



**Thirty-Fourth Report to Court of
KSV Kofman Inc. as CCAA Monitor of
Urbancorp Toronto Management Inc.,
Urbancorp (St. Clair Village) Inc., Urbancorp
(Patricia) Inc., Urbancorp (Mallow) Inc.,
Urbancorp (Lawrence) Inc., Urbancorp
Downsview Park Development Inc., Urbancorp
(952 Queen West) Inc., King Residential Inc.,
Urbancorp 60 St. Clair Inc., High Res. Inc.,
Bridge On King Inc. and the Affiliated Entities
Listed in Schedule “A” Hereto**

June 19, 2019

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

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

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

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

THIRTY-FOURTH REPORT OF KSV KOFMAN INC.

June 19, 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 for 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 a “Non-Cumberland Entity”). The corporate chart for the Cumberland CCAA Entities and the Non-Cumberland Entities is provided in Appendix “A”.
4. Cumberland is believed to be the sole shareholder of Urbancorp New Kings Inc. (“UNKI”). UNKI is believed to be a nominee for Cumberland. UNKI is not subject to the CCAA proceedings.
5. UNKI and King Liberty North Corporation (the “Purchaser”), an affiliate of First Capital (S.C.) Corporation (“FCSCC”), are co-owners of lands municipally described as 1100 King Street West, Toronto (the “Kingsclub Development”).³ The Kingsclub Development is a significant retail and residential development.
6. Pursuant to the Initial Order, Robert Kofman, the President of KSV and the person with oversight of these proceedings on behalf of the Monitor, or such representative of KSV as Mr. Kofman may designate in writing from time to time, was appointed to the management committee of the Kingsclub Development at the outset of these proceedings.

1.2 Purposes of this Report

1. The purposes of this report (the “Report”) are to:
 - a) provide background information concerning the Kingsclub Development;
 - b) summarize a transaction (the “Transaction”) whereby the Purchaser will acquire UNKI’s interest in the Kingsclub Development (the “UNKI Interest”) pursuant to an Agreement of Purchase and Sale dated June 5, 2019 between the Monitor and the Purchaser (the “APS”);
 - c) recommend that the Court issue an order:
 - i. approving the Transaction and the APS and vesting title in the Purchaser in and to the UNKI Interest, free and clear of all liens, claims and encumbrances (other than specified permitted encumbrances) upon filing a certificate confirming, among other things, completion of the Transaction; and
 - ii. sealing the confidential appendix to this Report.

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 Kings Club Development Inc., a nominee entity, is the registered owner of the Kingsclub Development on behalf of its beneficial owners, UNKI and the Purchaser.

1.3 Currency

1. Unless otherwise stated, all currency references in this Report are to Canadian dollars.

1.4 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial and other information of the CCAA Entities, financial and other information provided by FCSCC and/or its affiliates and its representatives related to the Kingsclub Development and discussions with representatives of the CCAA Entities (the "Information"). The Monitor has not performed an audit or other verification of the Information.
2. The Monitor 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. The Monitor expresses no opinion or other form of assurance with respect to the Information relied upon by the Monitor in preparing this Report. Any party wishing to place reliance on the Information should perform its own diligence and any reliance placed by any party on the Information presented herein shall be limited to considering the subject matter of this Report.

2.0 Background

1. The Urbancorp Group primarily engaged in the development, construction and sale of residential properties in the Greater Toronto Area.

2.1 Urbancorp Inc.

1. UCI was incorporated on June 19, 2015 to raise debt in the public markets in Israel. Pursuant to a Deed of Trust dated December 7, 2015, UCI made a public offering of debentures (the "IPO") in Israel of NIS180,583,000 (approximately \$64 million based on the exchange rate at the time of the IPO) (the "Debentures"). A significant portion of this obligation remains outstanding.
2. On April 25, 2016, the District Court in Tel Aviv-Yafo, Israel issued a decision appointing Guy Gissin as the functionary officer and foreign representative (the "Foreign Representative") of UCI and granting him certain powers, authorities and responsibilities over UCI (the "Israeli Proceedings").
3. On May 18, 2016, the Court issued two orders under Part IV of the CCAA which:
 - a) recognized the Israeli Proceedings as a "foreign main proceeding";
 - b) recognized Mr. Gissin as Foreign Representative of UCI; and
 - c) appointed KSV as the Information Officer.
4. UCI is the primary stakeholder with a financial interest in the Transaction.

3.0 Kingsclub Development

1. The Kingsclub Development is located in Liberty Village in Toronto. The project is scheduled to be completed this year. It has experienced several delays and cost-overruns.
2. Pursuant to the Amended and Restated Co-owners Agreement dated February 1, 2012 (the "Ownership Agreement"), as amended, between UNKI and the Purchaser, the Purchaser has an option to purchase UNKI's interest in the commercial portion of the project at below market value.⁴
3. The residential component of the Kingsclub Development was originally owned by UNKI (50%) and the Purchaser (50%). On July 28, 2015, the Purchaser and UNKI entered into an agreement (the "CAPREIT Agreement") with CAPREIT Limited Partnership ("CAPREIT") to sell one-third of the residential component of the project to CAPREIT, such that the Purchaser, UNKI and CAPREIT would each have a one-third interest in that portion of the development upon closing of that transaction.

3.1 Project Debt

1. As of April 1, 2019, UNKI has borrowed the following amounts to finance construction of the Kingsclub Development:
 - a) approximately \$34.5 million from FCSCC (the "Early Works Loans"); and
 - b) approximately \$3.7 million from the Purchaser (the "Land Loan").

In addition to the above amounts:

- a) UNKI and the Purchaser are co-borrowers under a facility with Bank of Nova Scotia ("BNS"). The amount owing to BNS under this facility as at the date of this Report was approximately \$168 million; and
- b) the Kingsclub Development has incurred significant cost overruns. FCSCC has funded UNKI's share of the cost overruns under credit facilities (the "Standstill Facilities") pursuant to the terms of a Court approved standstill agreement and a standstill amending agreement, each between FCSCC, the Purchaser, UNKI and the Monitor (the "Standstill Agreements"). The total principal amount advanced by FCSCC under the Standstill Agreements is approximately \$48.4 million, which continues to accrue interest and costs. There is insufficient availability under the Standstill Agreements to fund future projected cost overruns.

⁴ The Ownership Agreement provides the Purchaser with the option of purchasing UNKI's commercial interest at a 5.5% cap rate. The Monitor understands the market capitalization rate for similar properties is less than this amount.

- c) In late 2018, FCSCC requested that the Monitor enter into a further amendment to the Standstill Agreements in order to fund additional cost overruns. The Monitor advised FCSCC that it was not prepared to do so because it was unclear whether UNKI would be able to repay any such advances from its interest in the Kingsclub Development or otherwise. As such, UNKI defaulted on its obligation to make the additional co-owner contributions for the period December 1, 2018 to March 31, 2019, as required by the Ownership Agreement. Pursuant to the terms of the Ownership Agreement, the Purchaser has funded these obligations and UNKI is indebted to the Purchaser for these advances, which now total approximately \$13 million, before interest and costs which continue to accrue (the “Co-Owner Loan”). The Purchaser estimates that UNKI would be required to fund an additional \$19.9 million to complete the Kingsclub Development. The amounts advanced under the Co-Owner Loan are secured pursuant to a Co-Owner’s Cross Charge granted by UNKI which secures UNKI’s obligations under the Owner’s Agreement.

3.2 The Transaction

1. As a result of UNKI’s inability to fund its obligations to advance the Kingsclub Development, the Monitor and the Purchaser entered into settlement discussions which resulted in the Transaction. A summary of the Transaction is provided below.

- **Purchaser:** KLNC;
- **Purchased Assets:** the UNKI Interest;
- **Purchase Price:** \$2.15 million, plus the assumption of the aggregate indebtedness of UNKI pursuant to the amounts owing by UNKI under the BNS Facility, net of the proceeds from the CAPREIT Agreement (the “Assumed Liabilities”), and the amounts owing by UNKI under the Standstill Facilities, the Co-Owner Loan, the Early Works Loan, the Land Loan and the estimated cost to complete the Kingsclub Development (collectively, the “Other Liabilities”).

The Purchase Price will be satisfied as follows:

- i. payment by the Purchaser of \$2.15 million;
- ii. assumption of the Assumed Liabilities by the Purchaser;
- iii. assumption of permitted encumbrances; and
- iv. by the Monitor providing a direction to the Purchaser, FCSCC or its affiliates to pay themselves an amount equal to the Other Liabilities.

- **Excluded Liabilities:** all liabilities of UNKI that are not Assumed Liabilities or Other Liabilities are to be retained by UNKI;
- **Excluded Assets:** any assets of UNKI other than the UNKI Interest, including: (i) UNKI’s interest in a geothermal system located at 20 Joe Shuster Way and the related energy supply agreement; (ii) books and records relating to UNKI; (iii) tax refunds; and (iv) CAPREIT’s interest in the Kingsclub Development;

- **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties;
- **Closing:** July 3, 2019 or such other date that the parties agree to in writing;
- **Termination:** the APS can be terminated:
 - (i) by either the Monitor or the Purchaser if the Transaction has not been completed by August 1, 2019; or
 - (ii) if any of the conditions in favour of the Purchaser or Receiver are not waived or satisfied.

A copy of the APS is attached as Appendix “B”.

4.0 Monitor’s Considerations to Enter into the Transaction

1. Early in these proceedings, the Monitor requested that a real estate brokerage provide an estimate of the value of the Kingsclub Development. More recently, the Monitor’s valuation group has performed this estimate. The Monitor’s most recent estimate is provided in Confidential Appendix “1”. The rationale for sealing the value estimate is provided in Section 4.1 below.
2. The Monitor considered that UNKI may need to file for CCAA protection in order to realize on the UNKI Interest in a Court supervised sale process. To maximize value for the UNKI interest in the Kingsclub Development, the Monitor determined that it may be necessary for it to attempt to disclaim certain agreements, including the CAPREIT Agreement and the Ownership Agreement. The Monitor anticipates that attempts to disclaim these agreements would be vigorously contested by CAPREIT, the Purchaser and BNS. If the Monitor was successful in its efforts to disclaim these agreements, significant damage and other claims would likely result, which would impair the value of the UNKI Interest.
3. The Kingsclub Development is partially financed by a syndicate led by BNS. There is no certainty that BNS would be prepared to cooperate in a sale process. BNS, as a secured lender, has the right to appoint a receiver and to bring an application to have one appointed by the Court.
4. The Monitor is also cognizant that the professional costs and uncertainty resulting from a CCAA proceeding involving the Kingsclub Development could impair the value of the UNKI Interest.
5. Furthermore, the Purchaser, as a Co-Owner, would have the ability to influence the outcome of a sale process for the Kingsclub Development. Any bidder would need to be comfortable that it could work with the Purchaser and the Purchaser is not obligated to deal consistently with prospective buyers – it may be prepared to provide superior deal terms to some parties over others.

6. The Monitor has kept the Foreign Representative apprised of its negotiations with FCSCC. The Foreign Representative has advised that it consents to the Transaction. There are no material conditions precedent to the Transaction other than Court approval.
7. In the Monitor's opinion, the consideration to be received for the UNKI Interest under the Transaction is fair and reasonable taking into account the considerations discussed above and accordingly the Monitor believes that the best approach to maximizing the realizable value of the UNKI Interest is to complete the Transaction.

4.1 Confidentiality

1. The Monitor recommends that its estimate of the value of the Kingsclub Development be filed with the Court on a confidential basis and be sealed as the document contains confidential information. If the value estimate is not sealed, the information may negatively impact future transactions if the Transaction is not completed. The Monitor is not aware of any party that will be prejudiced if the information is sealed. The Monitor believes that the benefits of sealing this information outweigh any adverse consequence resulting from the information being sealed. The Monitor believes that such adverse consequences, if any, are immaterial.

5.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief sought in Section 1.2 (1)(c) of this Report.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE CCAA ENTITIES
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.

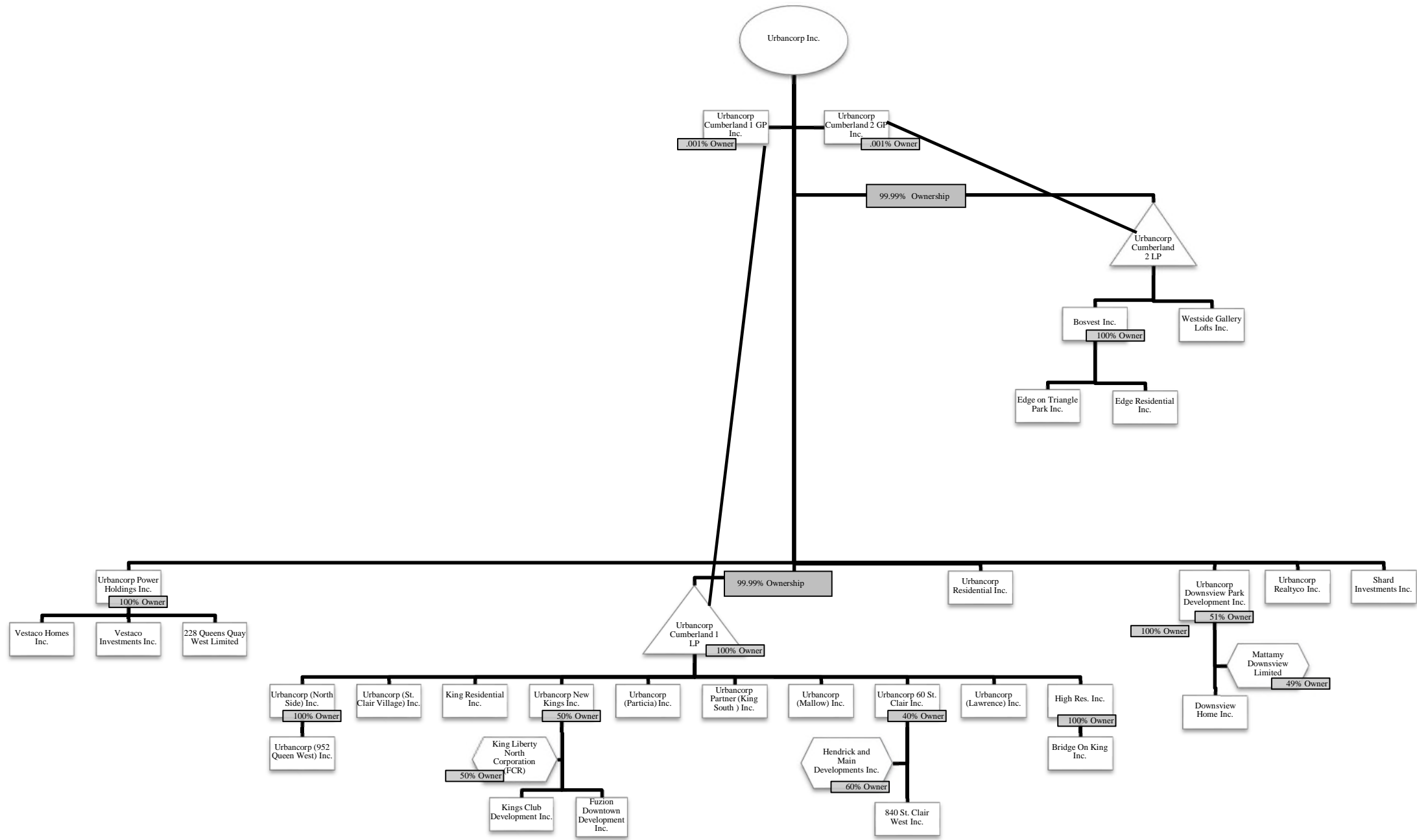
Urbancorp Partner (King South) Inc.

Urbancorp (North Side) Inc.

Urbancorp Residential Inc.

Urbancorp Realtyco Inc.

Appendix “A”



Appendix “B”

ASSET PURCHASE AGREEMENT

between

**KSV KOFMAN INC.,
in its sole capacity as the court-appointed monitor of
Urbancorp Cumberland 1 LP, Urbancorp Cumberland 1 GP
Inc. and certain related entities, and not in its personal
capacity**

- and -

KING LIBERTY NORTH CORPORATION

June 5, 2019

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THIS AGREEMENT made the 5th day of June, 2019

B E T W E E N:

KSV KOFMAN INC.,
in its sole capacity as the court-appointed monitor of
Urbancorp Cumberland 1 LP, Urbancorp Cumberland 1
GP Inc. and certain related entities, and not in its personal
capacity,

(hereinafter collectively referred to as “**Seller**”),

- and -

KING LIBERTY NORTH CORPORATION,

a corporation existing under the laws of
the Province of Ontario,

(hereinafter referred to as “**Purchaser**” or
“**KLNC**”).

WHEREAS the Purchaser and Urbancorp New Kings Inc. (“**UNKI**”) are co-owners of the lands described in Schedule “A” (the “**Kingsclub Development**”) and Kingsclub Development Inc. (the “**Retail Nominee**”) is the registered owner of the Phase 2 Retail Component (as defined in the Co-Owners Agreement), inter alia, as nominee and bare trustee for and on behalf of the Purchaser and UNKI and Kings Club Residences Inc. is the registered owner of the Phase 2 Residential Component (as defined in the Co-Owners Agreement), inter alia, as nominee and bare trustee for and on behalf of the Purchaser and UNKI (together with the Retail Nominee, the “**Nominee**”);

AND WHEREAS the Purchaser and UNKI (each a “**Co-Owner**”, and collectively, the “**Co-Owners**”) are parties to an amended and restated Co-Owners Agreement dated February 1, 2012, as amended by amending agreements made as of April 2013, March 28, 2014, July 18, 2014, November 16, 2014 and July 28, 2015 (collectively, the “**Co-Owners Agreement**”);

AND WHEREAS UNKI and the Purchaser are jointly and severally liable to Bank of Nova Scotia and other lenders pursuant to a construction loan agreement dated August 13, 2015 (the “**BNS Facility**”) and UNKI’s share of the indebtedness under the BNS Facility is \$78,875,575 as of April 1, 2019.

AND WHEREAS each of the Purchaser and UNKI are borrowers under a credit agreement, originally entered into with First Capital Realty Inc. (“**FCRI**”) as lender, dated April 19, 2012 and amended on May 15, 2014, November 20, 2014, January 1, 2015, April 30, 2015, June 29, 2015, and July 28, 2015 (the “**Early Works Loan**”) and UNKI’s share of the indebtedness under the Early Works Loan is \$34,540,212 as of April 1, 2019;

AND WHEREAS pursuant to a loan assignment agreement dated as of May 15, 2014, FCRI assigned its right, title and interest under the Early Works Loan to First Capital (S.C.) Corporation (“**FCSCC**”);

AND WHEREAS UNKI is a borrower pursuant to an amended and restated credit agreement dated as of November 24, 2010 with the Purchaser as lender (the “**Land Loan Agreement**”) and UNKI’s indebtedness, including accrued interest, under the Land Loan Agreement is \$3,663,161.00 as of March 31, 2019;

AND WHEREAS the Purchaser and UNKI, as vendors, entered into a purchase and sale agreement dated as of July 28, 2015, for the residential component of the Kingsclub Development with CAPREIT (the “**CAPREIT APS**”). FCRI is a guarantor under the CAPREIT APS;

AND WHEREAS further to the CAPREIT APS, each of the Purchaser, UNKI and CAPREIT GP Inc. have entered into a management agreement dated July 28, 2015 (the “**CAPREIT Management Agreement**”);

AND WHEREAS KSV Kofman Inc. (“**KSV**”) was appointed monitor of Urbancorp Cumberland 1 LP, the sole shareholder of UNKI, and certain related entities, pursuant to an order made under the *Companies’ Creditors Arrangement Act* by the Honourable Mr. Justice Newbould on May 18, 2016 (the “**CCAA Order**”);

AND WHEREAS pursuant to paragraph 30 of the CCAA Order, Robert Kofman, or such representative of KSV as Mr. Kofman may designate in writing from time to time, was authorized, directed and empowered to act as the representative of UNKI on the Management Committee (as defined in the Co-Owners Agreement) of the Kingsclub Development.

AND WHEREAS on September 30, 2016, the Management Committee of the Kingsclub Development authorized additional costs for the project in the amount of \$24.7 million (the “**Cost Increase**”) and it is an obligation of each Co-Owner under the Co-Owners Agreement to contribute its respective 50% share of the Cost Increase (the “**Cost Increase Capital Contribution**”) to the project;

AND WHEREAS on November 22, 2016, the parties hereto entered into a Standstill Agreement (the “**Standstill**”) pursuant to which the Purchaser agreed to advance on behalf of UNKI up to \$15 million in accordance with the terms of the Co-Owners Agreement in order to permit UNKI to fund its portion of the Cost Increase Capital Contribution (the “**Standstill Loan**”);

AND WHEREAS pursuant to a loan assignment agreement dated November 22, 2016, the Purchaser assigned its rights under the Standstill Loan to FCSCC;

AND WHEREAS on October 30, 2017, the Management Committee of the Kingsclub Development authorized additional costs for the project in the amount of \$43,779,287 (the “**2017 Cost Increase**”) and it is an obligation of each Co-Owner under the Co-Owners Agreement to contribute its respective 50% share of the 2017 Cost Increase (the “**2017 Cost Increase Capital Contribution**”);

AND WHEREAS on November 30, 2017 the parties hereto entered into a Standstill Amending Agreement No. 1 pursuant to which the Purchaser agreed to increase the maximum principal amount of the Capital Contribution Loan by \$25 million to a total of \$40 million in accordance with the terms of the Co-Owners Agreement in order to permit UNKI to fund its portion of the 2017 Cost Increase Capital Contribution (the “**Second Standstill Loan**”);

AND WHEREAS pursuant to a loan assignment agreement the Purchaser assigned its rights under the Second Standstill Loan to FCSCC;

AND WHEREAS UNKI’s current aggregate indebtedness, including accrued interest, pursuant to the Standstill Loan and the Second Standstill Loan is \$48,407,794.00 as of March 31, 2019.

AND WHEREAS UNKI has defaulted in its obligations to make additional co-owners contributions in respect of the project for December 2018, January 2019, February and March 2019, and pursuant to the Co-Owners Agreement the Purchaser has funded these obligations on behalf of UNKI pursuant to Section 9.2(d) of the Co-Owners Agreement and UNKI is indebted to the Purchaser with respect to these advances, including accrued interest, in the amount of \$13,033,585 as of March 31, 2019 (the “**Co-Owner Loan**”);

AND WHEREAS pursuant to a loan assignment agreement the Purchaser assigned its rights under the Co-Owner Loan to FCSCC;

AND WHEREAS as of March 31, 2019 the Purchaser, FCRI and its affiliates have incurred legal fees in the amount of \$418,024.00 with respect to protection of enforcement of the loans to UNKI (the “**Legal Fees**”), which amount is to be reimbursed to the Purchaser by UNKI in accordance with the terms of the Standstill Agreement;

AND WHEREAS at the anticipated Closing Date the aggregate amount of UNKI’s outstanding indebtedness is estimated to be \$207,524,772.00 and UNKI’s 50% share of the cost to complete the project is estimated to be \$19,869,191;

AND WHEREAS the estimated amount of HST payable on the project has been included in budgeted costs but the Nominee’s self-assessment has not yet received final confirmation and 50% of any increase thereto will be added to UNKI’s 50% of the cost to complete the project;

AND WHEREAS pursuant to section 10.8 of the Co-Owners Agreement, the Purchaser has an option to purchase the Phase 2 Retail Component for a purchase price calculated in accordance with a specified formula (the “**Retail Option**”);

AND WHEREAS given UNKI’s continued inability to fund ongoing capital contributions, the Seller wishes to sell to Purchaser and Purchaser wishes to purchase the Co-Ownership Interest (as defined in the Co-Owners Agreement) of UNKI, on the terms and conditions hereinafter set forth and, in the event that one or more of the closings had occurred pursuant to the CAPREIT APS, subject to the sale of an undivided 1/3 interest in the Phase 2 Residential Component to CAPREIT;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations, warranties and indemnities of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“Adjustments” means all operating costs, realty taxes, and water and assessment rates, utility deposits (including replacement letters of credit or letters of guarantee therefor), rental payments and other adjustments established by the usual practice in the province of Ontario for the purchase and sale of a residential and commercial property similar to UNKI’s Co-Ownership Interest;

“All Commercially Reasonable Efforts” means the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible, provided, however, that a Person required to use All Commercial Reasonable Efforts under this Agreement will not be thereby required to take actions that would result in a material adverse change in the economic benefits to such Person of this Agreement or to dispose of or make any change to its business, expend any material funds, or incur any other material burden;

“Assumed Liabilities” has the meaning set out in Section 2.6(a);

“BNS Facility” has the meaning set out in the Recitals;

“Business Day” means any day, other than a Saturday or a Sunday, on which commercial banks in Toronto, Ontario, are open for business during normal banking hours;

“CAPREIT” means Capreit Limited Partnership, and its successors and assigns pursuant to the CAPREIT APS;

“CAPREIT APS” means the agreement of purchase and sale among UNKI, Purchaser, CAPREIT and FCRI dated July 28, 2015, as amended and/or amended and restated from time to time;

“CCA Proceedings” means the proceedings in respect of Urbancorp Cumberland 1 LP, Urbancorp Cumberland 1 GP Inc. and certain related entities pursuant to the CCAA having Court File No. CV-16-11389-00CL;

“**Claims**” means all past, present and future claims, suits, proceedings, lawsuits, investigations, liabilities, obligations, losses, damages, penalties, judgments, assessments or reassessments, costs, expenses, fines, disbursements, legal fees on a substantial indemnity basis, interest, demands and actions of any nature or any kind whatsoever.

“**Closing**” means the completion of the purchase and sale of the Purchased Assets in accordance with the provisions of this Agreement;

“**Closing Certificate**” means the Monitor’s certificate referred to in the Sale Approval and Vesting Order that, when delivered to the Purchaser, has the effect of invoking the vesting provisions contained in the Sale Approval and Vesting Order;

“**Closing Date**” means July 3, 2019 or such other date the parties may agree to in writing or such other date as the Purchaser determines in its sole discretion provided, in any event, the Closing Date shall be a date not later than the Termination Date.

“**Closing Date Payment**” has the meaning set out in Section 2.5;

“**Court**” means the Ontario Superior Court of Justice (Commercial List);

“**Effective Date**” means the date on which this Agreement is made;

“**Encumbrances**” means all pledges, liens, charges, hypothecs, security interests, or adverse claims or encumbrances of any kind or character whatsoever, affecting title to the Purchased Assets or any part thereof or interest therein, and “**Encumbrance**” means any one of the Encumbrances.

“**ETA**” means Part IX of the *Excise Tax Act* (Canada), as amended from time to time;

“**Excluded Assets**” has the meaning set out in Section 2.2;

“**Governmental Agency**” means (i) any governmental or public department, central bank, court, minister, governor-in-counsel, cabinet, commission, tribunal, board, bureau, agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial, state, municipal, local, or other; (ii) any subdivision or authority of any of the above; (iii) any stock exchange; and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

“**HST**” means all taxes payable under the ETA or under any provincial legislation similar to the ETA, and any reference to a specific provision of the ETA or any such provincial legislation shall refer to any successor provision thereto of like or similar effect;

“**Initial Order**” means the order of the Court made in the CCAA Proceedings on May 18, 2016 appointing the Seller as the monitor of Urbancorp Cumberland 1 LP, Urbancorp Cumberland 1 GP Inc. and certain related entities;

“**Interim Co-Owner Contributions**” has the meaning set out in Section 7.1;

“**Other Liabilities**” has the meaning set out in Section 2.6(b);

“**Permitted Encumbrances**” has the meaning set out in Section 2.4(c);

“**Purchase Price**” has the meaning set out in Section 2.3;

“**Purchased Assets**” has the meaning set out in Section 2.1;

“**Retained Liabilities**” has the meaning set out in Section 2.6(c);

“**Sale Approval and Vesting Order**” means an order of the Court on service satisfactory to the Purchaser, acting reasonably, approving this Agreement and the transactions contemplated hereby and vesting in and to the Purchaser the Purchased Assets, free and clear of and from any and all “Claims” and “Encumbrances” (as each such term is defined therein) other than Permitted Encumbrances, substantially in the form of Schedule 1.1 hereto, subject to such amendments as the Seller and the Purchaser may mutually agree acting reasonably;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time;

“**Termination Date**” means August 1, 2019;

“**Time of Closing**” means 10:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as Seller and Purchaser may agree, provided that for accounting and tax purposes the parties agree that the Closing will be considered to have taken place as of the close of business on the Closing Date; and

1.2 Currency

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in Canadian funds.

1.3 Sections and Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section or Schedule refers to the specified Article, Section or Schedule of or to this Agreement.

1.4 Number, Gender and Persons

In this Agreement, words importing the singular number only shall include the plural and *vice versa*, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind whatsoever.

1.5 Interpretation of Certain Non-Capitalized Terms

The word “**including**” means including without limitation. The expressions “**Seller’s knowledge**”, “**knowledge of Seller**” and expressions of similar import refer to the actual knowledge of any one or more of Bobby Kofman and Noah Goldstein, and also to the knowledge that any one or more of them would have after making an enquiry reasonable in the circumstances.

1.6 Reasonable Commercial Efforts

The parties acknowledge and agree that, for all purposes of this Agreement, an obligation on the part of either party to use All Commercially Reasonable Efforts to obtain any waiver, consent, approval, permit, licence or other document shall not require such party to make any payment to any person for the purpose of procuring the same, other than payments for amounts due and payable to such person, payments for incidental expenses incurred by such person and payments required by any applicable law or regulation.

1.7 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

1.8 Time

Time shall be of the essence of this Agreement. If anything is required to be done under this Agreement on a day which is not a Business Day, the same shall be done on the next following Business Day. Where in this Agreement a number of days is prescribed, the number shall be computed by excluding the first day and including the last day.

1.9 Invalidity

If any immaterial covenant, obligation, agreement or part thereof or the application thereof to any Person or circumstance, to any extent, shall be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any Person or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

1.10 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to

modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

1.11 Applicable Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

1.12 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule A	-	Phase II Lands Legal Description
Schedule 1.1	-	Sale Approval and Vesting Order
Schedule 2.4	-	Permitted Encumbrances
Schedule 2.6(a)	-	Assumed Liabilities
Schedule 2.7	-	Allocation of Purchase Price
Schedule 3.4(b)	-	Terminated Agreements

ARTICLE 2 PURCHASE AND SALE

2.1 Purchased Assets

- (a) Subject to the provisions of this Agreement, including without limitation Section 2.1(b), Seller agrees to cause UNKI to sell, assign and transfer to Purchaser and Purchaser agrees to purchase from UNKI, effective as of the Time of Closing, all of UNKI's Co-Ownership Interest (as defined in the Co-Owners Agreement) (collectively, the "**Purchased Assets**").
- (b) The Purchaser and the Seller acknowledge and agree that in the event that one or more of the closings has occurred pursuant to the CAPREIT APS prior to Closing, the Purchased Assets shall expressly exclude the undivided 1/3 interest in the Phase 2 Residential Component purchased by CAPREIT on or prior to Closing in accordance with the provisions of the CAPREIT APS.

2.2 Excluded Assets

The Purchased Assets shall not include any property, assets and undertaking of UNKI that are not Purchased Assets and, for greater certainty, shall, without limitation, specifically exclude the following property and assets (collectively, the "**Excluded Assets**"):

- (a) UNKI's interest in the Geothermal Room Units and Geothermal Energy System, as those terms are defined in the geothermal energy supply agreement between

Urbancorp Renewable Power Inc. and Fuzion Downtown Development Inc., as assigned to Toronto Standard Condominium Corporation No. 2348, and as amended, restated, supplemented and otherwise modified from time to time;

- (b) all minute books, stock ledgers and Tax records of UNKI;
- (c) all tax instalments paid by UNKI and the right to receive any refund of taxes paid by UNKI; and
- (d) any undivided interest in the Phase 2 Residential Component purchased by CAPREIT on or prior to Closing in accordance with the provisions of the CAPREIT APS.

2.3 Purchase Price

The aggregate purchase price (the “**Purchase Price**”) payable by Purchaser to Seller for the Purchased Assets shall be the aggregate of (i) the Closing Date Payment; and (ii) aggregate indebtedness of UNKI pursuant to the Assumed Liabilities and Other Liabilities as of the Time of Closing, plus any applicable taxes.

2.4 Satisfaction of Purchase Price

The Purchase Price, subject to Adjustments, shall be satisfied on Closing as follows:

- (a) payment of the Closing Date Payment by the Purchaser to the Seller;
- (b) assumption of the Assumed Liabilities by the Purchaser from the Seller;
- (c) assumption of the Encumbrances listed in Schedule 2.4 (the “**Permitted Encumbrances**”); and
- (d) with respect to the balance of the Purchase Price, Seller shall direct the Purchaser in writing to:
 - (i) pay itself, an amount equal to that portion of the Other Liabilities owing in respect of the cost to complete the project, the Land Loan, and the Adjustment, in each case, as of the Time of Closing, in full satisfaction of all obligations and liabilities owing by UNKI to the Purchaser in connection with the cost to complete the project, the Land Loan and the Adjustments;
 - (ii) pay to FCSCC, an amount equal to that portion of the Other Liabilities owing in respect of the Early Works Loan, the Standstill Loans and the Co-Owners Loan as of the Time of Closing, in full satisfaction of all obligations and liabilities owing by UNKI to FCSCC in connection with the Early Works Loan, the Standstill Loans and the Co-Owners Loan;

(iii) pay itself, FCRI and its affiliates, an amount equal to that portion of the Other Liabilities owing in respect of the Legal Fees, in full satisfaction of all obligations and liabilities owing by UNKI to the Purchaser, FCRI and its affiliates in connection with the Legal Fees;

2.5 Closing Date Payment

At the Time of Closing, Purchaser shall pay Seller the amount equal to \$2,150,000 (the “**Closing Date Payment**”) by wire transfer of immediately available funds to such account as Seller shall have indicated by direction in writing to Purchaser at least two Business Days prior to the Closing Date. The Closing Date Payment shall be a fixed amount which is not adjusted base on any adjustment to the Assumed Liabilities, the Other Liabilities or the Adjustments.

2.6 Assumption of Certain Liabilities by Purchaser and Repayment of Certain Liabilities by Seller

- (a) Subject to the provisions of this Agreement, as partial satisfaction of the Purchase Price, Purchaser agrees to assume, pay, satisfy, discharge, perform and fulfil, from and after the Time of Closing, all obligations and liabilities of UNKI which accrue on or after the Time of Closing under the BNS Facility. The Seller and the Purchaser acknowledge and agree that UNKI’s obligations and liabilities under the BNS Facility as of the Time of Closing are estimated to be equal to the amount set out in Schedule 2.6(a) under the heading “Assumed Liabilities”. On or prior to two (2) Business Days prior to the Closing Date, the actual amount of UNKI’s obligations and liabilities under the BNS Facility, less UNKI’s proceeds from the CAPREIT APS, if applicable, as of the Time of Closing shall be calculated. For purposes of this Agreement, the actual amount of UNKI’s obligations and liabilities under the BNS Facility as of the Time of Closing are the “**Assumed Liabilities**”.
- (b) Subject to the provisions of this Agreement, as partial satisfaction of the Purchase Price Purchaser agrees to accept on the Closing Date the Purchased Assets in full satisfaction of: (i) UNKI’s 50% of the cost to complete the project following the Time of Closing; and (ii) all obligations and liabilities of UNKI accrued prior to the Time of Closing in connection with Legal Fees, the Standstill Loan, the Second Stand Still Loan, the Co-Owner’s Loan, any other amounts funded by KLNC on behalf of UNKI pursuant to Section 9.2(d) of the Co-Owners Agreement, the Early Works Loan and the Land Loan. The Seller and the Purchaser acknowledge and agree that UNKI’s 50% of the cost to complete the project following the Time of Closing and all obligations and liabilities of UNKI accrued prior to the Time of Closing in connection with the Standstill Loan, the Second Stand Still Loan, the Co-Owner’s Loan, any other amounts funded by KLNC on behalf of UNKI pursuant to Section 9.2(d) of the Co-Owners Agreement, the Early Works Loan and the Land Loan as well as the amount of Legal Fees funded by KLNC pursuant to the Standstill Agreement, are estimated to be equal to the amounts set out in Schedule 2.6(a) under the heading “Other Liabilities”. On or prior to two (2) Business Days prior to the Closing Date, the estimated amount of UNKI’s 50% of the cost to complete the project following the Time of Closing (the “**Estimated**

Closing Cost to Complete”) and all obligations and liabilities of UNKI accrued prior to the Time of Closing in connection with the Standstill Loan, the Second Stand Still Loan, the Co-Owner’s Loan, any other amounts funded by KLNC on behalf of UNKI pursuant to Section 9.2(d) of the Co-Owners Agreement, the Early Works Loan and the Land Loan as well as the Legal Fees to be reimbursed by UNKI pursuant to the Standstill Agreements, shall be calculated. For purposes of this Agreement, the adjusted Legal Fees, the Estimated Closing Cost to Complete and all obligations and liabilities of UNKI accrued prior to the Time of Closing in connection with Legal Fees, the Standstill Loan, the Second Stand Still Loan, the Co-Owner’s Loan, any other amounts funded by KLNC on behalf of UNKI pursuant to Section 9.2(d) of the Co-Owners Agreement, the Early Works Loan and the Land Loan are the “**Other Liabilities**”.

- (c) All liabilities of UNKI that are not Assumed Liabilities or Other Liabilities are to be retained by UNKI and are hereinafter referred to as “**Retained Liabilities**”.

2.7 Adjustments

- (a) In the event that it is determined post-Closing that UNKI’s 50% of the cost to complete the project following the Time of Closing is different than the Estimated Closing Cost to Complete, the Purchase Price and the amount of the Other Liabilities will be adjusted accordingly.
- (b) Adjustments shall be made as of the Closing Date. UNKI shall be responsible for 50% of all expenses and entitled to 50% of all revenue accrued from the Purchased Assets for that period ending on 11:59pm on the day immediately prior to the Closing Date and thereafter the Purchaser shall be responsible for all expenses (except as otherwise provided in this Agreement) and shall be entitled to all revenue accruing from the Purchased Assets.
- (c) If the final cost or amount of any item which is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Seller acting reasonably as of 11:59pm on the day immediately prior to the Closing Date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. In each case when such cost or amount is determined, the Seller or Purchaser, as the case may be, shall, within thirty days of determination, provide a complete statement thereof to the other and within thirty days thereafter the parties hereto shall make a final adjustment as of 11:59pm on the day immediately prior to the Closing Date for the item in question. Notwithstanding anything to the contrary contained in this Agreement, all claims for re adjustments must be made on or before that date which is twelve (12) months after the Closing Date.
- (d) Adjustments will form an adjustment to the amount of the Other Liabilities.

2.8 **Allocation of Purchase Price**

Seller and Purchaser agree to allocate the Purchase Price among the Phase 2 Retail Component and the Phase 2 Residential Component in accordance with Schedule 2.7.

2.9 **ETA Election**

Purchaser and Seller shall, on the Closing Date, elect jointly under subsection 167(1) of the ETA, and under any similar provision of any applicable provincial legislation, in the form prescribed for the purposes of that provision, in respect of the sale and transfer of the Purchased Assets hereunder, and Purchaser shall file such election with Canada Revenue Agency, and provide Seller with proof of receipt by Canada Revenue Agency (and by the provincial taxing authority, where applicable) of the receipt of such election.

2.10 **Transfer Taxes**

Other than the Legal Fees, the Seller and the Purchaser shall each be responsible for the costs of their own solicitors, respectively, in respect of the purchase and sale of the Purchased Assets. Purchaser shall be liable for and shall pay all federal and provincial sales taxes (including any retail sales taxes), land transfer taxes and all other taxes, duties, fees or other like charges of any jurisdiction properly payable in connection with the transfer of the Purchased Assets to Purchaser.

ARTICLE 3
CLOSING AND CLOSING CONDITIONS

3.1 **Transfer**

Subject to compliance with the terms and conditions hereof, the transfer of possession and assignment of the Purchased Assets shall be deemed to take effect as at the close of business on the Closing Date. The Closing shall take place at the Time of Closing at the offices of Davies Ward Phillips & Vineberg LLP, counsel for Seller, 40th Floor, 155 Wellington Street West Toronto, Ontario M5V 3J7 or at such other time as mutually chosen by the Seller and the Purchaser.

3.2 **Risk of Loss**

From the date hereof up to the Time of Closing, the Purchased Assets shall be and remain at the risk of Seller. If, prior to the Time of Closing, all or any part of the Purchased Assets are destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by governmental or other lawful authority, unless Purchaser terminates its obligations under this Agreement as contemplated by Section 3.6, Purchaser shall complete the purchase without reduction of the Purchase Price, in which event all proceeds of insurance or compensation for expropriation or seizure shall be paid to Purchaser at the Time of Closing and all right and claim of Seller to any such amounts not paid by the Closing Date shall be assigned at the Time of Closing to Purchaser.

3.3 Closing Deliveries by Seller

At the Closing, Seller shall deliver or cause to be delivered to Purchaser:

- (a) customary deeds, assignments, bills of sale and other conveyancing documents, to be settled between counsel for Seller and counsel for Purchaser, sufficient to transfer the various categories of Purchased Assets described in Section 2.1;
- (b) customary resolutions, consents, transfers and other documents, to be settled between counsel for Seller and counsel for Purchaser, sufficient to transfer the shares of the Nominee issued to UNKI to the Purchaser, or as it may direct, and to cause the resignation of any director or officer of the Nominee that is a representative of the Seller or UNKI;
- (c) Termination Agreements (in form and substance satisfactory to the Monitor) terminating the agreements set out in Schedule 3.4(b) effective as of the Closing Date;
- (d) the bring-down certificates in respect of Sections 3.6(b) and 3.6(c);
- (e) an assignment by the Seller to the Purchaser of UNKI's right, title and interest from and after Closing in the CAPREIT APS and CAPREIT Management Agreement in accordance with the terms of the CAPREIT APS and CAPREIT Management Agreement;
- (f) a receipt for the Closing Date Payment;
- (g) an assignment of UNKI's right, title and interest in the BNS Facility to Purchaser;
- (h) resignations of all of UNKI's representatives to the Management Committee of the Kingsclub Development;
- (i) a copy of the issued and entered Sale Approval and Vesting Order, together with the Closing Certificate, as referenced therein; and
- (j) any other documents required pursuant to this Agreement.

3.4 Closing Deliveries by Purchaser

At the Closing, Purchaser shall deliver to Seller:

- (a) Releases of UNKI (in form and substance satisfactory to the Monitor) of all liabilities pursuant to the Assumed Liabilities;
- (b) Termination Agreements (in form and substance satisfactory to the Monitor) terminating the agreements set out in Schedule 3.4(b) effective as of the Closing Date;
- (c) the bring-down certificates in respect of Sections 3.7(a) and (b);

- (d) an assumption by the Purchaser of UNKI's liabilities and obligations from and after closing under the CAPREIT APS and CAPREIT Management Agreement in accordance with the terms of the CAPREIT APS and CAPREIT Management Agreement;
- (e) such of the documents referred to in Section 3.3(a) as a purchaser would customarily execute;
- (f) the Closing Date Payment by wire transfer in immediately available funds, to an account or accounts designated at least two Business Days prior to the Closing Date by Seller in a written notice to Purchaser;
- (g) an instrument of assumption of the Assumed Liabilities from and after Closing; and
- (h) any other documents required pursuant to this Agreement.

3.5 Further Assurances

Each party to this Agreement covenants and agrees that it will at all times after the Closing Date, at the expense of the requesting party, promptly execute and deliver all such documents, including, without limitation, all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

3.6 Conditions of Closing in Favour of Purchaser

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of Purchaser, to be performed or fulfilled at or prior to the Time of Closing:

- (a) Sale Approval and Vesting Order. The Seller shall have obtained the Sale Approval and Vesting Order, and the operation and effect of such order shall not have been stayed, amended, modified, vacated, reversed, dismissed or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired) at the Time of Closing;
- (b) Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall be true and correct (i) at the Time of Closing as if made at such time (unless they are expressed to be made only as of an earlier fixed date, in which case they need be true and correct only as of such earlier date) and (ii) also at the date hereof, in all material respects if the particular representation and warranty is not by its terms so qualified and in all respects if by its terms it is so qualified;

- (c) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by Seller at or before the Time of Closing shall have been complied with or performed in all material respects;
- (d) No Action or Proceeding. No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Agency or third party to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby;
- (e) Injunctions. There shall be in effect no injunction against Closing entered by a court of competent jurisdiction;
- (f) CAPREIT APS. All consents and approvals required, if any, from CAPREIT pursuant to the CAPREIT APS have been obtained;
- (g) BNS Facility. All consents and approvals required with respect to the assumption of the BNS Facility have been obtained; and
- (h) No Material Damage. No material damage by fire or other hazard, or appropriation, expropriation or seizure by governmental or other lawful authority, to the Purchased Assets shall have occurred from the date hereof to the Time of Closing. For the purposes hereof, "material damages" means any event which has damaged or caused the loss of assets with a replacement value of \$20,000,000 or more

If any of the conditions contained in this Section 3.6 shall not be performed or fulfilled at or prior to the Time of Closing to the satisfaction of Purchaser, acting reasonably, or otherwise waived by the Purchaser, Purchaser may, by notice to Seller, terminate this Agreement and the obligations of Seller and Purchaser under this Agreement shall be terminated. Termination is without prejudice to any rights of the Purchaser against the Seller due to the Seller's deliberate breach, fraud, gross negligence or wilful misconduct. Any such condition may be waived in whole or in part by Purchaser.

3.7 Conditions of Closing in Favour of Seller

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of Seller, to be performed or fulfilled at or prior to the Time of Closing:

- (a) Representations and Warranties. The representations and warranties of Purchaser contained in this Agreement shall be true and correct (i) at the Time of Closing as if made at such time (unless they are expressed to be made only as of an earlier fixed date, in which case they need be true and correct only as of such earlier date) and (ii) also at the date hereof, in all material respects if the particular representation and warranty is not by its terms so qualified and in all respects if by its terms it is so qualified;
- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by Purchaser at or before the Time of Closing shall have been complied with or performed in all material respects;

- (c) No Action or Proceeding. No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Agency or third party to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby;
- (d) Injunctions. There shall be in effect no injunction against Closing entered by a court of competent jurisdiction; and
- (e) Sale Approval and Vesting Order. The Seller shall have obtained the Sale Approval and Vesting Order, and the operation and effect of such order shall not have been stayed, amended, modified, vacated, reversed, dismissed or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired) at the Time of Closing.

If any of the conditions contained in this Section 3.7 shall not be performed or fulfilled at or prior to the Time of Closing to the satisfaction of Seller, acting reasonably, Seller may, by notice to Purchaser, terminate this Agreement and the obligations of Seller and Purchaser under this Agreement shall be terminated. Termination is without prejudice to any rights of the Seller against the Purchaser due to the Purchaser's deliberate breach, fraud, gross negligence or wilful misconduct. Any such condition may be waived in whole or in part by Seller.

3.8 CAPREIT APS

- (a) Notwithstanding that a Vendor Financing Enforcement (as defined in the CAPREIT APS) has not occurred, the Purchaser hereby gives notice to the Seller that it intends to:
 - (i) advise CAPREIT of its intent to acquire the Purchased Assets from the Seller on the terms and conditions of this Agreement;
 - (ii) deliver notice of the purchase and sale transaction contemplated by this Agreement to CAPREIT on or prior to thirty (30) days following the date of this Agreement; and
 - (iii) offer to sell to CAPREIT one-half of that portion of the Purchased Assets which excludes the Phase 2 Retail Component (the “**Residential Purchased Assets**”) on terms and conditions similar to those set out in section 5.3 of the CAPREIT APS and applicable to a Vendor Enforcement Financing.
- (b) If CAPREIT elects to purchase one-half of the Residential Purchased Assets, the Purchaser will have the right at the Time of Closing to direct Seller to transfer one-half of the Residential Purchased Assets to CAPREIT or otherwise structure the sale to CAPREIT in a land transfer tax efficient manner.
- (c) The Seller acknowledges and agrees that as a result of this Agreement, certain terms and conditions of the CAPREIT APS may require amendment (regardless of whether CAPREIT elects to purchase one-half of the Residential Purchased Assets) and the Purchaser shall be permitted to negotiate amendments to the CAPREIT

APS without the consent of the Seller or UNKI and Seller shall execute all such amendments provided that such amendments are consistent with the provisions of this Agreement and do not materially adversely impact the Seller or UNKI.

3.9 Termination Date

- (a) This Agreement may also be terminated at any time prior to the Closing Date by either the Purchaser or the Seller if the Closing has not occurred on or before 5:00 p.m. (Toronto time) on the Termination Date, except that the right to terminate this Agreement under this Section shall not be available to any party whose failure to fulfill any of its obligations has been the cause of, or resulted in, the failure of the Closing to occur by such time on such date.
- (b) If this Agreement is terminated pursuant this Section 3.9, then there shall be no further obligations hereunder on the part of the Purchaser or the Seller but such termination shall be without prejudice to any rights due to a party's deliberate breach, fraud, gross negligence or willful misconduct.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants to Purchaser as follows and acknowledges that Purchaser is relying on such representations and warranties in connection with its purchase of the Purchased Assets:

4.1 Authorization

This Agreement has been duly authorized, executed and delivered by Seller and, subject to the Sale Approval and Vesting Order, is a legal, valid and binding obligation of Seller, enforceable against Seller by Purchaser in accordance with its terms, except as enforcement may be limited by the Court.

4.2 Residency

Seller is not a non-resident of Canada for the purposes of the Tax Act.

4.3 HST Registration

UNKI is a registrant for purposes of the ETA whose registration number is 83550 9357 RT0001.

The representations, warranties, and certifications of the Seller and UNKI contained in this Article 4 and elsewhere in this Agreement or contained in any Closing Documents shall not merge on Closing and shall survive for a period of twelve (12) months after Closing.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows and acknowledges and confirms that Seller is relying on such representations and warranties in connection with its sale of the Purchased Assets:

5.1 Organization

Purchaser is validly existing under the laws of the Province of Ontario and has the corporate power to enter into this Agreement and to perform its obligations hereunder.

5.2 Authorization

This Agreement has been duly authorized, executed and delivered by Purchaser and is a legal, valid and binding obligation of Purchaser, enforceable against Purchaser by Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5.3 No Violation

The execution and delivery of this Agreement by Purchaser and the consummation of the transactions herein provided for will not result in the violation of, or constitute a default under, or conflict with or cause the acceleration of any obligation of Purchaser under: (a) any contract to which Purchaser is a party or by which it is bound; (b) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of Purchaser; (c) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over Purchaser; or (d) any applicable law, statute, ordinance, regulation or rule.

5.4 Consents and Approvals

There is no requirement for Purchaser to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any government or regulatory authority as a condition to the lawful consummation of the transactions contemplated by this Agreement, other than as may be required by the CAPREIT APS or the BNS Facility.

5.5 Financial Resources

Purchaser has the financial means to complete the transactions that form the subject matter hereof without resort to any external sources of financing not committed at the date hereof.

5.6 HST Registration

Purchaser will be a registrant for purposes of the ETA by the Time of Closing and will provide the Seller with its registration number.

The representations, warranties, and certifications of the Purchaser contained in this Article 5 and elsewhere in this Agreement or contained in any Closing Documents shall not merge on Closing and shall survive for a period of twelve (12) months after Closing.

ARTICLE 6 AS IS, WHERE IS SALE

6.1 “As is, Where is”

Unless otherwise specifically stated herein, Purchaser acknowledges that Seller is selling the Purchased Assets on an “as is, where is” basis as they shall exist on the Closing Date and that, as of the date of this Agreement, Purchaser has completed all of its due diligence in respect of the transaction contemplated by this Agreement and has satisfied itself in all respects as to the Purchased Assets. Any information provided by Seller to the Purchaser describing the Purchased Assets has been prepared solely for the convenience of prospective purchasers and is not warranted to be complete, accurate or correct. Unless specifically stated herein, no representation, warranty or condition, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise is being given in this Agreement or in any instrument furnished in connection with this Agreement as to title, outstanding liens, encumbrances, description, merchantability, value, suitability or marketability thereof or in respect of any other matter or thing whatsoever including, without limitation, the respective rights, titles and interests of the Seller or UNKI, if any, therein. The Purchaser shall be deemed to have relied entirely on its own inspection and investigation in proceeding with the transactions contemplated hereunder.

ARTICLE 7 INTERIM FUNDING OF CO-OWNER CONTRIBUTIONS

7.1 Co-Owner Contributions

The parties acknowledge that UNKI may be liable for additional co-owner contributions pursuant to the Co-Owners Agreement between the date hereof and the Closing Date (the “**Interim Co-Owner Contributions**”). The Purchaser covenants and agrees to fund all of UNKI’s Interim Co-Owner Contributions in accordance with Section 9.2(d) of the Co-Owners Agreement until the earlier of the Closing Date or the termination of this Agreement provided that such Interim Co-owner Contributions shall form part of the Other Liabilities, and correspondingly result in an adjustment to the Purchase Price and satisfaction thereof in accordance with Article 2 of this Agreement.

7.2 Consent to Funding of Interim Co-Owner Contributions

Seller acknowledges that UNKI is not capable of funding the Interim Co-Owners Contributions and agrees that the Purchaser may fund such contributions on behalf of UNKI without issuing the notices or demands contemplated by the Co-Owners Agreement.

**ARTICLE 8
OPERATIONS UNTIL CLOSING**

8.1 Actions Before Closing

From the date hereof until Closing the Purchaser shall be entitled to continue to develop, construct, lease and operate the Phase 2 Retail Component and the Phase 2 Residential Component and take all actions that are required, as determined by the Purchaser, in connection with the development, construction, leasing and operation of the Phase 2 Retail Component and the Phase 2 Residential Component (including without limitation the execution of all contracts, agreements, leases and other documents) provided that all such actions shall be consistent with the CAPREIT APS, the BNS Facility and the Co-Owners Agreement.

**ARTICLE 9
MISCELLANEOUS**

9.1 Notices

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by email or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

(i) if to Seller:

KSV Kofman Inc.
150 King Street West
Suite 2308, Box 42
Toronto, Ontario, M5H 1J9

Attention: Bobby Kofman and Noah Goldstein
Email: bkofman@ksvadvisory.com
 ngoldstein@ksvadvisory.com

with a copy to:

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

Attention: Robin B. Schwill
Email.: rschwill@dwpv.com

(ii) if to Purchaser:

First Capital Realty Inc.
85 Hanna Avenue
Suite 400
Toronto, Ontario M5K 3S3

Attention: Alison Harnick
Email: Alison.Harnick@fcr.ca

with a copy to:

Torys LLP
79 Wellington St. W.
30th Floor, Box 270
TD South Tower
Toronto, Ontario M5K 1N2

Attention: Scott Bomhof
Email: sbomhof@torys.com

(b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 9.1.

9.2 Enurement and Assignment

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and, where the context so permits, their respective successors and permitted assigns. Purchaser may assign its rights under this Agreement in whole or in part to any affiliate of Purchaser or, in part, to CAPREIT in the event that CAPREIT elects to purchase one-half of the Purchased Assets in accordance with Section 3.8; provided, however, that any such assignment shall not relieve Purchaser from any of its obligations hereunder. Otherwise, neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party.

9.3 Amendment and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented by such party in a writing specifically referencing the provision waived.

9.4 Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first above written.

**KSV KOFMAN INC.,
in its sole capacity as the court-appointed
monitor of Urbancorp Cumberland 1 LP,
Urbancorp Cumberland 1 GP Inc. and
certain related entities, and not in its
personal capacity**

by

Name:

ROBERT KOFMAN

Title:

PRESIDENT

**KING LIBERTY NORTH
CORPORATION**

by

Name: _____

Title:

9.3 Amendment and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented by such party in a writing specifically referencing the provision waived.

9.4 Counterparts

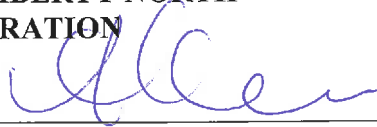
This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first above written.

**KSV KOFMAN INC.,
in its sole capacity as the court-appointed
monitor of Urbancorp Cumberland 1 LP,
Urbancorp Cumberland 1 GP Inc. and
certain related entities, and not in its
personal capacity**

by _____
Name:
Title:

**KING LIBERTY NORTH
CORPORATION**

by  _____
Name: **Alison Harnick**
Title: **Vice President**

Schedule A
Phase II Lands Legal Description

Firstly

PART BLOCK 6 PLAN ORDNANCE RESERVE, PART 1 PLAN 66R28982; TOGETHER WITH AN EASEMENT OVER PART 2, PLAN 66R28982 AS IN CT712270; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 2, 3 & 4, 66R29101 AS IN AT4816071; SUBJECT TO AN EASEMENT AS IN AT4879916; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 4, 9 & 10, PLAN 66R30524 AS IN AT5064146; CITY OF TORONTO

Being the whole of PIN 21298-0518 (LT)

Secondly

PART OF BLOCK 6, PLAN ORDNANCE RESERVE, DESIGNATED AS PART 1 ON PLAN 66R22678. T/W AN EASEMENT OVER PART BLOCK 6, PLAN ORDNANCE RESERVE, DES. AS PART 4, PLAN 66R22678 FOR THE PURPOSE AS SET OUT IN AT702144; T/W A R.O.W. OVER PART BLOCK 6, PLAN ORDNANCE RESERVE, PART 3 ON PLAN 66R22678 FOR INGRESS AND EGRESS OF PEDESTRIANS AND MOTOR VEHICLES UNTIL SUCH TIME AS THE SAID PART 3, PL 66R22678 IS DEDICATED AS A PUBLIC ROADWAY AS DESCRIBED IN AT1276608; TOGETHER WITH AN EASEMENT OVER PART BLOCK 6, PLAN ORDNANCE RESERVE, DESIGNATED AS PART 3 ON PLAN 66R-21448 UNTIL SAME IS DEDICATED AS A PUBLIC HIGHWAY AS IN AT3511747; SUBJECT TO AN EASEMENT AS IN AT3681281 EASEMENT AT3681281 PARTIALLY RELEASED IN AT4843923; SUBJECT TO AN EASEMENT IN GROSS OVER PART OF BLOCK 6, PLAN ORDNANCE RESERVE, PART 1, 66R-29893 AS IN AT4843917; SUBJECT TO AN EASEMENT AS IN AT4879916; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1, 2, 3, 5, 6, 7 & 8 PLAN 66R30524 AS IN AT5064146; CITY OF TORONTO

Being the whole of PIN 21298-0366 (LT)

Schedule 1.1
Sale Approval and Vesting Order

See attached.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) **■ DAY, THE ■ DAY**
REGIONAL SENIOR JUSTICE) **OF ■, 2019**
MORAWETZ)

**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**

**APPROVAL AND VESTING ORDER
(UNKI Interest in KingsClub)**

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an order, among other things, authorizing KSV Kofman Inc., in its capacity as Monitor (the "**Monitor**") of the Applicants and the affiliated entities listed on Schedule "A" hereto (collectively, the "**CCAA Entities**", and each individually a "**CCAA Entity**"), to enter into and effect sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Monitor, for and on behalf of Urbancorp Cumberland 1 LP, Urbancorp Cumberland 1 GP Inc. and Urbancorp New Kings Inc. ("UNKI"), as vendor, and King Liberty North Corporation ("**KLNC**") as purchaser dated ■, 2019 (each a "**Sale Agreement**") in a form substantially similar to that appended to the ■ Report of the

Monitor (the “**Report**”), and vesting in the purchaser (the “**Purchaser**”) the Purchased Assets (as such term is defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants and the Report and on hearing the submissions of respective counsel for the Monitor, the CCAA Entities and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service, filed:

1. **THIS COURT ORDERS AND DECLARES** that the execution of any Sale Agreement by the Monitor is hereby authorized and approved, with such minor amendments as the Monitor may deem necessary. The Monitor 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 any Transaction and for the conveyance of the particular Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor’s certificate to the Purchaser substantially in the form attached as Schedule “**E**” hereto (the “**Monitor’s Certificate**”), the Purchased Assets, including UNKI’s beneficial interest in the real property identified in Schedule “**B**” hereto (the “**Real Property**”), shall vest absolutely in the Purchaser described and confirmed in the Monitor’s Certificate, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by any Order made in these proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed in Schedule “**C**” hereto pertaining to the relevant particular Purchased Assets (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed in Schedule “**D**” hereto pertaining to the relevant particular Purchased Assets (the “**Permitted Encumbrances**”)) and, for greater certainty, this Court orders that all of

the Encumbrances (other than the Permitted Encumbrances) affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in The Land Registry Office for the Land Titles Division of Toronto (No. 66) (“**LRO**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario), together with the Monitor’s Certificate, the LRO is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto pertaining to the Real Property.

4. **THIS COURT ORDERS** that all Claims and Encumbrances shall be and are hereby released and expunged and shall not attach to the proceeds of the sale of the Purchased Assets.

5. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the CCAA Entities and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the CCAA Entities;

the vesting of any Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the CCAA Entities and shall not be void or voidable by creditors of any of the CCAA Entities, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to

assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

Schedule "A"

LIST OF NON APPLICANT AFFILIATES

Urbancorp Power Holdings Inc.

Vestaco Homes Inc.

Vestaco Investments Inc.

228 Queen's Quay West Limited

Urbancorp Cumberland 1 LP

Urbancorp Cumberland 1 GP Inc.

Urbancorp Partner (King South) Inc.

Urbancorp (North Side) Inc.

Urbancorp Residential Inc.

Urbancorp Realtyco Inc.

Schedule "B" – Real Property

Firstly

PART BLOCK 6 PLAN ORDNANCE RESERVE, PART 1 PLAN 66R28982; TOGETHER WITH AN EASEMENT OVER PART 2, PLAN 66R28982 AS IN CT712270; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 2, 3 & 4, 66R29101 AS IN AT4816071; SUBJECT TO AN EASEMENT AS IN AT4879916; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 4, 9 & 10, PLAN 66R30524 AS IN AT5064146; CITY OF TORONTO

Being the whole of PIN 21298–0518 (LT)

Secondly

PART OF BLOCK 6, PLAN ORDNANCE RESERVE, DESIGNATED AS PART 1 ON PLAN 66R22678. T/W AN EASEMENT OVER PART BLOCK 6, PLAN ORDNANCE RESERVE, DES. AS PART 4, PLAN 66R22678 FOR THE PURPOSE AS SET OUT IN AT702144; T/W A R.O.W. OVER PART BLOCK 6, PLAN ORDNANCE RESERVE, PART 3 ON PLAN 66R22678 FOR INGRESS AND EGRESS OF PEDESTRIANS AND MOTOR VEHICLES UNTIL SUCH TIME AS THE SAID PART 3, PL 66R22678 IS DEDICATED AS A PUBLIC ROADWAY AS DESCRIBED IN AT1276608; TOGETHER WITH AN EASEMENT OVER PART BLOCK 6, PLAN ORDNANCE RESERVE, DESIGNATED AS PART 3 ON PLAN 66R-21448 UNTIL SAME IS DEDICATED AS A PUBLIC HIGHWAY AS IN AT3511747; SUBJECT TO AN EASEMENT AS IN AT3681281 EASEMENT AT3681281 PARTIALLY RELEASED IN AT4843923; SUBJECT TO AN EASEMENT IN GROSS OVER PART OF BLOCK 6, PLAN ORDNANCE RESERVE, PART 1, 66R-29893 AS IN AT4843917; SUBJECT TO AN EASEMENT AS IN AT4879916; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1, 2, 3, 5, 6, 7 & 8 PLAN 66R30524 AS IN AT5064146; CITY OF TORONTO

Being the whole of PIN 21298–0366 (LT)

Schedule "C" – Encumbrances to be Expunged

PIN 21298-0518(LT)

1. Instrument No. AT2559561 registered November 24, 2010 is a Charge from Urbancorp New Kings Inc. in favour of King Liberty North Corporation in the original principal amount of \$2,651,204
2. Instrument No. AT2559562 registered November 24, 2010 is a Charge from Urbancorp New Kings Inc. in favour of King Liberty North Corporation in the original principal amount of \$75,000,000
3. Instrument No. AT2559563 registered November 24, 2010 is a Charge from King Liberty North Corporation in favour of Urbancorp New Kings Inc. in the original principal amount of \$75,000,000
4. Instrument No. AT2559564 registered November 24, 2010 is a Restriction-Land from King Liberty North Corporation re No Sale or Charge by King Liberty North Corporation of its 50% interest without consent of Urban New Kings Inc.
5. Instrument No. AT2559565 registered November 24, 2010 is a Restriction-Land from Urbancorp New Kings Inc. re No Sale or Charge by Urban New Kings Inc. of its 50% interest without consent of King Liberty North Corporation
6. Instrument No. AT2994551 registered April 19, 2012 from King Liberty North Corporation to First Capital Realty Inc. is a Postponement of Charge No. AT2559561 to Charge No. AT2994250
7. Instrument No. AT2994552 registered April 19, 2012 from King Liberty North Corporation to First Capital Realty Inc. is a Postponement of Charge No. AT2559562 to Charge No. AT2994250
8. Instrument No. AT2994553 registered April 19, 2012 from Urbancorp New Kings Inc. to First Capital Realty Inc. is a Postponement of Charge No. AT2559563 to Charge No. AT2994250
9. Instrument No. AT3511865 registered January 31, 2014 from Urbancorp New Kings Inc. to City of Toronto is a Postponement of Instrument No. AT2559563 to Instrument No. AT3511864
10. Instrument No. AT3511867 registered January 1, 2014 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2559562 to Instrument No. AT3511864
11. Instrument No. AT3511868 registered January 1, 2014 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2559561 to Instrument No. AT3511864

12. Instrument No. AT3977675 registered August 14, 2015 from King Liberty North Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2559561 to Instrument No. AT3977593
13. Instrument No. AT3977677 registered August 14, 2015 from King Liberty North Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2559562 to Instrument No. AT3977593
14. Instrument No. AT3977678 registered August 14, 2015 from Urbancorp New Kings Inc. to The Bank of Nova Scotia is a Postponement of Instrument No. AT2559563 to Instrument No. AT3977593
15. Instrument No. AT3977679 registered August 14, 2015 from Urbancorp New Kings Inc. to The Bank of Nova Scotia is a Postponement of Instrument No. HR2559564 to Instrument No. AT3977593
16. Instrument No. AT3977680 registered August 14, 2015 from King Liberty North Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2559565 to Instrument No. AT3977593
17. Instrument No. AT4433578 registered December 14, 2015 is a Notice between Kingsclub Development Inc. and King Liberty North Corporation relating to Instrument No. AT2559562
18. Instrument No. AT4752800 registered December 6, 2017 is a Notice between Kingsclub Development Inc. and King Liberty North Corporation relating to Instrument Nos. AT2559562 and AT4433578
19. Instrument No. AT4816072 registered March 6, 2018 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2559561 to Instrument No. AT4816071
20. Instrument No. AT4816073 registered March 6, 2018 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument Nos. AT2559562 and AT4433578 to Instrument No. AT4816071
21. Instrument No. AT4816074 registered March 6, 2018 from Urbancorp New Kings Inc. to City of Toronto is a Postponement of Instrument No. AT2559563 to Instrument No. AT4816071
22. Instrument No. AT5064147 registered January 28, 2019 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2559561 to Instrument No. AT5064146
23. Instrument No. AT5064148 registered January 28, 2019 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2559562 to Instrument No. AT5064146

24. Instrument No. AT5064149 registered January 28, 2019 from Urbancorp New Kings Inc. to City of Toronto is a Postponement of Instrument No. AT2559563 to Instrument No. AT5064146

PIN 21298-0366(LT)

25. Instrument No. AT2199344 registered October 8, 2009 is a Charge from Urbancorp New Kings Inc. in favour of King Liberty North Corporation in the original principal amount of \$75,000,000.
26. Instrument No. AT2199345 registered October 8, 2009 is a Charge from King Liberty North Corporation in favour of Urbancorp New Kings Inc. in the original principal amount of \$75,000,000
27. Instrument No. AT2199346 registered October 8, 2009 is a Restriction-Land from King Liberty North Corporation
28. Instrument No. AT2199347 registered October 8, 2009 is a Restriction-Land from Urbancorp New Kings Inc.
29. Instrument No. AT2559561 registered November 24, 2010 is a Charge from Urbancorp New Kings Inc. in favour of King Liberty North Corporation in the original principal amount of \$2,651,204
30. Instrument No. AT2559620 registered November 24, 2010 from King Liberty North Corporation to King Liberty North Corporation is a Postponement of Charge No. AT2199344 to Charge No. AT2559561
31. Instrument No. AT2994547 registered April 19, 2012 from King Liberty North Corporation to First Capital Realty Inc. is a Postponement of Charge No. AT2199344 to Charge No. AT2994250
32. Instrument No. AT2994548 registered April 19, 2012 from Urbancorp New Kings Inc. to First Capital Realty Inc. is a Postponement of Charge No. AT2199345 to Charge No. AT2994250
33. Instrument No. AT2994551 registered April 19, 2012 from King Liberty North Corporation to First Capital Realty Inc. is a Postponement of Charge No. AT2559561 to Charge No. AT2994250
34. Instrument No. AT3189999 registered December 4, 2012 from King Liberty North Corporation to Aviva Insurance Company of Canada is a Postponement of Instrument No. AT2199344 to Instrument No. AT3189975
35. Instrument No. AT3511866 registered January 1, 2014 from Urbancorp New Kings Inc. to City of Toronto is a Postponement of Instrument No. AT2199345 to Instrument No. AT3511864

36. Instrument No. AT3511868 registered January 1, 2014 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2559561 to Instrument No. AT2559561
37. Instrument No. AT3511869 registered January 1, 2014 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2199344 to Instrument No AT3511864
38. Instrument No. AT3681283 registered September 5, 2014 from King Liberty North Corporation to Enbridge Gas Distribution Inc. is a Postponement of Instrument No. AT2559561 to Instrument No. AT3681281
39. Instrument No. AT3681285 registered September 5, 2014 from Aviva Insurance Company of Canada to Enbridge Gas Distribution Inc. is a Postponement of Instrument No. AT3189975 to Instrument No. AT3681281
40. Instrument No. AT3681286 registered September 5, 2014 from King Liberty North Corporation to Enbridge Gas Distribution Inc. is a Postponement of Instrument No. AT2199344 to Instrument No. AT3681281
41. Instrument No. AT3681287 registered September 5, 2014 from Urbancorp New Kings Inc. to Enbridge Gas Distribution Inc. is a Postponement of Instrument No. AT2199345 to Instrument No. AT3681281
42. Instrument No. AT3977671 registered August 14, 2015 from King Liberty North Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2199344 to Instrument No. AT3977593
43. Instrument No. AT3977672 registered August 14, 2015 from Urbancorp New Kings Inc. to the Bank of Nova Scotia is a Postponement of Instrument No. AT2199345 to Instrument No. AT3977593
44. Instrument No. AT3977673 registered August 14, 2015 from Urbancorp New Kings Inc. to the Bank of Nova Scotia is a Postponement of Instrument No. AT2199346 to Instrument No. AT3977593
45. Instrument No. AT3977674 registered August 14, 2015 from King Liberty North Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2199347 to Instrument No. AT3977593
46. Instrument No. AT3977675 registered August 14, 2015 from King Liberty North Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2559561 to Instrument No. AT3977593
47. Instrument No. AT4433577 registered December 14, 2015 is a Notice between Kingsclub Development Inc. and King Liberty North Corporation relating to Instrument No. AT2199344

48. Instrument No. AT4752799 registered December 6, 2017 is a Notice between Kingsclub Development Inc. and King Liberty North Corporation relating to Instrument No. AT2199344
49. Instrument No. AT4843918 registered April 17, 2018 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2199344 to Instrument Nos. AT484391 and AT4433577
50. Instrument No. AT4843919 registered April 17, 2018 from Urbancorp New Kings Inc. to City of Toronto is a Postponement of Instrument No. AT2199345 to Instrument No. AT4843917
51. Instrument No. AT4843920 registered April 17, 2018 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2559561 to Instrument No. AT4843917
52. Instrument No. AT5064147 registered January 28, 2019 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2559561 to AT5064146
53. Instrument No. AT5064152 registered January 28, 2019 from King Liberty North Corporation to City of Toronto is a Postponement of Instrument No. AT2199344 to Instrument No. AT5064146
54. Instrument No. AT5064153 registered January 28, 2019 from Urban New Kings Inc. to City of Toronto is a Postponement of Instrument No. AT2199345 to Instrument No. AT5064146

Schedule "D" – Permitted Encumbrances

PIN 21298-0518(LT)

1. Instrument No. CA414709 registered July 8, 1996 is a Court Order
2. Instrument No. AT1173594 registered June 21, 2006 is a Notice between High Res. Inc., King Towns Inc., King West Village Sales Limited, Newtowns at Kingtowns Inc. and Canadian Pacific Railway Company and The City of Toronto
3. Instrument No. AT2994250 registered April 19, 2012 is a Charge from Kingsclub Development Inc. in favour of First Capital Realty Inc. in the original principal amount of \$30,000,000
4. Instrument No. AT3511864 registered January 31, 2014 is a Notice from City of Toronto to Kingsclub Development Inc.
5. Instrument No. AT3511872 registered January 1, 2014 from First Capital Realty Inc. to City of Toronto is a Postponement of Instrument No. AT2994250 to Instrument No. AT3511864
6. Instrument No. AT3583583 registered May 16, 2014 is a Notice from Kingsclub Development Inc. to First Capital Realty Inc. relating to Instrument No. AT2994250
7. Instrument No. AT3745680 registered November 20, 2014 is a Transfer of Charge from First Capital Realty Inc. to First Capital (S.C.) Corporation relating to Instrument No. AT2994250
8. Instrument No. AT3745681 registered November 20, 2014 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
9. Instrument No. AT3781526 registered January 7, 2015 is a Notice Amending Charge No. AT2994250 between Kingsclub Development Inc. and First Capital (S.C.) Corporation
10. Instrument No. AT3934386 registered July 2, 2015 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
11. Instrument No. AT3974036 registered August 11, 2015 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
12. Instrument No. AT3977593 registered August 14, 2015 is a Charge from Kingsclub Development Inc. in favour of The Bank of Nova Scotia in the principal amount of \$300,000,000

13. Instrument No. AT3977594 registered August 14, 2015 is a Notice of Assignment of Rents from Kingsclub Development Inc. in favour of The Bank of Nova Scotia relating the Charge No. AT3977593
14. Instrument No. AT3977676 registered August 14, 2015 from First Capital (S.C.) Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2994250 to Instrument No. AT3977593
15. Instrument No. AT4569744 registered May 16, 2017 is a Notice of Lease in favour of Longo Brothers Fruit Markets Inc.
16. Instrument No. AT4594459 registered June 12, 2017 is a Notice of Lease in favour of Canadian Tire Real Estate Limited
17. Instrument No. AT4636911 registered July 26, 2017 is a Certificate between Her Majesty the Queen in Right of Ontario as represented by the Minister of the Environment and Climate Change whereby Kingsclub Development Inc. and any other person having an interest in the property are required, before dealing with the property in any way, to give a copy of the Certificate of Property Use No.4124-ADAL59, including any amendments thereto, to every person who will acquire an interest in the property.
18. Instrument No. AT4815948 registered March 6, 2018 is a Notice from City of Toronto
19. Instrument No. AT4816071 registered March 6, 2018 is a Transfer of Easement from Kingsclub Development Inc. to City of Toronto
20. Instrument No. AT4816075 registered March 6, 2018 from First Capital (S.C.) Corporation to City of Toronto is a Postponement of Instrument Nos. AT2994250 and AT3745680 to Instrument No. AT4816071 re Parts 2, 3 & 4, Plan 66R-29101
21. Instrument No. AT4816076 registered March 6, 2018 from The Bank of Nova Scotia to City of Toronto is a Postponement of Instrument Nos. AT3977593 and AT3977594 to Instrument No. AT4816071 re Parts 2, 3 & 4, Plan 66R-29101
22. Instrument No. AT4879916 registered June 5, 2018 is a Transfer of Easement from Kingsclub Development Inc. to Rogers Communications Inc.
23. Instrument No. AT5007206 registered November 15, 2018 being a Notice of Site Plan Amendment re AT4815948 in favour of the City of Toronto
24. Instrument No. AT5064146 registered January 28, 2019 is a Transfer of Easement from Kingsclub Development Inc. to City of Toronto
25. Instrument No. AT5064150 registered January 28, 2019 from First Capital (S.C.) Corporation to City of Toronto is a Postponement of Instrument Nos. AT2994250 and AT3745680 to Instrument No. AT5064146

26. Instrument No. AT5064151 registered January 28, 2019 from The Bank of Nova Scotia to City of Toronto is a Postponement of Instrument No. AT3977593 to Instrument No. AT5064146
27. Instrument No. AT5064154 registered January 28, 2019 from Rogers Communication Inc. to City of Toronto is a Postponement of Instrument No. AT4879916 to Instrument No. AT5064146
28. Instrument No. AT5127919 registered May 3, 2019 is a Notice of Lease from Kingsclub Development Inc. to Wework Canada GP ULC

PIN 21298-0366(LT)

29. Instrument No. CA414709 registered July 8, 1996 is an Court Order
30. Instrument No. AT1173594 registered June 21, 2006 is a Notice between High Res. Inc., King Towns Inc., King West Village Sales Limited, Newtowns at Kingtowns Inc. and Canadian Pacific Railway Company and The City of Toronto
31. Instrument No. AT2994250 registered April 19, 2012 is a Charge from Kingsclub Development Inc. in favour of First Capital Realty Inc. in the original principal amount of \$30,000,000
32. Instrument No. AT3511864 registered January 31, 2014 is a Notice from City of Toronto to Kingsclub Development Inc.
33. Instrument No. AT3511872 registered January 1, 2014 from First Capital Realty Inc. to City of Toronto is a Postponement of Instrument No. AT2994250 to Instrument No. AT3511864
34. Instrument No. AT3583583 registered May 16, 2014 is a Notice from Kingsclub Development Inc. to First Capital Realty Inc. relating to Instrument No. AT2994250
35. Instrument No. AT3681281 registered September 5, 2014 is a Transfer of Easement from Kingsclub Development Inc. to Enbridge Gas Distribution Inc.
36. Instrument No. AT3681284 registered September 5, 2014 from First Capital Realty Inc. to Enbridge Gas Distribution Gas Inc. is a Postponement of Instrument No. AT2994250 to Instrument No. AT3681281
37. Instrument No. AT3745680 registered November 20, 2014 is a Transfer of Charge from First Capital Realty Inc. to First Capital (S.C.) Corporation relating to Instrument No. AT2994250
38. Instrument No. AT3745681 registered November 20, 2014 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250

39. Instrument No. AT3781526 registered January 7, 2015 is a Notice Amending Charge No. AT2994250 between Kingsclub Development Inc. and First Capital (S.C.) Corporation
40. Instrument No. AT3934386 registered July 2, 2015 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
41. Instrument No. AT3974036 registered August 11, 2015 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
42. Instrument No. AT3977593 registered August 14, 2015 is a Charge from Kingsclub Development Inc. in favour of The Bank of Nova Scotia in the principal amount of \$300,000,000
43. Instrument No. AT3977594 registered August 14, 2015 is a Notice of Assignment of Rents from Kingsclub Development Inc. in favour of The Bank of Nova Scotia relating the Charge No. AT3977593
44. Instrument No. AT3977676 registered August 14, 2015 from First Capital (S.C.) Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2994250 to Instrument No. AT3977593
45. Instrument No. AT4569744 registered May 16, 2017 is a Notice of Lease in favour of Longo Brothers Fruit Markets Inc.
46. Instrument No. AT4594459 registered June 12, 2017 is a Notice of Lease in favour of Canadian Tire Real Estate Limited
47. Instrument No. AT4838236 registered April 9, 2018 is a Certificate between Her Majesty the Queen in Right of Ontario as represented by the Minister of the Environment and Climate Change whereby Kingsclub Development Inc. and any other person having an interest in the property are required, before dealing with the property in any way, to give a copy of the Certificate of Property Use No. 6272-AU3QVJ, including any amendments thereto, to every person who, subsequent to the registration of the said Instrument, acquires an interest in the property. re Certificate of Requirement as to Part 1, Plan 66R-27592
48. Instrument No. AT4843917 registered April 17, 2018 is a Transfer of Easement in favour of City of Toronto
49. Instrument No. AT4843921 registered April 17, 2018 First Capital (S.C.) Corporation to City of Toronto is a Postponement of Instrument Nos. AT2994250 and AT3745680 to Instrument Nos. AT4843917 and AT3583583 affecting part of the property
50. Instrument No. AT4843922 registered April 17, 2018 from The Bank of Nova Scotia to City of Toronto is a Postponement of Instrument No. AT3977593 to Instrument Nos. AT4843917 and AT3977594 affecting part of the property

51. Instrument No. AT4843923 registered April 17, 2018 is a Transfer Release and Abandonment between Enbridge Gas Distribution Inc. and Kingclub Development Inc. regarding AT3681281 – Part 1, Plan 66R-29893.
52. Instrument No. AT4879916 registered June 5, 2018 is a Transfer of Easement from Kingsclub Development Inc. to Rogers Communications Inc.
53. Instrument No. AT5064146 registered January 28, 2019 is a Transfer of Easement from Kingsclub Development Inc. to City of Toronto
54. Instrument No. AT5064150 registered January 28, 2019 from First Capital (S.C.) Corporation to City of Toronto is a Postponement of Instrument Nos. AT2994250 and AT3745680 to Instrument No. AT5064146
55. Instrument No. AT5064151 registered January 28, 2019 from The Bank of Nova Scotia to City of Toronto is a Postponement of Instrument No. AT3977593 to Instrument No. AT5064146
56. Instrument No. AT5064154 registered January 28, 2019 from Rogers Communication Inc. to City of Toronto is a Postponement of Instrument No. AT4879916 to Instrument No. AT5064146
57. Instrument No. AT5127919 registered May 3, 2019 is a Notice of Lease from Kingsclub Development Inc. to Wework Canada GP ULC

Schedule “E” – Form of Monitor’s Certificate

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Ontario Superior Court of Justice – Commercial List (the “**Court**”) dated May 18, 2016, KSV Kofman Inc. was appointed as the monitor (the “**Monitor**”) of the Applicants and the affiliated entities listed in Schedule “A” (the “**Debtor**”).

B. Pursuant to an Order of the Court dated ■, 2019, the Court approved the Monitor, for and on behalf of Urbancorp Cumberland 1 LP and Urbancorp Cumberland 1 GP Inc., entering into an agreement of purchase and sale (the “**Sale Agreement**”) between Monitor, for and on behalf of Urbancorp Cumberland 1 LP, Urbancorp Cumberland 1 GP Inc. and Urbancorp New Kings Inc., as vendor, and King Liberty North Corporation (“**KLNC**”) as purchaser (the “**Purchaser**”) dated ■, 2019 and provided for the vesting in the Purchaser of the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased

Assets; (iv) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and (v) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
0. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and
1. The Transaction has been completed to the satisfaction of the Monitor.
2. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

KSV KOFMAN INC., in its capacity as Monitor of the Urbancorp CCAA Entities, and not in its personal capacity

Per: _____

Name:

Title:

Schedule "A"

LIST OF NON APPLICANT AFFILIATES

Urbancorp Power Holdings Inc.

Vestaco Homes Inc.

Vestaco Investments Inc.

228 Queen's Quay West Limited

Urbancorp Cumberland 1 LP

Urbancorp Cumberland 1 GP Inc.

Urbancorp Partner (King South) Inc.

Urbancorp (North Side) Inc.

Urbancorp Residential Inc.

Urbancorp Realtyco Inc.

Schedule 2.4
Permitted Encumbrances

PIN 21298-0518(LT)

1. Instrument No. CA414709 registered July 8, 1996 is a Court Order
2. Instrument No. AT1173594 registered June 21, 2006 is a Notice between High Res. Inc., King Towns Inc., King West Village Sales Limited, Newtowns at Kingtowns Inc. and Canadian Pacific Railway Company and The City of Toronto
3. Instrument No. AT2994250 registered April 19, 2012 is a Charge from Kingsclub Development Inc. in favour of First Capital Realty Inc. in the original principal amount of \$30,000,000
4. Instrument No. AT3511864 registered January 31, 2014 is a Notice from City of Toronto to Kingsclub Development Inc.
5. Instrument No. AT3511872 registered January 1, 2014 from First Capital Realty Inc. to City of Toronto is a Postponement of Instrument No. AT2994250 to Instrument No. AT3511864
6. Instrument No. AT3583583 registered May 16, 2014 is a Notice from Kingsclub Development Inc. to First Capital Realty Inc. relating to Instrument No. AT2994250
7. Instrument No. AT3745680 registered November 20, 2014 is a Transfer of Charge from First Capital Realty Inc. to First Capital (S.C.) Corporation relating to Instrument No. AT2994250
8. Instrument No. AT3745681 registered November 20, 2014 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
9. Instrument No. AT3781526 registered January 7, 2015 is a Notice Amending Charge No. AT2994250 between Kingsclub Development Inc. and First Capital (S.C.) Corporation
10. Instrument No. AT3934386 registered July 2, 2015 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
11. Instrument No. AT3974036 registered August 11, 2015 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
12. Instrument No. AT3977593 registered August 14, 2015 is a Charge from Kingsclub Development Inc. in favour of The Bank of Nova Scotia in the principal amount of \$300,000,000

13. Instrument No. AT3977594 registered August 14, 2015 is a Notice of Assignment of Rents from Kingsclub Development Inc. in favour of The Bank of Nova Scotia relating the Charge No. AT3977593
14. Instrument No. AT3977676 registered August 14, 2015 from First Capital (S.C.) Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2994250 to Instrument No. AT3977593
15. Instrument No. AT4569744 registered May 16, 2017 is a Notice of Lease in favour of Longo Brothers Fruit Markets Inc.
16. Instrument No. AT4594459 registered June 12, 2017 is a Notice of Lease in favour of Canadian Tire Real Estate Limited
17. Instrument No. AT4636911 registered July 26, 2017 is a Certificate between Her Majesty the Queen in Right of Ontario as represented by the Minister of the Environment and Climate Change whereby Kingsclub Development Inc. and any other person having an interest in the property are required, before dealing with the property in any way, to give a copy of the Certificate of Property Use No.4124-ADAL59, including any amendments thereto, to every person who will acquire an interest in the property.
18. Instrument No. AT4815948 registered March 6, 2018 is a Notice from City of Toronto
19. Instrument No. AT4816071 registered March 6, 2018 is a Transfer of Easement from Kingsclub Development Inc. to City of Toronto
20. Instrument No. AT4816075 registered March 6, 2018 from First Capital (S.C.) Corporation to City of Toronto is a Postponement of Instrument Nos. AT2994250 and AT3745680 to Instrument No. AT4816071 re Parts 2, 3 & 4, Plan 66R-29101
21. Instrument No. AT4816076 registered March 6, 2018 from The Bank of Nova Scotia to City of Toronto is a Postponement of Instrument Nos. AT3977593 and AT3977594 to Instrument No. AT4816071 re Parts 2, 3 & 4, Plan 66R-29101
22. Instrument No. AT4879916 registered June 5, 2018 is a Transfer of Easement from Kingsclub Development Inc. to Rogers Communications Inc.
23. Instrument No. AT5007206 registered November 15, 2018 being a Notice of Site Plan Amendment re AT4815948 in favour of the City of Toronto
24. Instrument No. AT5064146 registered January 28, 2019 is a Transfer of Easement from Kingsclub Development Inc. to City of Toronto
25. Instrument No. AT5064150 registered January 28, 2019 from First Capital (S.C.) Corporation to City of Toronto is a Postponement of Instrument Nos. AT2994250 and AT3745680 to Instrument No. AT5064146

26. Instrument No. AT5064151 registered January 28, 2019 from The Bank of Nova Scotia to City of Toronto is a Postponement of Instrument No. AT3977593 to Instrument No. AT5064146
27. Instrument No. AT5064154 registered January 28, 2019 from Rogers Communication Inc. to City of Toronto is a Postponement of Instrument No. AT4879916 to Instrument No. AT5064146
28. Instrument No. AT5127919 registered May 3, 2019 is a Notice of Lease from Kingsclub Development Inc. to Wework Canada GP ULC

PIN 21298-0366(LT) (as of May 17, 2019)

1. Instrument No. CA414709 registered July 8, 1996 is an Court Order
2. Instrument No. AT1173594 registered June 21, 2006 is a Notice between High Res. Inc., King Towns Inc., King West Village Sales Limited, Newtowns at Kingtowns Inc. and Canadian Pacific Railway Company and The City of Toronto
3. Instrument No. AT2994250 registered April 19, 2012 is a Charge from Kingsclub Development Inc. in favour of First Capital Realty Inc. in the original principal amount of \$30,000,000
4. Instrument No. AT3511864 registered January 31, 2014 is a Notice from City of Toronto to Kingsclub Development Inc.
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7. Instrument No. AT3681281 registered September 5, 2014 is a Transfer of Easement from Kingsclub Development Inc. to Enbridge Gas Distribution Inc.
8. Instrument No. AT3681284 registered September 5, 2014 from First Capital Realty Inc. to Enbridge Gas Distribution Gas Inc. is a Postponement of Instrument No. AT2994250 to Instrument No. AT3681281
9. Instrument No. AT3745680 registered November 20, 2014 is a Transfer of Charge from First Capital Realty Inc. to First Capital (S.C.) Corporation relating to Instrument No. AT2994250
10. Instrument No. AT3745681 registered November 20, 2014 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250

11. Instrument No. AT3781526 registered January 7, 2015 is a Notice Amending Charge No. AT2994250 between Kingsclub Development Inc. and First Capital (S.C.) Corporation
12. Instrument No. AT3934386 registered July 2, 2015 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
13. Instrument No. AT3974036 registered August 11, 2015 is a Notice between Kingsclub Development Inc. and First Capital (S.C.) Corporation relating to Instrument No. AT2994250
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15. Instrument No. AT3977594 registered August 14, 2015 is a Notice of Assignment of Rents from Kingsclub Development Inc. in favour of The Bank of Nova Scotia relating the Charge No. AT3977593
16. Instrument No. AT3977676 registered August 14, 2015 from First Capital (S.C.) Corporation to The Bank of Nova Scotia is a Postponement of Instrument No. AT2994250 to Instrument No. AT3977593
17. Instrument No. AT4569744 registered May 16, 2017 is a Notice of Lease in favour of Longo Brothers Fruit Markets Inc.
18. Instrument No. AT4594459 registered June 12, 2017 is a Notice of Lease in favour of Canadian Tire Real Estate Limited
19. Instrument No. AT4838236 registered April 9, 2018 is a Certificate between Her Majesty the Queen in Right of Ontario as represented by the Minister of the Environment and Climate Change whereby Kingsclub Development Inc. and any other person having an interest in the property are required, before dealing with the property in any way, to give a copy of the Certificate of Property Use No. 6272-AU3QVJ, including any amendments thereto, to every person who, subsequent to the registration of the said Instrument, acquires an interest in the property. re Certificate of Requirement as to Part 1, Plan 66R-27592
20. Instrument No. AT4843917 registered April 17, 2018 is a Transfer of Easement in favour of City of Toronto
21. Instrument No. AT4843921 registered April 17, 2018 First Capital (S.C.) Corporation to City of Toronto is a Postponement of Instrument Nos. AT2994250 and AT3745680 to Instrument Nos. AT4843917 and AT3583583 affecting part of the property
22. Instrument No. AT4843922 registered April 17, 2018 from The Bank of Nova Scotia to City of Toronto is a Postponement of Instrument No. AT3977593 to Instrument Nos. AT4843917 and AT3977594 affecting part of the property

23. Instrument No. AT4843923 registered April 17, 2018 is a Transfer Release and Abandonment between Enbridge Gas Distribution Inc. and Kingclub Development Inc. regarding AT3681281 – Part 1, Plan 66R-29893.
24. Instrument No. AT4879916 registered June 5, 2018 is a Transfer of Easement from Kingsclub Development Inc. to Rogers Communications Inc.
25. Instrument No. AT5064146 registered January 28, 2019 is a Transfer of Easement from Kingsclub Development Inc. to City of Toronto
26. Instrument No. AT5064150 registered January 28, 2019 from First Capital (S.C.) Corporation to City of Toronto is a Postponement of Instrument Nos. AT2994250 and AT3745680 to Instrument No. AT5064146
27. Instrument No. AT5064151 registered January 28, 2019 from The Bank of Nova Scotia to City of Toronto is a Postponement of Instrument No. AT3977593 to Instrument No. AT5064146
28. Instrument No. AT5064154 registered January 28, 2019 from Rogers Communication Inc. to City of Toronto is a Postponement of Instrument No. AT4879916 to Instrument No. AT5064146
29. Instrument No. AT5127919 registered May 3, 2019 is a Notice of Lease from Kingsclub Development Inc. to Wework Canada GP ULC

Schedule 2.6
Assumption of Certain Liabilities by Purchaser and Repayment of Certain Liabilities by Seller

Assumed Liabilities:

BNS Facility (at 50%)	<u>\$105,130,809.00</u>
UNKI's proceeds from CAPREIT APS	<u>(\$30,000,000.00)</u>
Subtotal	<u>\$75,130,809.00¹</u>

Other Liabilities:

Legal Fee Receivable (Standstill Agreement)	\$418,024.00
Standstill Loans (First & Second)	\$50,171,099.00
Co-Owner Loans (pursuant to S. 9.2(d))	\$13,508,349.00
Estimated Cost to Complete	\$19,869,191.00
Early Works Loan	\$34,540,212.00
Land Loan	\$3,756,279.00
Subtotal	\$122,263,154.00

¹ The Subtotal is calculated as if all of the closings under the CAPREIT APS will have occurred as of the Time of Closing and UNKI's share of proceeds applied against UNKI's share of the indebtedness under BNS Facility.

Schedule 2.7
Allocation of Purchase Price among the Phase 2 Retail Component and the Phase 2 Residential Component

Purchase Price

Assumed Liabilities	\$75,130,809.00
Other Liabilities	\$122,263,154.00
Closing Date Payment	\$2,150,000.00
Total Purchase Price ²	\$199,543,963.00

Phase 2 Retail Component: **\$35,045,018.00**³

Phase 2 Retail Parking Component: **\$1,500,000.00**

Phase 2 Residential Component: **\$162,998,945.00**

² The Total Purchase Price is calculated as if all of the closings under the CAPREIT APS will have occurred as of the Time of Closing and UNKI's share of proceeds applied against UNKI's share of the indebtedness under BNS Facility.

³ Calculated pursuant to the purchase option set out in section 2 of the Co-Owners Agreement (Fourth Amendment), dated November 26, 2014.

SCHEDULE 3.4(b)

TERMINATION AGREEMENTS

1. Co-Owners Agreement