

**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 PLAN MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF URBANCORP TORONTO MANAGEMENT INC., URBANCORP (ST. CLAIR VILLAGE) 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

**RESPONDING RECORD OF THE ISRAELI FUNCTIONARY
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February 27, 2020

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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 PLAN MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF URBANCORP TORONTO MANAGEMENT INC., URBANCORP (ST. CLAIR VILLAGE) 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

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TAB 1

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

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

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AFFIDAVIT OF GUY GISSIN
(sworn February 27, 2020)

I, Guy Gissin, of the City of Tel Aviv, in the State of Israel, HEREBY SOLEMNLY AFFIRM AND SAY:

1. I am the Israeli Court-appointed functionary officer and foreign representative (the "Foreign Representative") of Urbancorp Inc. ("UCI"), and as such have knowledge of the matters to which I hereinafter depose, save where stated to be on information and belief, in which case I verily believe them to be true.

OVERVIEW

2. This affidavit is filed in respect of both KSV Kofman Inc's motion for an extension of the Cumberland I CCAA proceedings, as well as in respect of a request by UCI for the scheduling of an adjudication of certain issues that are impediments to distributions and

the commencement of the sales process for the geothermal assets (one of two remaining material assets in these proceedings).

3. The Urbancorp insolvency proceedings have been on-going for approximately four years, having commenced in mid-2016. There remain a number of issues which continue to prevent proceeds of realization from being distributed and certain assets being monetized. I support the request of the Monitor for this extension, but expect and anticipate that the material issues delaying both distributions and monetization of assets will be resolved during the requested stay extension with the goal of expediting distributions and ultimately bringing these proceedings to a conclusion in the near term.
4. As reported by the Monitor in its Thirty Ninth Report, the most significant remaining assets are the geothermal assets and an interest indirectly held by UCI in Downsview Homes Inc. This affidavit addresses outstanding issues with respect to the geothermal assets, impediments to the distribution of monies already received relating to arrears of geothermal energy supply contracts and delays to the commencement of the sales process to sell the geothermal assets.
5. Among the material issues that are currently delaying distributions and monetization of assets are the following:
 - (a) Claims filed by certain Saskin companies against URPI which are impeding a distribution of settlement proceeds (as set out in paragraphs 19 to 24 below). These claims have been outstanding since December 8, 2019;
 - (b) The refusal of Urbancorp New Towns Inc. ("UNKI") to amend the legal description in a lease which relates to the Bridge geothermal system (the particulars are set out in section 3.8 of the Thirty Ninth Report of the Monitor and the affidavit of David Mandell attached to that report as Appendix "E"), which impacts the ability of the Receiver to commence the sales process for the geothermal assets and which could materially impact sales value of the Bridge geothermal system;

- (c) Determination of any tax liability, if any, with respect to proceeds of settlement received by the Receiver from the Bridge, Edge and Fuzion condominium corporation. This issue has been outstanding since at least December 2019;
 - (d) Commencement of the sales process to sell the geothermal assets, which was scheduled to commence in January, 2020; and
 - (e) Determination of the Potential Fuller Claims (as described in paragraph 3.5.6 of the Thirty Ninth Report).
6. The Foreign Representative seeks an expeditious resolution and adjudication of the foregoing issues as soon as possible to ensure their resolution by the end of the requested Stay extension.

THE BRIDGE SETTLEMENT FUNDS OVERVIEW

7. As reported in section 3.7 of the Thirty Ninth Report, in December 2019, KSV Kofman Inc., in its capacity as Receiver (the “Receiver”) of Urbancorp Renewable Power Inc. (“URPI”) settled certain litigation with the Bridge, Fuzion and Edge condominium corporations. As a result of the settlement, the Receiver has received approximately \$5.96 million on account of geothermal energy supply contract arrears. The Receiver received \$2.475 million on account of the settlement of the litigation with the Bridge condominium corporation.
8. The Foreign Representative seeks to expedite the distribution of the proceeds of settlement relating to the Bridge condominium geothermal energy supply contract from URPI to the owner of the Bridge geothermal assets, Vestaco Homes Inc. (“Vestaco”). Once proceeds of settlement are received by Vestaco, it should (subject to determining any potential tax liability, if any) be able to make a distribution to its admitted unsecured creditors (of which Urbancorp Cumberland 1 LP is in excess of 97%). UCI is the owner

of Cumberland I, which has no creditors, and accordingly, any funds received by Cumberland I should be able to be distributed to UCI.

9. Currently, two proofs of claim that were filed against URPI by Saskin family companies, Kings Town North Inc. ("KTNI") and Aubergine Investments Ltd. ("Aubergine") in the respective amounts of \$941,617 and \$791,190 are a material impediment the ability of the Receiver to distribute proceeds. These proofs of claim were filed on December 8, 2019. The Foreign Representative is asking this Court to schedule a motion to adjudicate these claims expeditiously.

THE BRIDGE LITIGATION AND SETTLEMENT

10. As set out in paragraph 1.1.4 of the Third Report of the Receiver (the "Third Report"), filed December 3, 2019 (a copy of which, without attachments is attached as Exhibit "A"), the Bridge geothermal assets are 100% owned by Vestaco. A copy of the Urbancorp organizational chart is attached as Exhibit "B".
11. As set out in paragraphs 1.2.2 and 2.6.2 of the Third Report, URPI was incorporated to manage the geothermal assets on behalf of the owners of those assets, which in the case of the Bridge geothermal assets is Vestaco. URPI is required to pay the revenue it receives from the condominium corporations to the owner of the geothermal room units, less a management fee of between 3-5%. In the case of Bridge, the management fee payable to URPI is 5%.
12. As set out in paragraphs 1.4.1 and 1.4.2 of the Third Report, the condominium corporations stopped paying URPI under the Geothermal energy supply agreements in

early 2016. As a result, litigation ensued between URPI and the three condominium corporations.

13. On June 28, 2018, KSV Kofman Inc. was appointed Receiver of URPI. KSV Kofman Inc. is also the Monitor of Vestaco, which owns the geothermal assets that URPI manages.
14. Ultimately, the litigation between URPI and the condominium corporations was resolved.
15. By Order dated December 10, 2019, the Receiver obtained approval of the settlement of litigation relating to the Bridge, Fuzion and Edge geothermal energy supply agreements. Additionally, the Court approved URPI entering into amended and restated geothermal supply agreements with the respective Bridge, Fuzion and Edge condominium corporations. Finally, the Court also approved a sales process for the Geothermal Assets which contemplated the sales process commencing in January 2020. A true copy of the December 10, 2019 Order is attached as Exhibit "C".
16. As set out in paragraph 3.7.4 of the Thirty Ninth Report, the settlements have resulted in the payment to the Receiver of approximately \$5.96 million on account of arrears owed by the three condominium corporations in respect of the Bridge, Fuzion and Edge geothermal energy supply agreements (the "Settlement Funds").
17. As set out in paragraph 3.7.4 of the Thirty Ninth Report, the Receiver has received approximately \$2.475 million on account of the Bridge geothermal energy supply agreement arrears (the "Bridge Settlement Funds").

18. URPI may be entitled to retain a management fee of 5%. The balance of the Settlement Funds should be paid to the respective owners of the geothermal systems.

THE KTNI AND AUBERGINE CLAIMS

19. On December 8, 2019, King Towns North Inc. (“KTNI”), a company in which Alan Saskin is the sole director, filed a proof of claim against URPI alleging that the initial CCAA Order in respect of Vestaco resulted in a termination of a lease of land (the “Lease”) on which the geothermal boreholes for the Bridge geothermal system are located between KTNI, as landlord, and Vestaco and URPI (as tenant). A copy of the proof of claim is attached as Exhibit “D”. The annual rent under the Lease is \$100. The Lease was disclosed in the prospectus filed in Israel by UCI in respect of its public issuance of approximately \$64 million in bonds in December 2015. KTNI has claimed rent from URPI in the amount of \$941,617 based on an allegation that in the absence of the Lease, the fair market rent would be \$200,000 annually. A copy of the Lease is attached as Exhibit “E”.
20. The Initial Order in these proceedings expressly provides that during the Stay Period, no Person shall terminate any contract or agreement in favour of the Urbancorp CCAA Entities, without the written consent of the Urbancorp CCAA Entities and the Monitor or leave of the Court. The Lease has not been disclaimed by the Monitor, nor has KTNI ever sought to terminate it in accordance with the terms of the Initial Order. Accordingly, KTNI’s claim against URPI should be disallowed in full.

21. On December 8, 2019, Aubergine, in its alleged capacity as the beneficial owner of URPI, filed a proof of claim against URPI claiming, inter alia, 5% of the Bridge Settlement Funds and 3% of the Edge and Fuzion settlement funds as the management fee allegedly owed to URPI, and reimbursement of legal fees in the amount of \$225,000 from the Settlement Funds. A copy of the proof of claim is attached as Exhibit “F”.
22. The Aubergine proof of claim alleges that it incurred legal fees from counsel including “Bennett Jones, Lash O’Sullivan (sic) and Fred Thayer and Associates (sic)”. To the best of my knowledge, Fred Tayar and Associates are counsel to Alan Saskin personally. Further Lax, O’Sullivan are counsel to Urbancorp Management Inc. and Doreen Saskin, which are not parties to the management agreement and Bennett Jones are counsel both to Alan Saskin personally, Cumberland II and Aubergine. The Foreign Representative is unaware of these counsel providing services to URPI. Accordingly, the claim for legal fees should be disallowed in full.
23. URPI may be entitled to retain 5% of the settlement proceeds and should be paying the balance of the Bridge Settlement Funds to Vestaco.
24. These two claims should be adjudicated expeditiously as they are resulting in a material holdback by the Receiver thereby delaying any further distribution.

EFFECT OF ADJUDICATION OF THE KTNI AND AUBERGINE CLAIMS

25. According to the claims register provided by the Monitor, Vestaco has approximately \$4,224,608 of admitted related party claims. Of that amount, \$4,126,000 is owed to Urbancorp Cumberland 1 LP (“Cumberland I”). Accordingly, in excess of 97% of

proceeds received by Vestaco would be payable to Cumberland I. A copy of the Vestaco claims register is attached as Exhibit "G".

26. Since approximately December 2019, the Monitor has been in the process of determining what, if any, tax obligation Vestaco has in respect of the Bridge Settlement Funds. Subject to a reserve for any tax liability of Vestaco, the balance of the Bridge Settlement Funds received by Vestaco should be distributed to its creditors.
27. In the event that the Monitor is unable to determine the tax liability, if any, of Vestaco in respect of the Bridge Settlement Proceeds in the near term, the Foreign Representative is prepared to consider providing an indemnity for taxes that may be payable in order to expedite a distribution, upon the Monitor providing details of the outstanding tax issue satisfactory to the Foreign Representative.
28. Cumberland I has no creditors. Accordingly, any monies received by Cumberland I should be distributed to its owner UCI.

THE BERM LEASE

29. As set out in section 3.8 of the Thirty Ninth Report and in the affidavit of David Mandell attached to the Thirty Ninth Report as Appendix "E", the legal description in the Berm Lease contains an omission. As further set out in section 3.8, this issue needs to be resolved prior to the commencement of the geothermal sales process, otherwise there could be a significant reduction in the value of the Bridge geothermal system. Urbancorp valued the Bridge geothermal system in the prospectus that it filed in respect of the Israeli bond offering at \$22.98 million. Accordingly, ensuring that the value of the Bridge

geothermal system is not impaired is critical to the Foreign Representative and to the Israeli bondholders.

30. The Foreign Representative therefore requests that the Berm Lease issue be adjudicated in early March to avoid any further delays in the commencement of the sales process for the geothermal assets which was initially scheduled to commence in January 2020.

TED SASKIN CLAIM

31. In section 3.7.9(b) of the Thirty Ninth Report, the Monitor refers to a claim for compensation from Ted Saskin in the amount of \$418,000. To the best of my knowledge, I am unaware of any agreement with Ted Saskin pursuant to which he was to be paid, nor has the nature and scope of services to be provided by him been discussed with me. Further, to the best of my knowledge, I am unaware of any agreement to compensate Ted Saskin having been approved by this Court.
32. The Saskin family and their related entities continue to hinder and delay these proceedings, which is delaying distributions to creditors, including those of UCI, who continue to suffer significant losses. In the circumstances, the Foreign Representative is opposed to any payment being made to Ted Saskin.
33. I make this Affidavit in respect of the Monitor's motion for an extension and for no other or improper purpose.

AFFIRMED before me at the City of Tel Aviv, in the State of Israel this day of February, 2020.



Yael Hershkovitz, Advocate
Israeli License No. 44393

An Israeli Attorney



GUY GISSIN

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

**AFFIDAVIT OF GUY GISSIN
(Affirmed February 27, 2020)**

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Lawyers for the Applicants

TAB A

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF GUY GISSIN AFFIRMED
BEFORE ME THIS 27TH DAY OF FEBRUARY,
2020.



Yael Hershkovitz
Lawyer



**Third Report to Court of KSV Kofman Inc.
as Court Appointed Receiver of
Urbancorp Renewable Power Inc.**

December 3, 2019

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COURT FILE NO.: CV-18-600624-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

KSV KOFMAN INC., BY AND ON BEHALF OF URBANCORP CUMBERLAND 1 LP BY ITS
GENERAL PARTNER URBANCORP CUMBERLAND 1 GP INC.

APPLICANT

- AND -

URBANCORP RENEWABLE POWER INC.

RESPONDENT

Application Under Section 101 of the Courts of Justice Act, R.S.O. 1990,
c. C.43, as amended, and Section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended

THIRD REPORT OF KSV KOFMAN INC.

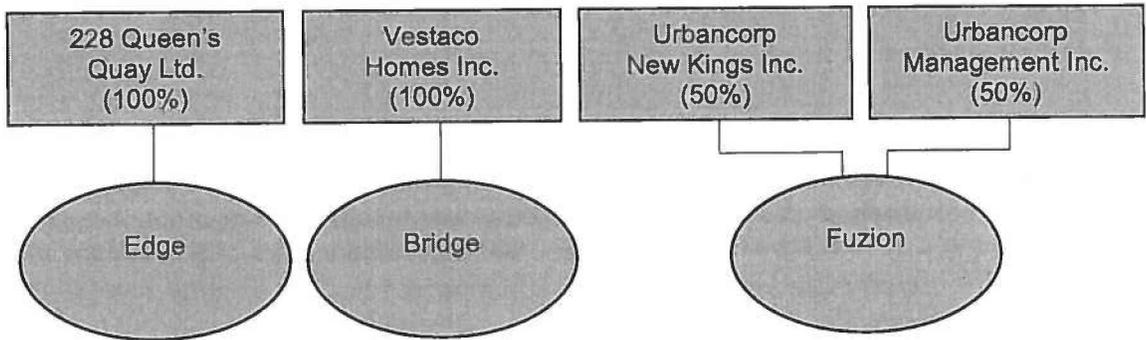
December 3, 2019

1.0 Introduction

1.1 Cumberland CCAA Entities

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 (collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence and UTMI are referred to as the "NOI Entities"). KSV Kofman Inc. ("KSV") was appointed as the Proposal Trustee of each of the NOI Entities.
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 NOI Entities, 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 of the Cumberland CCAA Entities (the "Monitor") (the "Cumberland CCAA Proceedings").

3. Certain Cumberland CCAA Entities¹ are known direct or indirect wholly-owned subsidiaries of Urbancorp Cumberland 1 LP (“Cumberland”). Collectively, Cumberland and its direct and indirect subsidiaries are the “Cumberland Entities” and each individually is a “Cumberland Entity”. Each Cumberland Entity is a nominee of Cumberland and, as such, the assets and liabilities of the Cumberland Entities are assets and liabilities of Cumberland. The remaining Cumberland CCAA Entities², other than UTMI, are directly or indirectly wholly owned by Urbancorp Inc. (“UCI”) (collectively, the “Non-Cumberland Entities” and each individually is a “Non-Cumberland Entity”), as is Cumberland. The corporate chart for the Cumberland CCAA Entities and the Non-Cumberland Entities is provided in Appendix “A”.
4. As reflected below, 228 Queens Quay Ltd. (“228”), Vestaco Homes Inc. (“Vestaco Homes”) and Urbancorp New Kings Inc. (“UNKI”), each have an ownership interest in geothermal assets (the “Geothermal Assets”) located at three separate condominiums developed by entities in the Urbancorp Group of Companies (the “Urbancorp Group”). The Geothermal Assets provide heating and air conditioning to each condominium.



5. 228 and Vestaco Homes are Non-Cumberland Entities. UNKI is beneficially owned by Cumberland but is not a Cumberland CCAA Entity. The Receiver has been advised by The Fuller Landau Group Inc. (“Fuller Landau”) that Urbancorp Management Inc. (“UMI”) is owned by the Doreen and Alan Family Trust (the “Family Trust”)³. In November 2019, Mr. Saskin, on behalf of the Family Trust, advised that UMI will consent to the transfer of its 50% interest in the Fuzion Geothermal Assets to UNKI (the “Fuzion Transaction”). This is discussed in further detail in Section 2.2 below.
6. A summary is provided in the table below of the condominiums in which each of the Geothermal Assets is located.

Name of Condominium	Edge	Bridge	Fuzion
Address	36 Lisgar St.	38 Joe Shuster Way	20 Joe Shuster Way
Number of Residences	672	534	245
Condominium Corporations (the “Condo Corporations”)	TSCC 2448	TSCC 2302	TSCC 2348

¹ St. Clair., Patricia, Mallow, Lawrence, Urbancorp (952 Queen West) Inc., King Residential Inc., Urbancorp 60 St. Clair Inc., High Res. Inc., Urbancorp Partner (King South) Inc., Urbancorp (North Side) Inc. and Bridge on King Inc.

² Vestaco Homes Inc., Vestaco Investments Inc., Urbancorp Power Holdings Inc., UTMI, Downsview, 228 Queens Quay West Limited, Urbancorp Residential Inc., Urbancorp Realtyco Inc., Urbancorp Cumberland 1 GP Inc.

³ Mr. Saskin is subject to bankruptcy proceedings in which The Fuller Landau Group is his bankruptcy trustee.

1.2 Urbancorp Renewable Power Inc.

1. Urbancorp Renewable Power Inc. ("URPI") is an entity in the Urbancorp Group. URPI is believed to be owned by Mr. Saskin or persons or entities related to him.
2. URPI was incorporated to manage the Geothermal Assets. The Condo Corporations are required to pay URPI a fee for heating and cooling services, pursuant to geothermal energy supply agreements (collectively, the "Supply Agreements"). Since early 2016, in all but one instance (detailed below), the Condo Corporations ceased making these payments to URPI.
3. URPI does not have any employees. URPI has entered into a contract with Core One Mechanical Group Inc. ("Core One"), a third party, to maintain the geothermal systems. The Receiver deals with the administration of the geothermal systems, including preparing monthly invoices to the Condo Corporations for the cost of heating and cooling services.
4. In October 2017, URPI required funding for, *inter alia*, its legal fees for litigation commenced against it by the Condo Corporations and, potentially, for repairs and maintenance costs of the various geothermal systems. In accordance with an order issued by the Court on November 22, 2017, the Monitor, on behalf of Cumberland, agreed to lend up to \$500,000 to URPI (the "URPI Loan Facility"). As part of the URPI Loan Facility, Cumberland was granted a first-ranking security interest in all of the assets, undertaking and property of URPI. After making the loan to URPI, it appeared that the amounts required under the loan would exceed \$500,000 and, accordingly, the Monitor brought an application in June 2018 to have a receiver appointed over URPI's property, assets and undertaking. Pursuant to a Court order made on June 28, 2018 (the "Receivership Order"), KSV was appointed receiver and manager of URPI (the "Receiver"). A copy of the Receivership Order is attached as Appendix "B".
5. Pursuant to the terms of the Receivership Order, the Receiver was authorized to borrow up to \$1 million from Cumberland under Receiver's Certificates. All property of URPI and the Geothermal Assets are secured by the Receiver's Borrowings Charge as security for the amounts advanced under the Receiver's Certificates. As of the date of the Report, the Receiver has borrowed approximately \$400,000 under Receiver's Certificates, excluding interest. These amounts were funded directly by Cumberland.

1.3 Curve Condominium Transaction

1. Vestaco Investments Inc. ("Vestaco II"), a Non-Cumberland Entity, previously held an ownership interest in a geothermal system located at the Curve Condominium (the "Curve Geothermal System"). In October 2018, the Court approved a transaction between the Receiver and Toronto Standard Condominium Corporation No. 2355 ("TSCC 2355"), the condominium corporation for the Curve condominium, pursuant to which Vestaco II transferred its interest in the Curve Geothermal System to TSCC 2355.

2. The proceeds realized from the sale of the Curve Geothermal Assets (the “Curve Proceeds”) have not yet been distributed due to an unresolved claim against the proceeds from Fuller Landau, as Court-appointed monitor of certain other entities in the Urbancorp Group, including Edge Residential Inc., Edge on Triangle Park Inc., Bosvest Inc. and Westside Gallery Lofts Inc. (collectively, the “Edge Companies” and the CCAA proceedings involving the Edge Companies, the “Edge CCAA Proceedings”).

1.4 Dispute with Condominium Corporations

1. Prior to these proceedings, URPI commenced litigation against the Condo Corporations for payment of the outstanding amounts owing under the Supply Agreements as a result of the Condo Corporations ceasing to make payments to URPI in early 2016.⁴ The Condo Corporations have been paying these amounts to their counsel, Fine & Deo, to be held in trust pending resolution of the issues between URPI and the Condo Corporations. As of the end of October 2019, these amounts total approximately \$6 million (the “Trust Amounts”).
2. The Condo Corporations subsequently filed cross claims alleging, *inter alia*, that certain of the Geothermal Assets are not functional and require significant repairs, the disclosure to the Condo Corporations regarding the pricing of geothermal energy was insufficient and that the Condo Corporations are paying more for heating and cooling than they would by using traditional energy sources.⁵
3. The Receiver served and filed a motion record returnable on December 10, 2019 seeking, *inter alia*, an order upholding the enforceability of the Supply Agreements (the “Receiver’s Enforcement Motion”).
4. Following extensive negotiations, the Receiver has now settled the disputes with each of the Condo Corporations, subject to Court approval (collectively, the “Settlements”). In connection with the Settlements, the Receiver and each of the Condo Corporations have, *inter alia*, agreed to enter into Amended and Restated Geothermal Energy Supply Agreements (the “New Supply Agreements”) and agreed to a formula to distribute the Trust Amounts.

1.5 Purposes of this Report

1. The purposes of this Report are to:
 - a) describe the Geothermal Assets;
 - b) discuss the Fuzion Transaction;

⁴ The proceeding against TSCC 2448 is in Court File No. CV-16-11459 and against both TSCC 2302 and TSCC 2348 is in Court File No. CV-17-11666.

⁵ The cross-claim by TSCC 2448 is in Court File No. CV-16-11524 and the cross-claims by TSCC 2302 and TSCC 2348 is in Court File No. CV-17- 571851.

- c) summarize the terms of the Settlements, including the terms of the New Supply Agreements;
- d) summarize the terms of a proposed sale process for the Geothermal Assets (the "Sale Process");
- e) recommend that the Court issue an order:
 - i. approving the Settlements, including the terms of the New Supply Agreements;
 - ii. approving the Fuzion Transaction;
 - iii. authorizing and directing, following completion of the Settlements, the Receiver to make one or more distributions to Cumberland to repay the amounts advanced under the Receiver's Certificates;
 - iv. dismissing all existing actions between URPI and the Condo Corporations and dismissing the Receiver's Enforcement Motion; and
 - v. approving the Sale Process.

1.6 Restrictions

1. In preparing this Report, KSV has relied upon unaudited financial information of URPI and the Cumberland CCAA Entities, the books and records of URPI and the Cumberland CCAA Entities and discussions with representatives of URPI and the Cumberland CCAA Entities (the "Information").
2. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
3. Any party wishing to place reliance on URPI's or the Cumberland CCAA Entities' financial information for investment purposes, or for any similar purpose, should perform its own diligence and any reliance placed by any party on the information presented herein shall be insufficient for such purposes.

2.0 Geothermal Assets

2.1 Ownership

1. The Geothermal Assets are comprised of physical assets (defined as the "Geothermal Room Units" in the respective condominium declarations), the Supply Agreements and management agreements between URPI and the registered owner of the physical assets (the "Management Agreements"). The Geothermal Room Units are defined to include all geothermal piping feeding into and running out of the geothermal room units together with all related pumping and other equipment located in the geothermal room units themselves.

2. The original registered owners of the physical assets were Edge on Triangle Park Inc. ("Edge on Triangle"), Bridge on King Inc. ("Bridge on King") and Fuzion Downtown Developments Inc. ("FDDI") (collectively, the "Original Owners"), each being the declarant of their respective condominiums.
3. In 2015, the Urbancorp Group completed a corporate reorganization to facilitate a bond issuance in Israel (the "Reorganization"). As part of the Reorganization, the Geothermal Room Units were transferred, as set out in the table below. The books and records of the acquiring entities reflect an obligation to the vendors for the full amount of the purchase price. The Receiver has not yet reviewed these transactions. A review of them will be required prior to recommending distributions of the recoveries on the Geothermal Assets, other than distributions in respect of the Receiver's Certificates.

Geothermal System	Acquirer	Vendor	Amount (\$) ⁶
Bridge	Vestaco Homes	Bridge on King	4,666,976
Edge	228	Edge on Triangle	13,376,171
Fuzion	UMI and UNKI (each as to 50%)	FDDI, as nominee for UNKI and King Liberty North Corporation ("KLNC") ⁷	See paragraph 2.2 below.

2.2 Fuzion Transaction

1. Pursuant to a Purchase and Sale Agreement ("PSA") that pre-dates the CCAA proceedings, KLNC sold its 50% interest to UMI and authorized FDDI to transfer title to the remaining 50% interest to UNKI. The consideration paid by UMI for its 50% interest was \$2,350,000, consisting of \$350,000 of cash⁸ and a vendor-take-back mortgage of \$2 million (the "VTB"). UNKI provided a secured guarantee of the VTB but does not appear to have received any consideration for doing so.
2. The Receiver is now seeking to complete the Fuzion Transaction as:
 - a) Mr. Saskin informed the Cumberland CCAA Entities' counsel prior to the commencement of these CCAA proceedings that the PSA and VTB were always contemplated to be part of a two-step transaction whereby UMI was to transfer its 50% interest to UNKI such that UNKI would own 100% of the Fuzion Geothermal Room Units and have the sole liability under the VTB;
 - b) Mr. Saskin's affidavit sworn on May 13, 2016 in support of the initial application in the CCAA proceedings attests to the Fuzion Geothermal Room Units being owned by UNKI;
 - c) the accounting records of the Cumberland CCAA Entities reflect the Fuzion Geothermal Room Units as being owned solely by UNKI;

⁶ The amounts listed are as reflected in the books and records of Urbancorp. The amount paid with respect to the transfer of the relevant geothermal condominium units, as reflected in the search on title, is \$50,000 for each transaction.

⁷ KLNC is an affiliate of First Capital Realty Inc. FDDI is not an applicant in any CCAA proceeding.

⁸ This was satisfied by setting off an equivalent amount owing by a KLNC affiliated entity to another UNKI affiliated entity.

- d) The Receiver understands that Mr. Saskin, on behalf of the Family Trust, consents to the Fuzion Transaction; and
 - e) completing the Fuzion Transaction in the manner proposed eliminates the argument that UMI was unjustly enriched or otherwise improperly benefited from the transfer of the KLNC interest in the Fuzion Geothermal Assets to UMI.
3. An order seeking to complete the Fuzion Transaction is the subject of a separate motion in the Cumberland CCAA Proceedings as it involves the interests of UNKI to the relevant Geothermal Room Units rather than the interests of URPI.
 4. Attached as Appendix "C" is the form of vesting order being sought in connection with the Fuzion Transaction. The contemplated order does not affect any encumbrances registered against the Fuzion Geothermal Assets, including the VTB, and releases UMI from any obligations pursuant to the VTB.
 5. Mr. Saskin is subject to bankruptcy proceedings in which Fuller Landau is his bankruptcy trustee. The Receiver has been advised by Fuller Landau that it does not have an interest, directly or indirectly, in the Fuzion Geothermal Assets.
 6. The Receiver has served its motion record for the vesting order which references this Report on Mr. Saskin, Fred Tayar & Associates, counsel for Alan Saskin, Lax O'Sullivan Lisus Gottlieb LLP, counsel for Doreen Saskin, Fuller Landau and Goldman Sloan Nash and Haber LLP, counsel for Fuller Landau.

2.3 Bridge Geothermal System

1. Certain boreholes for the Bridge geothermal system are located below ground on a parcel of land adjacent to the Bridge Condominium municipally described as 1100 King Street West, Toronto, (the "Berm Lands"). The Berm Lands appear to be owned by King Towns North Inc. ("King Towns North"). Pursuant to a lease dated July 10, 2010, King Towns North leases the Berm Lands to Vestaco Homes and URPI for \$100 per year (the "Berm Lease"). The Berm Lease expires on July 9, 2060.
2. King Towns North is not subject to insolvency proceedings. Alan Saskin is the sole director of King Towns North. Mr. Saskin has advised the Monitor that:
 - a) a Saskin family trust owns King Towns North; and
 - b) King Towns North is entitled to a portion of any proceeds realized for the Bridge geothermal system.
3. The Receiver is in receipt of agreements that evidence that UMI is the beneficial owner of King Towns North. The Receiver has asked Mr. Saskin to confirm this, but as of the date of the Report, he has not responded.

4. Mr. Saskin has advised the Receiver that King Towns North will not consent to a transaction involving the sale or conveyance of an interest in the boreholes on the Berm Lands until the Receiver and King Towns North agree to an allocation of the sale proceeds to the boreholes. The Receiver advised Mr. Saskin that this is a distribution issue and that it intends to deal with this issue once the Sale Process has been completed. The Receiver is of the view that it is premature to litigate the allocation of the sale proceeds without first knowing the amounts at issue.

2.4 Ownership of the Edge Geothermal System

1. Fuller Landau has advised the Monitor that some of the Edge Companies have an interest in the Geothermal Assets located at the Edge condominium.
2. The Receiver and Fuller Landau have agreed to defer negotiating the allocation of the proceeds between the interests that they each represent until the Geothermal Assets have been monetized.

2.5 Supply Agreements

1. Prior to the occupancy date for each of the condominiums, each of the Original Owners entered into Supply Agreements with URPI. The Original Owners were controlled by Mr. Saskin at the time.
2. Pursuant to the Supply Agreements, URPI agreed to, *inter alia*, operate a renewable power system and supply renewable power to the respective condominiums for a period of twenty years. The Bridge and Edge Condo Corporations have two twenty-year options to renew their respective Supply Agreements and the Fuzion Condo Corporation has two fifteen-year options to renew its Supply Agreement.
3. The Supply Agreements were assumed by their respective Condo Corporations and registered on title to the residential units in the condominiums. As part of the Settlement Agreements, the Receiver will enter into New Supply Agreements (provided in Appendices "D", "E" and "F") with each of the Condo Corporations.

2.6 URPI

1. URPI's sole source of revenue is the fees it earns pursuant to the Supply Agreements. The Bridge and Fuzion Condo Corporations have not made any payments to URPI since March 2016, while the Edge Condo Corporation has failed to make all payments to URPI, other than a single payment in August 2016 for \$260,000. The Condo Corporations have been collecting these amounts from owners of condominiums in their buildings, which amounts have been remitted to Fine & Deo, in trust. A summary of the amounts held in trust by Fine & Deo as at November 11, 2019 in respect of this matter is reflected in the table below.

(unaudited)	Amount (\$000)
Bridge	2,592
Edge	2,787
Fuzion	1,097
Total	6,476

2. Pursuant to the Management Agreements, URPI is required to pay the revenue it receives from the Condo Corporations to the Urbancorp entity that owns the respective Geothermal Room Units, net of a management fee of between 3% and 5% payable to URPI and other costs, such as repairs and maintenance.
3. Notwithstanding that no payments have been received from the Condo Corporations since March 2016 (except for the one noted payment from Edge - \$260,000), the Receiver has continued to cause heating and cooling services to be provided to the Condo Corporations. The Receiver has also continued to maintain the geothermal systems and incurred significant costs improving the Bridge and Edge geothermal systems.

2.7 Status of Geothermal Systems

1. Prior to the receivership proceedings, the Condo Corporations and URPI engaged consultants to prepare expert reports concerning the geothermal systems, including their functionality.
2. In order to establish an independent opinion and to potentially assist in settling the geothermal litigation between URPI and the Condo Corporations, KSV, in its then capacity as Monitor, retained a consultant, Beatty Geothermal Inc. ("Beatty"), to review various issues in the litigation concerning the functionality of the geothermal systems.
3. Brian Beatty is the President of Beatty. Mr. Beatty is a Professional Engineer and a Certified Geothermal Inspector. Mr. Beatty has over 20 years' experience in the geothermal industry. Mr. Beatty was the founding president of the Ontario Geothermal Association. Mr. Beatty is also a member of the technical committee which sets the standards for the geothermal industry in North America.
4. Beatty evaluated the functionality and performance of the geothermal systems and determined that the Fuzion and Edge systems were operating effectively, but that there were certain issues with the Bridge system that required repair to operate effectively. Beatty performed testing on the Bridge geothermal system, including inspecting certain of the units that experienced air conditioning issues. Beatty determined that a major contributor to the failure was the lack of maintenance performed on the in-suite heat pumps, which is the responsibility of each resident or unit owner. The Receiver understands that the Bridge Condo Corporation has implemented a maintenance program for the in-suite heat pumps and since then its geothermal system has operated with no major problems.

3.0 Settlements

1. Since the commencement of the receivership proceedings, the Receiver has engaged in negotiations with the Condo Corporations. Those negotiations culminated in the Settlements with each of the Condo Corporations, which were formalized in written settlement agreements (the "Settlement Agreements"). Copies of the Settlement Agreements are attached as Appendix "G".
2. The Settlements provide for, among other things, entering into the New Supply Agreements and a formula to distribute the Trust Amounts between the Receiver and the Condo Corporations.

3.1 New Supply Agreements

1. A summary of the significant terms of the New Supply Agreements is set out below.

(unaudited)	Edge	Bridge	Fuzion
Annual charge	450,000	442,000	213,000
Annual increase (%)	3.5%	3.5%	3.5%
Original Commencement Date	April 29, 2015	April 5, 2013	December 17, 2013
Term	the greater of: (i) 20 years from the Original Commencement Date; and (ii) 15 years from the settlement date	15 years from the settlement date	15 years from the settlement date
Maintenance	Responsibility of Condo Corporation		
Capital Improvements	Responsibility of the owner. The Condo Corporation is required to pay a monthly capital expenditure recovery charge.		

2. In addition to the terms set out above, the Edge Condo Corporation required modifications to its geothermal system so that it performed to original specifications. The Receiver engaged Core One to complete the modifications. The Receiver estimates that the cost of the modifications is approximately \$135,000. Pursuant to the terms of the Edge Settlement, the Edge Condo Corporation has agreed to pay a maximum of \$100,000 towards the costs; the balance of the cost has been or will be paid for by the Receiver.

3.2 Trust Amounts

1. Pursuant to the Settlement Agreements, the Receiver and the Condo Corporations have negotiated the following formula for distributing the Trust Amounts:

First: in respect of Bridge and Fuzion only, an amount equal to \$100,000 multiplied by the difference between 180 (the number of months in the initial term) and the number of months of the initial term remaining under the Original Supply Agreement, divided by 12, shall be paid first to the Bridge and Fuzion Condo Corporations;⁹

Second: the Receiver will be paid an amount equal to what would have been payable to URPI as if the New Supply Agreement was effective from the Original Commencement Date but calculated in respect of and only relating to the period of time from the Deposit Date (as defined in the Settlement Agreements) to the Settlement Date, inclusive; and

Third: the balance of any Trust Amounts will be paid to the Condo Corporations.

⁹ In respect of Bridge and Fuzion, the original Supply Agreements have approximately 14 years of term remaining. The Receiver wanted a term of fifteen years to make the Geothermal Assets more marketable.

2. A summary of the expected distributions under the formula is provided below.

(unaudited; \$000s)	Edge	Bridge	Fuzion	Total
Projected Trust Amounts Available	2,886	2,690	1,148	6,724
First: Condo Corporations	-	158	91	249
Second: Receiver	2,131	2,468	1,057	5,656
Third: Condo Corporations	755	64	-	819
	2,886	2,690	1,148	6,724
Total Distributions to the Receiver	2,131	2,468	1,057	5,656
Total Distributions to Condo Corporation	755	222	91	1,068

3.3 Recommendation re: Settlement Agreements

1. The Receiver recommends that the Court issue an order approving the Settlement Agreements for the following reasons:
 - a) the Settlements are the result of extensive negotiations between the Receiver and the Condo Corporations over a protracted period;
 - b) the Settlements avoid time consuming, complex and costly litigation with the Condo Corporations. Pursuant to the Settlement Agreements, all existing actions between URPI and the Condo Corporations will be dismissed. The Settlements therefore provide certainty regarding the costs, benefits, and timing that would not otherwise be expeditiously achieved;
 - c) the Settlement Agreements are fair and reasonable as they represent a commercially reasonable compromise in respect of the claims against the Condo Corporations;
 - d) the Settlement Agreements provide certainty and clarity for potential purchasers of the Geothermal Assets, which should make the assets more saleable; and
 - e) the Settlement Agreements generate immediate proceeds of \$5.7 million, being approximately 84% of the total Trust Amounts.

4.0 Distribution

1. Attached as Appendix "H" is an interim statement of receipts and disbursements for the period from the commencement of the receivership to November 25, 2019 (the "R&D"). The R&D reflects that there is approximately \$486,000 in the Receiver's bank account.
2. The R&D also reflects that the Receiver spent a portion of the Curve Proceeds on the Edge, Bridge and Fuzion Geothermal Assets. In the Receiver's view, Vestaco II (the registered owner of the Curve Geothermal Room Units) should not be prejudiced for funding the expenses incurred by URPI in respect of the Edge, Bridge and Fuzion Geothermal Assets. Accordingly, the Receiver intends to allocate a portion of the proceeds from the Trust Amounts to Vestaco II to fully reimburse it for the costs it funded on behalf of other owners of the Geothermal systems.

3. Following completion of the Settlements, the Receiver is seeking Court approval to make a distribution to Cumberland to repay the amounts advanced under the Receiver's Certificates. Other than the Receiver's Charge, the Receiver is not aware of any claim that ranks or may rank in priority to the Receiver's Borrowings Charge.

5.0 Sale Process

1. The purpose of the Sale Process is for the Receiver to conduct a process to provide interested parties with the opportunity to acquire the Geothermal Assets on an "as is, where is" basis. Given the Receiver's assessment of the number of prospective purchasers, the nature of the assets and the time and costs which would be involved in obtaining and entering into a form of stalking horse agreement, the Receiver determined that a sealed tender process rather than an open auction process was the better process to adopt in this case. A summary of the proposed Sale Process is as follows:
 - a) In January 2020, the Receiver intends to distribute a brief interest solicitation letter (a "Teaser Letter") detailing the opportunity to prospective purchasers identified by the Receiver. The Receiver does not intend to commence the process until after the upcoming holiday season. Until then, it intends to finalize its sale process materials so that it is ready to launch in early 2020;
 - b) Attached to the Teaser Letter will be a form of confidentiality agreement (a "CA");
 - c) Prior to January 20, 2020 the Receiver will advertise the opportunity in *The Globe and Mail* newspaper (National Edition). The Receiver will also consider advertising in industry publications;
 - d) The Receiver is in the process of preparing a confidential information memorandum ("CIM") that provides an overview of, among other things, the Geothermal Assets and the sale process, including the manner in which title is to be delivered. This is relevant given the numerous parties claiming an interest in the Geothermal Assets. The CIM will be made available to parties that execute a CA;
 - e) Upon execution of a CA, prospective purchasers will be provided with the opportunity to commence due diligence, including reviewing information in an online data room that will be maintained by the Receiver. The Receiver will facilitate due diligence by, *inter alia*, arranging site visits, inspections, and meetings with Beatty and Core One, as requested by prospective purchasers;
 - f) Prospective purchasers will be provided with a form of Asset Purchase Agreement ("APA"). Prospective purchasers will be required to submit offers in the form of the APA and to blackline any changes to the APA;
 - g) Offers will be required to be submitted to the Receiver by 5:00 pm (Eastern time) on February 28, 2020;

- h) Prospective purchasers will be able to bid for one or more of the Geothermal Assets. If prospective purchasers make a bid for more than one system, they will be required to allocate a purchase price to each system on which they bid;
 - i) the Receiver will have the right to extend or amend the Sale Process as it considers appropriate;
 - j) the Receiver will evaluate all offers, negotiate their terms, and may reject any and all offers, including the highest offer; and
 - k) transactions will be subject to Court approval.
2. The Receiver is of the view that the Sale Process is appropriate in the circumstances and that it provides the opportunity to maximize the selling price for the Geothermal Assets.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in Section 1.5(1)(e) of this Report.

* * *

All of which is respectfully submitted,

KSV Kofman Inc

**KSV KOFMAN INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
URBANCORP RENEWAL POWER INC.
AND NOT IN ITS PERSONAL CAPACITY**

Schedule "A"

Urbancorp Toronto Management 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.

TAB B

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF GUY GISSIN AFFIRMED
BEFORE ME THIS 27TH DAY OF FEBRUARY,
2020.



Yael Hershkovitz
Lawyer

TAB C

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF GUY GISSIN AFFIRMED
BEFORE ME THIS 27TH DAY OF FEBRUARY,
2020.



Yael Hershkovitz
Lawyer

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

THE HONOURABLE) TUESDAY, THE 10th
)
CHIEF JUSTICE MORAWETZ) DAY OF DECEMBER, 2019



KSV KOFMAN INC. by and on behalf of **URBANCORP CUMBERLAND 1 LP,**
by its general partner, **URBANCORP CUMBERLAND 1 GP INC.**

Applicant

- and -

URBANCORP RENEWABLE POWER INC.

Respondent

Application Under Section 101 of the *Courts of Justice Act*, R.S.O. 1990,
c. C.43, as amended, and Section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended

ORDER
(Settlement and Sales Process Approval)

THIS MOTION, made by KSV Kofman Inc. ("**KSV**"), in its capacity as the court-appointed receiver (the "**Receiver**") of Urbancorp Renewable Power Inc. ("**URPI**") for an order approving, among other things, settlements between URPI and Toronto Standard Condominium Corporation No. 2348 ("**TSCC 2348**"), Toronto Standard Condominium Corporation No. 2302 ("**TSCC 2302**") and Toronto Standard Condominium Corporation No. 2448 ("**TSCC 2448**") and the sales process for the Geothermal Assets (as defined

in the Report) as outlined and described in the Third Report of the Receiver dated December 3, 2019 (the "**Report**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, TSCC 2348, TSCC 2302 and TSCC 2448 and counsel for those other parties as listed on the Counsel Slip, no one else appearing although served, as evidenced by the Affidavit of Service, filed:

SERVICE

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

SETTLEMENT APPROVAL

2. **THIS COURT ORDERS** that the settlements between URPI and TSCC 2348, TSCC 2302 and TSCC 2448, respectively, as attached as appendices to the Report (the "**Settlements**") be and are hereby approved. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Settlements.

3. **THIS COURT ORDERS** that the amended and restated geothermal energy supply agreements between URPI and TSCC 2348, TSCC 2302 and TSCC 2448, respectively, (collectively, the "**New GESAs**") attached as appendices to the Report be and are hereby approved and the Receiver is hereby authorized and directed to execute

the New GESAs for and on behalf of URPI, with such minor amendments as the Receiver may deem necessary, and take such additional steps and execute such additional documents as may be necessary or desirable in respect of the New GESAs.

4. **THIS COURT ORDERS** that URPI's proceedings in Court File No. CV-16-11459-00CL and Court File No. CV-17-11666-00CL, TSCC 2348's and TSCC 2302's proceedings in Court File No. CV-17-571851-00CL, and TSCC 2448's proceeding in Court File No. CV-16-11524-00CL all be and are hereby dismissed without costs.

SALES PROCESS

5. **THIS COURT ORDERS** that the sales process for the Geothermal Assets (as defined in the Report) and as outlined and described in the Report be and is hereby approved.

REPAYMENT OF RECEIVER'S CERTIFICATES AND URPI LOAN FACILITY

6. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed, following completion of the Settlements, to make one or more distributions to Cumberland (as defined in the Report) to repay the amounts advanced under the Receiver's Certificates and under the URPI Loan Facility (as defined in the Report).



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

DEC 10 2019

Court File No. CV-18-600624-00CL

KSV KOFMAN INC., by and on behalf of URBANCORP CUMBERLAND 1 LP, by its general partner, URBANCORP CUMBERLAND 1 GP INC. (Applicant) - and - URBANCORP RENEWABLE POWER INC. (Respondent)

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST
(PROCEEDING COMMENCED AT TORONTO)**

**ORDER
(Settlement and Sales Process Approval)**

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

**Robin B. Schwill (LSUC #384521)
Tel: 416.863.5502
Fax: 416.863.0871**

Lawyers for the Receiver



TAB D

THIS IS EXHIBIT "D" REFERRED TO IN THE
AFFIDAVIT OF GUY GISSIN AFFIRMED
BEFORE ME THIS 27TH DAY OF FEBRUARY,
2020.



Yael Hershkovitz
Lawyer

PROOF OF CLAIM FORM FOR CLAIMS AGAINST

Urban Corp Renewable Power Ltd. (U.R.P.L.)
U.R.P.L.

1. Debtor: _____

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

Legal Name of Claimant *King Towers North Inc.*
Address _____

Name of Contact *Alan Sarskin*
Title *Vice-President*
Phone # *416 602-5887*
Fax # _____
email *alansarskin@gmail.com*

City _____ Prov /State _____
Postal/Zip Code _____

2(b) Assignee, if claim has been assigned

Legal Name of Assignee _____
Address _____

Name of Contact _____
Phone # _____
Fax # _____
email: _____

City _____ Prov /State _____
Postal/Zip Code _____

3. Amount of Claim

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

Currency	Amount of Claim	Unsecured Claim	Secured Claim
<i>Canadian \$</i>	<i>\$ 941,617.00</i>	<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"/>	<input type="checkbox"/>

4. Construction Act Claims

Lien Claim Amount:

Trust Claim Amount:

KTNI claim against URPI

In March/2016, Vestaco Homes filed for CCAA.

Under the land lease that the tenants Vestaco Homes and URPI have with the landlord King Towns North Inc. (KTNI), that filing resulted in termination of the ground lease. (11.2) (13.4)

Since the ground lease has been terminated for 45 months, KTNI is entitled to compensation for URPI using its land for the past 45 months.

All the geothermal wells are located on the land owned by KTNI.

KTNI believes the land is worth \$3 million and a \$200,000 annual ground rent is a fair, market value rent.

The agreement calls for 15% interest on arrears.

The total claim for ground rent and arrears to Dec.10/2019 is therefore \$941,617.00

TAB E

THIS IS EXHIBIT "E" REFERRED TO IN THE
AFFIDAVIT OF GUY GISSIN AFFIRMED
BEFORE ME THIS 27TH DAY OF FEBRUARY,
2020.



Yael Hershkovitz
Lawyer

THIS LEASE made in quadruplicate as of the 10th day of July, 2010,

IN PURSUANCE OF THE *Short Forms of Leases Act*,

BETWEEN:

KING TOWNS NORTH INC.

(hereinafter called the "Landlord")

OF THE FIRST PART

-and-

URBANCORP RENEWABLE POWER INC.

OF THE SECOND PART

VESTACO HOMES INC.

OF THE THIRD PART

(the Second and Third Parties hereinafter collectively referred to as the "Tenant")

WITNESSES THAT IN CONSIDERATION OF the mutual covenants herein contained the parties hereby agree as follows:

1. TERM

1.1 The Landlord hereby demises and leases to the Tenant part of the lands legally described in Schedule "A" hereto, being vacant land located on the berm north of Joe Shuster Way, Toronto (the "Leased Premises") in the City of Toronto, in the Province of Ontario, as shown on the site plan attached to this Lease as Schedule "B", for a Term of Fifty (50) years (the "Term") commencing on the date hereof (the "Commencement Date"), and expiring on July 9, 2060 thereafter, on the terms and conditions set out in this Lease.

2. BASIC RENT & DEPOSIT

2.1 **Basic Rent:** From and after the Commencement Date, the Tenant shall pay to the Landlord at the office set out herein, or at such other place as is designated by the Landlord, in lawful money of Canada, without any prior demand therefor and without any deduction, set-off or compensation whatsoever, annual basic rent ("Basic Rent") of One Hundred Dollars (\$100.00), plus applicable Sales Tax (as hereinafter defined), payable annually throughout the Term;

3. RIGHT TO EXTEND

The Tenant shall have the unilateral right to extend on the same terms and conditions, in the event that the Tenant's Geothermal Supply Contract is extended. Any such extension term shall be co-terminus with the term of the extended or renewed Geothermal Supply Contract.

4. GROSS LEASE

4.1 The Tenant acknowledges and agrees that this Lease and the rent payable thereunder are on a gross basis, except that as expressly set out herein. Notwithstanding the foregoing, in the event any utilities are required by the Tenant, the Landlord shall not be responsible during the Term for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the Leased Premises, or the use and occupancy thereof, or the contents thereof or the business carried on therein, and that the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Leased Premises and the use and occupancy thereof, except as expressly herein set out.

5. ADDITIONAL RENT & FEES

Intentionally Deleted.

6. TENANT'S COVENANTS

6.1 The Tenant covenants with the Landlord:

- (a) to pay, when due, Basic Rent;
- (b) to pay all costs related to the Tenant's occupancy and use of the Leased Premises, including, but not limited to: water rates, electric energy charges, gas charges and other utility charges, which

shall be assessed or chargeable upon the Leased Premises during the currency of this Lease, directly to the provider of such services, or if the account for same is billed to and paid by the Landlord, then to be paid by the Tenant to the Landlord within seven (7) days after receipt of an invoice for same from the Landlord;

(c) that the Tenant will repair according to notice in writing, and will permit the employees, agents and/or contractors of the Landlord to enter onto the Leased Premises for the purposes of making repairs other than those for which the Tenant is responsible hereunder;

(d) to protect all existing trees, shrubs and landscaping on the Leased Premises, including the Durosil wall adjoining the Leased Premises, and shall not remove any trees, shrubs or landscaping, make any changes to surfacing or grading on the Leased Premises without the prior written approval of the Landlord, which approval may be arbitrarily withheld;

(e) that it shall not to make, construct, alter, demolish, reconstruct or erect any installations, alterations, additions, partitions, fences, signs, notices, lettering, advertisements, pictures, designs, structures or fixtures or carry out any other work on the Leased Premises, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. The Tenant shall pay the reasonable out-of-pocket costs relating to such consent. All work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and subject to all reasonable conditions which the Landlord may impose.

(f) the Tenant shall not enter into any contracts for work, construction or services in relation to the Leased Premises which may give rise to a lien or claim for lien under the *Construction Lien Act* or successor legislation, without the prior consent of the Landlord, which consent shall not be unreasonably withheld, provided that at the discretion of the Landlord, the Tenant shall provide to the Landlord on demand an unconditional and irrevocable revolving letter of credit from time to time as may be required in an amount equal to 105% of all alienable contracts entered into by the Tenant for the supply of services and materials relating to the Leased Premises. The Letter of Credit shall be in favour of the Landlord and in a form and content satisfactory to the Landlord, for the purposes of providing security for the completion of contracted work and the vacating of any valid claims for liens of Certificate of Action related to the contracted work. The Letter of Credit may be designated to provide the security throughout such phases of work as may be agreed between the Landlord and the Tenant;

(g) not to install any equipment or carry on any operation at the Leased Premises in such a way as to increase the insurance risk of the Leased Premises;

(h) that the Tenant shall not occupy the Leased Premises for any purpose other than that of a 86 well geothermal field (the "Use");

(i) to comply, at its sole expense, with all Federal, Provincial and Municipal laws, by-laws, rules and regulations (including, without limitation, zoning by-laws, building codes, the Ontario Fire Code, the *Environmental Protection Act* and any other environmental legislation) affecting the Leased Premises and/or its operation and the use by the Tenant and those authorized by or under the Tenant, including the obtaining of all necessary consents, permits and licences and to indemnify and save the Landlord harmless from any liability or cost suffered by it as a result of the Tenant's failure to comply. At the request of the Landlord, the Tenant shall be required to submit proof of such compliance;

(j) not to store or use any hazardous material, deposit or fill and not to do or permit anything to be done in, at or on the Leased Premises which may cause soil contamination to the Leased Premises and/or to the lands and premises adjoining or in the vicinity of the Leased Premises or which is or may be a nuisance or which causes disturbance, damage to or interference with the users or occupants of any lands or premises adjoining or in the vicinity of the Leased Premises, or which in the opinion of the Landlord may cause damage to the Leased Premises or any neighbouring property;

(k) Upon expiry or termination of this Lease, the Tenant agrees to waive any claim for compensation and/or reimbursement for any of its improvement or maintenance costs.

(l) to be responsible, at its sole expense, for securing and restricting access to the Leased Premises and to ascertain the location of and take all necessary steps to protect all public works' services and/or utilities located within or in the vicinity of the Leased Premises and to be responsible, at its sole cost and expense, for any damage caused to such services and/or utilities by any act or omission of the Tenant, or those for whom it is in law responsible; and

(m) that upon failure by the Tenant to comply with any of its covenant(s) in this Lease within Seven (7) Days after written notice requiring such compliance is given by the Landlord to the Tenant, the Landlord may enter the Leased Premises and fulfill such covenant(s) at the sole expense of the Tenant, who shall forthwith upon being invoiced therefore reimburse the Landlord who in default of such reimbursement may collect same as rent owing and in arrears.

6. "AS IS" CONDITION

6.1 *The Tenant acknowledges that it has examined the Leased Premises and is familiar with the condition and permitted uses thereof and accepts the Leased Premises in 'as is, where is' condition on the Commencement Date.*

6.2 **Site Contamination:** The Tenant acknowledges that there is or maybe some site contamination at the Leased Premises and that the Tenant has satisfied itself in its sole discretion with respect to the environmental condition of the Leased Premises.

7. INDEMNITY AND RELEASE

7.1 The Tenant acknowledges and agrees that it shall at all times indemnify and save harmless the Landlord and its officers, agents, servants, contractors, representatives, employees, elected and appointed officials, successors and assigns ("Released Parties") from and against any and all manner of claims, demands, losses, expenses, costs, charges, actions and other proceedings whatsoever (including those under or in connection with the *Workers' Compensation Act* and the *Environmental Protection Act* or any successor legislation), made or brought against, suffered by or imposed on the Landlord or its property in respect of any loss, damage or injury (including fatal injury) to any person or property (including, without restriction, employees, agents and property of the Landlord or of the Tenant) directly or indirectly arising out of, resulting from or sustained as a result of the Landlord entering into this Lease Agreement or the Tenant's occupation or use of, or any operation in connection with, the Leased Premises or any fixtures or chattels thereon (including water left running, gas that escapes or imperfect or insufficient installation of any construction or other improvement thereon).

7.2 The Tenant shall, at all times, indemnify and save harmless the Released Parties from and against any and all manner of liens, actions, claims, charges, costs, damages, demands, expenses, losses and other proceedings whatsoever (including, but not limited to those under or in connection with the *Construction Lien Act* or any successor legislation) in connection with any work, labour, services and materials supplied to the Leased Premises at the request of the Tenant. The Tenant shall cause any lien to be paid, satisfied, released, cancelled or vacated within ten (10) days of having received notice thereof and shall promptly see to the removal from the registered title to the Leased Premises. If the Tenant defaults in its obligation, the Landlord shall have the right to pay into court sufficient monies to vacate the lien, pending the Tenant's pursuit of its action to defend against the claim for lien, which payment shall be for the Tenant's account as Additional Rent owing in arrears. The Tenant shall send to the Landlord any notice of a construction lien registered against the Leased Premises forthwith upon receipt thereof.

7.3 **Environmental Indemnity:** The Tenant covenants and agrees that the Landlord shall not be responsible for any and all environmental liabilities relating to the Leased Premises and shall indemnify and save the Landlord harmless against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, reasonable costs of professional advisors, consultants and experts in respect of any investigation and all costs of remediation and other clean-up costs and expenses) arising in any manner whatsoever out of any and all such environmental liabilities relating to the Tenant's use of the Leased Premises and any breach by the Tenant of any provisions of this section or any non-compliance with any Environmental Laws by the Tenant and those for whom it is responsible.

"Environmental Laws" means any law, by-law, order, ordinance, ruling, regulation, certificate, approval, consent or directive of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction: (i) relating to pollution or the protection of human health or the environment (including workplace health and safety); (ii) dealing with filings, registrations, emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; and/or (iii) regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance.

"Hazardous Substance" means any substance capable of posing a risk or damage to health, safety, property or the environment including, without limitation, any contaminant, pollutant, dangerous or potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable or explosive material, radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls, polychlorinated biphenyl waste, polychlorinated biphenyl related waste, and any other substance or material now or hereafter declared, defined or deemed to be regulated or controlled under any Environmental Law.

7.4 **Release of Landlord:** Notwithstanding any other provision of this Lease the Tenant hereby releases, waives and forever discharges the Released Parties of and from all claims, demands, damages, costs, expenses, actions and causes of actions, whether in law or equity in respect of:

- (a) any injury, loss, damage or expenses which may result from or arise out of the Landlord entering into this agreement;
- (b) death, injury, loss or damage to the person or any property of the Tenant or others howsoever caused, arising or to arise by reason of the permission granted pursuant to this Agreement, or any of the terms and conditions hereof;
- (c) any non-compliance with any Environmental Laws; or
- (d) any cleanup required due to environmental conditions existing prior to the Tenant's occupancy of the Leased Premises.

8. INSURANCE

8.1 The Tenant shall take out, maintain and keep in full force and effect, at its own expense, and at all times during the currency of the term and any extension, renewal or overholding thereof with respect to the Leased Premises and the use and occupation thereof:

- (a) Commercial general liability and property damage insurance in an amount of not less than \$5,000,000.00, per occurrence, providing third party bodily injury and property damage coverage. The policy will include a cross liability and/or severability of interest clause and non-owned automobile liability;
- (b) Tenant's "All-Risk" legal liability insurance on all its property on a one hundred percent (100%) replacement value basis;
- (c) broad form comprehensive boiler and machinery insurance with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord);
- (d) business interruption insurance; and
- (e) Any such other forms of insurance required by the Landlord, acting reasonably, may require from time to time.

8.2 The Tenant shall provide certificates of all such insurance coverage to the Landlord prior to the Tenant taking possession of the Land and, from time to time during the Term, upon request from the Landlord. All of the Tenant's insurance policies shall: (a) contain a severability of interest clause, a cross liability clause and a waiver of all rights of subrogation; and (b) be non-contributing with, and shall apply only as primary and not excess to any other insurance available to both or either the Landlord or any mortgagee. The Tenant agrees that, notwithstanding any contribution to the cost of the Landlord's insurance policies, the Tenant shall have no insurable interest thereunder, and that the Tenant shall not be entitled to any of the proceeds thereof.

8.3 The policy of insurance to be maintained by the Tenant shall include the Landlord as an additional insured and shall be written with an insurer licensed in the Province of Ontario. The policy will contain a clause which states that the insurer will provide 30 days prior written notice to the Landlord in the event that the policy is cancelled or material changed to affect the coverage provided to the Landlord. The policy of insurance required pursuant to this article shall be primary and shall not call into contribution any insurance available to the Landlord;

9. QUIET ENJOYMENT

The Landlord covenants with the Tenant for quiet enjoyment.

10. OVERHOLDING

10.1 If the Tenant holds over after the expiration of the Term with the consent of the Landlord, the Tenant shall be a per diem tenant only but in all other aspects shall be subject to all the provisions of this Lease.

10.2 If the Tenant holds over after the expiration of the Term without the Landlord's consent, the Landlord may take immediate action without notice to the Tenant, to recover possession of the Leased Premises. During such over holding period, the Tenant shall pay double the amount of Rent set out in section 2 hereof.

10.3 If the Tenant is obliged to vacate the Leased Premises by a certain date and fails to do so at a time when the Landlord is legally obliged to deliver possession thereof to a third party, the Tenant shall indemnify the Landlord fully for all losses suffered as a result of such failure.

11. DEFAULT

11.1 If the Tenant fails to observe or perform any of its obligations, then the Tenant shall be in default and the Landlord shall be entitled to all the rights, remedies and damages permitted to the Landlord hereunder or at law. Without limitation:

- (a) if the Tenant fails to remit any Basic Rent, Additional Rent or other monetary payment within three (3) days of written notice by the Landlord; or
- (b) if the Tenant should fail to comply with any of the non-monetary terms of the Lease within ten (10) days of written notice by the Landlord of such default, or if the nature of the default is such that it is not reasonably possible for the Tenant to comply within ten (10) days, if the Tenant has not begun and is not working diligently to comply within ten (10) days,

then the Landlord, in its sole discretion, without any necessity for legal proceedings and without prejudice to any of the Landlord's rights or remedies hereunder or at law, may terminate the Lease, or, immediately re-enter the Land and begin to cure the default at the expense of the Tenant, which expense shall be billed to the Tenant as Additional Rent.

11.2 If, during the Term hereby granted, the Tenant makes any assignment for the benefit of creditors, becomes bankrupt or insolvent, makes a proposal to its creditors, or makes a sale under the *Bulk Sales Act* (or any successor legislation) of the goods and chattels on the Leased Premises without the Landlord's prior written consent, such consent not to be unreasonably withheld, or if any corporate assignee or subtenant is subjected to voluntary or compulsory liquidation or winding up, the Term shall immediately expire and an amount equal to the next Three (3) Months' Basic Rent and Additional Rent shall forthwith become due and payable.

11.3 Notwithstanding any present or future Act of the Ontario Legislature, none of the Tenant's goods and chattels on the Leased Premises shall at any time during the Term be exempt from levy by distress for rent in arrears, and the Tenant, having waived any such exemption, shall by this subparagraph be stopped from setting up any such exemption in any proceedings between the parties.

11.4 All amounts of Basic and Additional Rent and other amounts payable under this Lease Agreement shall bear interest from their respective due dates until the actual dates of payment at a rate of five percent (5%) per annum in excess of the prime commercial rate of interest charged by the Landlord's chartered bank for commercial loans from time to time, calculated and compounded monthly.

12. NOTICE

12.1 Any notice pursuant to any of the provisions of this Lease shall be deemed to have been properly given if delivered in person, sent by facsimile, or mailed by prepaid registered post addressed:

To the Landlord:	To the Tenant:
120 Lynn Williams Street, Suite 2A Toronto, Ontario M6K 3N6 Fax: 416-928-9501 Attention: President	120 Lynn Williams Street, Suite 2A Toronto, Ontario M6K 3N6 Fax 416-928-9501 Attention: President

or to such other address as either party may notify the other of, and in the case of facsimile or mailing as aforesaid, such notice shall be deemed to have been received by the addressee, in the absence of a major interruption in postal service affecting the handling/delivery thereof, on the third business day (excluding Saturdays in the case of the Landlord as addressee) next following the date of mailing.

12.2 Any demand, notice, direction or other communication to be made or given hereunder (in each case, "Communication") shall be in writing and shall be made or given by personal delivery, by courier, by facsimile transmission, or sent by registered mail, charges prepaid, addressed to the respective parties at the addresses set out above, or to such other address or facsimile number as any party may from time to time designate in accordance with this Article 12.

12.3 Any Communication made by personal delivery or by courier shall be conclusively deemed to have been given and received on the day of actual delivery thereof, or, if such day is not a business day (the "Business Day"), on the first Business Day thereafter. Any Communication made or given by facsimile on a Business Day before 5:00 p.m. (local time of the recipient) shall be conclusively deemed to have been given and received on such Business Day, and otherwise shall be conclusively deemed to have been given and received on the first Business Day following the transmittal thereof. Any Communication that is mailed shall be conclusively deemed to have been given and received on the fifth Business Day following the date of mailing, but if, at the time of mailing or within five (5) Business Days thereafter, there is or occurs a labour dispute or other event that might reasonably be expected to disrupt delivery of documents by mail, any Communication shall be delivered or transmitted by any other means provided for in this Section. When used in this Agreement, "Business Day" shall mean a day other than a Saturday, Sunday or any statutory holiday in the province in which the Leased Premises is located.

13. GENERAL

13.1 Time of the Essence: Time shall be of the essence in this Lease Agreement.

13.2 Interest On Overdue Amounts

(a) All amounts payable to the Landlord under this Lease Agreement will bear simple interest at the rate of 1.25% per month (15% per year) (the "Default Rate of Interest"). Interest will be calculated and payable from and including the day after the day the amount is due until payment in full of the overdue amount is received by the Landlord. Interest will be calculated only on the principal amount outstanding from time to time, and interest charges will not be added to the outstanding principal amount for purposes of calculating interest. Payments received by the Landlord will be applied first to outstanding interest charges and the balance (if any) will be applied to the outstanding principal amount.

(b) The Default Rate of Interest may be increased by the Landlord from time to time by notice to the Tenant. The rights of the Landlord to charge and receive interest in accordance with this paragraph are without prejudice to any of the other rights of the Landlord at law or otherwise.

13.3 Returned Cheques: The Tenant will pay to the Landlord, immediately on demand, a charge of thirty-five dollars (\$35.00) for every cheque tendered by the Tenant to the Landlord that is not honoured by the institution on which it is drawn (the "Returned Cheque Fee"). The Returned Cheque Fee may be increased by the Landlord from time to time by notice to the Tenant, so that it is at all times equal to the charge payable in respect of cheques tendered in payment of tax, water and court service charges that are not honoured by the institution on which they are drawn.

13.4 Successors and Assigns

(a) In this Article "Transfer" means, (i) an assignment, sale, conveyance, sublease, disposition, or licensing of this Lease or the Leased Premises, or any part of them, or any interest in this Lease

(whether or not by operation of law) or in a partnership that is a Tenant under this Lease, (ii) a mortgage, charge, lien or debenture (floating or otherwise) or other encumbrance of this Lease or the Premises or any part of them or of any interest in this Lease or of a partnership or partnership interest where the partnership is a Tenant under this Lease, (iii) a parting with or sharing of possession of all or part of the Premises, and (iv) a transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription of all or part of the corporate shares of the Tenant or an "Affiliate" of the Tenant which results in a change in the effective voting control of the Tenant. "Transferor" and "Transferee" have meanings corresponding to the definition of "Transfer" set out above.

(b) The Tenant acknowledges and agrees that its rights under this Lease Agreement shall not be assignable or otherwise transferable by the Tenant and the Tenant shall not effect any assignment, sublease or Transfer of the Lease without the prior consent of the Landlord, which consent may be unreasonably withheld. Any request for consent shall be accompanied by payment of the Landlord's processing fee for review of such requests, and by such information and documentation as reasonably required by the Landlord. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding on the parties and their legal representatives, heirs, executors, administrators, successors and permitted assigns, as the case may be.

(c) No consent on the Landlord's behalf with respect to a Transfer shall relieve the Tenant of its obligations under this Lease.

(d) In the event of any Transfer which is a subletting of the Leased Premises by the Tenant by virtue of which the Tenant receives a rent in the form of cash, goods, services or other valuable consideration from the Transferee which is greater than the Basic Rent payable hereunder to the Landlord, the Tenant will pay any such excess value to the Landlord in addition to all Rent payable under this Lease and such excess shall be deemed to be further Additional Rent.

(e) Where the Transferee pays or gives to the Transferor money or other value that is reasonably attributable to the desirability of the location of the Leased Premises or to leasehold improvements that are owned by the Landlord or for which the Landlord has paid in whole or in part, then at the Landlord's option, the Transferor will pay to the Landlord such money or other value in addition to all Rent payable under this lease and such amounts shall be deemed to be further Additional Rent.

13.4 Waiver

(a) The Tenant expressly waives the benefits of the *Commercial Tenancies Act* and any amendments thereto and any present or future enactments of the Ontario Legislature permitting the Tenant to claim a set off against the rent for any cause whatsoever.

(b) The failure of Landlord to enforce any term or covenant or obligation contained herein shall not be deemed to be a waiver of such term, covenant or obligation, or permission for any subsequent breach of the same, and the Landlord may at any time enforce such term, covenant or obligation. The waiver by either party of any breach of any term, covenant or obligation hereof shall not be deemed to be a waiver of any such term, covenant or obligation with respect to any subsequent breach. No term, covenant or obligation contained in this Lease may be waived by a party, unless such waiver is in writing executed by such party.

(c) Any written waiver by the Landlord shall have effect only in accordance with its express terms.

(d) All rights and remedies of the Landlord under this Lease shall be cumulative and not alternative.

13.5 Independent Covenants: If any covenant, obligation or agreement in this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such covenant, obligation or agreement to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation and agreement in this Lease shall be separately valid and enforceable to the fullest extent permitted.

13.6 That this Lease and the provisions herein contained shall be binding up, and shall enure to the benefit of, the parties hereto and their respective heirs, executors, administrators, successors and (where permitted) assigns.

13.7 The Tenant shall at any time and from time to time upon not less than ten (10) days' prior notice execute and deliver to the Landlord or as the Landlord may direct, a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the modification and stating that the same is in full force and effect as modified) the amount of the annual rent and any other amounts then being paid hereunder, the dates to which by instalment or otherwise such rent and amounts and other charges payable hereunder have been paid, the particulars and amounts of insurance policies on the Leased Premises in which the interest of the Landlord is noted and whether or not there is any existing default on the part of the Landlord of which the Tenant has notice. Any such statement may be conclusively relied upon by any prospective purchaser or any mortgagee or any prospective mortgagee.

13.8 Costs: The Tenant shall pay to the Landlord all the Landlord's legal costs, on a solicitor-and-client basis, of all actions or other proceedings in which the Landlord participates in connection with, or arising out of the obligations of the Tenant under the Lease or arising out of the Tenant's occupation of the Leased Premises, except to the extent that the Landlord is not successful therein.

13.9 The termination of the Term by expiry or otherwise shall not affect the liability of either party to this Lease to the other with respect to any obligation under this Lease which has accrued up to the date of such termination but has not been properly satisfied or discharged.

13.10 **Registration:** Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease Agreement, or a Notice of Lease against the Leased Premises.

13.11 **Entire Agreement:** The Tenant acknowledges that there are no covenants, representations, warranties, agreements or conditions express or implied, collateral or otherwise forming part of or in any affecting or relating to this Lease other than as set out in this Lease, which constitutes the entire agreement between the parties concerning the Leased Premises and which may be modified only by further written agreement under seal.

13.12 **Landlord as Municipal Corporation:** All rights and benefits and all obligations of the Landlord under this Lease shall be rights, benefits and obligations of the Landlord in its capacity as a party to this Lease and shall not derogate from or interfere with or fetter the rights, benefits and obligations of the Landlord in its function and capacity as a municipal corporation.

13.13 **Accord and Satisfaction:** No payment by Tenant or receipt by City of a lesser amount than any instalment or payment of Rent due under this lease shall be deemed to be other than on account of the amount due, and no endorsement or statement on any cheque or any letter accompanying any cheque or payment without prejudice to City's right to recover the balance of such instalment or payment of Rent or pursue any other rights or remedies provided in this Lease or at law.

13.14 In this lease, "Landlord" means the party of the first part, and wherever the word "Landlord" is used in this lease, it shall be deemed to include the Landlord and its duly authorized representatives.

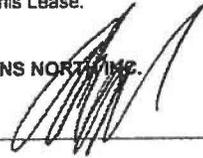
13.15 **Schedules:** The following schedule shall for a part of this Agreement and are hereby incorporated:

Schedule "A" Sketch showing the Leased Premises

13.16 **Confidentiality:** The Tenant shall not disclose this Lease Agreement and the terms contained herein, except to any of its professional advisors, consultants and auditors where such disclosure is reasonably required and such advisor, consultant has agreed to honour such confidentiality, and except as required by law.

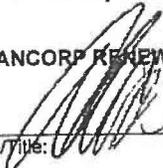
IN WITNESS WHEREOF the parties hereto have executed this Lease.

KING TOWNS NORTH INC.

Per: 
Name/Title

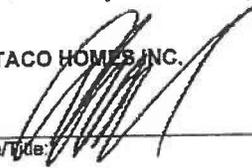
Per: _____
Name/Title
I/We have authority to bind the Corporation.

URBANCORP RENEWABLE POWER INC.

Per: 
Name/Title:

I/We have authority to bind the Corporation.

VESTACO HOMES INC.

Per: 
Name/Title:

I/We have authority to bind the Corporation.

SCHEDULE "A"

**Part of Block 6, Plan Ordinance Reserve, designated as Parts 9, and 10 on Plan 66R-22588, City of Toronto,
being part of PIN 21298-0360**

SCHEDULE "B"
SITE PLAN

BRIDGE CONDOMINIUMS
PHASE 1 & 2
ISSUED FOR COORDINATION

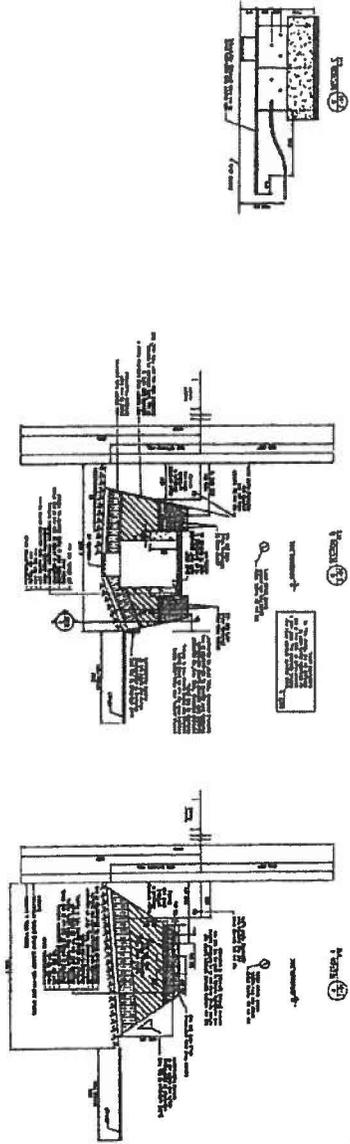
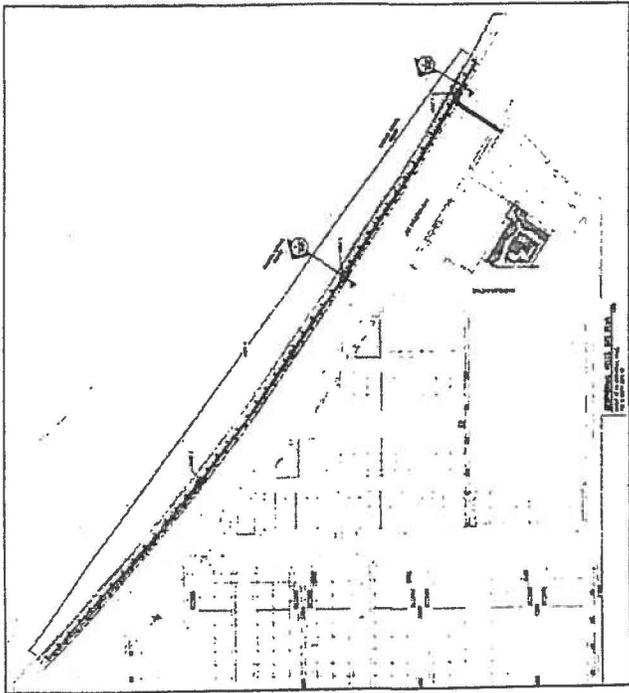
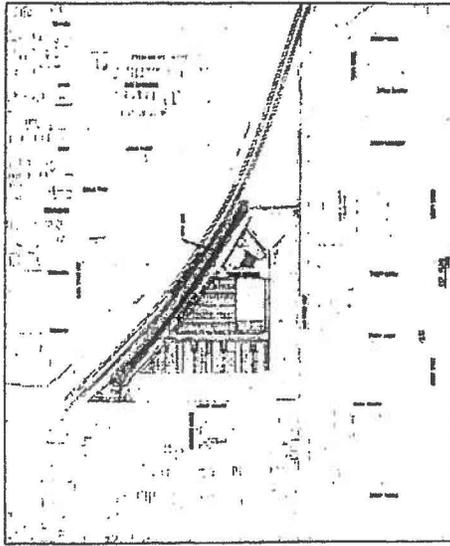
1. The Engineer shall be responsible for the design and construction of the bridge structure and shall coordinate with the contractor for the construction of the bridge structure.

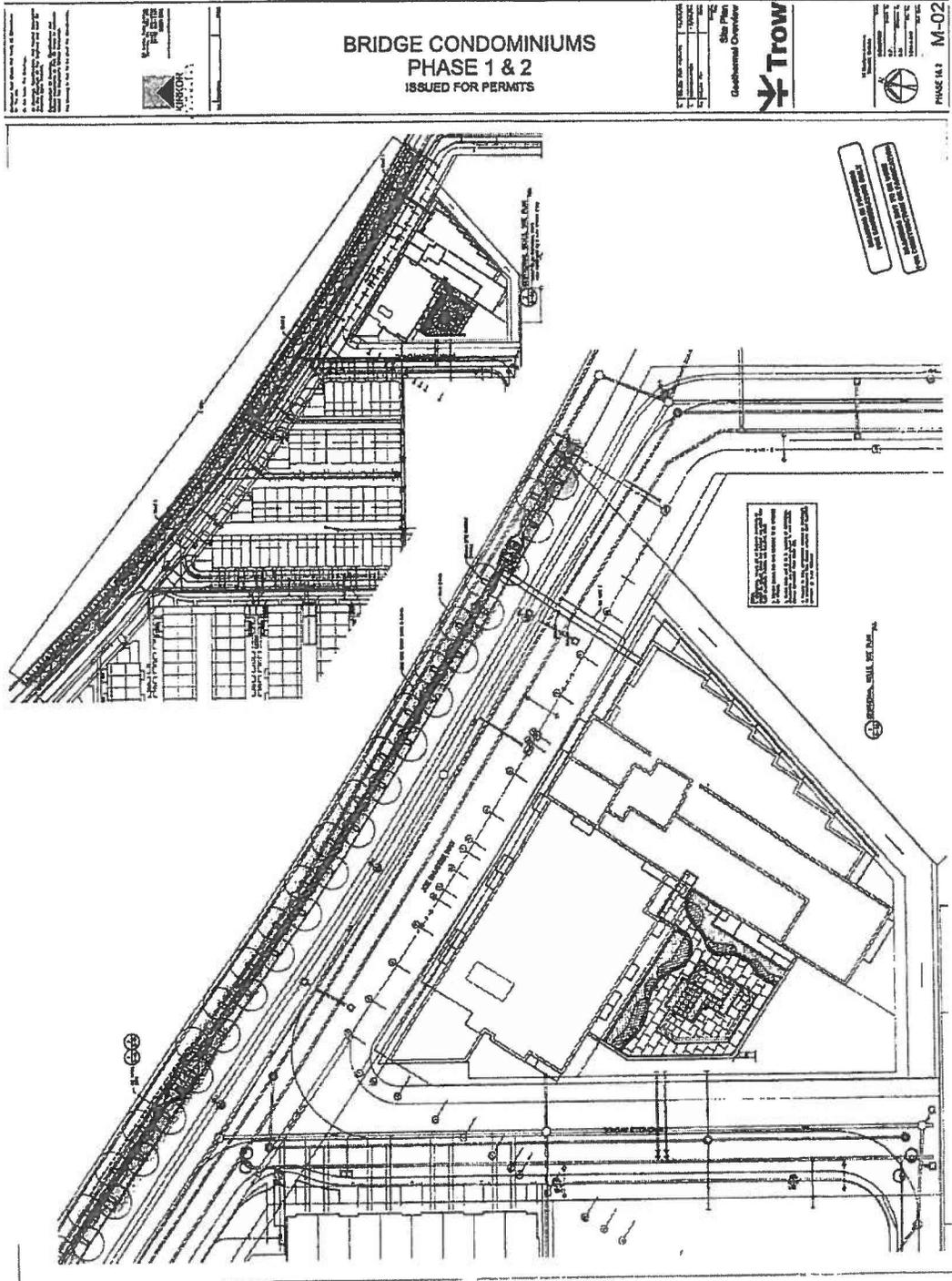


1. The Engineer shall be responsible for the design and construction of the bridge structure and shall coordinate with the contractor for the construction of the bridge structure.



PHASE 1 & 2 C-01





TAB F

THIS IS EXHIBIT "F" REFERRED TO IN THE
AFFIDAVIT OF GUY GISSIN AFFIRMED
BEFORE ME THIS 27TH DAY OF FEBRUARY,
2020.



Yael Hershkovitz
Lawyer

PROOF OF CLAIM FORM FOR CLAIMS AGAINST
Urbancomp Renewable Power Inc. (U.R.P.I.)

1. Debtor: U.R.P.I.

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

Legal Name of Claimant	<i>Aubergine Investments Ltd.</i>	Name of Contact	<i>Alan Saskin</i>
Address		Title	<i>Vice President</i>
		Phone #	<i>416-602-5887</i>
		Fax #	
City	Prov /State	email	<i>alansaskin@gmail.com</i>
Postal/Zip Code			

2(b) Assignee, if claim has been assigned

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

3. Amount of Claim

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

Currency	Amount of Claim	Unsecured Claim	Secured Claim
<i>Canadian \$</i>	XXXXXXXXXXXX	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>\$ 791,190.00</i>	<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. Construction Act Claims

Lien Claim Amount:

Trust Claim Amount:

1. Aubergine Investments Inc is the beneficial owner of URPI.
2. URPI is the manager of the three Geothermal systems and its management fees are now owed to Aubergine. The fees calculated below are based on the gross amounts collected , as per the agreements.
3. Interest for arrears has been calculated based on 5%.

	Bridge	Edge	Fuzion	total
Fee %	5.00%	3.00%	3.00%	
gross collected (KSV report)	\$2,592,000	\$2,787,000	\$1,097,000	
URPI Fee.	\$129,600	\$83,610	\$32,910	\$246,120
interest at 5%	\$11,200	\$7,172	\$2,632	\$21,004
				\$267,124

4. The total management fees owed is \$267,124.00
5. URPI also charged an administration cost on every geothermal invoice. Sample invoices, for Feb/2019, can be provided. These amounts were billed to and collected from the condo corps. The amounts collected by KSV include these URPI administration costs. KSV collected the URPI administration costs. These administration amounts were always paid to URPI. Interest has been added at 5%.
6. The total administration cost re-imburement is \$232,455.00

Administration Cost	\$86,655	\$105,000	\$40,800	\$232,455
interest @5%	\$4,332	\$8,423	\$3,214	\$15,969
				\$232,455
total	\$231,787	\$204,205	\$79,556	\$499,579

7. The subtotal of management fees and administration costs is \$499,579.00
8. There will be a period of some months before these payments are made. During this time, URPI fees and administration costs continue. Below is an estimate of the additional monthly cost, from Dec.10,2019 to the date of full payment. The monthly cost is \$11,102 and we've assumed 6 months until completion.

monthly	\$5,151	\$4,538	\$1,768	\$11,102
6 months until payment	\$30,905	\$27,227	\$10,607	\$66,611
sub-total				\$566,190

9. URPI and KTNI have incurred substantial legal fees over the past 45 months. These costs are reimburseable. It is likely that these legal costs are quite low, compared to all other parties' legal fees, which are being re-imbursed. During that period of time, \$225,000 of legal fees have been incurred to counsel for URPI and KTNI. Counsel has included Bennett Jones, Lash O'Sullivan and Fred Thayer and Associates.
10. The total claim is therefore \$791,190.00
11. Aubergine Investments Inc. is owned by the A.Saskin Family Trust.
12. The only beneficiaries of the trust are the three children of Doreen and Alan Saskin.

5. 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, construction lien materials, if any, 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.

(attached)

6. 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: _____ Witness: _____
 Name: Alan Sastin (signature)
 Title: Vice President (print)
 Dated at Toronto this 8th day of December, 2019

7. Filing of Claim

To: KSV Kofman Inc. on behalf of
Urbanity Renewable Power Inc. (U.R.P.I.)

TAB G

THIS IS EXHIBIT "G" REFERRED TO IN THE
AFFIDAVIT OF GUY GISSIN AFFIRMED
BEFORE ME THIS 27TH DAY OF FEBRUARY,
2020.



Yael Hershkovitz
Lawyer

Urbancorp
Claims Register
(unaudited; \$)

Urbancorp Entity	Creditor	Amount admitted
Vestaco Homes Inc.	Urbancorp Cumberland 1 LP	4,126,000
	Urbancorp Renewable Power Inc.	55,055
	Urbancorp Inc.	22,000
	TCC/Urbancorp (Bay Stadium) LP	20,000
	Westside Galler Lofts Inc.	835
	Hoggs Hollow Inc.	718
		<u>4,224,608</u>
228 Queens Quay	Edge on Triangle Park	TBD
	Edge Residential Inc.	288,360
	Urbancorp Inc.	20,103
		<u>TBD</u>

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

RESPONDING RECORD OF THE
ISRAELI FUNCTIONARY AND
FOREIGN REPRESENTATIVE

DENTONS CANADA LLP

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Toronto-Dominion Centre
Toronto, ON M5K 0A1
Fax: 416-863-4592

Kenneth Kraft (LSO# 31919P)

Tel: 416-863-4374
Email: kenneth.kraft@dentons.com

Neil Rabinovitch (LSO#33442F)

Tel: 416-863-4656
Email: neil.rabinovitch@dentons.com

Lawyers for the Responding Party