltd.	-	-	-	-	1,578.86	1,578.86
Bruce A. Brown Associates Limited	-	-	-	-	1,578.86	1,578.86
City of Toronto	-	-	-	-	1,271.82	1,271.82
The Treasurer, City of Toronto	-	-	-	-	1,230.00	1,230.00
Simplex Grinnell	-	-	-	-	1,207.97	1,207.97
Golder Associates Ltd.	-	-	-	-	1,144.13	1,144.13
Tarion Warranty Corporation	-	-	500.00	-	600.00	1,100.00
Entire Imaging Solutions Inc.	-	-	-	-	1,082.63	1,082.63
Walker,Nott,Dragicevic Associates Limited	-	-	-	241.53	815.19	1,056.72
Major Partitions Limited	-	-	-	-	1,056.55	1,056.55
Smart Safety Solutions	-	-	-	-	1,008.53	1,008.53
SELCO Elevators Ltd.	-	-	-	-	960.50	960.50
Canada Hydrant Service Inc.	-	-	-	-	909.65	909.65
Graffiti Buffer	-	-	-	-	864.45	864.45
Volvo Rents	-	-	-	-	859.93	859.93
O'Neil Electric	-	-	-	-	834.41	834.41
MDF Mechanical Ltd.	-	-	-	-	687.38	687.38
Enbridge Gas Distribution Inc.	-	-	-	-	609.26	609.26
Goodbye Graffiti Inc.	-	-	-	-	565.00	565.00
Compel Technology Inc.	-	-	-	-	501.95	501.95
Atrium Mortgage Investment Corporation	-	-	-	-	452.00	452.00
CCI Group Inc	-	-	-	-	395.50	395.50
Safetech Environmental Ltd.	-	-	344.65	-	-	344.65
Ocean Mechanical Inc.	-	-	-	-	265.00	265.00
Electrical Safety Authority	-	-	-	-	247.47	247.47
Stephenson's Rent-all	-	-	-	-	194.36	194.36
Yorkwest Plumbing Supply Inc.	-	-	-	-	145.77	145.77
Minkina, Svetlana - B#1708	-	-	-	-	140.38	140.38
Good-Day Pest Control inc.	-	-	-	-	118.65	118.65
Reliance Home Comfort	-	-	-	-	101.26	101.26
FIRENZA Plumbing & Heating Ltd.	-	-	-	-	99.75	99.75
Rogers Wireless	-	-	-	-	92.48	92.48
Beverly Decor	-	-	-	-	73.60	73.60
V & V Enterprise	-	-	-	-	72.32	72.32
Syscon Solutions Limited	-	-	-	-	67.80	67.80
Canadian Springs	-	-	63.38	-	-	63.38
Gary Cheng	-	-	-	-	50.86	50.86
Wyse Meter Solutions	-	-	-	-	22.93	22.93
Cintas	-	-	-	-	0.09	0.09
RE/MAX-Professionals Inc.	-	-	-	-	0.07	0.07
Keystone Home Products Ltd.	-	-	-	-	0.04	0.04
Global Precast	-	-	-	-	-	-
PopMil Inc.	-	-	-	-	-	-
Design Elementz Ltd.	-	-	-	-	-	-
Mr. Marble	-	-	-	-	0.01	0.01
Grand Total	5,387.28	131,226.39	62,817.68	197,519.50	6,572,730.92	6,969,681.77

Appendix "M"

Edge on Triangle Park Inc.
Aged Payable Listing by Company
Prepared by Company
(Unaudited; \$C)

As of: 11/15/2015

Code	Name	O/S	On-Hold	Current	31 to 60	61 to 90	Over 90
0067	Edge on Triangle Park Inc.						
Receiver	Receiver General of Canada	14,553,504.60	0.00	0.00	14,916,719.02	-296,413.21	-66,801.21
DolvinMe	Dolvin Mechanical Contractors Ltd.	782,331.88	0.00	0.00	0.00	0.00	782,331.88
0017A	UrbanCorp Toronto Management Inc.	685,819.28	0.00	37,926.81	18,989.60	38,166.07	590,736.80
Midnorth	Midnorthern Appliance Industries Corp.	662,750.86	0.00	0.00	0.00	0.00	662,750.86
SpeedyEl	Speedy Electrical Contractors Limited	583,343.34	0.00	0.00	0.00	0.00	583,343.34
FurkinCo	Furkin Construction Inc.	384,430.64	0.00	0.00	0.00	0.00	384,430.64
FirstSer2	First Service Residential Property Services Ontario Ltd.	330,989.70	0.00	0.00	361.60	0.00	330,628.10
NGMarin2	NG Marin (2000) Inc.	302,148.37	0.00	0.00	0.00	0.00	302,148.37
Reliable	Reliable Lumber Products	297,552.84	0.00	0.00	0.00	0.00	297,552.84
McLellan2	McLellan SMG Inc.	254,375.43	0.00	0.00	0.00	14,012.14	240,363.29
Treasure	Treasurer, City of Toronto	252,519.61	0.00	0.00	0.00	67,479.71	185,039.90
KRGInsur	KRG Insurance Brokers Inc.	236,581.24	0.00	0.00	0.00	0.00	236,581.24
LidoCons	Lido Construction Inc.	223,913.11	0.00	0.00	0.00	84.75	223,828.36
CartierK	Cartier Kitchens	213,650.44	0.00	508.50	1,500.07	864.44	210,777.43
TSCC2448	TSCC 2448	182,342.19	0.00	0.00	0.00	0.00	182,342.19
UptownHa	Uptown Hardware Limited	161,537.41	0.00	0.00	321.20	113.00	161,103.21
DesignEl	Design Elementz Ltd.	160,094.55	0.00	640.71	0.00	0.00	159,453.84
VIPRaili	V.I.P Railing Inc.	122,549.00	0.00	0.00	0.00	0.00	122,549.00
FirstSer1	FirstService Residential	117,267.51	0.00	0.00	0.00	0.00	117,267.51
TorontoH	Toronto Hydro	71,089.28	0.00	0.00	19,035.77	574.53	51,478.98
DolenteC	Dolente Concrete & Drain Co.	66,534.18	0.00	0.00	0.00	0.00	66,534.18
AtrensCo	Atrens-Counsel Insurance Brokers Inc.	58,273.56	0.00	0.00	0.00	0.00	58,273.56
EXPServi	EXP Services Inc.	50,478.37	0.00	0.00	508.50	565.00	49,404.87
Terrapla	Terraplan Landscape Architects Inc.	45,585.92	0.00	0.00	0.00	0.00	45,585.92
GHDlimited	GHD Limited	40,670.09	0.00	0.00	685.83	5,220.45	34,763.81
GreauxMa	Greaux, Marcel	35,666.65	0.00	0.00	0.00	35,666.65	0.00
McLellan1	McLellan Group Sales & Marketing Consultants Inc.	32,308.12	0.00	0.00	0.00	0.00	32,308.12
Wildcats	Wildcats Window Cleaning	28,069.20	0.00	0.00	0.00	0.00	28,069.20
HarrisSh	Harris, Sheaffer Barristers & Solicitors	26,743.88	0.00	0.00	0.00	0.00	26,743.88
EnmarCon	Enmar Construction Ltd.	24,558.60	0.00	0.00	0.00	0.00	24,558.60
GabrielB	Gabriel Bodor Architect, Inc.	24,050.11	0.00	0.00	0.00	72.73	23,977.38
LGAARchi	LGA Architectural Partners	20,711.26	0.00	0.00	0.00	0.00	20,711.26
UnitedEn	United Engineering Inc.	19,458.60	0.00	0.00	0.00	0.00	19,458.60
Century219	Century 21 Best Sellers Ltd., Brokerage	19,193.37	0.00	0.00	0.00	0.00	19,193.37
ToroAlum	Toro Aluminum	19,181.30	0.00	0.00	0.00	0.00	19,181.30
ValdanLa	Valdan Landscape	18,900.00	0.00	0.00	0.00	0.00	18,900.00
Enbridge3	Enbridge Gas Distribution Inc.	17,012.33	0.00	0.00	0.00	0.00	17,012.33
TACTDesi	TACT Design	16,466.99	0.00	0.00	0.00	0.00	16,466.99
TorontoS	Toronto Star Newspaper Limited	15,206.96	0.00	0.00	0.00	0.00	15,206.96
REMAXPre1	RE/MAX Premier Inc.	13,238.29	0.00	0.00	0.00	0.00	13,238.29
SuperSav1	Super Save Toilet Rentals Inc.	13,163.12	0.00	0.00	0.00	0.00	13,163.12
Homelife29	Homelife/Higher Standards	11,693.13	0.00	0.00	0.00	0.00	11,693.13
ModelRai	Model Railings	11,515.83	0.00	0.00	0.00	0.00	11,515.83
RightAtH1	Right At Home Realty Inc. Brokerage	10,484.37	0.00	0.00	0.00	0.00	10,484.37
WilcoxS11	Wilcox Sign Company Inc.	10,430.00	0.00	0.00	0.00	0.00	10,430.00
MagnumPr	Magnum Protective Services Limited	10,335.35	0.00	0.00	0.00	0.00	10,335.35
Peforman	Performance Solutions Inc.	10,170.00	0.00	0.00	0.00	0.00	10,170.00
Performa	Performance Solutions Inc.	10,170.00	0.00	0.00	0.00	0.00	10,170.00
SignAgeL	SignAge & Lighting Systems Inc.	9,588.05	0.00	0.00	0.00	0.00	9,588.05
Marigold	Marigolds & Onions	8,913.16	0.00	0.00	0.00	0.00	8,913.16
EastWest	East - West Services Company Limited	8,910.05	0.00	0.00	0.00	0.00	8,910.05
HomeLife13	HomeLife/Bayview Realty Inc.	8,741.64	0.00	0.00	0.00	8,741.64	0.00
Century218	Century 21 People's Choice Realty Inc. Brokerage	8,497.28	0.00	0.00	0.00	0.00	8,497.28
Urbangre	Urbangreen Construction LTD	8,475.00	0.00	0.00	0.00	0.00	8,475.00
Treasure3	Treasurer, City of Toronto	8,384.72	0.00	0.00	0.00	0.00	8,384.72
0047	Westside Gallery Lofts Inc.	7,627.50	0.00	0.00	0.00	0.00	7,627.50
Homelife38	Homelife Victory Realty Inc.	7,627.44	0.00	0.00	0.00	0.00	7,627.44
LouisBar	Louis Barikage	7,500.00	0.00	0.00	0.00	0.00	7,500.00
Treasure2	Treasurer, City of Toronto	7,494.81	0.00	0.00	0.00	0.00	7,494.81
SimerraP	Simerra Property Management Inc.	6,780.00	0.00	0.00	0.00	0.00	6,780.00
Royallif	Royal Life Realty Inc.	6,747.78	0.00	0.00	0.00	0.00	6,747.78
LSOConsu	LSO Consulting Inc.	6,497.18	0.00	0.00	0.00	0.00	6,497.18
AltusGro1	Altus Group Limited	5,064.16	0.00	0.00	0.00	0.00	5,064.16
CLMGener	CLM General Enterprise Ltd.	4,913.82	0.00	0.00	0.00	0.00	4,913.82
RandalBr	Randal Brown & Associates Engineering Ltd.	4,900.18	0.00	0.00	0.00	0.00	4,900.18
Keystone	Keystone Home Products Ltd.	4,576.50	0.00	0.00	4,576.50	0.00	0.00

Aged Payable Listing by Company
 Prepared by Company
 (Unaudited; \$C)

As of: 11/15/2015

Code	Name	O/S	On-Hold	Current	31 to 60	61 to 90	Over 90
Reprodux	Reprodux Copy Centre	4,463.08	0.00	0.00	0.00	0.00	4,463.08
CityofTo8	City of Toronto	3,886.67	0.00	0.00	0.00	0.00	3,886.67
HomeLife28	HomeLife Landmark Realty Inc.	3,800.86	0.00	0.00	0.00	0.00	3,800.86
HarInTrust	Harris, Sheaffer in Trust	3,573.68	0.00	0.00	0.00	0.00	3,573.68
MMGroup	MMM Group Limited	3,390.00	0.00	0.00	0.00	0.00	3,390.00
CoreOneM	Core One Mechanical Group Inc.	3,281.66	0.00	0.00	3,281.66	0.00	0.00
SunState	SunState Realty Specialists Inc.	3,188.60	0.00	0.00	0.00	0.00	3,188.60
ArthurAe	Arthur Aerial Lifts	3,056.65	0.00	0.00	0.00	0.00	3,056.65
Multivis	Multivista Ontario	2,938.00	0.00	0.00	0.00	0.00	2,938.00
SELCOEle	SELCO Elevators Ltd.	2,938.00	0.00	0.00	0.00	395.50	2,542.50
GlobalIn	Global Industrial Canada	2,729.26	0.00	0.00	0.00	0.00	2,729.26
Century217	Century 21 New Concept Ltd.	2,695.03	0.00	0.00	0.00	0.00	2,695.03
SmartSaf	Smart Safety Solutions	2,637.20	0.00	0.00	0.00	0.00	2,637.20
Pietrangel	Pietrangelo, Joe	2,449.50	0.00	0.00	0.00	2,449.50	0.00
JohnsonCon	Johnson Controls	2,426.11	0.00	0.00	0.00	2,426.11	0.00
Dufferin2	Dufferin-Custom Concrete Group	2,382.05	0.00	0.00	0.00	0.00	2,382.05
Emergenc	Emergency Propane Services	2,302.03	0.00	0.00	0.00	0.00	2,302.03
Guardtek1	Guardtek Monitoring Inc.	2,286.83	0.00	0.00	0.00	501.16	1,785.67
AbeGital	Abe Gitalis Real Estate Ltd.	2,180.90	0.00	0.00	1,638.50	542.40	0.00
SuperSav3	Super Save Fence Rentals Inc.	2,096.88	0.00	0.00	233.74	233.74	1,629.40
Construc5	Construction Market Data Group Inc.	2,066.77	0.00	0.00	0.00	0.00	2,066.77
JensenHu	Jensen Hughes Consulting Canada Ltd.	2,056.45	0.00	0.00	0.00	0.00	2,056.45
Treasure4	Treasurer, City of Toronto	2,050.00	0.00	0.00	0.00	0.00	2,050.00
DailyCom	Daily Commercial News	2,006.77	0.00	0.00	0.00	0.00	2,006.77
Sterling	Sterling Tile & Carpet	1,999.42	0.00	0.00	0.00	0.00	1,999.42
DellCore	Dell-Core Edge Protection Ltd.	1,859.38	0.00	0.00	0.00	0.00	1,859.38
ProBelle	Pro-Bell Enterprises Limited	1,469.00	0.00	0.00	0.00	0.00	1,469.00
Valcoust	Valcoustics Canada Ltd.	1,456.92	0.00	0.00	791.00	0.00	665.92
Technica	Technical Standards and Safety Authority	1,135.00	0.00	0.00	0.00	0.00	1,135.00
LawOffic	Law Office of Benjamin Blufarb	1,036.77	0.00	0.00	0.00	0.00	1,036.77
Guidelin1	Guidelines Advertising Inc.	960.50	0.00	0.00	0.00	0.00	960.50
Firetron	Firetronics 2000 Inc.	904.00	0.00	0.00	0.00	0.00	904.00
NuWallCo	Nu-Wall Contracting Ltd.	904.00	0.00	0.00	0.00	0.00	904.00
AddmoreO	Addmore Office Furniture(2009) Ltd.	896.09	0.00	0.00	0.00	0.00	896.09
SkywayCa	Skyway Canada Limited	666.16	0.00	0.00	91.54	0.00	574.62
CLMGener1	CLM General Enterprises	602.35	0.00	0.00	-540,454.32	0.00	541,056.67
Yorkwest	Yorkwest Plumbing Supply Inc.	569.52	0.00	0.00	0.00	0.00	569.52
SharonEx	Sharon Express Printing	463.30	0.00	0.00	0.00	0.00	463.30
Tubnet	Tubnet	452.00	0.00	0.00	0.00	0.00	452.00
Superior1	Superior Pavement Line Marking Services	395.50	0.00	0.00	0.00	0.00	395.50
MagicalP	Magical Pest Control Inc.	380.81	0.00	0.00	0.00	0.00	380.81
GilbertS	Gilbert Steel Limited	316.22	0.00	0.00	0.00	0.00	316.22
Guardtek	Guardtek System Inc.	289.28	0.00	0.00	0.00	0.00	289.28
O'NeilEle	O'Neil Electric	196.63	0.00	0.00	0.00	0.00	196.63
SigmundS	Sigmund Soudack & Associates Inc.	190.69	0.00	0.00	0.00	0.00	190.69
MDFMecha	MDF Mechanical Ltd.	187.02	0.00	0.00	187.02	0.00	0.00
IvyNg	Ivy Ng	161.20	0.00	0.00	0.00	0.00	161.20
AdrianMc	Adrian McCalla	141.25	0.00	0.00	0.00	0.00	141.25
DSMCompu	DSM Computing Solutions Inc.	113.00	0.00	0.00	0.00	0.00	113.00
GilbertM	Gilbert Marcelo	113.00	0.00	0.00	0.00	0.00	113.00
Infrastr	Infrastructure Health and Safety Association	109.33	0.00	0.00	0.00	0.00	109.33
CompelTe	Compel Technology Inc.	97.46	0.00	0.00	97.46	0.00	0.00
VolvoRen	Volvo Rents	76.26	0.00	0.00	0.00	0.00	76.26
Rentokil	Rentokil Pest Control	71.08	0.00	0.00	0.00	0.00	71.08
FederalE1	Federal Express Canada Ltd.	48.28	0.00	0.00	0.00	0.00	48.28
Canadian10	Canadian Springs	32.06	0.00	0.00	16.89	0.00	15.17
EliteSto	Elite Stone and Design Corp.	0.00	0.00	0.00	0.00	0.00	0.00
PopsProf	Pop's Professional Caulking Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
RogersWi	Rogers Wireless	0.00	0.00	0.00	0.00	0.00	0.00
Triumph	Triumph	-3,778.75	0.00	0.00	0.00	0.00	-3,778.75
Canadian22	Canadian Rental Centres	-14,308.26	0.00	0.00	189.84	140.69	-14,638.79
Cooltech3	Cooltech Air Systems	-293,980.50	0.00	0.00	0.00	0.00	-293,980.50
	Total Company	21,163,409.08	0.00	39,076.02	14,428,771.42	-118,163.00	6,813,724.64

Appendix “N”

Bay Entities
Balance Sheet Solvency Test
As at October 15, 2015
(unaudited, \$C)

	Notes	Book Values ¹	Fair Market Value Adjustments	Adjusted Values
Assets				
Current assets				
Cash	2	(224,557)	224,557	-
Restricted Cash	3	1,542,362	(1,542,362)	-
Short term investments	4	530,621	(530,621)	-
Intercompany receivable	5	11,392,146	(11,392,146)	-
Sundry assets	6	4,494,323	(2,473,305)	2,021,018
		17,734,895	(15,713,878)	2,021,018
Property held for development	7	98,541,434	4,254,316	102,795,749
Total assets		116,276,329	(11,459,562)	104,816,767
Liabilities				
Current liabilities				
Accounts payable	8	6,969,682	224,557	7,194,239
Laurentian loan		12,679,875	-	12,679,875
		19,649,557	224,557	19,874,114
Long-term debt				
Purchasers' Deposits	3	16,198,692	(1,542,362)	14,656,330
Third Party loans	8	55,675,959	-	55,675,959
Intercompany payable	9	7,400,423	-	7,400,423
Speedy Mortgage - contingent obligation	10	-	2,400,000	2,400,000
Other		355,981	-	355,981
		79,631,055	857,638	80,488,693
Total liabilities		99,280,612	1,082,195	100,362,807
Equity		16,995,717	(12,541,757)	4,453,960
Liabilities and Equity		116,276,329	(11,459,562)	104,816,767

Notes:

- The book values are based on the books and records of the Bay Entities.
- The combined cash balance as at November 15, 2015 was an overdraft of \$224,557. The Bay Entities did not have a line of credit. The cash balance appears to include a float of cheques. Accordingly, the bank balance has been adjusted to zero and payables have been increased by \$224,557.
- Represents purchasers' deposits for condominiums held in trust at a law firm. The deposits were not available for use by the Bay Entities. Accordingly, the restricted cash has been reduced to zero and a corresponding adjustment has been made to reduce the purchasers' deposit liability.
- Represents cash collateral posted in connection with letters of credit issued to the City of Toronto in connection with the Bridge and Newtowns projects. The cash collateral was not available for use by the Bay Entities. Accordingly, the short term investments have been reduced to zero.

Bay Entities
 Balance Sheet Solvency Test
 As at October 15, 2015
 (unaudited; \$C)

5. A summary of intercompany receivables is provided in the table below:

Entity	Amount
Urbancorp Toronto Management Inc.	2,526,969
Vestaco Homes Inc.	3,523,280
TCC Urbancorp (Stadium Road) LP	3,413,011
Urbancorp Management Inc.	1,145,480
Edge on Triangle Park Inc.	421,365
Epic on Triangle Park Inc.	132,889
Other	229,152
	<u>11,392,146</u>

The recovery, if any, from these receivables is uncertain and likely nil. The balance has been adjusted to zero.

6. A summary of the sundry assets is provided in the table below.

Description	Notes	Amount	Adjustment	Fair Value
Government receivables	a	1,033,883	-	1,033,883
Accounts receivable	b	3,041,981	(2,473,305)	568,676
Prepaid assets		418,459	-	418,459
		<u>4,494,323</u>	<u>(2,473,305)</u>	<u>2,021,018</u>

(a) Represents HST receivables owing to the Bay Entities, which should be collectible. No adjustment has been made to this line item.

(b) Represents accounts receivable owing to the Bay Entities. The adjustment represents the portion of accounts receivable written off as bad debt by MNP LLP, the Bay Entities' external accountants, in December, 2015.

Bay Entities
Balance Sheet Solvency Test
As at October 15, 2015
(unaudited; \$C)

7. Represents property held for development by the Bay Entities. Certain of these properties were subsequently sold. In these cases, the Monitor has estimated the fair market value of the properties as of November 15, 2015, based on the selling price of the properties. According to Altus Group Limited, an international real estate consultant, residential land prices in Toronto increased by approximately 17% per annum during 2015 and 2016. The selling prices have been discounted to reflect price appreciation after November 15, 2015. The Monitor has not considered what improvements were completed on the land subsequent to November 15, 2015.

Entity	Notes	Book Value	Selling Price	Discount for Appreciation (\$)	Realization Costs (%)	Fair Market Value	Change in Balance Sheet
840 St. Clair	a	6,207,725	3,640,000	(464,100)	(205,205)	2,970,695	(3,237,030)
King South	b	4,874,242	3,800,000	(215,333)	(200,767)	3,383,900	(1,490,342)
Bridge	c	2,974,230	-	-	-	-	(2,974,230)
Newtowns	c	1,152	-	-	-	-	(1,152)
Queen	c	102,720	-	-	-	-	(102,720)
Bridlepath	d	15,174,537	25,888,888	(3,300,833)	(1,459,486)	21,128,569	5,954,032
Lawrence	d	12,508,421	23,200,000	(3,944,000)	(1,357,200)	17,898,800	5,390,379
Mallow	d	18,255,062	21,300,000	(2,715,750)	(1,200,788)	17,383,463	(871,600)
Patricia	d	16,051,072	16,800,000	(2,142,000)	(947,100)	13,710,900	(2,340,172)
St. Clair	d	11,726,950	15,100,000	(1,925,250)	(851,263)	12,323,488	596,538
Woodbine	d	7,054,411	13,300,000	(1,695,750)	(749,788)	10,854,463	3,800,052
KRI	e	3,610,909	3,964,000	(594,600)	(227,930)	3,141,470	(469,439)
		<u>98,541,431</u>	<u>126,992,888</u>	<u>(16,997,617)</u>	<u>(7,199,525)</u>	<u>102,795,746</u>	<u>4,254,316</u>

(a) Reflects the Bay LP's 40% interest in 840 St. Clair Avenue West, which was a joint partnership with Hendrick and Main Developments Inc. The proceeds from the transaction were \$9.1 million, 40% of which has been allocated to Bay LP.

(b) King South held a 50% interest in 1071 King Street West, Toronto. In March 2016, prior to the CCAA proceedings, King South sold its interest in the project for cash proceeds of \$7.6 million, 50% of which has been allocated to King South.

(c) The balances are from projects that were previously sold. The balances have no value.

(d) These projects were sold by the Monitor. Each of the transactions closed in the Fall of 2016.

(e) Represents condominium units held by KRI. The Monitor has engaged Brad Lamb Realty to market the condominium units for sale. The total list prices for the condominium units is \$3.964 million. The listing price has been discounted by 15% to estimate the value as of November 15, 2015.

8. Represents loans owed on various of the Bay Entities' projects.

9. A summary of intercompany payables is provided in the following table.

Entity	Amount
Aubergine	5,027,599
Hungarian house	775,127
Urbancorp Renewable Power Inc.	577,068
Urbancorp (Valermo) Inc.	438,671
Other	581,958
	<u>7,400,423</u>

10. Represents the Speedy mortgage.

Appendix "O"



October 5, 2015

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

Attention: Mr. Alan Saskin

RE: **LOAN RENEWAL**
1780 Lawrence Ave. West, Toronto

Dear Mr. Saskin;

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

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

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

(the "Project")

4. **LOAN FACILITY:** \$7,953,495 as follows:

\$7,470,000	Original Principal Balance
\$ 483,495	Accrued Interest from initial advance

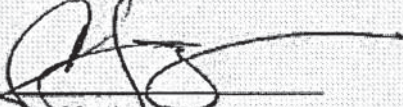
1 | Page

5. **PURPOSE:**
- 1) To renew the term of the loan for an additional 18 months to mature March 1, 2017.
 - 2) To amend the Registered Charge.
 - 3) To amend the payment provision for payment of the monthly interest.
6. **TERM:**
- Original
24 months (maturity date of September 1, 2015)
- Revised
Loan to mature March 1, 2017.
7. **INTEREST RATE:**
- Original
Greater of Prime + 7.00% / 10.00% per annum.
Interest to be paid on a monthly basis based upon the greater of Prime + 4.00% / 7.00% per annum, with the balance to be accrued to the Loan Balance.
- Revised
Greater of Prime + 7.00% / 10.00% per annum.
Interest to be paid on a monthly basis based upon the greater of Prime + 2.00% / 5.00% per annum, with the balance to be accrued to the Loan Balance.
8. **PREPAYMENT:** Open with 14 days written notice.
9. **RENEWAL FEE:** \$159,000 (2%)
10. **SECURITY:** The existing security to remain in full force and effect save for the following:
- a) Registered Charge to be increased to \$9,000,000.
11. **RENEWAL CONDITIONS:**
- a) Satisfactory confirmation of 65 sales in place generating \$39,500,000 in gross sales revenue. (Received)
 - b) Satisfactory written confirmation from the Lender's planning consultant (Ted Davidson) that rezoning and draft plan approval for the proposed development is a reasonable exercise that can be completed within the term of the loan.
 - c) Updated Financial Statements of the Borrower. (Received)
 - d) Current net worth statement and/or financial statements of the Guarantors. (Received)
 - e) Such other information the Lender may reasonably require.

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

Yours truly,

Terra Firma MA Ltd.



 Carolyn Montgomery
 Vice President & Principal Broker

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

ACCEPTANCE

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

Urbancorp (Lawrence) Inc.

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

Guarantors

Signature: _____
 Name: Alan Saskin

Urbancorp Toronto Management Inc.

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

Appendix "P"



November 24, 2015

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

ATTENTION: Mr. Alan Saskin

Dear Sir,

RE: LOAN EXTENSION - Homes of St. Clair West

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

1. BORROWER:

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

2. GUARANTOR(S):

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

3. PROJECT / SECURED PROPERTY:

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

(the "Project")

Amendment Letter
Urbancorp (St. Clair Village) Inc. "Homes of St. Clair West"

November 24, 2015

4. LOAN FACILITY:

\$7,380,000 as follows:

\$6,930,000 Original Principal Balance
\$ 450,000 Accrued Interest from initial advance

5. AMENDMENT PURPOSE:

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

6. TERM:

Original Deal

27 months (maturity date of November 1, 2015)

Revised Deal

Loan to mature February 1, 2016.

7. EXTENSION FEE:

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

8. ACCEPTANCE:

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

Yours very truly,

Terra Firma MA Ltd.

Per: 

Name: Carolyn Montgomery

Title: Vice President & Principal Broker

Amendment Letter
Urbancorp (St. Clair Village) Inc. "Homes of St. Clair West"

November 24, 2015

ACCEPTANCE

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

BORROWER:

Urbancorp (St. Clair Village) Inc.

Per: _____

Name:

I/we have the authority to bind the corporation

GUARANTOR(S):

Signature: _____

Name: Alan Saskin

Witness:

Signature: _____

Name:

Urbancorp Toronto Management Inc.

Per: _____

I/we have the authority to bind the corporation

Appendix “Q”

Fwd: Meeting to discuss recent media and consumer complaints

Subject: Fwd: Meeting to discuss recent media and consumer complaints
From: Alan Saskin <alansaskin@gmail.com>
Date: 2015-10-16 1:27 PM
To: David Mandell <davidm@urbancorp.com>

david
 I'm open anytime wednesday
 could you contact them and set it up
 thanks
 alan

----- Forwarded message -----

From: Mike Cote <Mike.Cote@tarion.com>
Date: Fri, Oct 16, 2015 at 1:24 PM
Subject: Meeting to discuss recent media and consumer complaints
To: "alansaskin@gmail.com" <alansaskin@gmail.com>
Cc: "DavidM@urbancorp.com" <DavidM@urbancorp.com>, Adil Darr <Adil.Darr@tarion.com>

Good afternoon Alan,

We are in the midst of fielding a series of media and consumer complaints involving at least 2 of your projects, 50 Curzon and Howie Street. The complaints revolve around delays of construction and landscape completion. There appears to be conflicting information being communicated by Urbancorp to your purchasers/owners and what information is being communicated by the municipality.

I understand Adil has asked you (via email) to meet next week to discuss status of your recent projects. I have been asked to consider these complaints a matter of builder conduct so I will be attending this meeting as well.

Please consider this an urgent matter and provide times Monday/Tuesday/Wednesday next week when you would be available to meet to discuss.

Fwd: Meeting to discuss recent media and consumer complaints

Regards,

MIKE E. COTE

SENIOR ADVISOR, OPERATIONS & DEPUTY REGISTRAR | [416 229 3816](tel:4162293816)
Mike.Cote@Tarion.com

TARION WARRANTY CORPORATION | 5160 Yonge Street, 12th Floor | Toronto, ON
M2N 6L9

1.877.9TARION | TARION.COM | [facebook/TarionWarrantyCorp](https://facebook.com/TarionWarrantyCorp) |
[youtube/TarionWarranty](https://youtube.com/TarionWarranty)

Homeowners: Register for [MyHome](#), Tarion's online service for homeowners. Submit warranty forms online and keep track of important warranty dates.

Builders: Register for [BuilderLink](#) - Tarion's online service for builders. Enrol homes and manage your homeowners' warranty service.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	TUESDAY, THE 1 st
)	
JUSTICE MYERS)	DAY OF MAY, 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
(Speedy Electrical Claim Dispute)

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, declaring that the claim filed by Speedy Electrical Contractors Ltd. ("**Speedy**") pursuant to the Claims Procedure Order made in

these proceedings on September 15, 2016 (the "**Claims Procedure Order**") be disallowed in full, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Monitor, the Twenty-Second Report of the Monitor dated February 2, 2018 (the "**Report**"), ■ and on hearing the submissions of respective counsel for the Monitor, Guy Gissin, in his capacity as the appointed functionary and foreign representative of Urbancorp Inc. by order of the District Court in Tel Aviv-Yafo, Israel, Speedy 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.

CLAIM DETERMINATION

2. **THIS COURT ORDERS AND DECLARES** that the claim filed by Speedy in these proceedings pursuant to the Claims Procedure Order be and is hereby disallowed in full.

AID AND RECOGNITION

3. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Monitor and its 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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

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

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
(SPEEDY ELECTRICAL CLAIM
DISPUTE)**

DAVIES WARD PHILLIPS & VINEBERG LLP
155 WELLINGTON STREET WEST
TORONTO, ON M5V 3J7

Robin B. Schwill (LSUC #384521)
Tel: 416.863.5502
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Lawyers for the Monitor

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
(PROCEEDING COMMENCED AT TORONTO)

MOTION RECORD
**(Returnable May 1, 2018 – Speedy Electrical
Claim Dispute)**

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**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.**

Court of Appeal File No. C65891

COURT OF APPEAL FOR ONTARIO

PROCEEDING COMMENCED AT
TORONTO

**EXHIBIT BOOK OF THE APPELLANT
KSV KOFMAN INC., IN ITS CAPACITY AS MONITOR
(VOLUME I OF III)**

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