

**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**

**FACTUM OF THE MONITOR
(APPROVAL AND VESTING ORDER – RESIDUAL UNITS)**

February 23, 2026

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https://www.ksvadvisory.com/docs/default-source/insolvency-case-documents/urbancorp-group/ccaa-proceedings/service-list/service-list-as-at-december-9-2020.pdf?sfvrsn=78b856d5_0

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PART I – OVERVIEW

1. This Factum is filed by KSV Restructuring Inc. (formerly 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" hereto (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**"), in support of the Monitor's motion returnable February 25, 2026 for an Order (the "**Approval and Vesting Order**"), *inter alia*:

- (a) approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Monitor (the "**Seller**") and Toronto Standard Condominium Corporation No.

2302 (the “**Purchaser**”) dated February 18, 2026 and appended to the Sixty-Third Report of the Monitor dated February 18, 2026 (the “**Report**”)¹ and vesting in the Purchaser all of King Residential Inc.’s (“**KRI**”) right, title, and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”); and

(b) such further and other relief as counsel may advise and this Court may permit.

2. The Monitor is presently unaware of any opposition to the requested relief.

PART II – FACTS

3. The facts with respect to this motion are set out in more detail in the Report. Capitalized terms not otherwise defined herein have the meanings given to them in the Report.

4. Pursuant to an Order of the Court dated May 18, 2016 (the “**Initial Order**”), KSV was appointed as the Court-appointed Monitor of the CCAA Entities.²

5. Pursuant to an Order of the Court dated October 30, 2017 (the “**2017 Vesting Order**”), the Court authorized the Monitor to enter into and effect sales transactions of

¹ Sixty-third Report to Court of KSV Restructuring Inc. as CCAA Monitor of Urbancorp Toronto Management Inc., *et al.*, dated February 18, 2026 [**Report**], Monitor’s Motion Record [**MR**], tab 2, [page 13, E946](#). The Sale Agreement is appended as Appendix “C” to the Report, [page 69, E1002](#).

² Report, Section 1.1, para. 2, MR, tab 2, [page 16, E949](#). The Initial Order is appended as Appendix “A” to the Report, [page 28, E961](#).

various parking, bike storage, and locker units owned by certain of the CCAA Entities, including KRI.

6. KRI continues to own 10 parking spots and 125 lockers and bike storage units (collectively, the “Units”), which carry ongoing monthly maintenance costs of approximately \$2,600.³

7. The Monitor has been marketing the Units since the outset of these proceedings. However, its marketing efforts have been constrained since sales are limited to owners of condominiums in the building the Units are located in.⁴

8. Given the limited market and interest for the Units, the Monitor, in consultation with the Foreign Representative, proposes to transfer the Units to the Purchaser pursuant to the Transaction, for no cash consideration. In exchange, the Purchaser will assume all obligations related to the Units, including all maintenance fees and property taxes, thereby eliminating the ongoing carrying costs to KRI. Additionally, when the Purchaser ultimately sells the Units and receives sales proceeds, the Monitor shall be entitled to receive a small portion of those proceeds. The Transaction is intended to facilitate the completion of these proceedings. If the Court grants the relief sought, the Monitor intends to assign all rights and benefits under the Sale Agreement to the Foreign Representative shortly after the Approval and Vesting Order is granted.⁵

³ Report, Section 2.3, para. 1, MR, tab 2, [page 21, E954](#).

⁴ Report, Section 2.3, para. 2, MR, tab 2, [page 21, E954](#).

⁵ Report, Section 2.3, paras. 3-4, MR, tab 2, [page 21, E954](#).

9. The Monitor respectfully submits that the Transaction should be approved. The process leading to the Transaction is reasonable in the circumstances and has the Monitor's approval. In the Monitor's opinion, the Transaction is the only realistic avenue for recoveries of the Units.⁶ KRI's creditors were consulted and the Transaction will be beneficial to KRI's creditors and other interested parties. The consideration to be received for the Purchased Assets is reasonable and fair in the circumstances, taking into account their market value.

PART III – ISSUES AND LAW & ARGUMENT

10. The issue on this motion is whether the Court should approve the Transaction and grant the Approval and Vesting Order.

11. The criteria for approval of the Transaction is set out in section 36(3) of the CCAA as follows:

“In deciding whether to authorize the sale or disposal of assets outside the ordinary course of business, courts may consider, among other things:

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the monitor approved the process leading to the proposed sale or disposition;

⁶ Report, Section 2.3, para. 6, MR, tab 2, [page 21, E954](#).

- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.”⁷

12. In the present case, the Monitor respectfully submits that the relevant factors favour approval of the Transaction:

- (a) the Monitor has been marketing the Units since the outset of these proceedings. Given the limited market and interest for the Units, pursuing a negotiated transaction with the Purchaser is reasonable in the circumstances;
- (b) the Monitor approves of the process leading to the proposed sale;
- (c) the only creditor of consequence standing to benefit from the sale, the Foreign Representative, supports the Transaction;

⁷ [Companies' Creditors Arrangement Act, R.S.C., 1985, c. C-36 \[CCAA\], s 36\(3\).](#)

- (d) the Transaction will be beneficial to KRI's creditors and other interested parties as it is intended to facilitate the completion of these proceedings;
- (e) the consideration to be received for the Purchased Assets is reasonable and fair, taking into account their market value since the Purchaser will assume all obligations related to the Units and will remit a portion of the proceeds received from any sale of the Units to the Foreign Representative (to whom the Monitor will assign its rights under the Sale Agreement). In the Monitor's opinion, the Transaction is the only realistic avenue for recoveries of the Units.

13. In addition to the section 36(3) factors, the 2017 Vesting Order authorizes the Monitor to enter into sales transactions regarding the Units.

14. Section 36(6) of the CCAA permits the granting of a vesting order and, in this case, the creditors whose security is being vested out as part of the Transaction have not opposed their interests being released and finally expunged such that the proceeds of the sale need not remain subject to such security interests.⁸

15. The Approval and Vesting Order is based on and does not substantially depart from the Commercial List's model approval and vesting order.⁹

⁸ [CCAA, s. 36\(6\)](#).

⁹ Blackline of Approval and Vesting Order to Commercial List Model Order, MR, tab 4, [page 489, E1422](#).

PART IV – RELIEF SOUGHT

16. For the reasons set forth herein and in the Report, the Monitor respectfully requests the granting of the Approval and Vesting Order substantially in the form included at tab 3 of the Monitor’s motion record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 23rd day of February, 2026.

Sean Monahan

Sean Monahan
Lawyers for the Monitor

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”
STATUTORY PROVISIONS RELIED ON**

Companies’ Creditors Arrangement Act, R.S.C., 1985, c. C-36:

Restriction on disposition of business assets

36 (1) A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

...

Factors to be considered

(3) In deciding whether to grant the authorization, the court is to consider, among other things,

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the monitor approved the process leading to the proposed sale or disposition;
- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

...

Assets may be disposed of free and clear

(6) The court may authorize a sale or disposition free and clear of any security, charge or other restriction and, if it does, it shall also order that other assets of the company or the proceeds of the sale or disposition be subject to a security, charge or other restriction in favour of the creditor whose security, charge or other restriction is to be affected by the order.

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

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SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

(PROCEEDING COMMENCED AT TORONTO)**

**FACTUM OF THE MONITOR
(Approval and Vesting Order – Residual Units)**

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