Forty-Fifth 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

March 18, 2021

and

Sixth Report to Court of KSV Restructuring Inc. as Court Appointed Receiver of Urbancorp Renewable Power Inc.

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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

FORTY-FIFTH REPORT OF KSV KOFMAN INC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

APPLICANT

- AND -

URBANCORP RENEWABLE POWER INC.

RESPONDENT

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

SIXTH REPORT OF KSV RESTRUCTURING INC

MARCH 18, 2021

1.0 Introduction

1. On April 21, 2016, Urbancorp (St. Clair Village) Inc. ("St. Clair"), Urbancorp (Patricia) Inc. ("Patricia"), Urbancorp (Mallow) Inc. ("Mallow"), Urbancorp Downsview Park Development Inc. ("Downsview"), Urbancorp (Lawrence) Inc. ("Lawrence") and Urbancorp Toronto Management Inc. ("UTMI") each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "NOI Proceedings"). (Collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence and UTMI are referred to as the "Companies".) KSV Kofman Inc.[1] ("KSV") was appointed as the Proposal Trustee in the NOI Proceedings.

2. Pursuant to an order made by the Ontario Superior Court of Justice (Commercial List) (the "Court") dated May 18, 2016 (the "Initial Order"), the Companies, together with the entities listed on Schedule "A" attached (collectively, the "Cumberland CCAA Entities" and each a "Cumberland CCAA Entity") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed monitor (the "Monitor") (the "Cumberland CCAA Proceedings").

3. Certain Cumberland CCAA Entities[2] are known direct or indirect wholly-owned subsidiaries of Urbancorp Cumberland 1 LP ("Cumberland"). Collectively, Cumberland and its direct and indirect subsidiaries are the "Cumberland Entities" and each individually is a "Cumberland Entity". Each Cumberland Entity is a nominee of Cumberland and, as such, the assets and liabilities of the Cumberland Entities are assets and liabilities of Cumberland. The remaining Cumberland CCAA Entities[3], 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".

1.1 Urbancorp Inc., Recognition of Foreign Proceedings

1. UCI was incorporated on June 19, 2015 for the purpose of raising capital in the public markets in Israel. Pursuant to a Deed of Trust dated December 7, 2015, UCI made a public offering of debentures (the "Debentures") in Israel for NIS180,583,000 (approximately $64 million at the time).

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").

[1] Effective August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

[2] Being 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.

[3] Being Vestaco Homes Inc., Vestaco Investments Inc., Urbancorp Power Holdings Inc., UTMI, Downsview, 228 Queens Quay West Limited, Urbancorp Residential Inc., Urbancorp Realtyco Inc. and Urbancorp Cumberland 1 GP Inc.

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

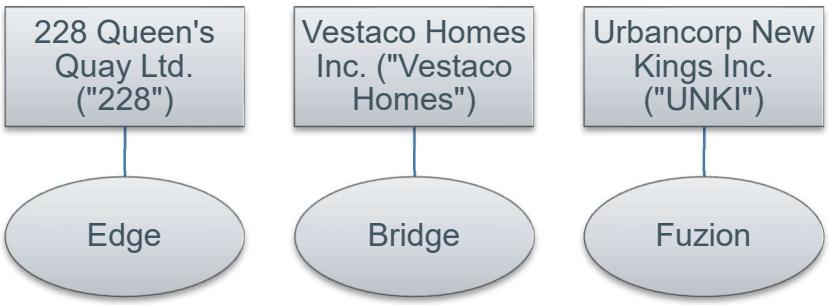
   c) appointed KSV as the Information Officer.

4. Distributions to UCI during these proceedings total over $56.5 million. If the Court approves the distributions recommended in this Report, UCI will have received distributions in these proceedings of approximately $68.7 million.

1.2 Geothermal Systems

1. The Urbancorp Group of Companies (the "Urbancorp Group") owned geothermal assets (the "Geothermal Assets") located in four condominiums referred to as the Edge, Bridge, Fuzion and Curve. The Geothermal Assets provide heating and air conditioning to each condominium.

2. Prior to the completion of a sale of the Geothermal Assets to Enwave Geo Communities LP ("Enwave"), the following entities were the registered owners of the Geothermal Assets that were sold to Enwave.



3. In addition to the ownership interests in the diagram above, Vestaco Investments Inc. ("VII") was the registered owner of the Geothermal Assets located in the Curve condominium. The issues concerning the Curve Geothermal Assets were resolved earlier in these proceedings, as more fully described in paragraph 1.2.6(a) below. Collectively, 228, Vestaco Homes, UNKI and VII are referred to as the "Geothermal Asset Owners."

4. 228, Vestaco Homes and VII are Non-Cumberland Entities. UNKI is beneficially owned by Cumberland but is not a Cumberland CCAA Entity.

5. Urbancorp Renewable Power Inc. ("URPI") was incorporated to manage the Geothermal Assets. Pursuant to a Court order made on June 28, 2018, KSV was appointed as the receiver (the "Receiver") of URPI.

6. The Geothermal Assets were sold pursuant to the following transactions (the "Geothermal Transactions"):

   a) in October 2018, the Court approved a settlement (the "Curve Settlement") between the Receiver and Toronto Standard Condominium Corporation No. 2355 (the "Curve Condo Corporation"), pursuant to which the Curve Geothermal Assets were sold to the Curve Condo Corporation for approximately $1.3 million; and

   b) in December 2020, the Court approved a sale of the Edge, Bridge and Fuzion Geothermal Assets by the Receiver and the Monitor (jointly, the "Court Officer") to Enwave for $24 million (the "Enwave Transaction").

1.3 Claims Process

1. On September 15, 2016, the Court issued an order establishing a procedure to identify and quantify claims against the Cumberland CCAA Entities and against the current and former directors and officers of the Cumberland CCAA Entities, as amended by a further order dated October 25, 2016 (the "Claims Procedure").

2. There is currently approximately $22 million available for distribution to stakeholders in these proceedings (the "Geothermal Proceeds"), mainly representing the proceeds from the Geothermal Transactions and the receivables from the Bridge, Edge and Fuzion condominium corporations (collectively, with the Curve Condo Corporation, the "Condo Corporations").

1.4 Purposes of this Report

1. The purposes of this report (the "Report") are to:

   a) provide background information about the Geothermal Assets;

   b) provide the rationale for the distribution of the Geothermal Proceeds; and

   c) recommend that the Court issue an order approving the distribution of the Geothermal Proceeds.

1.5 Currency

1. All currency references in this Report are to Canadian dollars, unless otherwise noted.

1.6 Restrictions

1. In preparing this Report, the Court Officer has relied upon, *inter alia*, the unaudited financial information of the Urbancorp Group, the books and records of the Urbancorp Group, discussions with representatives of the Urbancorp Group ("Urbancorp Management"), discussions with representatives of The Fuller Landau Group Inc. ("Fuller Landau") and its legal counsel, discussions with the Foreign Representative and its legal counsel and financial advisor, the Supplementary Prospectus dated November 30, 2015, as amended on December 7, 2015 issued in connection with the Debentures (the "Prospectus") and the results of the Claims Procedure. The Court Officer has not performed an audit or other verification of such information.

2. The Court Officer 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 Court Officer expresses no opinion or other form of assurance with respect to the financial information or other information presented in this Report or relied upon by the Court Officer in preparing this Report. Any party wishing to place reliance on the Urbancorp Group's financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Geothermal Assets

2.1 Background

1. The Geothermal Assets are comprised of physical assets (defined as the "geothermal room units" in each respective condominium declaration), supply agreements between the respective Condo Corporations and URPI (the "Supply Agreements") and management agreements between URPI and each of the Geothermal Asset Owners[4] (the "Management Agreements").

2. The original registered owners of the Geothermal Assets were Westside Gallery Lofts Inc. ("Westside"), Edge on Triangle Park Inc. ("ETPI"), Bridge on King Inc. ("Bridge on King") and Fuzion Downtown Developments Inc. ("FDDI") (collectively, the "Original Owners"), each being the declarant of their respective condominiums.

3. Prior to the occupancy date for each of the condominiums, each of the Original Owners, controlled by Alan Saskin, entered into Supply Agreements with URPI. The Supply Agreements were subsequently assumed by their respective Condo Corporations and registered on title to the residential units in the condominiums.

[4] The relevant Management Agreements of which the Court Officer has copies are between URPI and each of ETPI, FDDI and Vestaco Homes. The Court Officer believes that the Management Agreement with ETPI should have been assigned to and assumed by 288 when ETPI transferred the Edge Geothermal Assets to 288 and that the Management Agreement with FDDI should have been assigned to and assumed by UNKI when FDDI transferred the Fuzion Geothermal Assets to UNKI.

4. Pursuant to the Supply Agreements, each Condo Corporation was required to pay URPI for the supply of heating and cooling services. Pursuant to the Management Agreements, URPI was required to pay the amounts it receives from the Condo Corporations to the respective owner of the Geothermal Asset, net of a management fee of between 3% and 5% payable to URPI (with such amount set out in the relevant management agreement) and other costs (such as repairs and maintenance costs).

5. Prior to these proceedings, the Condo Corporations ceased paying URPI for the services provided to them by URPI under the Supply Agreements. URPI commenced litigation against the Condo Corporations for the unpaid amounts. Additionally, the Curve Condo Corporation took the position that its Supply Agreement with URPI was unenforceable.

6. In October 2017, URPI required funding for, *inter alia*, its legal fees for litigation commenced against it by the Condo Corporations and for repairs and maintenance costs of the various geothermal systems. In accordance with an order issued by the Court on November 22, 2017, the Monitor, on behalf of Cumberland, agreed to lend up to $500,000 to URPI (the "URPI Loan Facility"). As part of the URPI Loan Facility, Cumberland was granted a first-ranking security interest in URPI's property, assets and undertaking. After making the loan to URPI, it appeared that the amounts required by URPI would exceed $500,000 and, accordingly, in June 2018, the Monitor brought an application to have a receiver appointed over URPI. KSV was appointed Receiver.

7. In October 2018, the Receiver and the Curve Condo Corporation settled the dispute pursuant to the terms of the Curve Settlement.

8. In December 2019, the Receiver resolved the disputes with each of the Bridge, Fuzion and Edge Condo Corporations pursuant to Court approved settlements (collectively, the "Settlements"). In connection with the Settlements, the Receiver and each of the Bridge, Fuzion and Edge Condo Corporation, *inter alia*, entered into separate Amended and Restated Geothermal Energy Supply Agreements and settled the amounts owing to URPI by each of these Condo Corporations. The amount paid by the Bridge, Fuzion and Edge Condo Corporations to URPI under the Settlements was approximately $6 million.

3.0 Funds Available for Distribution

1. The Court Officer has allocated the Geothermal Proceeds and the disbursements during these proceedings to each Geothermal Asset Owner. The allocation is summarized below.

($000s; unaudited)	228 (Edge)	Vestaco Homes (Bridge)	UNKI (Fuzion)	VII (Curve)	Total
Sale proceeds	9,574	9,741	4,685	1,277	25,277
Geothermal receivables	3,051	3,202	1,264	-	7,517
Interest	19	20	8	8	55
Other	1	1	1	1	4
HST refunds	31	49	81	14	175
	12,676	13,013	6,039	1,300	33,028
HST paid	418	438	173	115	1,144
Payment to FCR	-	-	2,182	-	2,182
Repairs and maintenance	183	478	24	-	685
Payment to Cumberland	110	347	101	77	635
Professional fees[5]	245	326	245	250	1,066
Other	139	150	139	58	486
	1,095	1,739	2,864	500	6,198
Allocation	11,581	11,274	3,175	800	26,830
Holdback	(500)	(3,500)	(500)	(100)	(4,600)
Amount available for distribution	11,081	7,774	2,675	700	22,230

2. As reflected above, there is currently approximately $22.2 million available for distribution to stakeholders.

4.0 Vestaco II – Curve (amount to be distributed: $700,000)

4.1 Ownership

1. Westside, an Urbancorp Group entity, was the original owner of the Curve Geothermal Assets. Pursuant to a "General Conveyance" dated as of December 31, 2012 (the "General Conveyance"), Westside transferred its interest in the Curve Geothermal Assets to VII (the "Westside Transaction"). VII paid for the system by issuing a $425,000 promissory note to Westside. The Court Officer is not aware of the rationale for the value ascribed to the Curve Geothermal Assets as part of this transaction.

2. For reasons that are unclear to the Court Officer, the General Conveyance reflects that the promissory note was to be issued to UTMI, even though Westside was the vendor. Despite the language in the General Conveyance, the promissory note was issued by VII to Westside. Attached as Appendix "B" is a copy of the General Conveyance and the promissory note issued by VII to Westside.

[5] For allocation purposes, substantially all amounts could be allocated to a specific Geothermal Asset Owner. Professional fees were allocated based on the Receiver's estimate of time spent per Geothermal Asset.

3. On September 30, 2015, three months prior to the issuance of the Debentures, and almost three years after the date of the General Conveyance, Urbancorp Management recorded an accounting entry to increase the amount paid by VII for the Curve Geothermal Assets to $1,777,829. The Court Officer understands that the purpose of the entry was to increase the value of the system based on its cost of construction, including the cost of the geothermal wells, electrical, and heat pumps. Fuller Landau is the Monitor of Westside. Fuller Landau has advised it has copies of invoices to support 68% of the costs of the system. The Court Officer does not have copies of those invoices.

4. Prior to issuing the Prospectus, Urbancorp Management had a valuation of the Geothermal Assets prepared by Janterra Real Estate Advisors Inc. The valuation was used to support a further increase in the value in Urbancorp's books and records of the Curve Geothermal Assets to $3,797,017.[6]

4.2 Supply Agreement and Transfer to Curve Condo Corporation

1. URPI and Westside were parties to a Supply Agreement dated December 1, 2010. The Supply Agreement was assigned by Westside to the Curve Condo Corporation by an assumption agreement between Westside and the Curve Condo Corporation dated July 24, 2014. The Curve Condo Corporation purported to terminate the Supply Agreement within the one-year period provided in the *Condominium Act, 1998*. The Supply Agreement contains a provision for a purchase price of $2.125 million plus certain outstanding charges if it is terminated during the one-year period. The Curve Condominium Corporation argued that this provision was unenforceable given its statutory right to terminate the entire contract, which included this provision. URPI settled the dispute for $1.276 million pursuant to the terms of the Curve Transaction.

4.3 Claims against VII

1. Westside filed a placeholder claim in the Claims Procedure against VII in connection with the Westside Transaction. Westside's claim was filed before the appointment of Fuller Landau as Monitor of Westside.

2. On October 25, 2018, Fuller Landau was appointed Monitor of Westside. On July 22, 2020, Fuller Landau sent an email to the Monitor summarizing its claim against VII. A copy of Fuller Landau's email is attached as Appendix "C". The total amount claimed by Fuller Landau, on behalf of Westside, is $3,797,017, consisting of the promissory note, the general ledger adjustment and the fair value increase.

3. The only other party with an admitted claim against VII is UCI, which has a claim for $22,000.

[6] There were various other mistakes in the recording of these transactions, none of which is germane to this discussion. In order to prevent further confusing the issue, the Court Officer has not included that discussion.

4.4 Analysis and Recommendation

1. In the Court Officer's view, the best proxy for the value of the Curve Geothermal Assets is the Curve Transaction. Accordingly, the Court Officer recommends that Westside's claim be admitted in the amount of $1,276,000 and the balance of its claim be disallowed.

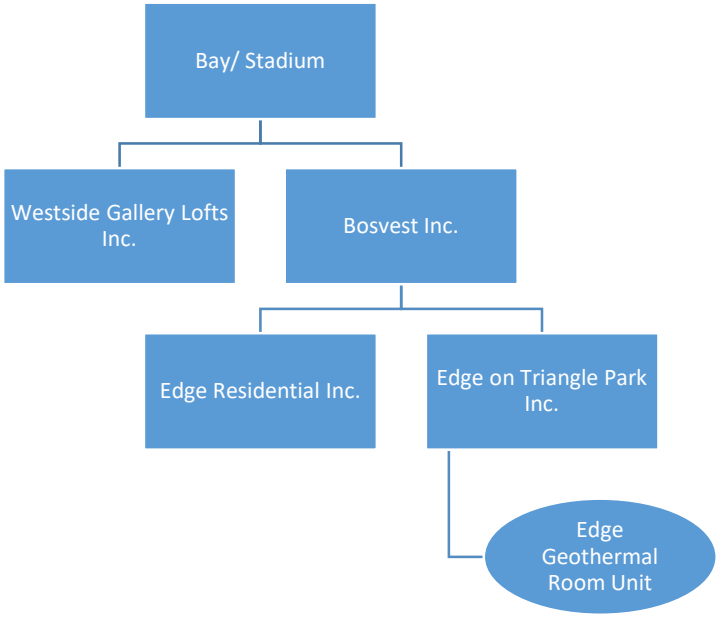
2. There is presently $700,000 available to be distributed from VII. If Westside's claim is admitted for $1,276,000, Westside will receive a pro rata distribution of approximately $688,000 and UCI will receive a pro-rata distribution of approximately $12,000.

5.0 Edge (amount to be distributed: $11,081,000)

1. In 2015, the Urbancorp Group completed a corporate reorganization to facilitate the issuance of the Debentures (the "Reorganization").

2. Prior to the Reorganization, the beneficial owner of the Edge Geothermal Assets was TCC/Urbancorp (Bay/Stadium) Limited Partnership ("Bay/Stadium") and ETPI was the registered owner on title and held the system as nominee for Bay/Stadium. The owner of Bay/Stadium is believed to be Alan Saskin or members of his family.

3. Bay/Stadium's organizational chart prior to the Reorganization is provided below.



5.1 Inconsistent and Contradictory Information Concerning Ownership of Edge Geothermal System Since the Reorganization

1. The Court Officer has reviewed documentation regarding the ownership of the Edge Geothermal Assets. The documentation is inconsistent and contradictory, and is summarized below as follows:

   a. **Title Transfer Document** – a Title Transfer Document dated July 7, 2015 reflects that ETPI transferred its ownership interest in the Edge Geothermal Assets to 228 for $50,000. This document suggests a transfer of ETPI's nominee interest in the Edge Geothermal Assets to 228. A copy of the Title Transfer document is attached as Appendix "D".

   b. **Accounting Records:**

      - On September 30, 2015 (approximately three months before the date of the Prospectus), the Edge Geothermal Assets (which includes the Edge Geothermal Condominium Units listed in the Title Transfer Document) were transferred from ETPI to VII for $14,083,848. The transaction was accounted for by setting up an intercompany debt owing from VII to ETPI;

      - On December 31, 2015, Urbancorp Management reduced the carrying value of the intercompany debt owing from VII to ETPI to $13,376,171;

      - The Court Officer understands that the transfer of the Edge Geothermal Assets to VII was a mistake and that these assets should have been transferred to 228. Accordingly, on June 30, 2016, Urbancorp Management corrected the mistake through an accounting entry and the accounting now reflects an intercompany debt owing from 228 to ETPI in the amount of $13,376,171.

      - The Court Officer understands that the amount of $13,376,171 is intended to reflect the cost to build the Edge Geothermal Assets, although the Court Officer does not believe that the cost to construct the system was anywhere close to $13.4 million based on other evidence provided to the Court Officer concerning the costs to construct the Geothermal Assets[7]; and

      - The journal entries reflecting these transactions are attached as Appendix "E". In light of the value recorded in the accounting entries ($13.4 million), the accounting entries suggest a transfer of the beneficial interest in the Edge Geothermal Assets to 228.

2. **Prospectus.** The Prospectus reflects that Bay/Stadium transferred its beneficial interest in the Edge Geothermal Assets to Urbancorp Cumberland 2 LP ("Cumberland 2") in return for shares in Urbancorp Holdco Inc. ("UHI"), the sole shareholder of UCI. The relevant section of the Prospectus is reproduced below. The Court Officer is of the view that the investors in the UCI bond offering would have relied on the Prospectus.

[7] For example, see the cost evidence provided by Fuller Landau concerning the Curve Geothermal Assets.

Seq. No.	Name of Transferred Corporation	% of interests transferred to the Company	Name of project or property held by the transferred Corporation (under a chain of ownership)	% of Company's holding in the property after the transfer of the interests
1.	Urbancorp Downsview Park Development Inc.	100%	Downsview Park	51%
2.	Urbancorp Residential Inc.	100%	Curve and Westside Residential Units	100%
3.	Urbancorp Power Holdings Inc.	100%	Bridge Geothermal Curve Geothermal	100% 100%
4.	Cumberland 1 LP (GP and LP)*	100%	Kingsclub Fuzion Geothermal 1071 King 840 St. Clair King Residential Patricia Mallow Innes/Caledonia Lawrence The Bridge	50% 50% 50% 40% 100% 100% 100% 100% 100% 100%
5.	Cumberland 2 LP (GP and LP)**	100%	Edge Residential Edge on Triangle Park Edge Geothermal	100% 100% 100%

3. **Opinion Letter.** An opinion letter (the "Opinion Letter") from Harris Shaeffer LLP, counsel to the Urbancorp Group in connection with the issuance of the Debentures, which pre-dates the Prospectus by a few days, states that Urbancorp Power Holdings Inc. ("UPHI"), the shareholder of the Geothermal Asset Owners, is the beneficial owner of the Edge Geothermal Assets. UPHI is a subsidiary of UCI.

4. The Opinion Letter is inconsistent with the Prospectus. The Opinion Letter attaches a Declaration of Trust dated July 7, 2015 (the same date as the Title Transfer Document) executed by 228 which states that 228 holds the Edge Geothermal Assets in trust for UPHI. This, together with the accounting entries, suggests that Bay/Stadium transferred its beneficial interest in the Edge Geothermal Assets to UPHI in exchange for an intercompany receivable in the amount of $13,376,171 owing from 228 to ETPI.

5.2 Claims against 228

1. A summary of the claims filed against 228 is provided in the table below.

(unaudited; $000) Category	Type	Admitted	Undetermined	Total
Unsecured claims				
UCI	Related party	22	-	22
Edge Residential Inc.	Related party	288	-	288
ETPI[8]	Related party	-	13,376	13,376
		310	13,376	13,686

[8] Claim filed by Fuller Landau, the Monitor of ETPI.

5.3 Edge Geothermal Assets Conclusions and Recommendation

1. The evidence as it pertains to the ownership of the Edge Geothermal Assets is inconsistent and contradictory.

2. If 228, as suggested by the Prospectus, holds the Edge Geothermal Assets as nominee of Cumberland 2, and Bay/Stadium transferred its beneficial interest in the Edge Geothermal Assets to Cumberland 2 in exchange for shares in UHI, the proceeds from the Edge Geothermal Assets are payable to ETPI, which holds such amounts as nominee for its beneficial owner, being Cumberland 2.

3. If, as suggested by the Opinion Letter, the beneficial ownership of the Edge Geothermal Assets was transferred to UPHI in exchange for a note payable to ETPI from UPHI's subsidiary and nominee, 228, then the Court Officer must determine amount of ETPI's claim to admit. The Monitor understands from Fuller Landau that ETPI has significant creditors of its own.

4. ETPI's claim is for approximately $13.4 million, which is allegedly based on the cost of the system. The Court Officer understands that the Foreign Representative takes the position that the cost of the system is significantly less than $13.4 million, which the Court Officer acknowledges - but believes is not relevant.

5. In the Court Officer's opinion, the amount payable to ETPI should be based on the value attributed to the Edge Geothermal Assets by Enwave, an arm's length third party. Enwave paid $9,574,000 for the Edge Geothermal Assets. There is a good argument that the value of the Edge Geothermal Assets was higher as at the date of the transfer as its value is based, at least in part, on the remaining term of the Supply Agreement, which had approximately 19 years remaining at the transfer date.

6. Given the conflicting documentation as to the beneficial owner of the Edge Geothermal Assets, the Court Officer recommends admitting a claim for ETPI equal to the value attributed to the system by Enwave ($9.574 million), less a cost allocation of $547,188[9], for a net distribution to ETPI of $9,026,811. As there is approximately $11.1 million available to distribute to creditors of 228, this would leave approximately $2.1 million available for distribution to 228's other stakeholders. Subject to Court approval, the remaining balance will be paid to Edge Residential Inc. in respect of the claim it filed ($288,000) and to UCI (approximately $1.8 million) by way of repayment of the debt owing to it ($22,000) and the balance by intercorporate dividend to UCI (via UPHI)[10].

7. Given the contradictory information concerning the Edge Geothermal Assets, the Court Officer proposed this resolution on a telephone call with legal counsel to the Foreign Representative and Fuller Landau on March 9, 2021 but has yet to receive feedback. On the call, legal counsel to the Foreign Representative advised the Court Officer that it understood that UPHI was always entitled to all revenue from the Supply Agreements and, accordingly, all amounts allocated to the Edge Supply Agreement should be paid to UPHI. The Court Officer believes that the Foreign Representative's understanding is incorrect. The original Geothermal Supply

[9] Represents 50% of the total costs of $1.094 million allocable to Vestaco Homes in the table in section 3.1.

[10] UPHI has no known creditors.

Agreement was between URPI and ETPI and assigned to the Edge Condo Corporation. The related original Management Agreement is between URPI and ETPI at the time that ETPI was the registered owner of the Edge Geothermal Assets. Accordingly, the amounts payable under the Supply Agreement were at the time payable to URPI for the benefit of ETPI. These agreements are attached as Appendix "F". Presumably, when Edge transferred the ownership of the Edge Geothermal Assets to 228, the management agreement ought to have been assigned to 228, although the Monitor has been unable to locate any such assignment agreement. Given that URPI manages the Geothermal Assets on behalf of the owners, it makes no commercial sense for ETPI to remain the counterparty to the Management Agreement when it is no longer the owner of the Geothermal Assets being managed.

6.0 Vestaco Homes – Bridge (amount to be distributed: $7,774,000)

6.1 Ownership

1. Bridge on King, a Cumberland Entity, was the original owner of the Bridge Geothermal Assets. As part of the Reorganization, Bridge on King transferred its ownership in the Bridge Geothermal Assets to Vestaco Homes for $4,666,976. The purchase price was paid by setting up an intercompany loan owing from Vestaco Homes to Bridge on King for the full amount of the acquisition price.

6.2 KTNI

1. The Bridge condominium is located at 38 Joe Shuster Way, Toronto. The Bridge Geothermal Assets have 85 boreholes, of which 82 are located on real property owned by King Towns North Inc. ("KTNI") across the road from the condominium (the "Berm Lands").

2. Pursuant to a Declaration of Trust dated December 27, 2012, KTNI declared to be holding all of its interests in the Berm Lands in trust for Urbancorp Management Inc. ("UMI"). The Monitor understands that The A. Saskin Family Trust (the "Trust") is the sole shareholder of UMI. Doreen Saskin, Alan Saskin's spouse, alleges that she is a secured creditor of UMI for approximately $2.8 million and commenced a receivership application against UMI on February 22, 2021.

3. Pursuant to a lease dated July 10, 2010 (the "Berm Lease") between KTNI, as landlord, and Vestaco Homes and URPI, as tenants (jointly, the "Tenants"), KTNI leases the Berm Lands to the Tenants for $100 per year. The Berm Lease expires on July 9, 2060, subject to certain automatic renewal provisions making it coterminous with the relevant geothermal energy supply agreement. A copy of the Berm Lease is attached as Appendix "G".

4. The Berm Lease was purchased by Enwave. Enwave allocated $2,049,000 to the Berm Lease and the Court Officer accepted Enwave's allocation. Pursuant to Section 13.4(e) of the Berm Lease, where a transferee pays or gives to the transferor money or other value that is reasonably attributed to the desirability of the location of the leased premises or to the leasehold improvements that are owned by the landlord, then at the landlord's option, the transferor will pay to the landlord such money or other value in addition to all rent payable under the lease and such amounts shall be deemed to be further additional rent (the "Berm Provision").

5. The Approval and Vesting Order in respect of the Enwave Transaction provides that Enwave obtained an assignment of the Berm Lease free and clear of any payment obligations to KTNI that may arise pursuant to Section 13.4 of the Berm Lease as a result of the assignment of the Berm Lease by the Tenants to Enwave.

6.3 Claims Process

1. A summary of the claims filed against Vestaco Homes and claims secured by the intercompany charge in the CCAA proceedings is provided in the table below.

(unaudited; $000)				
Category	Type	Admitted	Undetermined	Total
Intercompany Charge				
Cumberland	Related party	861	-	861
Unsecured claims				
Cumberland	Related party	4,126	-	4,126
URPI	Related party	55	-	55
UCI	Related party	22	-	22
Bay/Stadium	Related party	20	-	20
Other	Related party	2	-	2
KTNI	Related party	-	5,875	5,875
		5,086	5,875	10,961

2. The material claims are summarized as follows:

   a. during the CCAA proceedings, Cumberland advanced $861,000 to Vestaco Homes to repay a mortgage owing to TD Bank secured on the Bridge Geothermal Assets. This amount is secured by an intercompany charge in favour of Cumberland pursuant to the terms of the Initial Order. A copy of the Initial Order is attached as Appendix "H";

   b. the Eighth Report to Court dated November 10, 2016 (the "Eighth Report") provides an overview of the Cumberland Entities' claims against Vestaco Homes which total $4,126,000. A copy of the Eighth Report is attached as Appendix "I", without appendices. The majority of the value of the claims listed in the Eighth Report relate to the transfer of the Bridge Geothermal Assets from Bridge on King to Vestaco Homes. Pursuant to an order issued by the Court on December 14, 2016, the Court approved the intercompany claims as set out in the Eighth Report; and

c. on January 22, 2021, Alan Saskin filed a claim against Vestaco Homes on behalf of KTNI for $5,875,269 in connection with the Berm Provision. A copy of the claim filed by Mr. Saskin is attached as Appendix "J".

6.4 Analysis of KTNI Claim

1. The Berm Lease is an asset of Vestaco Homes and URPI, as tenants, to the extent it provides for under market rent. The Berm Provision has the effect of stripping this value away from Vestaco Homes and URPI for no consideration. While this would be of little concern if all parties were related parties and solvent, the fact is that Vestaco Homes and URPI are now insolvent and subject to CCAA and receivership proceedings, respectively. Accordingly, in the Court Officer's view, a clause set up between related parties to manage inter-group asset allocations and tax consequences should not be enforceable under the circumstances as a matter of equity and fairness when doing so would deprive the estates of value that they possessed on the filing date, for no consideration, with the consequential beneficiary being the sole officer and director of the Urbancorp Group, Alan Saskin, or members of his family.

2. The Court Officer believes that URPI was made a tenant under the Berm Lease as a matter of pure convenience as it was the manager of the Bridge Geothermal Assets for the benefit of Vestaco Homes, and the party who would be exercising access rights for repairs and maintenance. Commercially, as Vestaco Homes is the owner of the Bridge Geothermal Assets, which includes the geothermal piping located on the Berm Lands, it makes sense that the economic value of the Berm Lease would be allocated fully to it.

6.5 Conclusions and Recommendation

1. Given the foregoing, the Monitor recommends that the amount allocated to the Bridge Geothermal Assets, Supply Agreement and Berm Lease be for the benefit of Vestaco Homes. The Monitor recommends the following distribution:

   a) all admitted claims totaling $5,086,000 are paid in full. The Cumberland portion of the claim ($4,987,000) will be paid to UCI as it is the only remaining stakeholder of Cumberland;

   b) the balance of funds available for distribution, being $2,688,000, will be paid by intercorporate dividend to UCI via UPHI;

2. The Monitor intends to maintain a holdback for potential income tax on the sale of the Bridge Geothermal Assets of $3 million. The Monitor has been advised by its legal counsel and tax advisors that there is a material tax obligation in connection with the sale of the Bridge Geothermal Assets.

7.0 UNKI (amount to be distributed: $2,675,000)

1. The purchase price allocated to the Fuzion Geothermal System was $4,685,000. There was a first mortgage on the Fuzion Geothermal System owing to First Capital Realty in the amount of approximately $2.2 million. Pursuant to an order of the Court dated December 23, 2020, the Monitor repaid the FCR mortgage.

2. UNKI is owned indirectly by UCI. As at the date of this Report, UCI continues to have significant obligations owing to it under the Debentures. On January 30, 2019, the Court made an order authorizing the Monitor to distribute any surplus funds from the Cumberland Entities to UCI, as the sole shareholder of Cumberland. The Monitor intends to distribute all funds available from the sale of the Fuzion Geothermal System ($2,675,000) to UCI. There is no tax payable on this distribution.

8.0 URPI

1. URPI was incorporated to manage the geothermal energy systems. As noted above, pursuant to the Supply Agreements, each Condo Corporation is required to pay URPI for the supply of heating and cooling services. Pursuant to the Management Agreements, URPI is required to remit the funds it receives for providing these services to the applicable Geothermal Asset Owner, net of a management fee of 3-5%. In that respect, each of the Management Agreements contains the following clause:

   "Until terminated in accordance with the provisions of this Agreement, the Manager [URPI] shall be paid a fee of [3-5%] of the Supplier Energy Consumption Charges as set out in Schedule D of the Geothermal Supply Contract generated by the Geothermal System, and which shall be payable monthly. The Manager's fee includes all office expenses directly related to the business office of the Manager with respect to the performance of the duties of the Manager hereunder, but does not include any expenses directly related to the business offices of the Owner [applicable Geothermal Asset Owner]"

2. The only source of revenue for URPI is management fees. As reflected in the table below, URPI earned management fees of $290,000 during the receivership and the URPI receivership costs exceed this amount. Accordingly, URPI does not have any money to distribute to its stakeholders.

(unaudited; $)	Edge	Bridge	Fuzion	Total
Receivable collections	3,051	3,202	1,264	7,518
Management fee %	3%	5%	3%	
Management fees ($)	92	160	37	290
URPI professional fees	245	326	245	816
Shortfall	(153)	(166)	(208)	(526)

3. All amounts that are not reimbursable are a cost of the receivership that should be incurred by URPI.[11] In addition to professional fees reflected in the table above, URPI also incurred other expenses that were not reimbursable by the Condo Corporations, including amounts paid to Ted Saskin for his assistance with the Settlements and certain repairs and maintenance costs. Accordingly, there is at least a $526,000 shortfall in URPI.

8.1 Aubergine Investments Ltd.

1. On January 19, 2021, Alan Saskin, on behalf of Aubergine Investments Ltd. ("Aubergine"), submitted an unsecured claim against URPI, the Geothermal Asset Owners and Bridge in the amount of approximately $1.6 million. A copy of Aubergine's claim is attached as Appendix "K". The claim is for management fees ($351,621), administrative cost recovery ($232,455), reimbursement of legal fees ($225,000) and the cost of the receivership (estimated by Mr. Saskin to be $750,000). These appear to be claims of URPI, not Aubergine.

2. Mr. Saskin has advised the Court Officer that Aubergine owns URPI. The Court Officer believes that the claim by Aubergine may be an equity claim. As URPI does not have any funds available to satisfy its own obligations, there are no funds available to pay its shareholder, Aubergine.

3. The Court Officer also recommends disallowing Aubergine's claims against the Geothermal Asset Owners. The Court Officer is not aware of any basis for a claim by Aubergine against these entities and no evidence has been provided by Aubergine in support of such a claim.

9.0 Conclusion and Recommendation

1. Based on the foregoing, the Court Officer respectfully recommends that the Court make an order granting the relief detailed in Section 1.4(1)(c) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

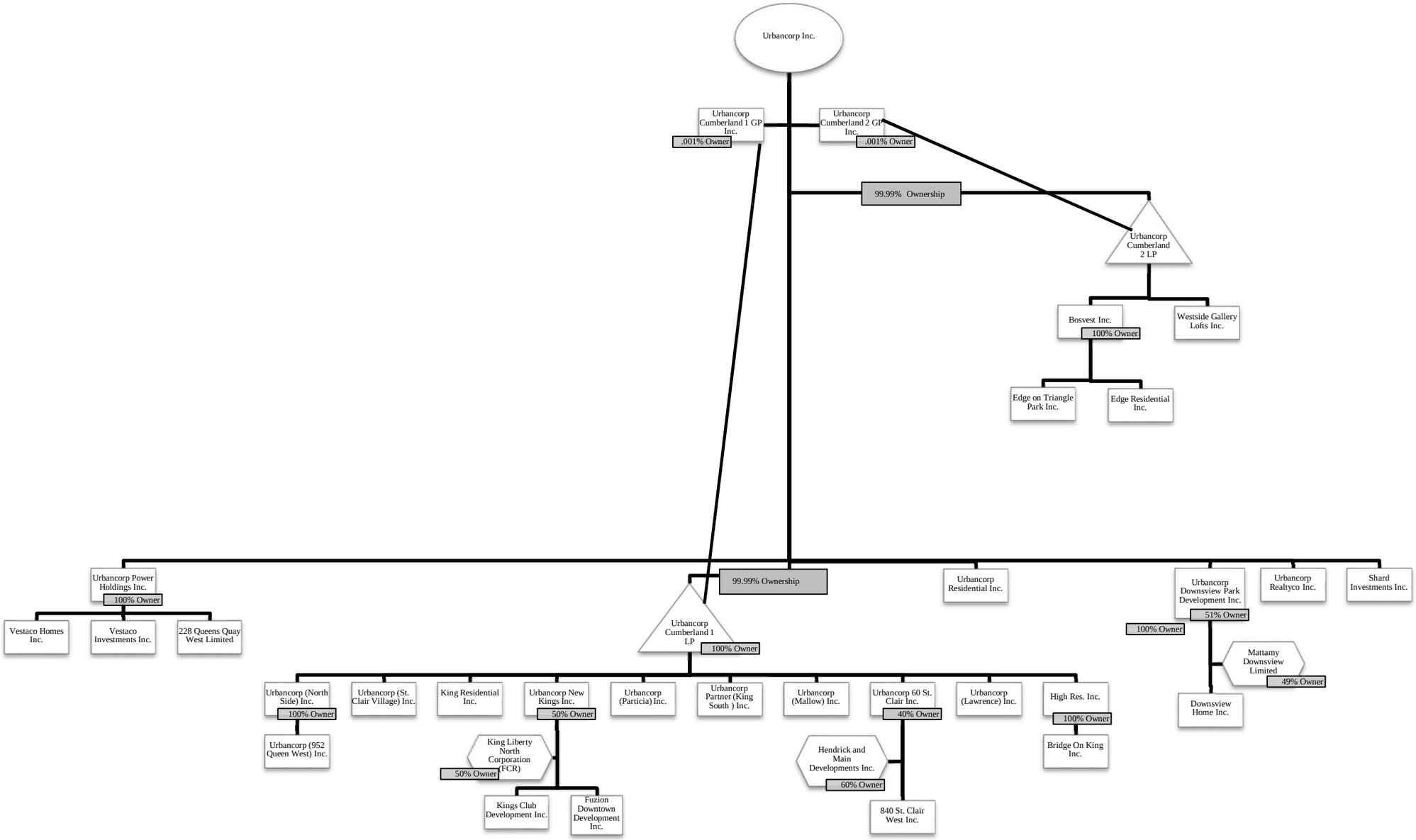
KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE CUMBERLAND CCAA ENTITIES
AND IN ITS CAPACITY AS RECEIVER OF
URBANCORP RENEWABLE POWER INC.
AND NOT IN ITS PERSONAL CAPACITY

[11] These costs were paid by the Geothermal Asset Owners. Pursuant to the receivership order, the Geothermal Assets were charged as security for the payment of the costs of URPI.

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”


Urbancorp Inc.
Urbancorp Cumberland 1 GP Inc.
.001% Owner
Urbancorp Cumberland 2 GP Inc.
.001% Owner
99.99% Ownership
Urbancorp Cumberland 2 LP
Bosvest Inc.
100% Owner
Westside Gallery Lofts Inc.
Edge on Triangle Park Inc.
Edge Residential Inc.
Urbancorp Power Holdings Inc.
100% Owner
Vestaco Homes Inc.
Vestaco Investments Inc.
228 Queens Quay West Limited
99.99% Ownership
Urbancorp Cumberland 1 LP
100% Owner
Urbancorp Residential Inc.
Urbancorp Downsview Park Development Inc.
51% Owner
100% Owner
Mattamy Downsview Limited
49% Owner
Downsview Home Inc.
Urbancorp Realtyco Inc.
Shard Investments Inc.
Urbancorp (North Side) Inc.
100% Owner
Urbancorp (952 Queen West) Inc.
Urbancorp (St. Clair Village) Inc.
King Residential Inc.
Urbancorp New Kings Inc.
50% Owner
King Liberty North Corporation (FCR)
50% Owner
Kings Club Development Inc.
Fuzion Downtown Development Inc.
Urbancorp (Particia) Inc.
Urbancorp Partner (King South) Inc.
Urbancorp (Mallow) Inc.
Urbancorp 60 St. Clair Inc.
40% Owner
Hendrick and Main Developments Inc.
60% Owner
840 St. Clair West Inc.
Urbancorp (Lawrence) Inc.
High Res. Inc.
100% Owner
Bridge On King Inc.

Appendix “B”

GENERAL CONVEYANCING

THIS AGREEMENT made as of the 31st day of December, 2012.

B E T W E E N:

WESTSIDE GALLERY LOFTS INC.

(hereinafter called the "Vendor")

OF THE FIRST PART,

- and -

VESTACO INVESTMENTS INC.

(hereinafter called the "Purchaser")

OF THE SECOND PART.

- and –

TCC/**URBANCORP (BAY/STADIUM) LIMITED PARTNERSHIP**

(hereinafter called the "Urbancorp LP")

OF THE THIRD PART.

Witnesseth that, whereas:

(a) the Vendor is the registered owner of the lands and buildings located on the property described in Schedule "A" attached hereto and currently known as "The Curve" (the "Property"); and

(b) the Vendor has constructed a heating and cooling system of underground pipes, heat pumps and main plant for the purposes of creating a Geothermal system for the Property (the "Geothermal System") under and within the building located on the Property;

(c) the Vendor wishes to sell the Geothermal System and the Purchaser wishes to purchase same;

(d) and whereas Urbancorp LP is the beneficial owner of the Property and the Geothermal System.

NOW THEREFORE this agreement witnesseth that in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties covenant and agree as follows:

1. The Vendor does hereby grant, bargain, assign, sell, transfer, convey and set over absolutely to the Purchaser as follwos:

(a) One hundred percent (100%) of all the right, title and interest of the Vendor in the Geothermal System currently located on the Property; and

(b) One Hundred percent (100%) of all rights, benefits and advantages to be derived from the Geothermal System, including all powers, covenant, privileges, rights, appurtenances, benefits and advantages derived therefrom.

2. To Have and To Hold unto the Purchaser, to and for its sole and only use forever of the aforesaid One Hundred percent (100%) interest in the Geothermal System.

3. The purchase price for the Geothermal System shall be the sum of Four Hundred and Twenty-Five Thousand ($425,000) Dollars, which sum shall be satisfied by way of a Promissory Note from the Purchaser to Urbancorp Toronto Management Inc. bearing interest at 1% per annum and becoming due and payable 366 days after demand has been made.

4. The Vendor represents and warrants that:

(a) it has good right, full power and absolute authority to transfer its One Hundred per cent (100%) interest in the Geothermal System in the manner aforesaid, according to the true intent and meaning of this Agreement; and

(b) its interest in the Geothermal System is free and clear of all liens, charges and encumbrances whatsoever, save for the existing charges on the Property to The Toronto-Dominion Bank, Firm Capital Mortgage Fund Inc. and Northbridge General Insurance Corporation which will all be discharged when condominium units constructed on the Property are sold.

5. The Vendor agrees that it shall, without delay, at all times hereafter, at the request of the Purchaser, execute such further assurances in respect of the interest in the Geothermal System transferred, assigned and assumed or intended to be transferred, assigned and assumed by this Agreement as the Purchaser may reasonably request to effect the transaction herein contemplated.

6. The Beneficial Owner authorized the Vendor to enter into this Agreement and complete the transaction provided for herein.

7. This Agreement does not create, and will not be interpreted as creating, any rights or obligations of the parties other than those set forth herein.

8. This Agreement may be executed in several counterpart each of which when so executed shall be, and be deemed to be, an original and such counterparts together shall constitute this Agreement.

9. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the applicable laws of Canada.

10. All of the covenants and agreements in this Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have executed this Agreement.

WESTSIDE GALLERY LOFTS INC.

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

TCC/URBANCORP (BAY/STADIUM) LIMITED PARTNERSHIP by its General Partner DEAJA PARTNER (STADIUM) INC.

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

THE PROPERTY

170 Sudbury Street, Toronto
PIN 21298-0447 (LT)
Part of the Ordnance Reserve, Plan Ordnance Reserve designated as Part 6, Plan 66R-26215 and Parts 28, 29, 31, 40 and 42, Plan 66R-25068, save and except Parts 3 and 4, Plan 66R-26215, City of Toronto

PROMISSORY NOTE

CANADIAN $425,000
Toronto, Ontario

DUE: On Demand
Date: December 31st, 2012

FOR VALUE RECEIVED, the undersigned **VESTACO INVESTMENTS INC.** (the "**Borrower**"), hereby promises to pay to the order **WESTSIDE GALLERY LOFTS INC.** (the "**Holder**"), which term shall include its successors and assigns at 120 Lynn Williams Street, Suite 2A Toronto, Ontario, M6K 3P6 or at such other place as the Holder may from time to time in writing designate, in lawful money of Canada, the principal sum of Four Hundred and Twenty-Five Thousand ($425,000) Dollars or so much thereof as may be outstanding from time to time (hereinafter referred to as the "**Principal Balance**"), with interest at a rate of one (1%) per cent per annum, calculated annually, not in advance.

Interest on the Principal Balance outstanding from time to time shall become due and be payable on the 31st day of December in each and every year until the Principal Balance and interest is repaid in full with the first payment of interest to become due and payable on the 31st day of December, 2013.

The principal sum together with accrued and unpaid interest shall be due and payable three hundred and sixty-six (366) days after demand has been made by the Holder.

Provided this Promissory Note may be repaid in whole without interest or penalty upon ten days prior written notice.

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

All payments to be made by the Borrower pursuant to this Promissory Note are to be made in freely transferrable, immediately available funds and without set-off, withholding or deduction of any kind whatsoever except to the extent required by applicable law and, if any such set-off, withholding or deduction is so required and is made, the Borrower will, as a separate and independent obligation to the Holder, be obligated to pay to the Holder all such additional amounts as may be required to fully indemnify and save harmless the Holder from such set-off, withholding or deduction and as will result in the effective receipt by the Holder of all the amounts otherwise payable in accordance with the terms of this Promissory Note.

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

Time is of the essence hereof.

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

VESTACO INVESTMENTS INC.

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

M:\12\121121\promissory note vestaco to westside $425,000.doc

Appendix “C”

From: Adam Erlich <aerlich@fullerllp.com>
Sent: July 22, 2020 4:18 PM
To: Noah Goldstein <ngoldstein@ksvadvisory.com>
Cc: Bobby Kofman <bkofman@ksvadvisory.com>; Gary Abrahamson <gabrahamson@fullerllp.com>
Subject: Westside Geothermal Claim

Noah,

As you are aware, Westside Gallery Lofts Inc. ("**Westside**") has made a claim with respect to the transfer of the Curve geothermal system to Vestaco Investments Inc. ("**Vestaco**") We write to provide you with a summary of the basis for this claim.

By way of a "General Conveyancing" document dated as of December 31, 2012, Westside transferred its interest in the Curve geothermal units and interest in the geothermal system. The stated consideration for this conveyance was a $425,000 promissory note from Vestaco to Urbancorp Toronto Management Inc. but, for whatever reason, was made payable to Westside. But, as seen below, this promissory note was well below fair market value for the geothermal assets and, in any event, was further supplemented by other receivables from Vestaco to Westside.

Despite the date of the General Conveyancing document, the GL for Westside features two entries for the Curve geothermal system all dated September 30, 2015. These two entries record receivables from Vestaco for (i) $425,000 (the promissory note), and (ii) an $1,352,829 payable to Westside as a result of a MNP adjustment to the purchase price of the geothermal system to reflect the cost of construction. In addition, Vestaco's GL records an adjustment of $2,019,188 to reflect a "FV bump". This "FV bump" was recorded incorrectly between Vestaco and Vestaco Homes Inc. and should have been recorded between Vestaco and Westside. This accounting error was reported by KSV in its 8th Monitor's report. Altogether, Westside is owed $3,797,017 from Vestaco for the Curve geothermal system.

The first two of these entries, totalling $1,777,829, seemingly reflect the cost of construction of the geothermal system as evidenced by the following schedule detailing the costs incurred by Westside that we have created based on Westside's books and records.

Major code	Nature of expenses	Cost allocated to Geothermal [A]	% of cost allocated to Geothermal [B]	Total Invoice Amount [C]=A/B	Status of Invoice	
					Traced	Can't find*
00055	Mechanical / Electrical	41,803	25%	167,212	20,420	146,792
15400	Plumbing	546,864	25%	2,187,455	2,291,430	(103,975)
15600	Heat Pump	338,000	100%	338,000	274,025	63,975
16000	Electrical	295,509	25%	1,182,036	0	1,182,036
17009	Geothermal Wells	532,539	100%	532,539	410,925	121,614
00415	Geothermal Consultant	23,115	100%	23,115	23,114.76	-
15050	Mechanical Site Services	-	100%	-	-	-
Total		**1,777,829**		**4,430,356**	**3,019,915**	**1,410,441**
% of total invoices				**100%**	**68%**	**32%**

These costs comprise: (1) direct costs specifically attributable to the geothermal system such as the geothermal wells; and (2) an allocation of certain "entire building" costs such as mechanical/electrical. 100% of the direct costs and 25% of direct costs are included in the geothermal cost schedule. Fuller has compiled from Westside's books, copies of invoices to support the costs incurred and located invoices to support approximately 68% of the total pre-allocated costs.

The last of the GL entries from Vestaco, the $2,019,188 entry reflecting a "FV bump" appears to reflect the increased value of the system that was found in a Janterra appraisal report dated as of June 30, 2015. Specifically, as of June 30, 2015, Janterra valued the entire Curve geothermal system at $3,610,000 (the value disclosed in Urbancorp's prospectus). It is apparent from Janterra's appraisal that the geothermal system constructed by Curve as well as the net present value of future income produced from the capacity charges found in the supply agreement, formed part of the comprehensive Curve geothermal asset. As a result, MNP further adjusted the amount owing to Westside by $2,019,188 to reflect the fair market value of the geothermal assets at that time.

We understand that the settlement with the Curve condominium corporation resulted in an amount below Westside's cost to construct the geothermal system, let alone the combined cost of the system plus the supply agreement cash flow stream. As such, we have opted not to go in to a further analysis of the value of the supply agreement portion of the geothermal asset, relying more on the costs of construction. But, as the condominium corporation exercised its ability to resile from the supply agreement within the one-year period following turnover of the condominium, we understand that the value attributable to the supply agreement would not be the same if it had not been resiled from. Had circumstances been different, as they will be with the Edge geothermal system, we would have provided a more in-depth analysis.

Accordingly, our position is that Westside is entitled to the full amount of proceeds realized from the settlement with the curve condominium corporation, net of KSV's costs in reaching the settlement.

Please let us know when you would like to have a call to discuss Westside's claim.

Regards,
Adam

Adam Erlich, MBA, CPA, CA • CIRP, LIT ▪ Partner, The Fuller Landau Group Inc.
FULLER LANDAU LLP

151 Bloor Street West
12th Floor
Toronto, Ontario
Canada M5S 1S4

Tel 416.645.6560
Fax 416.645.6501
Email AErlich@FullerLLP.com
Web www.fullerllp.com

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Appendix “D”

Properties

PIN 76448 - 1418 LT *Interest/Estate* Fee Simple

Description UNIT 93, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2448 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3869514; CITY OF TORONTO

Address TORONTO

PIN 76448 - 1419 LT *Interest/Estate* Fee Simple

Description UNIT 94, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2448 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3869514; CITY OF TORONTO

Address TORONTO

PIN 76448 - 1420 LT *Interest/Estate* Fee Simple

Description UNIT 95, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2448 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3869514; CITY OF TORONTO

Address TORONTO

PIN 76448 - 1421 LT *Interest/Estate* Fee Simple

Description UNIT 96, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2448 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3869514; CITY OF TORONTO

Address TORONTO

Consideration

Consideration $ 50,000.00

Transferor(s)

The transferor(s) hereby transfers the land to the transferee(s).

Name EDGE ON TRIANGLE PARK INC.

Address for Service 120 Lynn Williams Drive
Suite 2A
Toronto, ON M6K 3N6

I, David Mandell, Authorized Signing Officer, have the authority to bind the corporation.

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

Transferee(s) *Capacity* *Share*

Name 228 QUEEN'S QUAY WEST LIMITED

Address for Service c/o 120 Lyn Williams Drive
Suite 2A
Toronto, ON M6K 3N6

Signed By

Mark Leonard Karoly 610-4100 Yonge St. Toronto M2P 2B5 acting for Transferor(s) Signed 2015 07 07

Tel 416-250-5800

Fax 416-250-5300

I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).

I have the authority to sign and register the document on behalf of the Transferor(s).

Signed By

Razvan-Laurentiu Nicolae	610-4100 Yonge St. Toronto M2P 2B5	acting for Transferee(s)	Signed	2015 07 07

Tel 416-250-5800

Fax 416-250-5300

I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).

I have the authority to sign and register the document on behalf of the Transferee(s).

Submitted By

HARRIS, SHEAFFER LLP	610-4100 Yonge St. Toronto M2P 2B5	2015 07 07

Tel 416-250-5800

Fax 416-250-5300

Fees/Taxes/Payment

Statutory Registration Fee	$60.00
Provincial Land Transfer Tax	$250.00
Municipal Land Transfer Tax	$250.00
Total Paid	$560.00

File Number

Transferor Client File Number : 150454

PROVINCIAL AND MUNICIPAL LAND TRANSFER TAX STATEMENTS

In the matter of the conveyance of:

76448 - 1418	UNIT 93, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2448 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3869514; CITY OF TORONTO
76448 - 1419	UNIT 94, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2448 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3869514; CITY OF TORONTO
76448 - 1420	UNIT 95, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2448 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3869514; CITY OF TORONTO
76448 - 1421	UNIT 96, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2448 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3869514; CITY OF TORONTO

BY: EDGE ON TRIANGLE PARK INC.

TO: 228 QUEEN'S QUAY WEST LIMITED %(all PINs)

1. DAVID MANDELL

I am

- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- ☐ (c) A transferee named in the above-described conveyance;
- ☐ (d) The authorized agent or solicitor acting in this transaction for ____ described in paragraph(s) (_) above.
- ☑ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for 228 QUEEN'S QUAY WEST LIMITED described in paragraph(s) (C) above.
- ☐ (f) A transferee described in paragraph ( ) and am making these statements on my own behalf and on behalf of _____ who is my spouse described in paragraph (_) and as such, I have personal knowledge of the facts herein deposed to.

3. **The total consideration for this transaction is allocated as follows:**

(a) Monies paid or to be paid in cash		50,000.00
(b) Mortgages	(i) assumed (show principal and interest to be credited against purchase price)	0.00
	(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)		0.00
(d) Fair market value of the land(s)		0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject		0.00
(f) Other valuable consideration subject to land transfer tax (detail below)		0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))		50,000.00
(h) VALUE OF ALL CHATTELS - items of tangible personal property		0.00
(i) Other considerations for transaction not included in (g) or (h) above		0.00
(j) Total consideration		50,000.00

PROPERTY Information Record

A. Nature of Instrument: Transfer

LRO 80 Registration No. AT3938646 Date: 2015/07/07

B. Property(s):

PIN 76448 - 1418	Address TORONTO	Assessment Roll No	-
PIN 76448 - 1419	Address TORONTO	Assessment Roll No	-
PIN 76448 - 1420	Address TORONTO	Assessment Roll No	-
PIN 76448 - 1421	Address TORONTO	Assessment Roll No	-

C. Address for Service: c/o 120 Lyn Williams Drive
Suite 2A
Toronto, ON M6K 3N6

D. (i) Last Conveyance(s):

PIN 76448 - 1418	Registration No.	AT3226393
PIN 76448 - 1419	Registration No.	AT3226393
PIN 76448 - 1420	Registration No.	AT3226393
PIN 76448 - 1421	Registration No.	AT3226393

(ii) Legal Description for Property Conveyed : Same as in last conveyance? Yes ☑ No ☐ Not known ☐

E. Tax Statements Prepared By: Razvan-Laurentiu Nicolae
610-4100 Yonge St.
Toronto M2P 2B5

Appendix “E”

Company : 0067
Date Range : 01/01/2010 to 12/31/2017
Division(s) : 001
Account(s) : *
Sub-Ledger(s) : *
Print Details : yes
Page Break by Company: no

Account Code	Div. Code	Sub-Ledger	Posting Date	Jr	Group Number	Unit No.	Primary / Ancillary Memo	Detail Memo	Amount	Total Month	Account Balance
							cheque 3135273 dated November 24, 2015				
2500.86	001		05/01/2016	GJ	00094977	0001	Transfer of Funds from HS Ledger #150878 to 101019 reimbursement of tax holdback date of Transfer: Nov 25, 2015		-31,840.13		-97,797.91
2500.86	001		05/01/2016	GJ	00094977	0002	Adjustment of MNP AJE. Backup received in May/16 reversing previous entry to be replaced by proper entry.		31,840.13	105,655.80	-65,957.78
2500.86							Total Account...			-65,957.78	-65,957.78
2500.88							I/C - Urbancorp (Valermo) Inc.				.00
2500.88	001		07/01/2015	GJ	00090506	0001	TFCC I Interest - Valermo Paid from Edge Closing Proceeds		58,191.78		58,191.78
2500.88	001		07/01/2015	GJ	00090506	0002	TFCC II - interest (Valermo) Paid from Edge Closing Proceeds		10,356.16		68,547.94
2500.88	001		07/01/2015	GJ	00090506	0003	TFCC Participation Loan - Interest (Valermo) Paid from Edge Closing Proceeds		14,084.38	82,632.32	82,632.32
2500.88	001		08/14/2015	PJ	00091512	0002	Inv.:EDGE805EPurchas:MDF Mechanical Ltd. Inv credited to purchase: M133329 - $12,430, M133066 -$11,978		24,408.00	24,408.00	107,040.32
2500.88	001		09/01/2015	GJ	00092130	0001	To record advances made to Valermo project. Flow through the partnership TCC/Urbancorp Stadium Road) LP		-107,040.32	-107,040.32	.00
2500.88							Total Account...			.00	.00
2500.89							I/C - Urbancorp Residential Inc.				.00
2500.89	001		10/09/2015	GJ	00092316	0001	ED 212 - Nissan, N & Gustin, C PAD Sep 29 - Oct 28/15		1,650.00		1,650.00
2500.89	001		10/09/2015	GJ	00092316	0002	ED 222 -Prereira, S & Burgess J PAD Oct 1 - 31, 2015		1,900.00		3,550.00
2500.89	001		10/09/2015	GJ	00092316	0003	ED 301 - Hooper, Jonathan PAD Oct 1 - 31/15		1,450.00		5,000.00
2500.89	001		10/09/2015	GJ	00092316	0005	ED 305 - Elyse Clinning & Laura Dellandrea PAD Sep 30 - Oct 30/15		1,750.00		6,750.00
2500.89	001		10/09/2015	GJ	00092316	0006	ED 318 - Murray, J & Mejia, C PAD Sep 30 - Oct 30/15		1,700.00		8,450.00
2500.89	001		10/09/2015	GJ	00092316	0007	ED 323 - Lauren Aubry & Ashley Derro PAD Sep 30-Oct 30, 2015		2,150.00		10,600.00
2500.89	001		10/13/2015	GJ	00092326	0002	ED 601E - James Cumpstey PAD Oct 1 - 31, 2015		1,475.00		12,075.00
2500.89	001		10/13/2015	GJ	00092326	0003	ED 625E - Brianne Price PAD Oct 1 - 31, 2015		1,275.00		13,350.00
2500.89	001		10/13/2015	GJ	00092326	0004	ED 701E - Vanstone, David PAD Oct 1 - 31, 2015		1,350.00		14,700.00
2500.89	001		10/13/2015	GJ	00092326	0005	ED 801E - Jaymie-Lynn Labelle-Rae PAD Oct 1 - 31, 2015		1,350.00		16,050.00
2500.89	001		10/13/2015	GJ	00092326	0006	ED 902E - Fabio Papa & Mimsey Field PAD Oct 2 - Nov 1, 2015		1,900.00		17,950.00
2500.89	001		10/13/2015	GJ	00092326	0007	ED 1010E - Genovese, Olivia PAD Oct 1 - 31, 2015		1,650.00		19,600.00
2500.89	001		10/13/2015	GJ	00092326	0008	ED 1015E - Shivani Sondhi PAD Oct 1 - 31, 2015		1,650.00		21,250.00
2500.89	001		10/13/2015	GJ	00092326	0009	ED 1202E - Spencer Stewart-Gouchie & Brandon Stewa PAD Oct 3 - Nov 2, 2015		2,000.00		23,250.00
2500.89	001		10/13/2015	GJ	00092326	0010	ED 1503E - Richard FitzGerald PAD Sep 30 - Oct 30, 2015		1,300.00		24,550.00
2500.89	001		10/13/2015	GJ	00092326	0011	ED 2101E - John Paul Piazza PAD Oct 1 - 31, 2015		1,400.00		25,950.00
2500.89	001		10/15/2015	GJ	00092316	0004	ED 303 - Stanley, Z & Palmer, M PAD Oct 11 - Nov 10/15		1,750.00		27,700.00
2500.89	001		10/15/2015	GJ	00092326	0001	ED 501E - Matthew Kelly PAD Oct 15 - Nov 14, 2015		1,325.00		29,025.00
2500.89	001		10/27/2015	GJ	00092489	0001	Edge 902E Mimsey Field locker October 2015		50.00	29,075.00	29,075.00
2500.89	001		06/27/2016	GJ	00095170	0001	Edge E530 Caron & Roesler May 2016 rent NSF; 2nd PAD run done today as per Gary Cheng's confirmation with the tenant		1,450.00	1,450.00	30,525.00
2500.89	001		10/04/2016	GJ	00095622	0001	EDGE condo rentals deposited in UR - October 2016 Edge Suites: 527, 323, 801, 528, 2101E, 1101, 1501, 701,723E, 502, 530, 220, 1015E, 1010E, 318, 223, 1202E and 525		2,900.00		33,425.00
2500.89	001		10/05/2016	GJ	00095654	0003	To reverse Edge Unit 801 Meghan Foley October Rent -It is not NSF, last month rent should have been applied - see Gary's email. LMR recorded in Co. 67 G/L 2700		-1,350.00	1,550.00	32,075.00
2500.89	001		11/03/2016	GJ	00095818	0001	EDGE condo rentals deposited in UR - November 2016 Edge suites:527,323,528,2101E,1101,1501 701,530,1015E,1010E,318,223,1202E,525,220,502,723		2,900.00	2,900.00	34,975.00
2500.89	001		12/01/2016	GJ	00096084	0001	Urbancorp Residential Inc. - EDGETriNovRent Deposited to Fuller Trust Account. 002-041057-051. Chq# 126. Transaction# 00031377. Per Fuller GL Report 12/30/16.		-2,900.00		32,075.00
2500.89	001		12/19/2016	GJ	00096084	0002	Urbancorp Residential Inc. - EDGETriOctRent. Deposited to Fuller Trust Account. 002-041057-051. Chq# 128. Transaction# 00031518. Per Fuller GL Report 12/30/16.		-2,900.00		29,175.00
2500.89	001		12/19/2016	GJ	00096084	0003	Urbancorp Residential Inc. - EDGETriDecRent. Deposited to Fuller Trust Account. 002-041057-051. Chq# 130. Transaction# 00031519. Per Fuller GL Report 12/30/16.		-2,900.00	-8,700.00	26,275.00
2500.89							Total Account...			26,275.00	26,275.00
2500.91							I/C - Vestaco Investments Inc.				.00
2500.91	001		09/30/2015	GJ	00093464	0002	MNP additional adjustments		14,083,848.00	14,083,848.00	14,083,848.00
2500.91	001		12/31/2015	GJ	00094765	0028	To record adjustments in the amount transferred to vestaco investment (Difference in geothermal cost allocation) - MNP AJE		-707,676.79	-707,676.79	13,376,171.21
2500.91	001		06/30/2016	GJ	00095304	0001	Reclass from GL 2500.91 to 2500.09 The owner of Edge geo is 228 Queens Quay not Vestico Investments		-13,376,171.21	-13,376,171.21	.00
2500.91							Total Account...			.00	.00
2500.94							I/C - Urbancorp (St. Clair Village)				.00
2500.94	001		07/03/2015	GJ	00090487	0009	St. Clair Village Inc. - interest payment to Terra Firma Paid from Edge Closing Proceeds		42,122.11	42,122.11	42,122.11
2500.94	001		07/04/2017	GJ	00096566	0005	To pay off intercompany loan from Edge on Triangle to St. Clair Village. Paid from KSV Trust Account. BMO 1841 466. Chq# 398. Transaction# 00496315. Per KSV GL Report 07/05/17. Claim approved under CCAA.		-42,122.00	-42,122.00	.11
2500.94							Total Account...			.11	.11
2500.95							I/C - Urbancorp (Lawrence) Inc.				.00
2500.95	001		07/01/2015	GJ	00088681	0006	Terra Firma Loan - Jun 1 - 30, 2015 Paid from Edge Closing Proceeds		45,303.85	45,303.85	45,303.85
2500.95	001		08/14/2015	PJ	00091512	0002	Inv.:EDGE805EPurchas:MDF Mechanical Ltd. Invs credited to purchase: M132931 - $32,770, M132974 - $2,203.50, M132975 - $12,260.50, M133074 - $3,559.50		50,793.50	50,793.50	96,097.35
2500.95	001		07/04/2017	GJ	00096566	0002	To pay off intercompany loan from Edge on Triangle to Lawrence. Paid from KSV Trust Account. BMO 1841 466. Chq# 395. Transaction# 00496312. Per KSV GL Report 07/05/17. Claim approved under CCAA.		-96,097.00	-96,097.00	.35
2500.95							Total Account...			.35	.35
2500.96							I/C - King Residential Inc.				.00
2500.96	001		09/30/2015	GJ	00092486	0001	To reclass investments made in Edge by King Res co 67 GL 2135, and 96 cc GL 1105.39		-639,510.00	-639,510.00	-639,510.00
2500.96							Total Account...			-639,510.00	-639,510.00
2500.98							I/C - Urbancorp (Bridlepath) Inc.				.00
2500.98	001		07/01/2015	GJ	00090509	0001	TFCC interest (Bridlepath) Paid from Edge Closing Proceeds		85,919.18	85,919.18	85,919.18
2500.98	001		07/19/2017	GJ	00096696	0005	To pay off intercompany loan from Edge to Bridlepath. Paid from KSV Trust Account. BMO 1831 276. Chq# 91. Transaction# 00497062. Per KSV GL Report 09/05/17. Claim approved under CCAA.		-28,353.33	-28,353.33	57,565.85
2500.98							Total Account...			57,565.85	57,565.85

Continued on next page...

2401.43	001	12/14/2016	GJ	00096084	0004	DIP Financing - 3rd Advance from Davad Investments Inc. Deposited to Fuller Trust Account. 002-041057-051. Chq# 6439. Transaction# 00031509. Per Fuller GL Report 12/30/16.	-200,000.00	-200,000.00	-1,400,000.00
2401.43						Total Account...		-1,400,000.00	-1,400,000.00
2500.09						I/C - 228 Queen's Quay West Limited			0.00
2500.09	001	06/30/2016	GJ	00095304	0001	Reclass from GL 2500.91 to 2500.09 The owner of Edge geo is 228 Queens Quay not Vestico Investments	13,376,171.21	13,376,171.21	13,376,171.21
2500.09						Total Account...		13,376,171.21	13,376,171.21
2500.100						I/C - Urbancorp (Patricia) Inc.			39,871.23
2500.100						Total Account...		0.00	39,871.23
2500.107						I/C - Urbancorp Inc.			-8,741.64
2500.107	001	01/14/2016	CD	00093628	0006	Payment:00000017:Compel Technology Inc.	-97.46		-8,839.10
2500.107	001	01/14/2016	CD	00093633	0001	Payment:00000019:Abe Gitalis Real Estate Ltd.	-2,180.90		-11,020.00
2500.107	001	01/14/2016	CD	00093633	0014	Payment:00000022:Toronto Hydro	-209.98		-11,229.98
2500.107	001	01/14/2016	CD	00093654	0001	Payment:00000028:Ayayi, Ayi	-7,500.00		-18,729.98
2500.107	001	01/20/2016	CD	00093690	0001	Void Ch.:00000019:Abe Gitalis Real Estate Ltd.:0067,29499 Audit Group:00093633-0001 Invoice entered under incorrect company	2,180.90		-16,549.08
2500.107	001	01/20/2016	CD	00093693	0001	Payment:00000032:Abe Gitalis Real Estate Ltd. Payment corrected from Edge to Epic	-542.40		-17,091.48
2500.107	001	01/21/2016	CD	00093664	0001	Payment:00000029:Toronto Hydro	-25,478.51		-42,569.99
2500.107	001	01/25/2016	CD	00093714	0002	Payment:00000035:XYNERGY XPRESS INC.	-27.29		-42,597.28
2500.107	001	01/25/2016	CD	00093714	0007	Payment:00000037:Toronto Hydro	-29,705.08		-72,302.36
2500.107	001	01/25/2016	CD	00093721	0010	Payment:00000038:The Messengers International	-210.30		-72,512.66
2500.107	001	01/25/2016	CD	00093721	0011	Payment:00000039:Canadian Springs	-73.10		-72,585.76
2500.107	001	01/25/2016	CD	00093745	0004	Payment:00000040:Rogers Wireless	-67.80		-72,653.56
2500.107	001	01/26/2016	CD	00093748	0003	Payment:00000041:James Bamberger	-68.66		-72,722.22
2500.107	001	01/29/2016	CD	00093811	0001	Payment:00000046:Design Elementz Ltd. Pay $50,000 towards Edge bills from 107 as per AS	-50,167.02	-114,147.60	-122,889.24
2500.107	001	02/02/2016	CD	00093852	0002	Payment:00000050:Enbridge Gas Distribution Inc.	-17,032.33		-139,921.57
2500.107	001	02/04/2016	CD	00093880	0002	Payment:00000051:Bell Canada	-2,614.86		-142,536.43
2500.107	001	02/04/2016	CD	00093883	0006	Payment:00000053:Rogers Wireless	-152.55		-142,688.98
2500.107	001	02/04/2016	CD	00093889	0001	Payment:00000054:Bell Canada	-115.90		-142,804.88
2500.107	001	02/15/2016	CD	00093664	0002	Payment:00000030:Toronto Hydro	-25,478.50		-168,283.38
2500.107	001	02/19/2016	CD	00094037	0003	Payment:00000062:Tarion Warranty Corporation	-871.32		-169,154.70
2500.107	001	02/19/2016	CD	00094037	0008	Payment:00000064:The Messengers International	-54.19		-169,208.89
2500.107	001	02/29/2016	CD	00094108	0004	Payment:00000069:MNP LLP Pay from 107 per AS	-21,187.50	-67,507.15	-190,396.39
2500.107	001	03/02/2016	CD	00094146	0006	Payment:00000073:Berkow, Cohen LLP Barristers	-15,167.20		-205,563.59
2500.107	001	03/02/2016	CD	00094157	0001	Payment:00000075:Adrian McCalla	-141.25		-205,704.84
2500.107	001	03/03/2016	CD	00094186	0002	Payment:00000078:Reprodux Copy Centre	-3,002.23		-208,707.07
2500.107	001	03/07/2016	CR	00094214	0001	Deposit:40124071:Zurich Insurance Company Ltd.	25,279.54		-183,427.53
2500.107	001	03/08/2016	GJ	00094255	0001	wire transfer to Harris Sheaffer As per Alan Saskin - to be used to pay the HST payable of Edge on Triangle Park Inc.	-1,150,000.00		-1,333,427.53
2500.107	001	03/10/2016	CD	00094264	0008	Payment:00000082:Paul Dela Cruz	-185.08		-1,333,612.61
2500.107	001	03/10/2016	CD	00094264	0009	Payment:00000083:Pietrangelo, Joe	-3,700.41		-1,337,313.02
2500.107	001	03/10/2016	CD	00094264	0011	Payment:00000084:The Messengers International	-93.65		-1,337,406.67
2500.107	001	03/10/2016	CD	00094264	0020	Payment:00000085:TSCC 2448	-38,583.06		-1,375,989.73
2500.107	001	03/10/2016	CD	00094264	0021	Payment:00000086:Johnson Controls	-2,426.11		-1,378,415.84
2500.107	001	03/10/2016	CD	00094264	0030	Payment:00000087:Toronto Hydro	-3,572.22		-1,381,988.06
2500.107	001	03/21/2016	CD	00094334	0015	Payment:00000093:Bell Canada	-297.24		-1,382,285.30
2500.107	001	03/21/2016	CD	00094334	0023	Payment:00000094:Zurich Insurance Company Ltd.	-4,741.88		-1,387,027.18
2500.107	001	03/21/2016	CD	00094334	0026	Payment:00000095:Canadian Springs	-34.91		-1,387,062.09
2500.107	001	03/24/2016	CD	00094405	0001	Payment:00000097:KRG Insurance Brokers Inc.	-22,186.44		-1,409,248.53
2500.107	001	03/29/2016	CD	00094434	0001	Payment:00000100:MNP LLP	-5,101.95		-1,414,350.48
2500.107	001	03/31/2016	CD	00094489	0005	Payment:00000104:Supply and Demand Graphic Communications Inc	-423.75	-1,224,377.84	-1,414,774.23
2500.107	001	04/01/2016	GJ	00094813	0001	Retainer Fee Held by MacDonal, Sager, Manis LLP Paid by Harris Sheaffer from Edge's funds held in trust. retainer fee for law firm that Philip used to consult regarding his position as an officier, as per Ted Saskin	50,000.00		-1,364,774.23
2500.107	001	04/13/2016	PJ	00094658	0004	Inv:16487Cr:Berkow, Cohen LLP Barristers Edge on Triangle Park Inc. et al ats. Nu-Wall Contracting Limited. Received $6.89 from trust account 150187. Received $41.23 from trust account 150242. Paid $48.23 to invoice 16487 from 160201.	-158.41		-1,364,932.64
2500.107	001	04/13/2016	PJ	00094658	0014	Inv:16486Cr:Berkow, Cohen LLP Barristers Edge on Triangle Park Inc. Re: Century 21 King's Quay Real Estate Inc. (Bo Yang). Received $189.17 from trust account 150246. Paid invoice 16486 from trust account 160149.	-189.17		-1,365,121.81

Appendix “F”

Province of Ontario

Document General

Form 4 - Land Registration Reform Act

D

AT 3883678
CERTIFICATE OF RECEIPT
RÉCÉPISSÉ
TORONTO (66)

MAY 15 2015 13:38
LAND REGISTRAR

(1) Registry ☐ Land Titles ☒ (2) Page 1 of 46 pages

(3) Property Identifier(s) | Block 76448 | Property 0001 to 1421, incl. | Additional: See Schedule ☐

(4) Nature of Document
Application to register Notice of an Unregistered Estate, Right, Interest or Equity (Section 71 of the Land Titles Act)

(5) Consideration
Two dollars
Dollars $ 2.00

(6) Description
All Units and Common Elements comprising the property contained in Toronto Standard Condominium Plan No. 2448
City of Toronto
Land Titles Division of the Toronto Registry Office (No. 66)

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☐ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s)	Signature(s)	Date of Signature Y M D
TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2448	Per: Name: Alan Saskin Title: President	2015 05 12
We have the authority to bind the corporation	Per: Name: David Mandell Title: Secretary	2015 05 12

(11) Address for Service c/o 89 Skyway Avenue, Suite 200, Toronto, Ontario. M9W 5R4

(12) Party(ies) (Set out Status or Interest)

Name(s)	Signature(s)	Date of Signature Y M D

(13) Address for Service

(14) Municipal Address of Property
2 Lisgar Street
Toronto, Ontario

(15) Document Prepared by:
Mark Karoly
Harris, Sheaffer LLP
Suite 610 - 4100 Yonge Street
Toronto, Ontario
M2P 2B5
150454

FOR OFFICE USE ONLY

Fees and Tax	
Registration Fee	
	70
Total	

Land Titles Act
Application to register Notice of an
unregistered estate, right, interest or equity
Section 71 of the Act

TO: The Land Registrar for the Land Titles Division of Toronto (No. 66)

I, MARK L. KAROLY, am the solicitor for Toronto Standard Condominium Corporation No. 2448

I confirm that the applicants have an unregistered estate, right, interest or equity in the land described as all of PINs 76448-0001 to 76448-1421, inclusive.

The lands are registered in the name of Edge on Triangle Park Inc. I hereby apply under Section 71 of the Land Titles Act for the entry of a Notice in the register for the said parcels.

The Notice is for an indeterminate period.

The address for service of the applicant is:

c/o FirstService Residential Ontario
89 Skyway Avenue
Suite 200
Toronto, Ontario
M9W 5R4

Dated: May 14, 2015

Mark L. Karoly

M:\13\131249\Documents\Notice Land Titles geo.doc

GEOTHERMAL ENERGY SUPPLY AGREEMENT

BETWEEN

URBANCORP RENEWABLE POWER INC.

- and –

EDGE ON TRIANGLE PARK INC.

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

Page

GEOTHERMAL ENERGY SUPPLY AGREEMENT

THIS AGREEMENT is dated for reference as of the 30th day of September, 2014.

BETWEEN:

EDGE ON TRIANGLE PARK INC.
(the "**Owner**")

OF THE FIRST PART

- and -

URBANCORP RENEWABLE POWER INC.
(the "**Supplier**" or "**Urbancorp Renewable Power**")

OF THE SECOND PART

RECITALS:

A. The Owner is the registered owner of the lands and premises municipally known as 36 Lisgar Street, Toronto, Ontario and legally described in Schedule "A" (the "**Lands**") and the Owner proposes to construct a building and other improvements on the Lands, comprising a 665 residential units mixed use development intended to be registered as a condominium (the "**Project**");

B. The Supplier is a renewable energy provider engaged in the business of design, installation and operation of geothermal energy distribution systems;

C. The Owner agrees to engage the Supplier to (i) design, construct, maintain and operate the Geothermal Energy System described in Schedule "C" at the Property; and (ii) provide Geothermal Energy produced by the Geothermal Energy System to the Owner and Occupants upon the terms and conditions set forth herein; and

D. The Supplier and the Owner have entered into this Agreement to reflect their mutual understanding regarding these matters.

NOW THEREFORE, in consideration of the sum of $1.00 and other good and valuable consideration (the receipt and sufficiency of which is hereby mutually acknowledged), the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

The terms defined in this section 1.1 shall have the following meanings unless the context expressly or by necessary implication otherwise requires:

(a) "**Acceptable Standards**" means the following:

(i) with respect to any equipment, device, apparatus or system supplied by the Owner or by the Supplier: in accordance with reasonable standards as specified by the Supplier and the manufacturers of equipment supplied included and in compliance with all Applicable Law, to ensure the operation for its intended purpose;

(ii) with respect to any structural or other non-operating element, part or component: good repair, having regard to the standards of a prudent owner and in compliance with all Applicable Law; and

(iii) with respect to any equipment, device, apparatus or system owned by the Supplier: in accordance with the foregoing standards in (i) and (ii) or the Supplier standards, when the Supplier standards are higher than (i) and (ii).

(b) "**Agreement**" means this Geothermal Energy Supply Agreement and all instruments supplemental hereto or in amendment or confirmation hereof;

(c) "**Applicable Law**" means any statute, regulation, by-law, treaty, guideline, directive, rule, standard, requirement, policy, order, judgement, injunction, award, decree, code or resolution of a Governmental Authority having the force of law binding on a party in Ontario, and includes, without limitation, all Environmental Laws, and Health and Safety Laws.

(d) "**Building(s)**" means the building constructed on the Lands which will be used, *inter alia*, as a residential condominium and will be governed by the Condominium Act,.

(e) "**Building Energy Distribution System**" means the system for distributing Geothermal Energy throughout the Condominium and includes all pipes above the main distribution header, the main distribution header, all wires, switches, pumps, heat pumps, all control equipment, a building automation system and valves, equipment, devices and other appurtenances necessary to distribute Geothermal Energy throughout the Condominium.

(f) "**Business Day**" means a day that is not a Saturday, Sunday or statutory holiday in the Province of Ontario.

(g) "**Capacity Charge**" shall have the meaning ascribed to it in Schedule "D" hereto

(h) "**Commencement Date**" shall have the meaning assigned thereto in section 5.1.

(i) "**Condominium Act**" means the *Condominium Act, 1998*, S.O. 1998, c. 19 as amended or re-enacted from time to time and the regulations made thereunder.

(j) "**Condominium Corporation**" or "**Condominium**" means the condominium corporation registered by the Owner pursuant to the Condominium Act upon the Lands;

(k) "**Condominium Documents**" means the Declaration and Description of the Condominium Corporation, as such terms are defined by the Condominium Act.

(l) **[Intentionally Deleted]**

(m) "**Construction Lien Act**" means the *Construction Lien Act*, R.S.O. 1990, c.30 as amended or re-enacted from time to time and the regulations made thereunder.

(n) "**CPI**" shall have the meaning ascribed to it in Schedule "D" hereto;

(o) "**Defaulting Party**" means a party which has committed an Event of Default and "Non-Defaulting Party" means a party that is not a Defaulting Party.

(p) "**Emission Reductions Credits**" means the credits associated with any limitation, reduction, avoidance, sequestration or mitigation of emissions into or from the atmosphere, including, without limitation:

(i) "emission reduction credits" as defined in O.Reg. 397/01 made under the *Environmental Protection Act* (Ontario), as amended from time to time; solar, geothermal, windpower, biomas and hydrogen power.

(ii) renewable energy credits as defined by any applicable legislative or voluntary authority; and

(iii) credits associated with emission reductions of greenhouse gases as defined by any applicable legislative or voluntary authority.

(q) "**Energy Consumption Charge**" means, collectively, the Initial Geothermal Energy Consumption Charge and the Geothermal Energy Consumption Charge;

(r) "**Environmental Attributes**" means any environmental attributes associated with the Renewal Energy System and includes:

(i) rights to any fungible or non-fungible attributes, arising from the Geothermal Energy System;

(ii) any and all ownership rights relating to the nature of the energy source as may be defined through applicable legislation or voluntary programs. Specific environmental attributes include ownership to all right, title and interest to Emission Reduction Credits and the right to quantify and register such Emission Reduction Credits with relevant legislative and voluntary authorities; and

(iii) all revenues and entitlements derived from (i) and (ii) above.

(s) "**Environmental Laws**" means all Environmental Orders, Environmental Permits, Environmental Regulations and all applicable federal, provincial, regional, municipal or local laws with respect to environmental or occupational health and safety matters contained in statutes, regulations, policies, guidelines, orders, notices, permits, ordinance or directives having the force of law, including without limitation, the following: the Fisheries Act (Canada), the Canadian *Environmental Protection Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Environmental Protection Act* (Ontario), the *Gasoline Handling Act* (Ontario), the *Ontario Water Resources Act*, the *Dangerous Goods Transportation Act* (Ontario), the *Pesticides Act* (Ontario) and the *Environmental Assessment Act* (Ontario).

(t) "**Environmental Orders**" means orders, decisions, directives or the like rendered by any Governmental Authority under or pursuant to any Environmental Laws, but excluding policy statements or other instruments that are not enforceable against the Owner or the Supplier.

(u) "**Environmental Permits**" includes all permits, certificates, approvals, authorizations, registrations, licenses or the like issued by any Governmental Authority and relating to or required for the operation of the Geothermal Energy System in compliance with all Environmental Laws.

(v) "**Environmental Regulations**" includes all applicable regulations or the like promulgated under or pursuant to any Environmental Laws.

(w) "**Equipment Spaces**" means the rooms, closets, secure rooms, lockers and other areas within the Building which contain the Geothermal Energy System;

(x) Intentionally Deleted.

(y) "**ETS**" or "**Energy Transfer Station**" means a heat exchanger assembly or equivalent device, including pressure reducing valves and ancillary equipment used or necessary for adding extracting the thermal energy to or from the Supplier's geothermal ground loops comprising part of the Supplier's Geothermal Energy System, which equipment shall also comprise part of the Supplier's Geothermal Energy System.

(z) "**Event of Default**" means the events described in Section 10.1.

(aa) "**Force Majeure Event**" has the meaning assigned thereto in Section 12.1.

(bb) "**Geothermal Energy**" means the thermal energy that originates from the earth and which is extracted by the Supplier and supplied to the Building by way of the Supplier's Geothermal Energy System.

(cc) **"Geothermal Energy Consumption Charge**" shall have the meaning ascribed to in Schedule "D" hereto

(dd) "**Geothermal Energy System**" means the building mechanical system described in Schedule "C" hereto, and which is owned by the Supplier and used for collecting Geothermal Energy and supplying same to the Building. The Geothermal Energy System, may also include, from time to time, any other systems or equipment, now or in the future, owned by the Supplier to provide Renewable Energy to the Building;

(ee) "**Geothermal Room Unit**" shall mean 93 to 97 inclusive on Level D of the Condominium. In the event the definition of Geothermal Room Unit in the Condominium Documents are inconsistent with the definition herein, the definition of Geothermal Room Unit in the Condominium Documents shall take precedence;

(ff) "**Governmental Authority**" means any federal, provincial, regional, municipal or local government or authority or other political subdivision thereof and any entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government.

(gg) "**Hazardous Material**" means any contaminant, pollutant, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, hazardous waste, hazardous biological materials and organisms (including, without limitation, certain viral agents, mould, fungus and bacteria), flammable material, explosive material, radioactive material, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls, dangerous levels of radiation, natural or man-made, dangerous to public health, crops, water supplies or soil quality, and including, without restricting the generality of the foregoing, substances declared to be hazardous or toxic (including without limitation, substances which if found in certain minimum quantities are declared to be hazardous or toxic) and any other substance, materials, effect, or thing declared or defined to be hazardous, toxic, a contaminant, or a pollutant in or pursuant to any Environmental Law.

(hh) "**Initial Geothermal Energy Consumption Charge**" shall have the meaning ascribed to in Schedule "D" hereto

(ii) Intentionally Deleted.

(jj) "**Lands**" has the meaning ascribed thereto in Recital A.

(kk) "**Meter**" or "**Metering Equipment**" means the equipment installed by the Supplier to measure the Geothermal Energy delivered to the Building Energy Distribution System at the ETS.

(ll) "**Monthly Energy Consumption Charges**" means the amount(s) payable by the Condominium Corporation in accordance with Schedule "D" hereto.

(mm) "**Occupant**" means a unit owner, tenant, and licensee or the invitee of any of the foregoing that occupy any portion of the Building and "Occupants" means more than one occupant or all occupants of the Building, as the context so requires.

(nn) "**Occupational Health and Safety Act**" means the *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, as amended or re-enacted from time to time and the regulations made thereunder.

(oo) Intentionally Deleted.

(pp) "**Owner**" means Edge on Triangle Park Inc. in its capacity as owner of the Lands and the Building and its successors and assigns of the Owner in the Lands and Building, prior to the assumption of this agreement by the Condominium Corporation and, after the assumption of this Agreement by the Condominium Corporation, "Owner" shall mean the Condominium Corporation.

(qq) "**Permitted Encumbrances**" means the encumbrances listed in Schedule "I" hereto.

(rr) "**Person**" means an individual, partnership, corporation, government or any department or agency thereof, a trustee, any unincorporated organization and the heirs, executors, administrators, estate trustees or other legal representatives of an individual.

(ss) "**Prime Rate**" means the annual rate of interest stated by the Toronto-Dominion Bank from time to time as its prime rate for commercial Canadian dollar loans made in Canada.

(tt) "**Project**" has the meaning ascribed thereto in Recital A.

(uu) "**Property**" means the Lands together with all improvements located thereon or therein.

(vv) "**Renewable Energy**" means Geothermal Energy or any other form of energy derived from renewable sources, including without limitation solar energy, photo voltaic energy, wind power, and biogas.

(ww) "**Supplier's Units**" means the Geothermal Room Unit which is intended to be transferred and conveyed by the Owner to the Supplier after registration of the Condominium.

(xx) "**Term**" means the term described in Section 2.1;

(yy) "**Termination Amount**" has the meaning ascribed thereto in Section 11.2(b).

(zz) "**Turnover Meeting**" means the meeting contemplated by Section 43 of the Condominium Act.

1.2 Gender and Number

Words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.3 Headings

The headings contained in this Agreement are for convenience of reference only and in no way define, limit or describe the scope, construction, interpretation or intent of this Agreement or in any way affect this Agreement.

1.4 Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each of the parties attorn to the jurisdiction of the courts of the Province of Ontario.

1.5 Severability

If any covenant, obligation, term, condition or agreement of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation, term, condition or agreement to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation, term, condition or agreement of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

1.6 Entire Agreement

This Agreement and any agreements herein contemplated to be entered into between, by or with the parties hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, letters of intent, offers to connect, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Agreement. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in

writing by the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver. Failure on the part of a party to complain of any act or failure to act of another party or to declare another party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned party of its rights hereunder.

1.7 Rights of Parties Independent

The rights available to the parties under this Agreement and at law shall be deemed to be several and not dependent on each other and each such right shall be accordingly construed as complete in itself and not by reference to any other such right. Any one or more and/or any combination of such rights may be exercised by a party from time to time and, subject to the provisions of this Agreement, no such exercise shall exhaust the rights of such party or preclude any other party from exercising any one or more of such rights or combination thereof from time to time thereafter or simultaneously.

1.8 Schedules

The Schedules annexed hereto form part of and shall be construed in accordance with this Agreement. The following are such Schedules:

(a)	Schedule "A"	Legal Description of the Lands
(b)	Schedule "B"	Edge Condominium Geothermal Energy Savings Model
(c)	Schedule "C"	The Geothermal Energy System
(d)	Schedule "D"	Supplier Energy Consumption Charges
(e)	Schedule "E"	Owner's Obligations
(f)	Schedule "F"	Supplier's Unit(s)
(g)	Schedule "G"	Intentionally Deleted
(h)	Schedule "H"	Assumption Agreement
(i)	Schedule "I"	Permitted Encumbrances

ARTICLE 2
TERM

2.1 Term

(a) Subject to earlier termination in accordance with the provisions hereof, the initial term (the "**Initial Term**") of this Agreement shall commence on the Commencement Date, as set out in section 5.1 herein, and continue until the 20th anniversary thereof, or where the Owner is the Condominium Corporation, the Initial Term shall end on the later of (i) the 20th anniversary of the Commencement Date and (ii) the 20th anniversary of the date of registration of the Condominium Corporation pursuant to the Condominium Act.

(b) Unless the Owner has provided written notice to the Supplier as set out below, and provided the Owner is not in default of any material obligations under this Agreement, this Agreement shall automatically renew:

(i) for 20 years following the expiration of the Initial Term (the "**First Renewal Term**"); and

(ii) for 20 years following the expiration of the First Renewal Term (the "**Second Renewal Term**"),

(the First Renewal Term and the Second Renewal Term being hereinafter each referred to as a "**Renewal Term**")

unless the Owner has, no earlier than 36 months prior to and no later than 24 months prior to the date of expiry of the Initial Term (in the case of 2.1(a)) or the First Renewal Term (in the case of Section 2.1(b), provided the Supplier with written notice that this Agreement shall terminate at the end of such Initial Term or the First Renewal Term, as applicable.

(c) The "Term" of this Agreement shall include the Initial Term described in 2.1(a), and, as applicable, the Renewal Term.

2.2 Substantial Destruction

If the Building is damaged or destroyed resulting in 25% or more of the Building being rendered unfit for occupancy, or the unit owners of the Condominium Corporation elect to demolish the Building or to terminate the Condominium Corporation in accordance with Section 123 of the Condominium Act, the Owner may terminate this Agreement by giving written notice to the Supplier and complying with Section 11.2 hereof.

2.3 Release and Indemnity

Notwithstanding any other provision in this Agreement, upon execution of the Assumption Agreement, the Condominium Corporation will assume all of the rights and obligations of Edge on Triangle Park Inc. under this Agreement and Edge on Triangle Park Inc. shall automatically be released, relieved and forever discharged from all of its obligations under this Agreement.

ARTICLE 3
DESIGN AND CONSTRUCTION PHASE OBLIGATIONS

3.1 Supplier Obligations

The Supplier shall:

(a) design the Geothermal Energy System to provide Geothermal Energy to the Property based on the engineering and architectural plans acceptable to the Supplier. The Supplier will provide to the Owner with either drawings and/or scope of work or material specifications for the Geothermal Energy System sufficient to make an application for all approvals and permits necessary to install the Geothermal Energy System.

(b) review the Owner's architectural, mechanical and electrical plans and specifications for the Building, including the Owner's plans and specifications for the Building Energy Distribution System and, if necessary, suggest modifications to accommodate the Geothermal Energy System and to address energy conservation and operational concerns. In this regard, the Owner covenants and agrees, at its own expense, to incorporate all reasonable design changes and reasonable construction scheduling modifications, as specified by the Supplier so as to increase the Building's energy efficiency and to accommodate the Supplier's installations or delays caused by the Owner or its contractors. The Owner agrees to provide and complete the Building Energy Distribution System at its own cost.

(c) Ensure, at its own expense, that the geothermal field is sufficient to enable the Supplier to design and construct the Geothermal Energy System, and to provide the result of geothermal bore-hole testing and report by a qualified geotechnical engineer, at the Supplier's sole expense.

(d) comply with and shall require each of its employees, agents, contractors, consultants and other authorized personnel to comply with all aspects of applicable work place health and safety requirements including, but not limited to, the Occupational Health and Safety Act arising in connection with the installation of the Geothermal Energy System and the provision of all ancillary services provided by the Supplier at the Property. The Supplier shall comply with all reasonable construction safety procedures implemented by the Owner or its contractor; and

(e) save as otherwise provided herein to the contrary, be responsible for and have the right to supply, design and install the Geothermal Energy System.

3.2 Owner Obligations

The Owner shall:

(a) provide all site plans and architectural, structural, mechanical and electrical plans and specifications to the Supplier (and all amendments thereto from time to time) in a format acceptable to the Supplier, acting reasonably, for its review and approval as necessary in order to design and build the Geothermal Energy System;

(b) consult with the Supplier regarding the construction schedule in order to schedule those times required by the Supplier, acting reasonably, to construct the Geothermal Energy System as described in Schedule "C" and shall perform the obligations described in Schedule "E". As soon as reasonably possible after execution of this Agreement, the Owner shall provide to the Supplier a proposed construction schedule setting out in detail the schedule for installation of the Geothermal Energy System as provided by the Supplier and the mechanical and electrical installation schedule for the Project (and all amendments, from time to time);

(c) along with scheduled completion and occupancy dates by the development, provide the Supplier with the name and contact information of its consultants and contractors used in connection with the Property from time to time and shall further direct such consultants and contractors to incorporate all necessary amendments to their plans as may be required by the Supplier to address energy conservation or other operational concerns or to accommodate the Geothermal Energy System as designed by the Supplier. It is acknowledged and agreed upon herein that all engineering costs for such direction given by the Supplier and any required changes shall be made by the Owner's engineers at the cost of the Owner;

(d) obtain all permits and approvals required for the Property and the installation of the Geothermal Energy System at its own expense;

(e) provide the Supplier with access to one direct dial phone line and a high speed internet connection in the Supplier's Unit(s) at a location acceptable to the Supplier, acting reasonably, for the purpose of the Supplier's automated technology and communication with metering and/or HVAC Building management systems and controls at the expense of the Owner, provided the Owner over the Term shall upgrade and modify the telephone and network access to reasonable specifications to ensure the continued and satisfactory performance of the Geothermal Energy System to future standards;

(f) convey for nominal consideration to the Supplier the Supplier's Units (including the Building Energy Distribution System appurtenant thereto). The Owner shall convey good and marketable title to the Supplier's Units, subject only to reasonable and customary encumbrances, but specifically excluding any liens, charges or mortgages which shall be discharged against title to the Units in the ordinary course;

(g) use reasonable efforts to ensure that all Geothermal Energy that can be generated by the Supplier is used in the Building before any energy (i.e. utilities) from any other source is utilized;

(h) use reasonable efforts to cause all of the Occupants of the Building, to the extent permissible by the Condominium Act, to use, on an exclusive basis, the Geothermal Energy supplied by the Supplier to the Building for all of their respective domestic hot water, heating, cooling and air conditioning purposes; and

(i) keep the Supplier's Unit and the Geothermal Energy System free of all claims, encumbrances or charges that may attach to the Lands from time to time, subject to the Condominium Act, the *Land Titles Act* and the *Construction Lien Act*

(expressly excluding any claims, encumbrances or charges that result from the acts or omissions of the Supplier or those Persons for whom the Supplier is at law responsible).

3.3 Representations and Warranties

(a) The Owner represents and warrants that:

(i) the Owner is the registered owner of the Lands; and

(ii) The Owner herein agrees to disclose the rights of the Supplier in respect of the Supplier's Units and the supply of Geothermal Energy to heat and cool to the Building pursuant to a geothermal supply contract as part of the disclosure documentation to be delivered in accordance with the provisions of the Condominium Act on account of the purchase of units within the Condominium or with the documentation to be executed and/or acknowledged by purchasers on or prior to the transfer of units.

(b) The Supplier represents and warrants that:

(i) The Supplier is a corporation duly incorporated, is valid and subsisting under the laws of Ontario and is authorized to carry on business in Ontario. The Supplier has all necessary corporate power, authority and legal capacity to enter into this Agreement and to perform all of its obligations under this Agreement;

(ii) none of the execution, delivery or performance of this Agreement by the Supplier will constitute or result in a violation or breach of or default under, or cause the termination of or the acceleration of any obligations of the Supplier under any term or provision of any:

(A) of its articles, by-laws or other constating documents,

(B) contract, agreement, lease, license, instrument, option, commitment, understanding or any other document, arrangement or obligation to which the Supplier is a party or by which it is bound, or

(C) Applicable Law or order of any court or other Governmental Authority;

(iii) The Supplier is not required to obtain any consent, approval or waiver of a party under any contract, agreement, lease, license, instrument, option, commitment, understanding or any other document, arrangement or obligation to which the Supplier is a party or by which it is bound in order to perform its obligations under this Agreement. The Supplier is not required to make any filing with, give any notice to, or obtain any authorization of, any Governmental Authority as a condition to the lawful performance by it of this Agreement;

3.4 Access Rights

The Owner acknowledges and agrees that the Supplier (and its employees, agents, contractors, consultants and other authorized personnel) shall have unimpeded access at all reasonable times as permitted by and in accordance with the Condominium Act, and the Condominium Documents, to all areas of the Property, including units (which shall only be granted on reasonable notice except in the case of an emergency), for the purposes of complying with its obligations pursuant to this Agreement.

The Owner acknowledges and agrees that certain parts of the Geothermal Energy System are located not only in the Supplier's Units but also in the Equipment Spaces. Access to the Equipment Spaces shall be restricted to the Supplier, the Owner, other utilities and their respective employees, agents, contractors, consultants and other authorized personnel. For greater certainty, the Supplier shall have access at all reasonable times as permitted by and in accordance with the Condominium Act, and the Condominium Documents, to the Equipment Spaces subject, where applicable, to the reasonable requirements of the Owner relating to safety

and security. The Owner shall keep the Equipment Spaces locked and secure at all times. Both parties shall forthwith report to the other any breach of security relating to the Equipment Spaces and/or any damage to any part of the Geothermal Energy System forthwith after any such matter is brought to the attention of one of the parties.

Upon registration of the Condominium and the assumption by the Condominium Corporation of this Agreement, the Condominium Corporation shall provide to the Supplier unimpeded access to such portions of the common elements of the Condominium as are required in order to permit the Supplier to fulfill its obligations hereunder.

3.5 Financing

The Owner shall provide to the Supplier satisfactory evidence in the form of a fully executed and approved project financing commitment from the Owner's lender, to the Supplier to confirm that the Owner has financing or other resources available to it sufficient to complete the Building on the schedule proposed by the Owner. The Supplier shall have no obligation to proceed with any work under this Agreement until the Owner has provided such satisfactory evidence. The Owner will provide to the Supplier updated reports as requested by the Supplier from time to time, but in any event not more frequently than monthly.

3.6 Construction Liens

The Supplier agrees to comply with all provisions of the *Construction Lien Act* and other statutes from time to time applicable in respect of all work done or improvements made to the Property for which the Supplier is responsible pursuant to this Agreement and the Supplier shall take all steps necessary to ensure that no lien shall attach or is enforceable against the Lands. If any lien arises for any reason as a result of the Supplier's activities related to the Project, then the Supplier shall arrange for such lien to be discharged or vacated within ten (10) Business Days of the date on which the Supplier receives notice of such lien. The Supplier shall not be responsible for any construction lien relating to any work done or improvements made to the Lands for which the Owner is responsible. In the event that a construction lien is registered against the Lands comprising the Geothermal Energy System as a result of the Owner's activities related to the Project the Owner agrees to indemnify and save the Supplier harmless from any and all costs which the Supplier may incur (including legal fees) in connection with the discharge of same.

ARTICLE 4
OWNERSHIP

4.1 Ownership of the Geothermal Energy System

The parties acknowledge and agree that notwithstanding anything to the contrary contained in this Agreement, the Owner shall convey to the Supplier at nominal cost the Supplier's Unit(s), including the Building Energy Distribution System appurtenant thereto and the Supplier shall own the Geothermal Energy System. Notwithstanding installation of the Geothermal Energy System in the Building and within the Lands, the Geothermal Energy System shall not be characterized as fixtures of the Building or common elements of the Condominium Corporation. The Owner acknowledges that the Supplier shall have the right to attach markings or identification plates to the Geothermal Energy System in order to give notice of its ownership interest. The Owner agrees not to alter, interfere with or obscure such markings or identification plates. All plans, specifications and other information relating to the Geothermal Energy System shall clearly identify the Supplier's ownership interest therein. In addition, the Supplier shall have the right to register notice of its ownership interest in the Geothermal Energy System in accordance with the requirements of the *Personal Property Security Act* (Ontario), as amended from time to time, and against title to the Lands, all in a manner acceptable to the Supplier.

4.2 Ownership of Environmental Attributes

The Owner acknowledges and agrees that the Supplier owns and shall be entitled to retain, register for use, trade and sale, and enjoy all Environmental Attributes arising out of the production of Geothermal Energy, the provision of Geothermal Energy to the Building, or the Owner's use of energy derived from Geothermal Energy produced by the Geothermal Energy

System and geothermal loop by or on behalf of the Supplier as contemplated pursuant to the provisions of this Agreement or anything ancillary thereto for the Term. Environmental Attributes shall not include any credits, rights or benefits solely attributable to the use by the Owner of any benefits or rights arising out of the Leadership in Energy and Environmental Design (LEED®) credits applicable to the Building design (including as a result of the Building design incorporating the use of Renewable Energy as contemplated by this Agreement). If through operation of law or any other circumstance other than by virtue of the operation of the Condominium Act, title to any Environmental Attributes arising in the circumstances described herein vests in the Owner or Condominium Corporation, then the Owner or Condominium Corporation, shall automatically and without formal instrument transfer or otherwise convey such Environmental Attributes to the Supplier at no additional cost to the Supplier.

ARTICLE 5
OPERATION OF THE THERMAL ENERGY SYSTEMS

5.1 Commencement Date

As of the Commencement Date (as defined in this section), the parties acknowledge and agree that the Supplier shall operate the Geothermal Energy System and provide Geothermal Energy to the Owner and Occupants in accordance with the terms and provisions of this Agreement. For the purpose of this Agreement, the term "**Commencement Date**" shall mean October 1, 2014.

5.2 Geothermal Energy Supply

From and after the Commencement Date:

(a) the Owner shall, subject to section 12.1, provide, at its sole cost and expense, adequate and continuous supply of all required utilities and service to the Project, save and except for Geothermal Energy, and to the demarcation point designated by the Supplier to the Equipment Spaces;

(b) if the supply of any required utility identified in section 5.2(a) is not available or if the failure to properly service and maintain any in suite HVAC equipment, including heat pumps, has caused the Geothermal Energy System to malfunction or to be inoperable for any reason as aforesaid, other than for reasons which are solely in the control of the Supplier or are otherwise the responsibility of the Supplier under this Agreement, the Supplier shall not be liable for any costs, claims, damages or fees of any kind whatsoever, including for greater certainty, loss of profits, business reputation, personal injury including death, or any other consequential damages incurred by the Owner or any Occupant which occur as a result of the failure of the Geothermal Energy System.

(c) the Owner shall, be responsible for carrying the appropriate insurance required to protect the Owner and to cover the Supplier from any third party liabilities or Force Majeure Event. The Owner herein agrees to name the Supplier as an additional named insured on its liability insurance policy and provide the Supplier with an insurance certificate at the commencement of this Agreement and on each anniversary of the renewal of its policy.

5.3 Maintenance and Repair of the Geothermal Energy System

Effective as of the Commencement Date, the Supplier and the Owner each acknowledge and agree as follows:

(a) the Supplier shall operate the Geothermal Energy System in accordance with the terms and provisions of this Agreement and Applicable Law;

(b) the Supplier shall be responsible for conducting all required maintenance, repair and replacement of all component parts of the Geothermal Energy System. The Supplier shall not be responsible for any site or Building infrastructure, including heat pump units within the Building Energy Distribution System containing or

supporting the Geothermal Energy System or any component thereof unless such infrastructure is specifically identified in Schedule "C", save and except for the Building Energy Distribution System;

(c) the Supplier shall not be responsible for any costs or expenses, including damages, associated with any interruption of the supply of the Geothermal Energy, except to the extent such interruption results from any acts or omissions of the Supplier or those person's for who the Supplier is at law responsible;

(d) the Supplier shall be responsible for making all major capital repairs, replacements, enhancements or improvements to any component part of the Geothermal Energy System, save and except for damage to same caused by an act, omission or negligence of the Owner or the Occupants, tenants, licencees, or agents, costs and expenses shall be added to the Capacity Charge;

(e) in the event that the Geothermal Energy System (or any part thereof) is damaged by the Owner (or any of its tenants, invitees, family members, employees, agents, contractors, consultants or others for whom the Owner is responsible in law), the Owner shall pay all costs and expenses relating to the repair and/or replacement of the Geothermal Energy System, all other costs and expenses incidental thereto (including damages, costs or expenses associated with any interruption of the supply of the Geothermal Energy, personal injury or property damage), and the Capacity Charge and Geothermal Energy Consumption Charge (which in such case shall be determined in accordance with Schedule "D") during any interruption in service caused thereby, notwithstanding any interruption in the supply of Geothermal Energy;

(f) if any component of the Building Energy Distribution System is identified by the Supplier as requiring major repair or replacement, or improvement (in their opinion, acting reasonably), the Supplier shall notify the Owner in writing of the required repairs, replacements or improvements and a reasonable date by which such work should be completed will be agreed to by the Owner and Supplier to ensure the continuous and safe supply of Geothermal Energy to all units and common elements of the Building and the Owner covenants and agrees to act with reasonable diligence to complete all necessary repairs prior to such date. If Owner fails to comply within 7 days of written notice, the Supplier shall have the option, but not obligation, to complete the required work and add the cost thereof to the Geothermal Energy Operating Costs, as such term is defined in Schedule "D" attached hereto.

(g) the Supplier shall have the option to maintain or make any repairs that the Owner is obliged to undertake pursuant to this Agreement or that the Owner does not undertake within the time provided for herein and in such an event, the Owner shall be deemed to have consented to having said repairs done by the Supplier, and the cost and expense of such maintenance or repairs shall be added to the Capacity Charge.

(h) the Owner will not interfere or tamper with the Geothermal Energy System, directly or indirectly; and

(i) the Supplier shall comply with and shall require each of its employees, agents, contractors, consultants and other authorized personnel to comply with all applicable laws, including all aspects of applicable workplace health and safety requirements such as, but not limited to, the Occupational Health and Safety Act (Ontario) and all regulations passed thereunder, in the performance of its obligations pursuant to this Agreement.

5.4 Geothermal Energy Consumption and Capacity Charges

(a) The Owner agrees to pay to the Supplier the payments for the charges described in Schedule "D" and otherwise contemplated by this Agreement, which amounts

are exclusive of applicable harmonized sales tax ("**HST**"), retail sales taxes and other applicable taxes payable by the Owner in connection therewith.

(b) The Owner shall pay, in addition to the charges described in Schedule "D", all applicable HST, retail sales taxes and any other taxes payable by the Owner on the amounts payable pursuant to the terms hereof. To the extent the Supplier and the Owner, acting reasonably, determine that any payment made pursuant to this Agreement is deemed by section 182 of the *Excise Tax Act* (Canada) to be inclusive of HST, then the person responsible for making any such payment agrees to pay, in addition to the payment, an amount equal to the HST that is deemed to be included in the payment.

5.5 Payment and Invoicing

(a) Invoices for the Monthly Energy Consumption Charges and any other amounts due hereunder shall be issued by the Supplier monthly to Edge on Triangle Park Inc. until the assumption of this Agreement by the Condominium Corporation, and thereafter to the Condominium Corporation, whereupon Edge on Triangle Park Inc., shall be fully released, relieved and forever discharged from all obligations under this Agreement. The amounts set out in the invoice shall be due and payable by the Owner on or before the 21st day following the date on which the invoice is issued. The invoice shall be sent to the Owner's address as referenced in Section 13.1(a) or as the Owner may otherwise direct the Supplier in writing.

(b) Any amount payable by the Owner or the Condominium Corporation, as the case may be, to the Supplier pursuant to this Agreement and not paid when due will bear interest (before and after default and judgment) from the due date to the date such payment is actually received by the Supplier, at a rate per annum equal to the Prime Rate plus five percent (5%) per annum, calculated and compounded monthly.

(c) If all or any part of any amount payable by the Owner, or the Condominium Corporation to the Supplier is the subject of a dispute, the Owner or Condominium Corporation shall pay the amount invoiced by the Supplier when due notwithstanding such dispute pending resolution of the dispute by agreement or final court order.

5.6 Supplier's Right to Assign Receivables

(a) In addition to its right to assign this Agreement and any related agreements and documents as set out in section 13.5 of this Agreement, and subject to paragraph 5.6(c) of this Agreement, the Supplier shall have the right to assign to a third party (the "**Assignee**") all or a portion of its rights to receive payments under this Agreement free of any equities, rights of setoff, compensation, reduction or allowances of any kind which the Owner or Condominium Corporation may have now or in the future against the Supplier or any other person for any reason whatsoever other than as provided for in this Agreement or by the operation of law. In the event of such an assignment, and provided that the Supplier provides the Owner or Condominium Corporation with written notice of the name and address of the Assignee, the Owner or Condominium Corporation acknowledges that the Owner or Condominium Corporation shall be bound to such Assignee (as a third party beneficiary of this Agreement) as follows:

(i) the Owner or Condominium Corporation shall be bound to execute and deliver to such Assignee an undertaking, enforceable by such Assignee, to pay to the Assignee the payments so assigned and, in circumstances where the Assignee realized on any security granted by the Supplier, the Owner or Condominium Corporation agrees to execute a new agreement between the Assignee (or a Person designated by the Assignee) and the Owner or Condominium Corporation on the same terms and conditions as contained in this Agreement for the balance of the Term;

(ii) the Owner or Condominium Corporation shall give a copy of any notice it gives to the Supplier under this Agreement to the Assignee as a condition of the effectiveness of the notice;

(iii) in circumstances where the Supplier is in default under this Agreement and has failed to cure such default within the time limits prescribed by this Agreement, the Owner or Condominium Corporation shall not exercise any right it may have to terminate this Agreement unless the Owner or Condominium Corporation has first provided the Assignee with notice of the Supplier's failure to cure such default within the cure period prescribed by this Agreement and the Assignee has not cured or caused the Supplier to cure such default within thirty (30) days following the Assignee's receipt of such notice; and

(iv) the Owner or Condominium Corporation shall not amend this Agreement in a manner which would materially affect the amount of the Geothermal Energy Consumption Charges or Capacity Charges, or their manner of calculation or payment, without the prior written agreement of the Supplier and the Assignee.

(b) An Assignee shall have the right to assign the right to receive payments under this Agreement and its rights under this Section to a third party, with a further right to assign and so on. Provided that the Assignee gives written notice of such assignment to the Supplier and the Owner, such new assignee(s) shall be deemed to be the Assignee under this Section 5.6 and the original assignee shall no longer be an Assignee.

(c) Notwithstanding any such assignment, the Supplier shall continue to be bound by all the terms, covenants and obligations of this Agreement.

5.7 Common Energy Transfer Stations

If and to the extent the specifications of the Supplier's Geothermal Energy System permit that one or more of the ETSs located on the Lands or within the Building will be used to service customers and buildings other than the Owner or the Building (the "**Adjacent Customers**"), the Owner shall:

(a) grant to the Supplier, at no cost or expense to the Supplier, such easements, rights-of-way and/or other rights of access or user as may be necessary or desirable in order for the Supplier to install, operate, maintain, repair, replace and/or remove the Geothermal Energy System, the Metering Equipment and any other equipment and facilities of the Supplier located on the Lands or in the Building as contemplated by this Agreement to the extent necessary to provide district energy services to the Adjacent Customers or otherwise to comply with Supplier's obligations to the Adjacent Customers; such easements and/or rights-of-way shall be in form and substance acceptable to the Supplier, acting reasonably, and at the request of the Supplier, shall be registered on title to the Lands (it is specifically agreed by the parties that the exercise of the option of the Supplier to require registration of such easements and/or rights-of-way as conditional upon compliance with the *Planning Act* (Ontario)); and

(b) grant to the Adjacent Customers designated by the Supplier, at no cost or expense to the Supplier or the Adjacent Customers, such easements, rights-of-way and/or other rights of access or user as may be necessary or desirable in order for the Adjacent Customers to install, operate, maintain, repair, replace and/or remove that portion of their secondary distribution system located on the Lands or in the Building as contemplated by this Agreement to the extent necessary to provide district energy services to the Adjacent Customers or otherwise to comply with Supplier's obligations to the Adjacent Customers; such easements and/or rights of way shall be in form and substance acceptable to the Customer, Adjacent Customer and Supplier, acting reasonably, and at the request of the Supplier, shall

be registered on title to the Lands, provided such easements are restricted to those parts of the Lands reasonably necessary for this purpose (it is specifically agreed by the parties that the exercise of the option of the Supplier to require registration of such easements and/or rights-of-way as conditional upon compliance with the *Planning Act* (Ontario)). The parties acknowledge that the provisions of this Section and the rights granted hereunder shall survive the termination or expiry of this Agreement and that the easements or other rights granted under this section may extend beyond the Term and that the Supplier will be deemed to hold the provisions of this Section 5.7 that are for the benefit of the Adjacent Customers in trust for the Adjacent Customers as third party beneficiaries thereof.

ARTICLE 6
REPAIRS, ACCESS AND EMERGENCY HEATING SOLUTION

6.1 Repairs

The Supplier shall have the right to temporarily interrupt, or temporarily reduce the supply of Geothermal Energy to the Building for the purpose of carrying out any necessary repairs, enhancements or maintenance to the Geothermal Energy System. The Supplier shall except in the case of an emergency give written notice to the Owner of any such planned interruption, and the expected length thereof, at least three (3) days prior to the date of such disruption and to schedule such interruption so as to minimize inconvenience to the Owner and Occupants.

6.2 Access

The Supplier, its officers, servants, employees, agents and contractors may from time to time and at all reasonable times (and in the event of an emergency or perceived emergency, at any time), enter into and upon the Lands and the Building for the purpose of reading meters or for the purpose of (i) before the termination or expiry of this Agreement, constructing, calibrating, inspecting, installing, repairing, altering, replacing, maintaining, removing or disconnecting all or any part of its ETS, pipes, meters and equipment on or from the Building and the Lands or in connection with the installation and/or removal of temporary or emergency boilers and/or chillers, and (ii) after the termination or expiry of this Agreement, removing or capping all or any part of its pipes, and removing its Geothermal Energy System, valves and other equipment from the Building and the Lands or thereafter for the inspection of such work, and, if applicable, to carry out the Supplier's rights as contemplated by Section 5.3.

6.3 Emergency Heating Solution

(a) Except as provided in Section 6.3(b), if the Supplier is unable to supply any Geothermal Energy due to either (i) the failure of plant or equipment, or (ii) a Force Majeure Event, subject to the disruption in supply of Geothermal Energy due to the fault of the Supplier, the Supplier shall, at the Supplier's cost and expense, use commercially reasonable efforts to provide emergency heating to the Building as quickly as reasonably possible.

(b) If there is any disruption to the heating service to the Building which, in whole or in part (a) has been caused by the Owner (including any agent, officer, director, employee, consultant or contractor of the Owner and/or its respective tenants, invitees, family members), or (b) is attributable or otherwise relates to either the failure of in suite HVAC equipment not attributable to the Supplier's services, or a Force Majeure Event declared by the Owner, the Supplier shall provide reasonable assistance to the Owner, at the Owner's cost and expense, to arrange for the provision of emergency heating to the Building.

ARTICLE 7
CONDOMINIUM ACT CONSIDERATIONS

7.1 Disclosure Requirements

The Owner agrees as follows:

(a) The Supplier acknowledges having received a copy of the Owner's disclosure statement, as mandated by the Condominium Act, which has been provided to unit purchasers outlining the concepts concerning the provision of Geothermal Energy and confirms that it is satisfied with same, and that the Owner has fulfilled its obligations under this Agreement with respect to same.

(b) Within thirty (30) days following the registration of the condominium declaration and description creating the Condominium Corporation in respect of the Building, and in accordance with the Condominium Act, the Owner shall cause the Condominium Corporation, while under the control of the Owner, to assume all of the covenants, conditions and obligations of the Owner under this Agreement in the place and stead of the Owner and shall cause the Condominium Corporation, while under the control of the Owner, to execute and deliver an Assumption Agreement in a form acceptable to both parties, as set out in Schedule "H" duly executed by the Condominium Corporation. Upon execution of the Assumption Agreement, the Condominium Corporation shall thereafter be responsible to the Supplier for all obligations under this Agreement and, Edge on Triangle Park Inc. shall be automatically released, relieved and discharged from all of its obligations under this Agreement;

(c) prior to the conveyance of units, the Owner shall cause the Condominium Corporation to pass and register a by-law of the Condominium Corporation to assume this Agreement; and

(d) the Owner shall deliver an executed copy of this Agreement approved by the Supplier to the Board of Directors elected at the Turnover Meeting, together with a copy of the executed Assumption Agreement.

ARTICLE 8
INSURANCE

8.1 General

The parties shall obtain and maintain property damage, public liability and other insurance coverage as prescribed by this Agreement, from time to time. For greater certainty, the parties acknowledge and agree that it is its intention to avoid, to the greatest extent possible, double insuring the same risk. All policies of insurance shall contain a provision prohibiting cancellation or substantial modification without at least thirty (30) days prior written notice to the other party. On five (5) days' written notice, each party shall provide to the other party a certificate of insurance summarizing all insurance coverage relating to the Lands. In the event that either party fails to acquire or maintain any policy of insurance required by this Agreement, it shall be considered an Event of Default and, in addition to any other rights or remedies which the Non-Defaulting Party may have, the Non-Defaulting Party shall have the right (but not the obligation) to acquire appropriate insurance coverage. All costs and expenses incurred by the Non-Defaulting Party in this regard shall be for the account of the Defaulting Party and shall be paid forthwith on written demand.

8.2 Insurance Obligations of the Supplier

The Supplier shall, at its sole cost and expense, acquire and maintain a policy or policies of general liability insurance with a nationally recognized Insurance Company covering:

(a) the Geothermal Energy System owned by the Supplier against damage by fire and extended perils coverage in an amount of not less than the full replacement cost

thereof, and with such reasonable deductions as necessary in the sole and unfettered discretion of the Supplier;

(b) loss of insurable gross revenues attributable to all perils insured against by the Supplier; and

(c) personal injury and property damage arising from the installation of any infrastructure in the Building by the Supplier and/or arising from the operation, maintenance, repair and/or replacement of those component parts of the Geothermal Energy System for which the Supplier or its agents, invitees, licencees, employees, contractors, or others for whom it is in law responsible pursuant to this Agreement, with not less than One Million ($1,000,000.00) Dollars coverage per occurrence. Annually on renewal of the policy or policies, the Supplier shall require its insurer to provide the Owner evidence of the insurance coverage required by this section and the policy or policies shall contain a clause requiring the insurer to immediately notify the Supplier of the policy or policies are cancelled.

8.3 Insurance Obligations of the Owner

Edge on Triangle Park Inc. or the Condominium Corporation, as the case may be, shall, at its sole cost and expense, acquire and maintain a policy or policies of insurance with a nationally recognized insurance company covering all insurable risks including but not limited to acts of God, sabotage, terrorism, airplane crashes, fire, earthquakes, etc. and general liability insurance covering personal injury or property damage as a result of any of the foregoing or as a result of or incidental to damage to the Geothermal Energy System caused by the Owner (or any occupants, unit owners, tenants, or their respective of its employees, agents, invitees, licencees, contractors, consultants or any other party for whom they are responsible in law) with an initial amount of not less than Five Million ($5,000,000.00) Dollars (the **"Initial Amount"**) coverage per occurrence. The Supplier shall retain the right to request an increase of the Initial Amount from time to time at, then, market standards. Annually on renewal of the policy or policies, the Owner or the Condominium Corporation, as the case may be shall require its insurer produce sufficient evidence and provide the Supplier with a certificate of insurance naming the Supplier as an additional named insured on this insurance coverage and the policy or policies shall contain a clause requiring the insurer to immediately notify the Supplier of the policy or policies are cancelled. On registration of the Condominium, the Condominium Corporation shall assume the Owner's obligations pursuant to this section 8.3.

ARTICLE 9
INDEMNIFICATION

9.1 Indemnity given by the Supplier

Subject to section 9.3, the Supplier will from time to time and at all times hereafter, well and truly save, defend and keep harmless and fully indemnify the Owner, its directors, officers, employees, servants, and agents or any of them from and against all claims, demands, losses, costs, damages and expenses whatsoever (including legal fees which the Owner, its directors, officers, employees, servants and agents or any of them may from time to time hereafter bear, sustain, suffer or be put unto arising out of or in connection with this Agreement as a result of the negligence, wilful neglect or default of the Supplier or its directors, officers, employees, servants or agents or those for whom it is responsible at law (except to the extent occasioned or caused by the negligence, wilful neglect or wilful default of the Owner, its officers, directors, employees, servants or agents).

Notwithstanding any other provision of this Agreement, in the event of a disruption in the supply of Geothermal Energy other than due to the gross negligence of the Supplier (or any of its employees, agents, contractors, consultants, or any other party for whom it is responsible in law), the Supplier shall not be liable under any circumstances whatsoever for any loss of profits or revenues, business interruption loss, loss of contract or loss of goodwill or for any direct, indirect, consequential, incidental or special damages, including but not limited to punitive or exemplary damages, whether any of the said liabilities, losses or damages arise in contract, tort

or otherwise suffered by the Condominium Corporation or any owners, tenants occupants or residents thereof. The Condominium Corporation shall include these liabilities in its building insurance along with damages caused by acts of God with the Supplier named as co-insured.

9.2 Indemnity given by the Owner

Subject to section 9.3, Edge on Triangle Park Inc., or after registration of the Condominium, the Condominium Corporation, will from time to time and at all times hereafter, well and truly save, defend and keep harmless and fully indemnify the Supplier, its directors, officers, employees, servants and agents or any of them from and against all claims, demands, losses, costs, damages, and expenses whatsoever (including legal fees) which the Supplier, its directors, officers, employees, servants and agents or any of them may from time to time hereafter bear, sustain, suffer or be put unto arising out of or in connection with this Agreement as a result of (i) the negligence, wilful neglect or default of the Owner or its directors, officers, employees, servants, agents, invitees or those for whom it is responsible in law (except to the extent occasioned or caused by the negligence, wilful neglect or wilful default of the Supplier, its officers, directors, employees, servants or agents); (ii) any incorrectness in, or the breach of, any representation or warranty of the Owner contained in this Agreement; (iii) damage to the Geothermal Energy System or any other property of the Supplier, or any part thereof, or personal injury caused by the Owner or after the Turnover Meeting, the Condominium Corporation (or any of its employees, agents, contractors, consultants or others for whom the Owner or after the Turnover Meeting, the Condominium Corporation is responsible in law); and (iii) the breach or non-performance of any covenant or obligation of the Owner hereunder.

9.3 Limitation

(a) Notwithstanding anything to the contrary contained in this Agreement, with the exception of the Owner's payment obligations set out herein (including any payments due upon the termination of this Agreement pursuant to Article 11), in no event, whether as a result of breach of contract, breach of warranty, negligence, nuisance, failure to warn, strict liability, liability without fault or any other liability, shall the Supplier be liable to the Owner, or after the Turnover Meeting, the Condominium Corporation, its unit owners, residents, or its respective, officers, directors or any of them or any other person, for incidental, indirect, consequential, special or punitive damages (including loss of profit, loss of revenue, loss of use of buildings, structures or equipment, business interruption, cost of capital , cost of substituted energy, facilities or services, downtime costs, costs of labour, loss of goodwill, or economic losses of any nature whatsoever) however so caused or arising and whether suffered by the Owner or by others.

(a) Except as expressly stated in this Agreement, there is no representation, warranty or condition of merchantability or fitness for a particular purpose, and any and all implied representations, warranties and conditions are disclaimed.

(b) It is the intent of the parties that the limitations imposed on the remedies and the measure of damages in this Section 9.3 be without regard to the related cause or causes, including the negligence of any party, whether such negligence be sole, joint or concurrent, or active or passive.

(c) Nothing in this Section 9.3, save and except Section 9.3(e) shall limit the right of a party to recover or enforce a right to damages expressly permitted by this Agreement.

(d) Notwithstanding anything to the contrary in this Agreement, the Supplier's aggregate maximum liability to the Owner under this Agreement (including in connection with any breach of this Agreement, upon termination of this Agreement by the Owner) shall not exceed one (1) time the annual Capacity Charge.

ARTICLE 10
DEFAULT

10.1 Events of Default

The following shall constitute Events of Default for the purpose of this Agreement:

(a) failure by the Owner, or the Condominium Corporation after execution of the Assumption Agreement, to pay any amount when due pursuant to the terms of this Agreement, which default is not rectified within twenty (20) Business Days after written notice has been provided by the Non-Defaulting Party;

(b) failure by the Owner to cause the Condominium Corporation to execute an Assumption Agreement in accordance with section 7.1(b);

(c) a party to this Agreement admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency;

(d) the registration of a construction lien on the Lands or Building that is not vacated and discharged within fifteen (15) days of registration;

(e) any proceeding is commenced against or affecting a party to this Agreement:

(i) seeking to adjudicate it a bankrupt or insolvent;

(ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the Companies' *Creditors Arrangement Act* (Canada) or any reorganization, arrangement or compromise of debt under the laws of the Province of Ontario);

(iii) seeking appointment of a receiver, trustee, an administrator, agent, custodian or other similar official for it or for any part of the Condominium Corporation's property;

and such proceeding is not being contested in good faith by appropriate proceedings and, if so contested, remains outstanding, undismissed and unstayed more than 60 days from the commencement of such first mentioned proceeding;

(f) any creditor of a party to this Agreement shall privately appoint a receiver, trustee or similar official for any part of such party's property, and such appointment is not being contested in good faith and by appropriate proceedings or, if so contested, such appointment continues for more than 60 days; and

(g) default in the performance or observance of any other covenant, restriction, stipulation or provision of this Agreement to be performed or observed by the Supplier or the Owner, or, after execution of the Assumption Agreement, the Condominium Corporation, and upon such default not being cured within 30 days after such Defaulting Party receives written notice of default (except in the case of an emergency, in which event the default shall be cured forthwith). In the event that the default is not capable of being cured within 30 days and provided the Defaulting Party gives notice to the Non-Defaulting Party in writing of the period of time which the Defaulting Party estimates will be required to cure the default and which the Non-Defaulting Party confirms in writing as being an acceptable time period (acting reasonably) and provided the Defaulting Party takes and continues to take all diligent action necessary to cure the default and provided the Defaulting Party cures the default within the agreed upon time period, no Event of Default shall be deemed to have occurred unless and until the Defaulting Party fails to diligently take all necessary action to remedy the default or fails to remedy the default within the agreed upon time frame. If the Non-Defaulting Party

provides written notice to the Defaulting Party that it does not agree with the Defaulting Party's requested curative time period, an Event of Default shall be deemed to occur if the Defaulting Party has not remedied the default within the time period prescribed by the Non-Defaulting Party.

10.2 Remedies

Upon the occurrence and continuance of an Event of Default hereunder, in addition to and without limitation to any other rights or remedies available hereunder or at law the Non-Defaulting Party shall have the right to:

(a) commence an action against the Defaulting Party to enforce payment of the amount owing by the Defaulting Party to the Non-Defaulting Party;

(b) commence an action against the Defaulting Party to recover damages against the Defaulting Party;

(c) commence an action for specific performance, injunction or other equitable relief, it being acknowledged by each of the parties hereto that damages at law may be an inadequate remedy for a default for breach of this Agreement;

(d) in the event that the Owner, or the Condominium Corporation after execution of the Assumption Agreement, is the Defaulting Party, the Supplier shall have the right to terminate the supply of Geothermal Energy to the Building (or any part thereof), subject to compliance by the Supplier with all laws, by-laws, rules, regulations, decisions, orders or rulings prescribed by any governmental or other authority having jurisdiction with respect to such matters;

(e) in the event that the Owner, or the Condominium Corporation after execution of the Assumption Agreement, is the Defaulting Party, the Supplier shall have the right to terminate this Agreement and, in this event, the provisions of Section 11.2(b) shall apply;

(f) in the event that the Owner is in default of its obligations hereunder prior to the Commencement Date, the Supplier shall have the right to register a construction lien against the Lands for the cost of construction of the improvements to the Lands.

10.3 Costs

The Defaulting Party shall pay to the Non-Defaulting Party all damages, costs and expenses (including, without limitation, all legal fees on a solicitor and client basis) incurred by the Non-Defaulting Party in enforcing the terms of this Agreement, together with interest on such amounts as provided in section 10.4.

10.4 Interest

Any amount owing by a Defaulting Party to a Non-Defaulting Party pursuant to this Agreement shall bear interest at Prime Rate plus five percent (5%) per annum commencing on the date on which such amount was due and payable until the date on which such amount has been paid in full.

10.5 Remedies Cumulative

Notwithstanding any other provision of this Agreement, a Non-Defaulting Party may, from time to time, resort to any or all of the rights and remedies available pursuant to this Agreement, at law or in equity, all of which rights and remedies are intended to be cumulative and not alternative.

10.6 Dispute Resolution/Arbitration

All matters in dispute between the parties in relation to this Agreement may be referred to arbitration before a single arbitrator, if the parties agree upon one, otherwise to three arbitrators, one to be appointed by each party and a third to be chosen by the first two named before they commence arbitration. In the case of any dispute regarding the payments to be made pursuant to this Agreement, the parties agree that the arbitrator or arbitrators, as the case may be, shall be an individual or individuals, as the case may be, acquainted either by business experience or accounting practice with the operation and cost accounting relating to renewable energy production and sale. Either party may initiate arbitration within a reasonable time after any dispute hereunder has arisen by delivering a written demand for arbitration upon the other party. A dispute or controversy submitted to arbitration will not be made the subject matter of any action in any court by any party. The decision of the arbitrator or arbitrators, as the case may be, shall be final and binding on the parties and not subject to appeal or judicial review by either party (except as to questions of law) and such decision will be conclusively deemed to determine the interpretation of this Agreement and the rights and liabilities of the parties in respect of the matter arbitrated. After completion of the arbitration, an action may be initiated by the parties only for the purpose of enforcing the decision of the arbitrator. Any arbitration shall be conducted in accordance with the *Arbitration Act, 1991* (Ontario) and shall take place in Toronto, Ontario.

ARTICLE 11
TERMINATION

11.1 General

This Agreement shall only be terminated in the following circumstances:

(a) in accordance with Section 10.2(e);

(b) by Owner pursuant to Section 2.2; or

(c) by operation of law, including where the Owner is a condominium corporation and the board of directors of the Owner terminates this Agreement in accordance with Section 112 of the Condominium Act, the Owner may terminate this Agreement provided that the Owner has provided notice of such termination to the Supplier strictly in accordance with the requirements of the Condominium Act.

Upon termination of this Agreement and payment of all amounts payable pursuant to Section 11.2 herein, and subject to the Supplier's right to shut off, remove or render inoperable all or part of the Geothermal Energy System pursuant to Section 11.2(a), the Supplier shall convey the Supplier Units and the Geothermal Energy System to the Owner and execute all documents necessary to remove all notices of this Agreement from title to the Lands and from any other public registers where notice of same is registered, and the Supplier's right in Sections 11.2(a) and 11.3 shall be null and void.

11.2 Termination

In the event that this Agreement is terminated for any reason by the Owner, including termination pursuant to Section 112 of the Condominium Act or due to a Default by the Owner, the Owner acknowledges and agrees as follows:

(a) the Supplier shall have the right to shut off, remove and/or render inoperable all or part of the Geothermal Energy System from the Lands as the Supplier may elect. Any part or parts of the Geothermal Energy System that the Supplier elects not to remove shall be assigned to and become the property of the Owner and the Supplier have no further obligation or liability in respect thereof;

(b) the Owner shall pay to the Supplier the following amounts, in addition to any other amounts payable by the Owner to the Supplier in accordance with the terms

hereof up to the date of termination (together with interest thereon as provided in this Agreement):

(i) an amount equal to the net present value of the Capacity Charge that would have been payable during the period of time from the date of termination to the end of the Term had this agreement not been terminated net of any insurance proceeds received by the Supplier or that would have been accrued had the Supplier diligently pursued recovery from the insurer. Such amount shall be calculated: (i) assuming that CPI will increase annually over such period at a rate equal to the rate of increase used to calculate the increase in the Capacity Charges on the anniversary of the date hereof immediately prior to the termination date; (ii) by discounting such monthly amounts at a rate per annum equal to then current interpolated yield on Government of Canada bonds having a maturity date which is the same as the date on which the then-current Initial Term or Renewal Term, as applicable, was to expire (assuming this Agreement had not been terminated), and (iii) including any financing costs and charges (including principal, interest and penalties) incurred by the Supplier as a result of the termination of this Agreement, (the "**Termination Amount**") and which such amount shall be due and payable on the 30th day immediately proceeding the date set out for termination; and

(ii) any reasonable direct or indirect costs which may be incurred by the Supplier in connection with the disconnection of the Geothermal Energy System from the Building Energy Distribution System and the Building and any reasonable direct or indirect costs associated with removing the valves, the conduits, the Metering Equipment, the Energy Transfer Station(s) and the geothermal loop supply and return service pipes from within the Building and the Lands and from beyond the property line of the Lands, including the restoration of pavement or boulevard or any other work of a restorative nature, and which will be due and payable on the 30th day immediately following the date upon which an invoice for such costs has been provided to the Owner.

(c) the Supplier shall comply with all codes, laws, by-laws, rules, regulations, decisions, orders or ruling prescribed by any governmental or other authority having jurisdiction with respect to the disconnection and removal of all or any part of the Geothermal Energy Systems.

(d) the Owner shall pay all of the Supplier's invoices previously issued relating to the services provided by the Supplier to the Property and such obligation to make any payment pursuant to the terms of this Agreement shall survive the termination of this Agreement.

(e) It is acknowledged and agreed by the parties that, notwithstanding anything in this agreement to the contrary, in the event the Condominium Corporation terminates this Agreement in accordance with section 112 of the Act, the following shall apply:

(i) Provided the Condominium Corporation pays the Termination Amount 90 days from the date of the Condominium Corporation's termination of this Agreement in accordance with Section 112 of the Act (the "**Closing Date**"), the Termination Amount shall be deemed to be $3,250,000.00 (the "**Purchase Price**");

(ii) Upon payment of the Purchase Price and all outstanding Monthly Energy Consumption Charges (up to and including the Closing Date) to the Supplier on the Closing Date, the Supplier shall:

1. transfer its right, title and interest in the Supplier's Units and the Geothermal Energy System to the Owner; and

2. deliver to the Owner all as built mechanical drawings, schematics, monitoring URLs and passwords, and copies of all maintenance contracts;

3. If necessary, up to and including the Closing Date, the Supplier shall endeavour to obtain a letter of consent from the manufacturers of the Geothermal Energy System in order to allow the assignment and transfer of any warranties applicable to the Geothermal Energy System or parts thereof.

(iii) On the Closing Date, the Owner shall:

1. provide the Supplier with a full and final release with respect to the Supplier's obligations under this Agreement to the satisfaction of the Supplier, in its sole and unfettered discretion;

2. provide Edge on Triangle Park Inc. with a full and final release with respect to all matters relating to this Agreement to the satisfaction of Edge on Triangle Park Inc., in its sole and unfettered discretion; and

3. Assume the obligations of the Supplier with respect to any maintenance or monitoring contracts for the Geothermal Energy System.

(iv) On the Closing Date, the Supplier's right in Sections 11.2(a) and 11.3 shall be deemed null and void.

(v) In the event the Condominium Corporation fails to complete the transaction set out in this Section 11.2(e) on the Closing Date or such other date mutually agreed to by the parties in writing, the amounts payable in respect of 11.2(b) shall apply to the termination of this Agreement by the Owner.

11.3 Cap the Pipes

On the expiry or termination of this Agreement, the Supplier shall have the right to, within six months of such date, remove all of its valves, conduits, the Energy Transfer Station(s) and the Metering Equipment from the Building and shall cap its service pipes to the Building, in the Supplier's sole discretion, either in the Building or at the property line (except where such equipment and service pipes continue to be used to supply other customers and buildings as contemplated by Section 5.7). Such work shall be done at the Supplier's cost in circumstances where this Agreement has expired or has been terminated by the Owner pursuant to Section 11.1(a) and at the Owner's cost in all other circumstances.

11.4 Survival of Payment Obligations

In the event of termination or expiry of this Agreement, the obligation to make any payment pursuant to the terms hereof due and payable at or prior to the expiry or termination will survive the termination or expiry of this Agreement.

ARTICLE 12
FORCE MAJEURE

12.1 Force Majeure

(a) Performance Excused. Except as specifically provided herein, during the Term a party shall be excused from performance of its obligations under this Agreement and shall not be considered to be in default with respect to any obligation hereunder, if and to the extent that its failure of, or delay in, performance is due to a Force Majeure Event as defined in subsection 12.1(c), provided:

(i) such party gives the other party written notice describing the particulars of the Force Majeure Event as soon as is reasonably practicable, but in no event later than five (5) days after the occurrence of such event;

(ii) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event;

(iii) no obligations of the party which arose before the occurrence causing the suspension of performance are excused as a result of the occurrence;

(iv) the party uses commercially reasonable efforts to overcome or mitigate the effects of such occurrence as soon as reasonably possible;

(v) when the party is able to resume performance of its obligations under this Agreement, such party shall give the other party written notice to that effect and shall promptly resume performance hereunder; and

(vi) no payment obligations by either party shall be excused due to a Force Majeure Event, excluding the obligations of the Owner to pay the capital charges and the system management fee during the time the Geothermal Energy System is not in operation, and to the extent any Geothermal Energy is not received by the Owner, excluding energy consumption charges in respect thereof.

(b) Burden of Proof. If the parties are unable in good faith to agree that a Force Majeure Event has occurred, the party claiming a Force Majeure Event shall have the burden of proof as to whether such Force Majeure Event (a) has occurred; (b) was not a result of such party's or its agents' fault or negligence, and (c) could not have been avoided by due diligence or the use of reasonable efforts of such party or its agent.

(c) Definition. "**Force Majeure Event**" means an event or occurrence which is beyond the reasonable control of, and not due to the fault or negligence of, the party affected, and which could not have been avoided by due diligence and use of reasonable efforts. Examples of Force Majeure Events include drought, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, sabotage, explosions, labour disruptions (including strikes, labour shortages and lockouts) and the inability to obtain, or to secure the renewal of any consent, authorization, permit or license from any Government Authority (unless solely arising as a result of the Supplier having violated the terms of any existing consent, authorization, permit or license). "**Force Majeure Event**" also means the failure of any contractor to a party hereto to furnish labour, services, materials or equipment, but only to the extent such failure is itself due to a Force Majeure Event. For certainty, "**Force Majeure Event**" does not include the unavailability of funds or financing.

ARTICLE 13
GENERAL CONTRACT PROVISIONS

13.1 Notice

Every notice, consent, delivery, payment or tender, request, instruction, approval and other communication provided for or permitted by this Agreement and all legal process in regard hereto shall be validly given, made or served, if in writing and delivered personally or sent by prepaid registered or certified mail or prepaid courier or sent by facsimile, to the party to whom it is to be given at:

(a) in the case of a communication to the Owner, to and until assumption of the obligations by the Condominium Corporation as contemplated herein:

Edge on Triangle Park Inc.

120 Lynn Williams Street, Suite 2A
Toronto, Ontario
M6K 3N6

Attention: President
Telephone Number: (416) 928-5001
Facsimile Number: (416) 928-9501

(b) in the case of a communication to the Supplier:
Urbancorp Renewable Power Inc.
120 Lynn Williams Street, Suite 2A
Toronto, Ontario
M6K 3N6

Attention: President
Telephone Number: (416) 928-5001
Facsimile Number: (416) 928-9501

(c) in the case of a communication to the Condominium Corporation:
c/o First Service Residential
89 Skyway Avenue, Suite 200
Toronto Ontario M9W 6R3
Telephone Number: (416) 293-5900
Facsimile Number: (416) 293-5904

or to such other address in the Province of Ontario as any party hereto may, from time to time, designate in writing delivered in a like manner, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received upon delivery of the same or on the third (3rd) Business Day following the mailing of same, as the case may be. Notice delivered or sent by facsimile, shall be deemed delivered on the date of such delivery or transmission if such day is a Business Day and if delivered or transmitted and received prior to 5:00 p.m. on such Business Day, failing which such notice shall be deemed to be delivered on the next Business Day following the date of delivery or transmission.

Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

13.2 Amendments

The parties acknowledge and agree that this Agreement shall not be amended except by way of written agreement executed by both parties.

13.3 Statutory References

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and any and all regulations from time to time promulgated thereunder and to such statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific article, paragraph and/or clause of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

13.4 Intentionally Deleted.

13.5 Assignment

The Supplier shall have the right to assign, directly or indirectly, its rights and obligations under this Agreement to any other Person, without the prior written consent of the Owner. Upon such assignment, the Owner shall hereby release and forever discharge the Supplier from any and all of its covenants, conditions, liabilities and/or obligations under or pursuant to this Agreement.

13.6 Successors and Assigns

This Agreement shall be binding upon the parties hereto and their respective successors, assigns and successors in title.

13.7 Currency

All amounts stated herein are stated in Canadian currency.

13.8 Business Day

In the event that any date specified or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

13.9 Registration on Title

The parties acknowledge and agree that notice of this Agreement shall not be registered on title to the Lands.

13.10 Further Assurances

The parties agree to execute all additional documentation and perform all further acts as may be necessary to give effect to the terms and conditions of this Agreement.

13.11 Counterparts

The parties acknowledge and agree that this Agreement may be executed in counterparts and by means of facsimile transmission.

13.12 Construction

The parties agree that this Agreement is the product of negotiation between sophisticated parties, each of whom were or have been given the opportunity to be represented by counsel, and each of whom had an opportunity to participate in, and did participate in, negotiation of the terms hereof. Accordingly, the parties acknowledge that ambiguities in this Agreement, if any, shall not be construed strictly or in favour of or against either party, but rather shall be given a fair and reasonable construction.

EDGE ON TRIANGLE PARK INC.

Per: _____
Name: Alan Saskin
Title: President
I have authority to bind the corporation.

URBANCORP RENEWABLE POWER INC.

Per: _____
Name: Alan Saskin
Title: Secretary
I have authority to bind the Corporation.

SCHEDULE "A"
LEGAL DESCRIPTION OF THE LANDS

All Units on all Levels in Toronto Standard Condominium Plan No. 2448, having been registered on the lands described as part of Lots 9 to 12 inclusive, Registered Plan 960 and part of Block 5, Plan of Ordnance Reserve, designated as Parts 1, 33, 34 and 41, Plan 66R- 27890; part of Lots 7 to 9 inclusive, Registered Plan 960 and part of Block 5, Plan of Ordnance Reserve, designated as Parts 10 and 16, Plan 66R- 27890; part of Lots 6 and 7, Registered Plan 960 and part of Block 5, Plan of Ordnance Reserve, designated as Part 19, Plan 66R- 27890; part of Abell Street, closed by by-law 6321, Instrument No. OD33202, Plan of Ordnance Reserve, designated as Part 2, Plan 66R- 27890,

SCHEDULE B
EDGE GEOTHERMAL ENERGY SAVINGS MODEL

WLHP SYSTEM

General:

1. Floor Area included in simulation: 500,240 sq. ft
2. Approximately suite count: 667
3. Occupancy Schedule: 24/7
4. Certain energy uses are excluded from this analysis, including elevators, exterior lighting, process loads and appliances.
5. Parking garage is excluded from the analysis.

Energy Costs:

1. Electricity: $0.12/kWh
2. Natural Gas: $0.35/m³

Interior Lighting:

1. No use of occupancy sensors or daylighting controls.
2. Approximate building average lighting power density = 1.0 W/ft2

Building Envelope:

1. Spandrel: Walls: R-16; Soandrel & Metal Panels: R-10; Roofs: R-30
   1. Overall assembly R-value including all layers and impact of thermal bridging.
2. Windows: Glazing: Double-glazed, 1/2" argon gap, low-e coating (e=0.16), no warm-edge spacer.
3. Window Frames: Aluminum with standard thermal break (approx. 3 mm)
4. Overall Window-to-Wall Ratio: approx. 66%.

HVAC Systems:

- Distributed water-source heat pumps with central MAU providing ventilation
  - Heat pump average cooling COP is approximately 3.9, cycling fans
  - Heat pump average heating COP is approximately 3.9, cycling fans
- Suite washroom, kitchen and dryer fans exhaust directly outdoors
- MAU-1,2 provide ventilation via corridors at 75 F
  - Each unit is equioped with VSD fans operating at 2 settings
  - Maximum airflow of 66,000 cfm during peak occupancy (12 hrs/day).
  - Minimum flow of 33,000 cfm delivered the remainder of the day
  - 90% efficient furnace
- MAUs provide ventilation to amenity areas at 75 F
  - Maximum airflow of 10,000 cfm delivered during peak occupancy (12 hrs/day).
  - Minimum flow of 14,000 cfm delivered the remainder of the day
  - Each unit is equipped with VSD fans operating at 2 settings
  - Hot water heating coils

Plant:

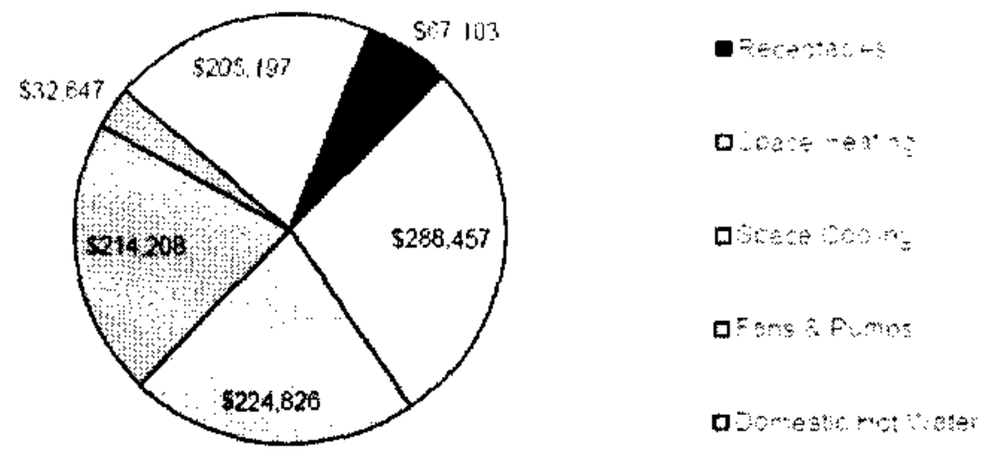
Hot Water

1. Boilers: gas-fired, thermal efficiency = 90 %
2. Heat Pump Loop Pumps: constant speed, impeller effic. = 70%, system effective head = 90 ft
3. Cooling Tower: constant speed

Domestic Hot Water

1. DHW Heater: gas-fired, efficiency = 90%

Results for WLHP



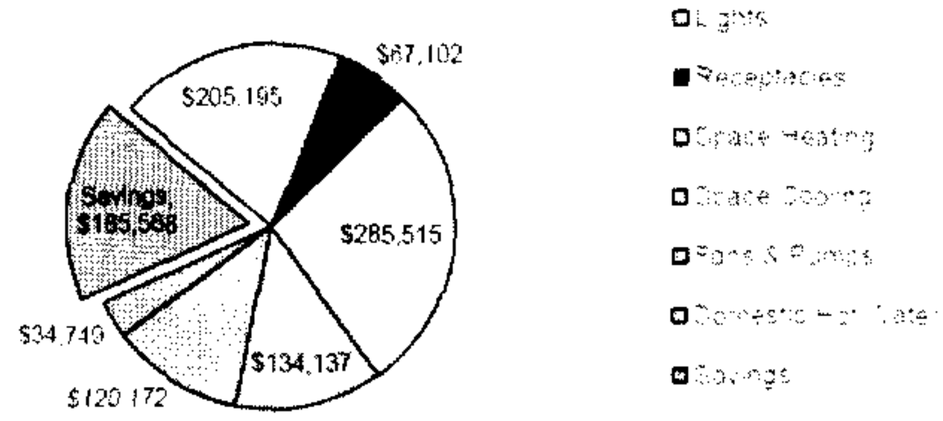
Total Energy Cost: $1,032,438

GSHP SYSTEM

HVAC Systems:

- Distributed ground-source heat pumps with central MAU providing ventilation
  - Heat pump average cooling COP is approximately 4.3
  - Heat pump average heating COP is approximately 3.1
  - Suite washroom, kitchen and dryer fans exhaust directly outdoors
- MAUs provide ventilationto suites via corridors at 75 F
  - Maximum airflow of 66,000 cfm delivered during peak occupancy (12 hrs/day)
  - Minimum flow of 33,000 cfm delivered the remainder of the day
  - Each unit is equipped with VSD fans operating at 2 settings
  - 90% efficient furnace
- MAUs provide ventilation to amenity areas at 75 F
  - Maximum airflow of 10,000 cfm delivered during peak occupancy (12 hrs/day).
  - Minimum flow of 14,000 cfm delivered the remainder of the day
  - Each unit is equipped with VSD fans operating at 2 settings
  - Hot water heating coils

Results for GSHP



Total Energy Cost: $846,870

Plant:

Ground Loop

1. Eight sets of 5x6 vertical loops
2. Dedicated Gnd Loop Pumps: variable speed, impeller effic. = 70%, system effective head = 40 ft
3. Boilers: 3 gas-fired, modulating burners, thermal efficiency = 90%
4. Heat Pump Loop Pumps: variable speed, impeller effic. = 70%, system effective head = 90 ft

Domestic Hot Water

1. DHW Heaters: 4 gas-fired, modulating burners, thermal efficiency = 90%. One water-to-water heat pump heating 120F to 134F, COP = 4.7.

Hot Water

1. Boilers: 2 gas-fired, modulating burners, thermal efficiency = 90%
2. Hot Water Loop Pumps: constant speed, impeller effic. = 70%, system effective head = 60 ft

Scenario	Annual Energy Costs Electricity	NaturalGas	Total
GSHP System	$ 635,784	$ 211,086	$ 846,870
WLHP System	$ 781,784	$ 250,654	$ 1,032,438
Savings	18.0%		$ 185,568

Ground Loop Circulation Pump (P-12) Annual Energy Cost $14,826

	Electricity Savings (kWh)	Natural Gas Savings (m^3)	GHG Emission Savings ($kgCO_2e$)
Jan	(11,296)	27,812	51,884.03
Feb	389	18,171	35,292.45
Mar	41,306	9,586	33,557.08
Apr	93,835	3,268	17,927.31
May	138,446	2,295	21,726.80
Jun	210,490	1,336	28,963.74
Jul	245,079	812	32,325.39
Aug	236,185	960	31,497.39
Sep	159,403	1,496	22,617.02
Oct	83,586	2,894	17,952.85
Nov	25,141	13,019	28,107.38
Dec	(5,895)	26,829	50,676.89
ANNUAL	1,216,671	109,618	367,817

SCHEDULE "C"
GEOTHERMAL ENERGY SYSTEM

1. The Supplier's Geothermal Energy System

- The Supplier agrees to review the Owner's Mechanical Engineer's plans and will provide recommendations to the Owner to accommodate the Geothermal Energy System.

- All geothermal piping, vertical and horizontal, installed below the Geothermal Room Units and the Owner's main header location, inside and under the building and terminating at header locations.

- All domestic hot water boilers and supplemental hot water boilers;

- All installations of below grade geothermal piping contained in the Suppliers geothermal field and designed for the Building.

- All thermal fluid piping as set out above, metering systems, related control system and geothermal system equipment within the geothermal maintenance room(s), and including all

  - Manual ball-valve, temperature and pressure measuring devices as required for the Geothermal Energy System for each loop pipe terminated at header locations.
  - Metering Equipment with isolating valve and flange located in the Geothermal Room Unit(s);

- All associated labour and installation materials to complete the above mentioned Supplier's Geothermal Energy System and the below ground geothermal energy field.

2. Future Renewable Energy Installations

- Any other further installations to assist in providing Renewable Energy to the Building or for the Suppliers benefit, which may include, but not be limited to wind power, biogas, geothermal energy and/or solar.

SCHEDULE "D"
SUPPLIER ENERGY CONSUMPTION CHARGES

1. Definitions

(a) **"Edge Geothermal Energy Savings Model"** means the comparative energy simulation model attached hereto as Schedule "B" attached hereto;

(b) **"Electricity Savings"** means an amount that is the product of the monthly hydro electricity savings in kWh as set out in the Edge Geothermal Energy Savings Model multiplied by the prevailing rate for hydro electricity supplied by the hydro electricity supplier for the Property for the month in question;

(c) **"GHG Emission Savings"** means an amount that is the product of the monthly Green House Gas Emission savings in $kgCO^2e$ as set out in the Edge Geothermal Energy Savings Model multiplied by the rate for CO^2 emissions in the City of Toronto for the month in question (it being acknowledged that as at the date hereof no such rate exists, and that until such a rate is imposed by a Governmental Authority of competent jurisdiction and is applicable to the Premises, GHG Emission Savings will be deemed to be zero).

(d) **"Natural Gas Savings"** means an amount that is the product of the monthly natural gas savings in m^3 as set out in the Edge Geothermal Energy Savings Model multiplied by the rate for natural gas supplied by the supplier of natural gas for the Property in the month in question;

(e) **"Geothermal Energy Savings Share"** means the sum of the Electricity Savings, Natural Gas Savings and GHG Emission Savings multiplied by 50%;

(f) **"Geothermal Energy Operating Costs"** means for any period the total of all costs and expenses properly attributable, in accordance with generally accepted accounting principles, to the maintenance, repair, replacement, administration, management and operation of the Geothermal Energy System during such period including, without limitation, all realty taxes, and similar assessments and penalties thereon, insurance premiums and deductibles, all charges for and in connection with public utilities, including without limitation water, hydro electricity and natural gas, telephone, internet or similar services to the Geothermal Room Unit, or utilized in connection with the supply of Geothermal Energy and Domestic Hot Water to the Condominium;

2. **Monthly Energy Consumption Charges.** Beginning with the month in which the Commencement Date falls, the Owner shall pay the Supplier the following amounts:

(a) **Intentionally Deleted**;

(b) **Capacity Charge:** The Owner shall pay to the Supplier each month during the Term a fixed charge in respect of the Geothermal Energy capacity (the "**Capacity Charge**") which will not vary with the Owner's actual consumption of the Geothermal Energy. The Capacity Charge shall be $31,522.52 per month.

(c) **Geothermal Energy Consumption Charge:** The Owner shall pay to the Supplier an amount each month commencing upon the registration of the Condominium and for each month thereafter (the "**Geothermal Energy Consumption Charge**") which is based on the sum of the Geothermal Energy Savings Share and the Geothermal Energy Operating Costs for the particular month in question.

(d) **Hot Water Consumption Charge**. Without limiting the generality of the foregoing, the Owner shall pay to the Supplier the natural gas fuel commodity, delivery charges and such other charges included in the gas supplier bill or invoice, including taxes, incurred by the Supplier in providing hot water for domestic use and any heat used to supplement the supply of heat to the Building by the Geothermal Energy System.

3. The amounts paid under Sections 2(c) and (d) of this Schedule "D" may be an estimate of actual expenses. The Supplier shall within one hundred and twenty (120) days of the end of each year submit to the Owner a certified statement, signed by a senior financial officer of the Supplier, setting out the Geothermal Energy Charge and the Hot Water Consumption Charge. To the extent that the amounts payable by the Owner are greater than the amount actually paid by it, the Owner shall forthwith upon receipt of the said statement pay such difference to the Supplier. In the event that the amounts payable by the Owner are less than the amounts actually paid, such excess payment shall at the option of the Supplier, be retained by the Supplier to be applied to the next succeeding instalment or instalments of the Geothermal Energy Consumption Charge and the Hot Water Consumption Charge due or may be refunded by the Supplier to the Owner.

4. **Future Upgrades, Enhancements or Improvements to the Geothermal Energy System**

The Supplier shall have the right, but not obligation, to install additional equipment, upgrade, or make improvements or enhancements to improve the efficiency of the Geothermal Energy System, or the Electricity Savings, Natural Gas Savings or GHG Emission Savings. If the Supplier installs additional equipment, upgrades, improvements or enhancements in respect of the supply of Geothermal Energy to the Building, the cost of such additional equipment, improvements or enhancements may be added to the Capacity Charge by the Supplier. Such costs may include depreciation or amortization on such equipment and facilities, or interest or carrying charges calculated at 12%. If the Building is served by an Energy Transfer Station which serves more than one premises, then the Owner shall be obligated to pay a share only of the foregoing costs and expenses.

5. **Edge Geothermal Energy Savings Model.** It is acknowledged and agreed by the Owner that the Curve Geothermal Energy Savings Model is an energy simulation that compares the virtual energy performance of a typical ground source heat pump building system and a typical water line heat pump building system in otherwise identical operating conditions, and accordingly the Curve Geothermal Energy Savings Model may not reflect the actual equipment used in the Geothermal Energy System. It is further acknowledged and agreed by the parties hereto that the Curve Geothermal Energy Savings Model may not reflect actual building utility savings, but that same reflects a fair estimate of the savings based on typical building systems and materials used in buildings of a similar size and nature to the Condominium.

6. The parties hereto covenant and agree that the Supplier shall have the right, but not the obligation to revise or restate the Edge Geothermal Energy Savings Model from time to time (the "Restated Edge Geothermal Energy Savings Model") by refining the data and/or assumptions made in the Edge Geothermal Energy Savings Model or to take into account repairs, adjustments, upgrades or enhancements to the Geothermal Energy System made by the Supplier, and upon the Owner receiving notice of the Restated Edge Geothermal Energy Savings Model in accordance with paragraph 13.1 of this Agreement, Schedule "B" of this Agreement shall be deemed to be amended by deleting the Edge Geothermal Energy Savings Model herein and inserting the Restated Edge Geothermal Energy Savings Model in its place.

7. **CPI Adjustment**

(a) **CPI Adjustment During Term.** Effective January 1st of each year after the Commencement Date, the Initial Geothermal Energy Consumption Charge and the Geothermal Energy Consumption Charge shall be increased by the percentage increase, if any, in the water, fuel and electricity basket of the "Shelter" commodity category of the CPI Index ("**CPI**") for Ontario issued by Statistics Canada for preceding calendar year. Such calculation shall be made as soon as the relevant information shall become available and a retroactive adjustment for the period starting on January 1st of such year shall be added to the next monthly bill of the Owner.

(b) **Substitute Index.** In the event that Statistics Canada ceases to publish the CPI, then the Parties hereto agree that the Supplier shall, acting reasonably, be permitted to designate a revised or replacement cost of living index for use and application in such a manner as to result in an equitable adjustment to the rates as determined hereunder as though the CPI were still published.

8. **Payments During Renewal Terms.** The renewal fee, if any, payable by the Owner at the commencement of a Renewal Term (including amounts on account of any capital costs which may be required for additional capital improvements or infrastructure which the Supplier deems to be reasonably necessary for it to be able to provide Geothermal Energy to the Building during a Renewal Term) and the Capacity Charges and Geothermal Energy Consumption Charges to be paid to the Supplier by the Owner during each Renewal Term shall be established by the Supplier based upon the then-current financial terms for Geothermal Energy being offered by the Supplier to its customers similar to the Owner on the commencement date of such Renewal Term; provided however that the Capacity Charges shall not be less than the Capacity Charges in effect upon the expiry of the Term immediately prior to such Renewal Term (as escalated by CPI).

9. **Carbon Tax.** If the Supplier becomes subject to, or is directly or indirectly obligated to pay or reimburse any person in respect of, any tax, charge, levy or other liability ("Carbon Tax") imposed by any Governmental Authority relating to the generation, production, purchase or sale of Geothermal Energy by or for use by the Supplier's Geothermal Energy System (including any credits or off-sets that the Supplier may purchase or acquire in order to reduce or offset any such Carbon Taxes), the Owner shall reimburse the Supplier for such Carbon Taxes.

SCHEDULE "E"
OWNER'S OBLIGATIONS

To be Supplied by the Owner:

- Scaled site plan, complete and final architectural drawings, mechanical electrical drawings, building structural and drainage plans, any other relevant information required by the Supplier to be provided at the Owner's cost and expense by way of an autocad formatted digital disc along with a full set of printed plans at full scale.
- Building construction completed "as built" to plans, engineering and all approvals and permits.
- All piping from the geothermal main distribution header within the Geothermal Room Unit required for the Building Energy Distribution System.
- Water pipes within the building structure that carry water from the Geothermal Room Unit to the heat pumps located throughout the building.
- Install the geothermal main distribution header and all equipment required for the Building Energy Distribution System beyond the Geothermal Energy System, provided by the Supplier as per Schedule "C" (including the supply and installation of all geothermal heat pumps throughout the building as required and specified by the Supplier and the Owner's engineer).
- Wiring conduits with fish wire for control wiring between the solar system service room and the main geothermal system service room.
- High-speed Internet connection in the Geothermal Room Unit
- Supply and install the entire Building Energy Distribution System.
- Network routers, point controllers, computer for graphical display, data trending and archiving and web overlay software to allow access by the Supplier from any browser client to the computer located in the main service room or Superintendent's Office.
- Internet modem in the main service room or Superintendent's Office.

The Owner shall provide a Geothermal Room Unit as required by the Supplier and shall ensure exclusive access at all reasonable and practical times to the Supplier, its employees, contractors and agents authorized for the site. The Owner shall provide a reasonable level of security from access by all others.

All equipment and systems relating to the Geothermal Energy System supplied by the Owner shall be to the specification of and in consultation with the Supplier.

Any change in the use for which the Geothermal Energy and/or occupancy of the Units and/or Common Elements which would change the requirement for heating and cooling from that which the Geothermal Energy System was charged for and engineered for shall be for the expense of the Owner of the particular Unit and/or Condominium.

SCHEDULE "F"
SUPPLIER'S UNITS

The Geothermal Room Unit being 93 to 97 inclusive on Level D of the Condominium. In the event the definition of Geothermal Room Unit in the Condominium Documents are inconsistent with the definition herein, the definition of Geothermal Room Unit in the Condominium Documents shall take precedence.

SCHEDULE "G"
INTENTIONALLY DELETED

SCHEDULE "H"
ASSUMPTION AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 201__.

BETWEEN:

EDGE ON TRIANGLE PARK INC.
(the "**Declarant**")

OF THE FIRST PART

-and-

TORONTO STANDARD CONDOMINIUM CORPORATION NO. _____
(the "**Corporation**")

OF THE SECOND PART

RECITALS:

WHEREAS:

(a) by the registration of the Declaration and the Description by the Declarant the Corporation was created;

(b) prior to the registration of the Declaration and the Description, the Declarant entered into the Geothermal Energy Agreement (as hereinafter defined), and;

(c) the Declarant has agreed to assign and the Corporation has agreed to ratify, accede to and assume, the Geothermal Energy Agreement, and all of the Declarant's rights and obligations thereunder, pursuant to the Geothermal Energy Agreement and the Declaration for the Corporation.

NOW THEREFORE THIS AGREEMENT WITNESSTH that in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration and the sum of Ten Dollars ($10.00) of lawful money of Canada now paid by each of the parties hereto the other (the receipt and sufficiency of which is hereby acknowledged by all parties) the Corporation, on its own behalf and on behalf of the unit owners thereof from time to time, and the Declarant, in its individual capacity and its capacity as owner of 100% of the units within the Corporation, agree with each other as follows:

ARTICLE I
DEFINITIONS, RECITALS, STATEMENT OF INTENT & SCHEDULES

1.01 Definitions

For the purposes of this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms and expressions shall have the meanings indicated:

(a) "**Declarant**" means Edge on Triangle Park Inc.;

(b) "**Declaration**" means the condominium declaration registered by the Declarant in the Land Registry Office for the Land Titles Division of Toronto on _____, as Instrument No. AT_____;

(c) "**Geothermal Energy Agreement** " means the Agreement between Edge on Triangle Park Inc. and Urbancorp Renewable Power Inc. for the purposes of designing, constructing, financing, owning, maintaining and operating the

Geothermal Energy System serving the condominium building, made as of the _____day of _____, 201__.

ARTICLE II
RATIFICATION, ASSIGNMENT AND ASSUMPTION

2.01 Ratification

The Corporation hereby ratifies, accedes to and confirms the Geothermal Energy Agreement and agrees to be bound by the terms, provisions and conditions thereof, as if it had been an original party to the Geothermal Energy Agreement in the place and stead of the Declarant.

2.02 Assignment and Assumption

The Declarant hereby assigns and transfers to the Corporation, all of its rights and obligations under the Geothermal Energy Agreement from and after the date hereof. The Corporation accepts such assignment and accedes to and covenants and agrees to assume, observe, carry out, fulfill and perform, all of the terms, provisions, covenants, conditions, rights, benefits, obligations and liabilities of the Declarant under the Geothermal Energy Agreement (the "**Declarant Obligations**"). The Corporation agrees that it shall observe and perform the Declarant Obligations as if it were an original party to the Geothermal Energy Agreement in the place and stead of the Declarant.

2.03 Release and Indemnity

The Corporation hereby releases and forever discharges the Declarant from any and all of its covenants, conditions, liabilities and/or obligations under or pursuant to the Geothermal Energy Agreement. The Corporation shall indemnify and save harmless the Declarant from any and all losses, costs and damages (including legal fees and disbursements) which the Declarant may suffer or incur in connection with any non-observance by the Corporation of any of the provisions of this Agreement or the Geothermal Energy Agreement.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.01 Declarant's Representations and Warranties

The Declarant represents and warrants to the Corporation as follows:

i) that the Geothermal Energy Agreement is unmodified and is in full force and effect; and

ii) that it is not aware of any existing default under the Geothermal Energy Agreement by any party thereto.

ARTICLE IV
GENERAL

4.01 Further Assurances

Each party hereto shall from time to time promptly execute and deliver all further documents and take all further action as reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement.

4.02 Notice

Unless otherwise specified, each notice to a party must be in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by fax to the party as follows:

If to the Declarant:

(a) in the case of a communication to the Declarant:
Edge on Triangle Park Inc.
120 Lynn Williams Street, Suite 2A
Toronto, Ontario M6K 3P6
Attention: President
Telephone Number: (416) 928-5001
Facsimile Number: (416) 928-9501

(b) in the case of a communication to the Condominium Corporation:
c/o First Service Residential
89 Skyway Avenue
Suite 200
Toronto Ontario M9W 6R3
Telephone Number: (416) 293-5900
Facsimile Number: (416) 293-5904

Or to any other address, fax number or person that the party designates. Any notice:

(1) delivered personally or by courier on a Business Day will be deemed to have been given on that Business Day;

(2) transmitted by fax on a Business Day and (i) for which the sending party has received confirmation of transmission before 4:30 p.m. on the Business Day, will be deemed to have been given on that Business Day, or (ii) for which the sending party has received confirmation of transmission after 4:30 p.m. on that Business Day, will be deemed to have been given on the next Business Day;

(3) delivered personally or by courier, or transmitted by fax, on a day that is not a Business Day, will be deemed to have been given on the next Business Day; and

(4) sent by prepaid registered mail will be deemed to have been given on the fifth Business Day after the date of mailing.

For the purposes of this section, "**Business Day**" means a day on which Canadian chartered banks are open for business in the City of Toronto, but does not include a Saturday, Sunday or holiday in the Province of Ontario. The Business Day will end at 5:00 p.m. on that day.

4.03 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns respectively.

4.04 Headings

The headings and section names have been inserted herein for convenience of reference only and do not form part of this Agreement, nor shall they be referred to in the interpretation of this Agreement.

4.05 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the parties hereby submit to the jurisdiction of the courts of the Province of Ontario in order to enforce this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

EDGE ON TRIANGLE PARK INC.

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

TORONTO STANDARD CONDOMINIUM CORPORATION NO. _____

Per: _____
Name:
Title: President

Per: _____
Name:
Title: Secretary
We have authority to bind the Corporation

SCHEDULE "I"
PERMITTED ENCUMBRANCES

MANAGEMENT AGREEMENT

THIS AGREEMENT made the 30th day of September, 2014.

BETWEEN:

EDGE ON TRIANGLE PARK INC.

(hereinafter called the "**Owner**")

OF THE FIRST PART,

- and -

URBANCORP RENEWABLE POWER INC.

(hereinafter called the "**Manager**")

OF THE SECOND PART.

WHEREAS the Owner wishes to retain the Manager to be the manager with respect to the construction, operation, maintenance and repair, and administration of the Owner's geothermal utility assets, including any geothermal room units (the "**Geothermal System**") located in the residential condominium building constructed at 36 Lisgar Street, Toronto (the "**Property**");

AND WHEREAS the Manager has agreed to do so.

AND WHERAS the Owner, as owner of the Property, intends to register a condominium corporation in respect thereof (the "**Condominium**");

AND WHEREAS the Owner, for and on behalf of Condominium, and the Manager have agreed to enter into a Geothermal Energy Supply Agreement (the "**Geothermal Supply Contract**") with respect to the supply of geothermal heating and cooling to the Property;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of other good and valuable consideration and the sum of TWO ($2.00) DOLLARS now paid by each of the parties to the other (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

1. **Term.** The term of this Agreement shall have the same term set out in the Geothermal Supply Contract, including any renewal terms contained therein.

2. **Management Assistance and Duties.** The Manager shall utilize its experience and knowledge to carry out the management, supervision, control and administration of the Geothermal System. The Manager shall furnish its best skill and judgment, furnish efficient business administration and supervision and to perform its responsibilities, administrative, financial and advisory, in the best manner, consistent with effective management techniques and in the most expeditious and economical manner consistent with the best interests of the Owner and the Geothermal System. The Manager shall conduct its duties in accordance with federal, provincial and municipal laws and regulations as they pertain to the operation of the Geothermal System. The Manager shall enter into the Geothermal Supply Contract and perform all of its duties and obligations thereunder, when due.

3. The Manager shall:

(a) **Annual Budget.** Prepare and present to the Owner at least six (6) weeks before the commencement of each fiscal year during the term of this agreement an estimated budget in writing for the following year and for the approval of the Owner (the "**Budget**") and to provide the Owner with a revised Budget for the Owner's approval whenever it appears desirable or necessary to revise the Budget.

(b) **Corporate Funds.** Collect, receive, and deposit in trust for the Owner all moneys payable pursuant to the Geothermal Supply Contract and to deposit the same forthwith in separate account(s) to be opened with a Canadian chartered bank of the Manager's choice and maintained by the Manager in the name of the Owner. All such moneys shall thereafter be held in trust in the name of the Owner and be used, subject to the approved Budget:

(i) **Disbursements**. To prepare cheques in payment of all accounts properly incurred by or on behalf of the Owner;

(ii) **Insurance and Appraisals.** To arrange and pay for insurance coverage and any appraisals in connection therewith required by the Owner, and the amounts of such insurance shall be as required by the Geothermal Supply Contract or otherwise directed by the Owner;

(iii) **General Maintenance and Repairs**. To repair and maintain or cause to be so repaired and maintained, those parts of the Geothermal System which require repair and maintenance by the Owner or otherwise required in accordance with the provisions of Geothermal Supply Contract, without limiting the generality of the foregoing, to arrange for the supply as may be required of electricity, water and other services and to arrange the effective and economical operation, maintenance and repair of the

Geothermal System and its equipment or so as to comply with the enforcement of any regulations and requirements;

(iv) **Insurance Claims.** Supervise insurance or other claims by or against the Owner, with respect to the Geothermal System and to see that the rights of the Owner in respect to such claims are protected including the filing of notice of claim but not including the adjusting of any loss.

(v) **General Authority.** Generally to do and perform and where desirable contract as agent for and in the name of the Owner for all things desirable or necessary for the proper and efficient management of the Geothermal System and to perform every other act whatsoever in respect of the Geothermal System to carry out the intent of this Agreement provided, however, that the Manager shall not authorize any work, repairs, alterations or maintenance estimated to cost in excess of $10,000.00 for any one item or to have a duration in excess of one (1) year without first obtaining the Owner's approval to proceed with such work except for monthly or recurring operating charges. On rare occasions where circumstances warrant, the Owner shall provide its approval or other direction to the Manager within a reasonable time of receipt of the Manager's request for approval. Furthermore, if in the Manager's opinion there exits a hazardous situation which could cause personal injury or damage to the Geothermal System or the Owner's equipment or chattels or which could impair the value of the Owners' interest therein or the Owners' equipment, chattels, improvements or Geothermal System or which could cause the suspension of any service to the Condominium at a time when the Owner or its representatives cannot be reasonably located for the purpose of giving approval for such work, or if failure to do such work might expose either the Owner or the Manager or both to the imposition of penalties, fines, imprisonment or any other substantial liability, the Manager shall notify the Owner with respect to same and proceed with such work as in its discretion it determines to be urgently necessary for the protection and preservation of the Geothermal System or the Owner's equipment or chattels or the Owner's interest therein, and report the actions taken by the Manager with respect thereto to the Owner as soon as possible.

(c) Materials, Equipment and Supplies. Subject to the Budget, to purchase such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Geothermal System. All such purchases and contracts shall be in the name of and/or at the expense of the Owner.

(d) Equipment Lists. To maintain an up-to-date list of all equipment and chattels of the Owner as part of the Owner's records.

4. **Management Services.** The Manager agrees that during the term of this Agreement, it will provide all management services required in connection with the operation, maintenance and repair, and administration of the Geothermal System. Without limiting the generality of the foregoing, the Manager shall perform the following duties:

(a) **Invoicing.** To prepare and deliver accounts or invoices pursuant to the terms of the Geothermal Supply Contract, and pursue on the Owner's behalf all delinquent and unpaid accounts.

(b) **Books and Records of Accounts.** To keep the Owner's books and records of accounts and retain full and proper records regarding all financial transactions involved in the management of the Geothermal System and to forward to the Owner on or before the 20th day of each quarter, a statement of receipts and disbursements summarizing the transactions made during the preceding month and as more particularly described in subparagraph 4(a). All books and records of accounts kept in relation to the management of the Geothermal System shall be the property of the Owner and upon termination of this Agreement shall be forthwith surrendered to the Owner or to a representative of the Owner, designated in writing. At any time during the term of this Agreement and any renewal period thereof, the said books and records of accounts shall be accessible to the Owner. Until termination of this Agreement, the Owner's books and records of accounts shall be physically kept in the Manager's business office.

(c) **Financial Reporting.** To provide the Owner on or before the 20th day of each month with year-to-date monthly itemized unaudited financial statements showing:

(i) Income on accrual basis;

(ii) revenue collected;

(iii) dollar amount of each disbursement as compared with budget expenses by budget categories;

(iv) amounts of delinquent accounts and names of the persons owing such accounts;

(v) particulars of accounts, term deposits, certificates and any other instruments respecting investment income and other assets and liabilities of the Owner in accordance with good accounting principles as at the date of the financial statements;

(vi) statement of expenses incurred to date compared to the approved budget; and

(vii) particulars of all active litigation and insurance matters.

All accounting and financial reporting which is required under the terms of this Agreement to be provided by the Manager to the Owner shall be in accordance with the reasonable requests of the Owner's auditors as to format and shall be provided within the reasonable time limit prescribed by the Owner's auditors.

(d) **The Records.** The Records referred to herein shall be physically kept in the offices of the Manager.

(e) **Access to Books and Records.** To make available upon reasonable notice at reasonable times to the Owner, its auditors, and designated representatives all books and records pertaining to the operation of the Geothermal System and the business of the Owner whenever requested.

(f) **Approval of Invoices.** To make all disbursements properly incurred for and on behalf of the Owner with the approval of the Owner; provided, however, that the approval of the Owner shall not be required prior to payment by the Manager of any items of expense as to which the Manager has discretionary spending authority pursuant to subparagraph 3(a)(v), and is within the Budget.

(g) **Maintenance Program.** Establish and thereafter maintain a maintenance program for all major technical and electrical equipment and plumbing systems in accordance with the recommendations of the manufacturers or suppliers thereof. The Manager shall also maintain log books and identification labels clearly numbering all mechanical and electrical equipment and plumbing systems and indicating the nature and frequency of maintenance services performed and shall prepare for the Owner's approval general maintenance procedures and schedules to be followed by the Manager. The Owner shall make available to the Manager all shop drawings, as-built architectural and structural plans, maintenance and operating manuals for mechanical and electrical equipment and plumbing systems and such other documents as the Manager reasonably requires to carry out its duties, that are in the Owner's possession from time to time.

5. **Employment of Contractors.** The Manager may contract on behalf of the Owner with any person, firm or corporation to perform any work or services for the Owner within the scope of the Manager's duties under this Agreement subject however to the following provisions:

(a) **Written Agreements.** Any person, firm or corporation employed to perform work or services shall be contracted pursuant to a written contract setting out the essential terms and conditions of such contract.

(b) **Approval of the Owner.** In addition to the requirements of subparagraph 3(a)(v), any contract to perform work or services entered into by the Manager shall be for a reasonable consideration usual in the industry and be budgeted for by the Owner. In the event that any contract for work or service shall be for a consideration in excess of that usual in the industry or in excess of that budgeted

for by the Owner, then prior to entering into such contract the Manager shall first obtain consent of the Owner approving such contract.

6. **Manager's Compensation**. Until terminated in accordance with the provisions of this Agreement, the Manager shall be paid a fee of 3% of the Supplier Energy Consumption Charges as set out in Schedule D of the Geothermal Supply Contract generated by the Geothermal System, and which shall be payable monthly. The Manager's fee includes all office expenses directly related to the business office of the Manager with respect to the performance of the duties of the Manager hereunder, but does not include any expenses directly related to the business offices of the Owner. The Manager's fee does not include disbursements incurred on behalf of the Owner. The Manager's fee is exclusive of any applicable taxes.

7. **Indemnification.** The Manager shall, during and after the term of this Agreement, indemnify and save the Owner completely free and harmless from any and all damages or injuries to persons or property, or claims, actions, obligations, liabilities, costs, expenses and fees, by reason of the negligence or willful misconduct of the Manager or any of its employees in the carrying out of the provisions of this Agreement and the Geothermal Supply COntract.

8. **Comprehensive Liability Insurance**. The Owner agrees to take out or authorize the Manager to arrange for comprehensive liability insurance on the Geothermal System to a limit of not less than $1,000,000.00 inclusive and further agrees that the Manager shall be named as an insured party along with the Owner as their interest may appear in each such policy or policies which shall provide protection against any claims for personal injury, death or property damage or loss for which either the Owner or the Manager might be held liable as a result of their respective obligations, and the Owner further agrees, if so requested, to provide the Manager with a Certificate of insurance from its insurers which shall include an undertaking that the insurer will provide the Manager with at least ten (10) days prior written notice of cancellation or any material change in the provisions of any such policy.

9. **Collections.** The Manager, without limiting its covenants as hereinbefore contained, shall actively pursue the collection of outstanding amounts owing pursuant to the Geothermal Supply Contract at all times and with a view to reducing these receivables to the lowest minimum monthly balance and without incurring additional cost save in those instances where legal action is required. It is understood that the Manager shall advise the Owner of delinquent accounts and upon the instructions of the Owner, the Manager shall arrange with the Owner's solicitor for the commencement of an action.

10. **Termination.** During the term of this Agreement, either party may at its option, without cause, terminate this Agreement as at the last day of a calendar month, upon sixty (60) days written notice to the other and the Owner shall pay to the Manager any moneys due to it to the date of termination.

(a) The parties agree that the term of this Agreement shall not be allowed to lapse without notice of termination in writing given by either party to the other not less than one-hundred and eighty (180) days prior to the expiration of the term of this Agreement. Should notice of termination not be given one-hundred and eighty (180) days prior to the expiration of the term of this Agreement, as provided herein, the Agreement shall continue on a month-to-month basis until terminated upon sixty (60) days written notice, as provided herein, and the Manager's fee shall remain the same until renegotiated.

(b) The parties agree that at the expiration of the term of the Agreement resulting in a renewal, the Manager's fee will be renegotiated with the Owner within sixty (60) days of the expiration of the original term and the revised and agreed upon fee shall be acknowledged in writing by both parties and shall constitute an amendment to this Agreement. Failing which, the Manager shall increase the fees by the Consumer Price Index.

(c) For a period of twelve (12) months after any termination and for the purpose of settling any dispute or defending any claim made against the Manager, the Owner shall provide access to the Manager at all reasonable times and upon reasonable notice to all relevant contracts, records, files and other documents or information.

(d) In addition to the rights of the parties to terminate upon notice as hereinbefore set out, the Agreement shall terminate upon the happening of any of the following events:

(i) the insolvency or bankruptcy of the Manager or Owner;

(ii) the Manager is insubordinate, reckless or grossly negligent or has engaged in fraud in performing its duties hereunder.

(iii) default in the performance or observance of any other covenant, restriction, stipulation or provision of this Agreement to be performed or observed by the Manager, and upon such default not being cured within 30 days after such defaulting party receives written notice of default (except in the case of an emergency, in which event the default shall be cured forthwith). In the event that the default is not capable of being cured within 30 days and provided the defaulting party gives notice to the non-defaulting party in writing of the period of time which the defaulting party estimates will be required to cure the default and which the non-defaulting party confirms in writing as being an acceptable time period (acting reasonably) and provided the defaulting party takes and continues to take all diligent action necessary to cure the default and provided the defaulting party cures the default within the agreed upon time period, no event of default shall be deemed to have occurred unless and until the defaulting party fails to diligently take all necessary action to remedy the default or fails to remedy the default within the agreed upon time frame. If the non-

defaulting party provides written notice to the defaulting party that it does not agree with the defaulting party's requested curative time period, an event of default shall be deemed to occur if the defaulting party has not remedied the default within the time period prescribed by the non-defaulting party.

(e) Upon termination of this Agreement:

(i) the Manager shall cease to operate the Owner's bank account and shall execute all necessary documents in recognition thereof as may be requested by the Owner or the said bank, and shall as soon as possible thereafter render the final accounting to the Owner;

(ii) the Manager shall surrender to the Owner all contracts, records, files, bank accounts and other documents or information which may be pertinent to the continuing operation of the Geothermal System both paper and electronic form, where available, and further shall maintain on behalf of the Owner any records, files or information related to the Owner and stored in the computer of the Manager for a period of twelve (12) months or until such earlier time as the Owner advises the Manager in writing of its permission to destroy such records;

(iii) the Manager shall turn over all keys to the units owned by the Owner in respect of the Geothermal System in its possession or in the possession of any of its employees. The Manager shall also turn over possession of any area (such as management offices) under its control in respect of the Geothermal System;

(iv) if it has not already done so, the Owner shall assume the obligation of any and all contracts which the Manager has properly made for the purpose of arranging the services to be provided pursuant to this Agreement except those related to the employees of the Manager and to accounting services; and

(v) the obligation upon the Manager to account shall survive the termination of this Agreement.

11. **Notice**. Any notice required to be given by either party to the other shall be sufficiently given if delivered or mailed by prepaid registered post addressed (or faxed or sent by other electronic means if both parties have agreed in writing) to the Owner at 120 Lynn Williams Street, Suite 2A, Toronto, Ontario, M6K 3N6, with a copy to 85 Hanna Avenue, Suite 400, Toronto, Ontario M6K 3S3, and to the Manager at 120 Lynn Williams Street, Suite 2A, Toronto, Ontario, M6K 3N6, and any such notice shall be conclusively deemed to have been given and received at the time of its personal delivery by one party to an officer or Director of the other, or in the event of service by mail, on the next business day after the day of such mailing, provided that if normal mail service

is disrupted by reason of strikes, walkouts, slowdowns or other irregularities, then so long as such disruptions exist, any notice required or permitted to be given hereunder shall be delivered personally or otherwise shall be deemed to be ineffective for all purposes hereof. Either party may by notice in writing to the other designate another address to which notices mailed more than ten (10) days after the giving of such notice of change of address shall be addressed.

12. **Partial Invalidity**. If any portion of this Agreement shall be for any reason declared invalid or unenforceable, the validity of any of the remaining portions of this Agreement shall not be thereby affected, and such remaining portions shall remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated.

13. **Successors and Assigns**. This Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto provided always that this contract may only be assigned with the express written consent of the Owner.

For the purposes of this paragraph, a sale or disposition of the shares, business or assets of the Manager to another person or firm resulting in a change of control of the Manager shall be deemed to be an assignment of this Agreement requiring the express written consent of the Owner.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

SIGNED, SEALED AND DELIVERED In the presence of:	) **EDGE ON TRIANGLE PARK INC.**))) Per:____________________) Alan Saskin) President)) Per:____________________) Name:) Title) I/WE have the authority to bind the Corporation))) **URBANCORP RENEWABLE POWER INC.**))) Per:____________________) Alan Saskin) President) I have the authority to bind the Corporation

Appendix “G”

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

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

B E T W E E N:

KING TOWNS NORTH INC.

(hereinafter called the "**Landlord**")

OF THE FIRST PART

-and-

URBANCORP RENEWABLE POWER INC.

OF THE SECOND PART

VESTACO HOMES INC.

OF THE THIRD PART

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

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

1. TERM

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

2. BASIC RENT & DEPOSIT

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

3. RIGHT TO EXTEND

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

4. GROSS LEASE

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

5. ADDITIONAL RENT & FEES

Intentionally Deleted.

6. TENANT'S COVENANTS

6.1 The Tenant covenants with the Landlord:

(a) to pay, when due, Basic Rent;

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

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

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

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

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

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

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

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

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

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

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

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

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

6. "AS IS" CONDITION

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

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

7. INDEMNITY AND RELEASE

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

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

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

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

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

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

(a) any injury, loss, damage or expenses which may result from or arise out of the Landlord entering into this agreement;

(b) death, injury, loss or damage to the person or any property of the Tenant or others howsoever caused, arising or to arise by reason the permission granted pursuant to this Agreement, or any of the terms and conditions hereof;

(c) any non-compliance with any Environmental Laws; or

(d) any cleanup required due to environmental conditions existing prior to the Tenant's occupancy of the Leased Premises.

8. INSURANCE

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

(a) Commercial general liability and property damage insurance in an amount of not less than **$5,000,000.00**, per occurrence, providing third party bodily injury and property damage coverage. The policy will include a cross liability and/or severability of interest clause and non-owned automobile liability;

(b) Tenant's "All-Risk" legal liability insurance on all its property on a one hundred percent (100%) replacement value basis;

(c) broad form comprehensive boiler and machinery insurance with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord);

(d) business interruption insurance; and

(e) Any such other forms of insurance required by the Landlord, acting reasonably, may require from time to time.

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

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

9. QUIET ENJOYMENT

The Landlord covenants with the Tenant for quiet enjoyment.

10. OVERHOLDING

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

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

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

11. DEFAULT

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

(a) if the Tenant fails to remit any Basic Rent, Additional Rent or other monetary payment within three (3) days of written notice by the Landlord; or

(b) if the Tenant should fail to comply with any of the non-monetary terms of the Lease within ten (10) days of written notice by the Landlord of such default, or if the nature of the default is such that it is not reasonably possible for the Tenant to comply within ten (10) days, if the Tenant has not begun and is not working diligently to comply within ten (10) days,

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

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

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

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

12. NOTICE

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

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

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

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

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

13. GENERAL

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

13.2 **Interest On Overdue Amounts**

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

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

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

13.4 **Successors and Assigns**

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

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

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

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

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

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

13.4 Waiver

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule "A" Sketch showing the Leased Premises

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

IN WITNESS WHEREOF the parties hereto have executed this Lease.

KING TOWNS NORTH INC.

Per:_____
Name/Title

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

URBANCORP RENEWABLE POWER INC.

Per:_____
Name/Title:

I/We have authority to bind the Corporation.

VESTACO HOMES INC.

Per:_____
Name/Title:

I/We have authority to bind the Corporation.

SCHEDULE "A"

Part of PIN 21298-0360; such part (being the Leased Premises) represents the entirety of PIN 21298-0373 and is legally described below:

Part of Block 6, Plan Ordnance Reserve, designated as Parts 9, and 10 on Plan 66R-22588 and Part 2 on Plan 66R-22638, City of Toronto, being all of PIN 21298-0373.

For greater certainty, the Leased Premises represents the entirety of PIN 21298-0373.

SCHEDULE "B"
SITE PLAN

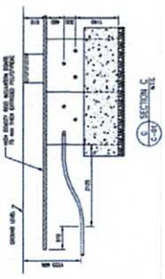
BRIDGE CONDOMINIUMS
PHASE 1 & 2
ISSUED FOR COORDINATION

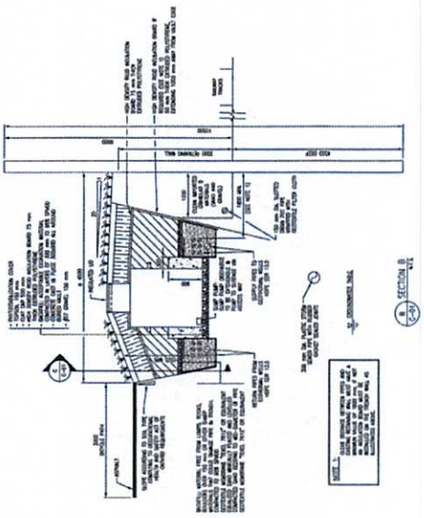
KIRKOR

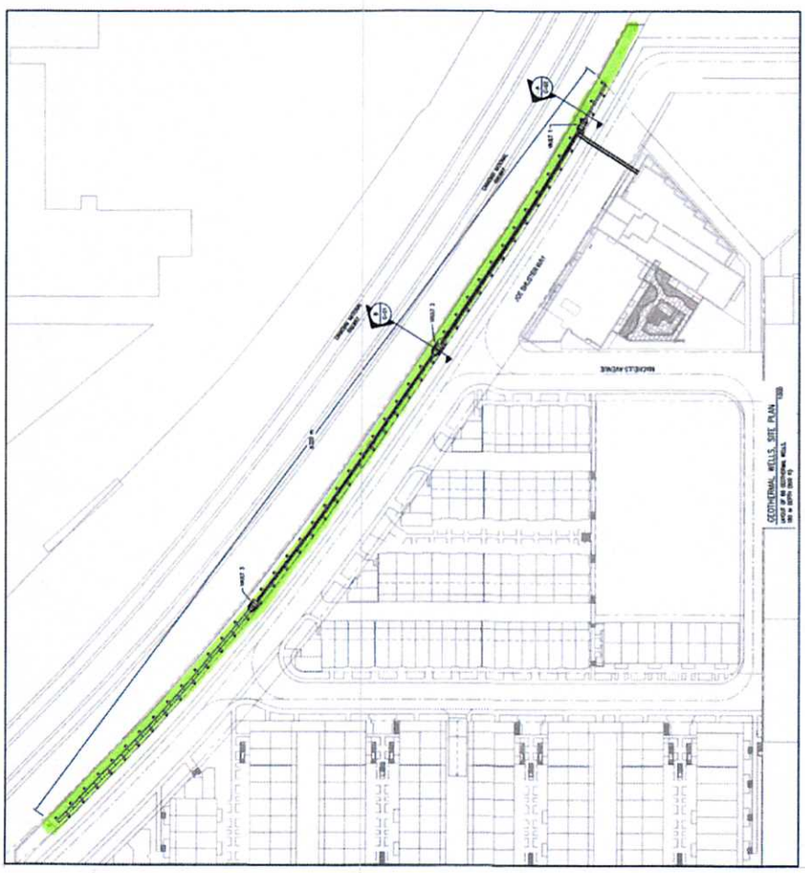
Trow

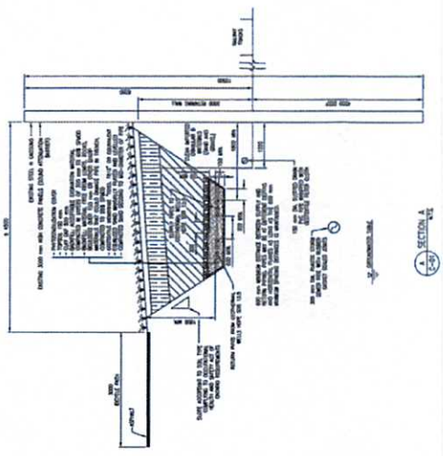
Site Plan
Geothermal
Trenching Details

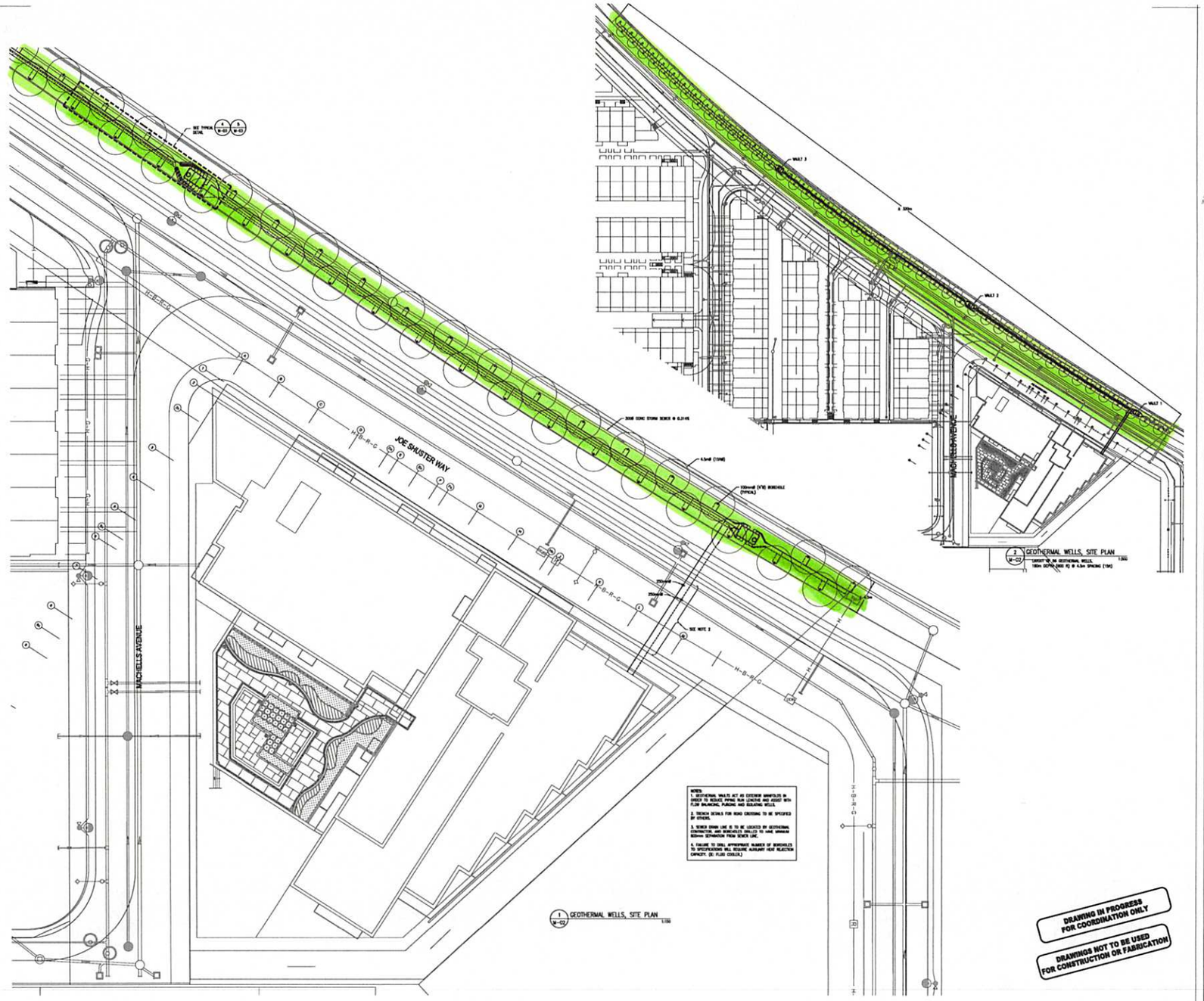
PHASE 1&2 C-01











Contractor Must Check And Verify All Dimensions On The Job.

Do Not Scale The Drawings.

All Drawings, Specifications And Related Documents Are The Copyright Of The Engineer And Must Be Returned Upon Request.

Reproduction Of Drawings, Specifications And Related Documents In Part Or Whole Is Forbidden Without The Engineer's Written Permission.

This Drawing Is Not To Be Used For Construction.

KIRKOR ARCHITECTS & PLANNERS

20 Martin Ross Avenue,
Toronto, ON M3J 2K8
(416) 661-5000
(416) 661-1334
RCAN 2808
www.kirkorarchitects.com

No	Revision	Date

BRIDGE CONDOMINIUMS
PHASE 1 & 2
ISSUED FOR PERMITS

2.	ISSUED FOR PERMITS	10/07/05
1.	COORDINATION	10/09/04
No	Issued For	Date

Drawing Title

Site Plan
Geothermal Overview

Trow

15 Macfarlane Avenue
Toronto, Ontario

Scale: INDICATED
Drawn By: V.P.
Checked By: B.G.
File No.: TGIS-E-040
Plot Date: -

PHASE 1& 2 M-02

Appendix “H”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	**WEDNESDAY, THE 18TH**
	)	
JUSTICE NEWBOULD	)	**DAY OF MAY, 2016**

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

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

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Alan Saskin sworn May 13, 2016 and the Exhibits thereto (the "**Saskin Affidavit**"), the First Report of KSV Kofman Inc. in its capacity as Proposal Trustee and as proposed monitor dated May 13, 2016 (the "**First Report**") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Urbancorp CCAA Entities, counsel for the proposed Monitor, counsel for the Foreign Representative of Urbancorp

Inc., counsel for Mattamy (Downsview) Limited, counsel for King Liberty North Corporation, counsel for the syndicate of lenders represented by the Bank of Nova Scotia as administrative agent, and those other parties listed on the counsel slip, no one appearing for any other person although duly served as appears from the Affidavit of Service of Kyle B. Plunkett sworn May 13, 2016, filed, on reading the consent of KSV Kofman Inc. to act as the Monitor (in such capacity, the "**Monitor**");

SERVICE

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

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies, save and except Urbancorp New Kings Inc. ("**UNKI**") which shall not be an Applicant hereunder, and shall be removed from the style of cause in these proceedings and such style of cause shall be hereafter amended to exclude UNKI.

3. **THIS COURT ORDERS AND DECLARES** that although not Applicants, the Urbancorp CCAA Entities' affiliated Corporations and Limited Partnerships listed in **Schedule "A"** to this Order (the "**Non-Applicant UC Entities**") are proper parties to these proceedings and shall enjoy the benefits of the protections and authorizations provided by this Order. (The Applicants together with the Non-Applicant UC Entities are hereinafter referred to as the "**Urbancorp CCAA Entities**").

4. **THIS COURT ORDERS AND DECLARES** that the proposal proceedings of each of Urbancorp Toronto Management Inc. (Estate No. 31-2114055), Urbancorp Downsview Park Developments Inc. (Estate No. 31-2114054), Urbancorp (Patricia) Inc. (Estate No. 31-2114050), Urbancorp (Mallow) Inc. (Estate No. 31-2114049), Urbancorp (Lawrence) Inc. (Estate No. 31-2114048) and Urbancorp (St. Clair Village) Inc. (Estate No. 31-2114053) (collectively, the "**Urbancorp NOI Entities**") commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), be taken up and continued under the CCAA and that the provisions of Part III of the BIA shall have no further application to the Urbancorp NOI Entities.

PLAN OF ARRANGEMENT

5. **THIS COURT ORDERS** that subject to the provisions of this Order, the Applicants shall have the authority to file, and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (hereinafter referred to as the "**Plan**" or "**Plans**").

POSSESSION OF PROPERTY AND OPERATIONS

6. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Urbancorp CCAA Entities shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. Subject to paragraph 29 hereof, the Urbancorp CCAA Entities are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

7. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall be entitled to continue to utilize the central cash management system currently in place as described in the Saskin Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Urbancorp CCAA Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Urbancorp CCAA Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

8. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Urbancorp CCAA Entities in respect of these proceedings, at their standard rates and charges.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Urbancorp CCAA Entities shall be entitled but not required to pay all reasonable expenses incurred by the Urbancorp CCAA Entities in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Urbancorp CCAA Entities following the date of this Order.

10. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Urbancorp CCAA Entities in connection with the sale

of goods and services by the Urbancorp CCAA Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Urbancorp CCAA Entities.

11. **THIS COURT ORDERS** that, except where any of the Urbancorp CCAA Entities are a landlord, until a real property lease is disclaimed in accordance with the CCAA, the Urbancorp CCAA Entities shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Urbancorp CCAA Entities and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. **THIS COURT ORDERS** that, except as specifically permitted herein or by further order of this Court, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by an Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

13. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall not, without further Order of this Court: (a) make any disbursement out of the ordinary course of its Business

exceeding in the aggregate $100,000 in any calendar month; or (b) engage in any material activity or transaction not otherwise in the ordinary course of its Business.

RESTRUCTURING

14. **THIS COURT ORDERS** that subject to paragraph 29 herein, the Urbancorp CCAA Entities shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $250,000 in any one transaction or $1,000,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;

(c) pursue all avenues of refinancing (including Additional Interim Financing as hereinafter defined) of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing; and

(d) pursue a sale or development of some or all of any Urbancorp CCAA Entity's Business and Property,

all of the foregoing to permit the Urbancorp CCAA Entities to proceed with an orderly restructuring of the Business (the "**Restructuring**").

15. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall provide each of the relevant landlords with notice of the Urbancorp CCAA Entities' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Urbancorp CCAA Entities' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Urbancorp CCAA Entities, or by further Order of this Court upon application by the Urbancorp CCAA Entities on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the lease governing such leased premises in

accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Urbancorp CCAA Entities' claim to the fixtures in dispute.

16. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against that Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE URBANCORP CCAA ENTITIES OR THE PROPERTY

17. **THIS COURT ORDERS** that until and including June 17, 2016, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Urbancorp CCAA Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Urbancorp CCAA Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

18. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Urbancorp CCAA Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Urbancorp CCAA Entities to carry on

any business which the Urbancorp CCAA Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

19. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Urbancorp CCAA Entities, except with the written consent of the Urbancorp CCAA Entities and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Urbancorp CCAA Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Urbancorp CCAA Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Urbancorp CCAA Entities, and that the Urbancorp CCAA Entities shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Urbancorp CCAA Entities in accordance with normal payment practices of the Urbancorp CCAA Entities or such other practices as may be agreed upon by the supplier or service provider and each of the Urbancorp CCAA Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or

licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Urbancorp CCAA Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Urbancorp CCAA Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Urbancorp CCAA Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Urbancorp CCAA Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the Urbancorp CCAA Entities or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Urbancorp CCAA Entities after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. **THIS COURT ORDERS** that the directors and officers of the Urbancorp CCAA Entities shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $300,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 43 and 45 herein.

25. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Urbancorp CCAA Entities' directors and officers

shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

INTERIM FINANCING

26. **THIS COURT ORDERS** that the interim credit facility in the maximum amount of $1,900,000 (the "**Interim Facility**") made available to the Urbancorp CCAA Entities by Urbancorp Partner (King South) Inc. (the "**Interim Lender**") pursuant to the terms of the term sheet dated as of May 13, 2016 (the "**Term Sheet**"), and attached as an Exhibit to the Saskin Affidavit, and the Term Sheet itself, be and are hereby approved, and the Urbancorp CCAA Entities are hereby authorized and empowered to execute and deliver such documents as are contemplated by the Term Sheet.

PROTOCOL FOR CO-OPERATION

27. **THIS COURT ORDERS AND DIRECTS** that the "Protocol For Cooperation Among Canadian Court Officer and Israeli Functionary", between KSV Kofman Inc. in its capacity as proposal trustee and as proposed Monitor and Guy Gissin, in his capacity as Functionary Officer appointed by the Israel District Court in Tel Aviv-Yafo in respect of Urbancorp Inc., attached as **Schedule "B"** to this Order (the "**Protocol**"), be and is hereby approved. In the event of a conflict between the terms of this Order and the Protocol, the terms of this Order shall prevail.

APPOINTMENT OF MONITOR

28. **THIS COURT ORDERS** that KSV Kofman Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Urbancorp CCAA Entities with the powers and obligations set out in the CCAA or set forth herein and that the Urbancorp CCAA Entities and their shareholders, officers, directors, and Assistants shall not take any steps with respect to the Urbancorp CCAA Entities, the Business or the Property, save and except under the direction of the Monitor, pursuant to paragraph 29 of this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

29. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, and without altering in any way the powers, abilities, limitations and obligations of the Urbancorp CCAA Entities within, or as a result of these proceedings, be and is hereby authorized, directed and empowered to:

(a) cause the Urbancorp CCAA Entities, or any one or more of them, to exercise rights under and observe its obligations under paragraphs 8, 9, 10, 11, 12 and 13 above;

(b) conduct a process for the solicitation of proposals for additional interim financing of the Business to replace or augment the Interim Credit Facility (the "**Additional Interim Financing**"), which Additional Interim Financing shall be subject to the approval of the Court;

(c) cause the Urbancorp CCAA Entities to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Urbancorp CCAA Entities in dealing with the Property;

(d) conduct, supervise and direct one or more Court-approved sales and investor solicitation processes (with prior Court approval if deemed appropriate by the Monitor) for portions of the Property or the Business, including the solicitation of development proposals, and any procedures regarding the allocation and/or distribution of proceeds of any transactions;

(e) cause the Urbancorp CCAA Entities to administer the Property and operations of the Urbancorp CCAA Entities, including the control of receipts and disbursements, as the Monitor considers necessary or desirable for the purposes of completing any transaction, or for purposes of facilitating a Plan or Plans for some or all Applicants, or parts of the Business;

(f) propose or cause the Applicants or any one or more of them to propose one or more Plans in respect of the Applicants or any one or more of them;

(g) engage advisors or consultants or cause the Urbancorp CCAA Entities to engage advisors or consultants as the Monitor deems necessary or desirable to carry out the

terms of this Order or any other Order made in these proceedings or for the purposes of the Plan and such persons shall be deemed to be "Assistants" under this Order;

(h) apply to this Court for any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter;

(i) meet and consult with the directors of the Urbancorp CCAA Entities as the Monitor deems necessary or appropriate;

(j) meet with and direct management of the Urbancorp CCAA Entities with respect to any of the foregoing including, without limitation, operational and restructuring matters;

(k) monitor the Urbancorp CCAA Entities' receipts and disbursements;

(l) approve Drawdown Requests under the Interim Credit Facility and any Additional Interim Facility;

(m) cause any Urbancorp CCAA Entity with available cash (an "**Intercompany Lender**") to loan some or all of that cash to another Urbancorp CCAA Entity (an "**Intercompany Borrower**") on an interest free inter-company basis (an "**Approved Intercompany Advance**") up to an aggregate of $1 million, which Approved Intercompany Advances shall be secured by the Intercompany Lender's Charge against the Property of the Intercompany Borrower, where in the Monitor's view the Approved Intercompany Advance secured by the Intercompany Lender's Charge does not prejudice the interest of the creditors of the Intercompany Lender and does not violate any agreement to which a Non-Applicant UC Entity is a party.

(n) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(o) assist the Urbancorp CCAA Entities in its preparation of the Urbancorp CCAA Entities' cash flow statements and reporting required by the Term Sheet or the Court;

(p) hold and administer creditors' or shareholders' meetings for voting on the Plan or Plans;

(q) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Urbancorp CCAA Entities, to the extent that is necessary to adequately assess the Urbancorp CCAA Entities business and financial affairs or to perform its duties arising under this Order;

(r) be at liberty to engage legal counsel, real estate experts, or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(s) perform such other duties as are required by this Order or by this Court from time to time; and

(t) to comply with the Protocol,

provided, however, that the Monitor shall comply with all applicable law and shall not have any authority or power to elect or to cause the election or removal of directors of any of the Urbancorp CCAA Entities or any of their subsidiaries.

30. **THIS COURT ORDERS** that, until further order of this court, Robert Kofman, or such representative of KSV Kofman Inc. as he may designate in writing from time to time, is authorized, directed and empowered to act as, and is hereby appointed as, the representative of UNKI on the Management Committee of the Kings Club Development Inc. project (the "**Management Committee Member**"). For purposes of this Order, in carrying out its duties as Management Committee Member pursuant to this Order, the Management Committee Member shall have the same protections afforded to the Monitor pursuant to paragraph 35 of this Order. Subject to further order of this Court, on notice to The Bank of Nova Scotia and King Liberty North Corporation, UNKI otherwise remains unaffected by this Order and the CCAA proceedings.

31. **THIS COURT ORDERS** that the Urbancorp CCAA Entities and their advisors shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and

shall provide the Monitor with such assistance as the Monitor may request from time to time to enable the Monitor to carry out its duties and powers as set out in this Order or any other Order of this Court under the CCAA or applicable law generally.

32. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof and that nothing in this Order, or anything done in pursuance of the Monitor's duties and powers under this Order, shall deem the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation.

33. **THIS COURT ORDERS** that, without limiting the provisions herein, all employees of the Urbancorp CCAA Entities shall remain employees of the Urbancorp CCAA Entities until such time as the Urbancorp CCAA Entities may terminate the employment of such employees. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts, as applicable.

34. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Urbancorp CCAA Entities with information provided by the Urbancorp CCAA Entities in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Urbancorp CCAA Entities is confidential, the Monitor shall not

provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Urbancorp CCAA Entities may agree.

35. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

36. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Urbancorp CCAA Entities shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Urbancorp CCAA Entities as part of the costs of these proceedings, subject to being assessed by the court. The Urbancorp CCAA Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Urbancorp CCAA Entities and any Assistants retained by the Monitor on a weekly basis and, in addition, the Urbancorp CCAA Entities are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Urbancorp CCAA Entities and any Assistants retained by the Monitor, such reasonable retainers as may be requested to be held by them as security for payment of their respective fees and disbursements outstanding from time to time. The Urbancorp CCAA Entities are also authorized and directed to pay the fees and disbursements of KSV as Proposal Trustee, the fees and disbursements of the Proposal Trustee's counsel and the fees and disbursements of counsel to Urbancorp NOI Entities up to the date of this Order in respect of the proposal proceedings of the Urbancorp NOI Entities.

37. **THIS COURT ORDERS** that KSV in its capacity as Monitor, and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

38. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Urbancorp CCAA Entities' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property of the Applicants, which charge shall not exceed an aggregate amount of $750,000, as security for their professional fees and disbursements incurred

at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 43 and 45 hereof.

INTERCOMPANY LENDER'S CHARGE

39. **THIS COURT ORDERS** that an Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Lender's Charge**") on the Property of the Intercompany Borrower as security for all Approved Intercompany Advances advanced to the Intercompany Borrower. The Intercompany Lender's Charge shall have the priority set out in paragraphs 43 and 45 hereof.

INTERIM FINANCING

40. **THIS COURT ORDERS** that the Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property of the Applicants as security for all amounts advanced to any Applicant under the Interim Credit Facility and as security for all liabilities and obligations of the Applicant as guarantors pursuant to the Term Sheet. The Interim Lender's Charge shall have the priority set out in paragraphs 43 and 45 hereof.

41. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge;

(b) upon the occurrence of an Event of Default under the Interim Facility Term Sheet, the Interim Lender may terminate the Interim Credit Facility and cease making advances to the Applicants, and, upon five (5) days' notice to the Monitor and the parties on the Service List, may bring a motion for leave to exercise any and all of its rights and remedies against the Applicants or their Property under or pursuant to the Interim Term Sheet, and the Interim Lender's Charge, including without limitation, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a

bankruptcy order against an Applicant and for the appointment of a trustee in bankruptcy of one or more Applicants; and

(c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or their Property.

42. **THIS COURT ORDERS AND DECLARES** that the Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by any Applicant under the CCAA, with respect to any advances made under the Interim Credit Facility.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

43. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge to the maximum amount of $750,000;

Second – Interim Lender's Charge to the maximum amount of $1,900,000 plus accrued interest under the Term Sheet (as against the Property of the Applicants only), and the Intercompany Lender's Charge (as against the Property of the relevant Intercompany Borrower only) on a *pari passu* basis; and

Third – Directors' Charge to the maximum amount of $300,000.

44. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the Interim Lender's Charge or the Intercompany Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

45. **THIS COURT ORDERS** that each of the Charges shall rank as against the applicable Property subordinate to all valid perfected security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise granted by each respective

Urbancorp CCAA Entity or to which each respective Urbancorp CCAA Entity is subject (collectively, "**Encumbrances**") as of the date of this Order (collectively, "**Pre-Filing Security Interests**"), save and except the security interests, if any, in favour of Reznik Paz Nevo Trusts Ltd. in its capacity as trustee (the "**Israeli Trustee**") under a certain Deed of Trust dated December 7, 2015 between Urbancorp Inc. and the Israeli Trustee, which shall rank subordinate to the Charges.

46. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by further order of this Court, the Urbancorp CCAA Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges.

47. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; (e) the pendency of the Israeli Court Proceedings; or (f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Urbancorp CCAA Entities, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, or performance of the Interim Facility Term Sheet shall create or be deemed to constitute a breach by the Urbancorp CCAA Entities of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Urbancorp CCAA Entities entering into the Interim Facility Term Sheet or the creation of the Charges; and

(c) the payments made by the Urbancorp CCAA Entities pursuant to this Order, the Interim Facility Term Sheet, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

48. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Urbancorp CCAA Entity's interest in such real property leases.

SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail – Toronto Edition, a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Urbancorp CCAA Entities of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

50. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: http://www.ksvadvisory.com/insolvency-cases-2/urbancorp/ .

51. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Urbancorp CCAA Entities and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices

or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Urbancorp CCAA Entities' creditors or other interested parties at their respective addresses as last shown on the records of the Urbancorp CCAA Entities and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

52. **THIS COURT ORDERS** that the Urbancorp CCAA Entities or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Urbancorp CCAA Entities, the Business or the Property.

54. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in Israel or elsewhere, to give effect to this Order and to assist the Urbancorp CCAA Entities, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Urbancorp CCAA Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Urbancorp CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

55. **THIS COURT ORDERS** that each of the Urbancorp CCAA Entities and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. **THIS COURT ORDERS** that any interested party (including the Urbancorp CCAA Entities and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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

MAY 18 2016

PER / PAR: RW

SCHEDULE "A"

List of Non Applicant Affilliates

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

SCHEDULE "B"

PROTOCOL
For Co-operation Among Canadian Court Officer and Israeli Functionary

BETWEEN:

GUY GISSIN , in his capacity as Functionary Officer appointed by the Israeli Court for Urbancorp Inc.

- and -

KSV KOFMAN INC., in its capacity as proposal trustee and proposed monitor of certain subsidiaries of Urbancorp Inc.

WHEREAS KSV Kofman Inc. ("**KSV**") was appointed the proposal trustee in respect of each of Urbancorp (Lawrence) Inc., Urbancorp (Mallow) Inc., Urbancorp (Patricia) Inc., Urbancorp (St. Clair Village) Inc., Urbancorp Downsview Park Development Inc. and Urbancorp Toronto Management Inc. (the "**Initial Subsidiaries**"), in notice of intention filings made by each of the Initial Subsidiaries under the *Bankruptcy and Insolvency Act* ("**BIA**") on April 21, 2016 (the "**Proposal Proceedings**");

AND WHEREAS Guy Gissin was appointed as Functionary Officer on a preliminary basis (the "**Israeli Parentco Officer**") of Urbancorp Inc. ("**Parentco**"), the parent of the Initial Subsidiaries, by order of the District Court in Tel Aviv-Yafo (the "**Israeli Court**") dated April 25, 2016 (the "**Israeli Functionary Order**") in case number 44348-04-16 *Reznik Paz Nevo Trusts Ltd. Vs. Urbancorp Inc.* (the "**Israeli Proceedings**");

AND WHEREAS it is anticipated that, with the exception of Bosvest Inc., Edge Residential Inc. and Edge on Triangle Park Inc., which are in separate BIA proposal proceedings with the Fuller Landau Group Inc. as proposal trustee, and Urbancorp Cumberland GP 2 Inc., Urbancorp Cumberland 2 LP and Westside Gallery Lofts Inc. (the "**Excluded Subsidiaries**"), all of the direct and indirect subsidiaries of Urbancorp Inc. (collectively, excluding the Excluded Subsidiaries, the "**Applicants**") will bring an application in the Ontario Superior Court of Justice – Commercial List (the "**Canadian Court**") for relief pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**") wherein the Proposal Proceedings will be taken up and continued within the CCAA Proceedings;

AND WHEREAS it is anticipated that the Israeli Parentco Officer will seek to have the Israeli Functionary Order and its role as the Israeli Parentco Officer recognized by the Canadian Court for the purpose of representing the interests of Parentco and participating as a stakeholder representative in the Applicants' CCAA Proceedings in connection with protecting the interests of Parentco's creditors, including the holders of the bonds issued on the Tel Aviv Stock Exchange (the "**Parentco Bonds**") pursuant to a deed of trust dated December 7, 2015 (the "**Parentco Bond Indenture**");

AND WHEREAS KSV and the Israeli Parentco Officer have agreed to work cooperatively on the terms set out herein to attempt to maximize recoveries through an orderly process for the stakeholders of Parentco and the Applicants (collectively, the "**Urbancorp Group**");

NOW THEREFORE, the Israeli Parentco Officer and KSV agree to implement the following protocol to cooperate with each other to maximize recoveries for the stakeholders of the Urbancorp Group:

1. The Israeli Parentco Officer will file an application under Part IV of the *Companies' Creditors Arrangement Act* ("CCAA"), seeking recognition of the Israeli Proceedings and of his appointment as foreign representative of Parentco thereunder, such application to seek recognition of the Israeli Proceedings as the "foreign main proceeding" with respect to Parentco. That application will include a request to appoint KSV as the Information Officer with respect to the Part IV CCAA proceedings of Parentco (the "**Part IV Proceedings**").

2. The Applicants will commence the CCAA Proceedings, proposing KSV to be appointed as Monitor with augmented powers so as to control ordinary course management and receipts and disbursements of funds for the Applicants. KSV acknowledges that the Israeli Parentco Officer shall have standing to appear before the Canadian Court as the representative of Parentco in the CCAA Proceedings.

3. The Israeli Parentco Officer and KSV agree that, with respect to the CCAA Proceedings:

   (a) KSV shall provide the Israeli Parentco Officer with regular and timely information updates regarding the ongoing status of the CCAA Proceedings as they unfold. KSV will also provide information and updates to the Israeli Parentco Officer prior to the commencement of the CCAA Proceedings;

   (b) The Israeli Parentco Officer shall provide KSV with at least three business days' prior notice (including full materials, translated into English) of any proceeding, motion or action it takes in the Israeli Court that will negatively impact the Applicants or the CCAA Proceedings. The Israeli Parentco Officer will also provide information and updates to KSV prior to the commencement of the CCAA Proceedings;

   (c) KSV shall provide the Israeli Parentco Officer with at least three business days' prior notice (including full materials, translated into English) of any proceeding, motion or action it takes in the Canadian Court that will negatively impact the Urbancorp Inc. or the Israeli Proceedings. KSV will also provide information and updates to Israeli Parentco Officer prior to the commencement of the CCAA Proceedings;

   (d) KSV shall provide to the Israeli Parentco Officer copies of all information pertaining to the Applicants:

      (i) in KSV's possession that KSV considers material; or

(ii) as reasonably requested by the Israeli Parentco Officer,

provided that KSV, in good faith, is not of the view that such information is subject to privilege or confidentiality restrictions. If KSV is of the view that such information is subject to privilege or confidentiality restrictions, then KSV shall so inform the Israeli Parentco Officer and shall seek directions from the Canadian Court on notice to the affected parties in the CCAA Proceedings as to whether there are any restrictions which would prevent the disclosure of such information to the Israeli Parentco Officer.

(e) The Israeli Parentco Officer shall provide to KSV, in its capacity as the Information Officer of Parentco in the Part IV Proceedings, copies of all information pertaining to the Israeli Proceedings:

(i) in the Israeli Parentco Officer's possession that it considers material to the Israeli Proceedings and is not subject to privilege or confidentiality restrictions; or

(ii) as reasonably requested by KSV, provided that this shall not entitle KSV or any party requesting information through them to receive information on ongoing reviews or investigations being undertaken by the Israeli Parentco Officer or others in connection with the Israeli Proceedings; and

(f) KSV will run an orderly dual track sale and restructuring process with respect to the Applicants, subject to approval by the Canadian Court in the CCAA Proceedings, which will consider both development opportunities and opportunities to sell the properties of the Applicants. KSV will design such process collaboratively, with the Israeli Parentco Officer, with the understanding that at any time during the pendency of the sales process, should an offer come forward with respect to any or all of the Applicants contemplating a restructuring or other option which is acceptable to both KSV and the Israeli Parentco Officer, the sale process may be truncated in order to pursue the other option with respect to the Applicant(s) in question. Alternatively, should the sale process continue to the point of submission of bids, subject to Section 4(b) below, copies of all bids will be provided to the Israeli Parentco Officer by KSV, and KSV shall discuss same with the Israeli Parentco Officer, with the objective, but not the obligation, of hopefully concurring on the course of action to be followed in terms of which bids to continue negotiating or which bid(s) to select as the successful bidder(s). KSV acknowledges that, throughout these processes, the Israeli Parentco Officer may from time to time require instructions and/or directions from the Israeli Court, and that the process shall be conducted in a fashion to permit the Israeli Parentco Officer the opportunity to do so on a timeframe consistent with the urgency of the circumstances then in question. The Israeli Parentco Officer and KSV agree that, in the event there is a disagreement between the Israeli Parentco Officer and KSV as to the working out of the sale and restructuring process, whether it be in terms of selecting an alternative option to a sale (including, without limitation, pursuing any development opportunities), determining which bids to proceed to negotiate further, or seeking approval of a particular sale from

the Canadian Court supervising the CCAA Proceedings, the ultimate decision and course of action shall be determined by the Canadian Court on application by KSV for directions and provided that the Israeli Parentco Officer shall have standing as representative of Parentco to make full representations to the Canadian Court as to his views and recommendations.

(g) The initial order made in the CCAA Proceedings concerning all of the Applicants shall contain the following paragraph pertaining to material or non-ordinary course decisions or disbursements:

THIS COURT ORDERS that the Applicants shall not, without further order of this Court: (a) make any disbursement out of the ordinary course of its Business exceeding in the aggregate $100,000 in any calendar month; or (b) engage in any material activity or transaction not otherwise in the ordinary course of its Business.

In the event that such paragraph is not included in the initial order for the Applicants or any of them, then any such disbursement or other material activity or transaction shall not be made without the order of the Canadian Court.

4. The Israeli Parentco Officer and KSV further agree to cooperate as follows:

(a) to the extent practicable, each shall share with the other copies of materials to be filed with their respective courts (but not drafts of any such materials), prior to the public filing of same. This provision may not apply to materials submitted in the course of seeking directions from the Canadian Court in the event of a disagreement between the Israeli Parentco Officer and KSV over the working-out of the sale process; and

(b) The Israeli Parentco Officer agrees that any information provided to him by KSV in the course of the sale process or concerning any restructuring alternatives, shall remain confidential and not be disclosed to any party without KSV's consent, not to be unreasonably withheld, it being acknowledged that the Israeli Parentco Officer shall be entitled to provide information to its advisors (provided they agree to be bound by the confidentiality restrictions detailed herein) and to both the Israeli Court and the Official Receiver of the Israeli Ministry of Justice, in each case on a sealed and private basis to obtain directions as needed, or as may be set forth in the Non-Disclosure Agreement executed by the Israeli Parentco Officer on May 11, 2016.

5. The Israeli Parentco Officer and KSV acknowledge that, at present, KSV has the amount of CDN$1.9 million in a trust account, which funds KSV received from Urbancorp Partner (King South) Inc. ("**UPKSI**"), and which funds KSV has proposed to utilize as a form of interim funding for certain costs of the CCAA Proceedings, to be secured by a priming charge in favour of UPKSI against the assets of the entities utilizing the funds. KSV acknowledges that it will seek to obtain, as soon as possible, a general purpose DIP loan from third party sources and sufficient to repay amounts borrowed from UPKSI, using what are otherwise unencumbered assets of the Applicants (the "**DIP Loan**").

Upon being able to draw sufficient funds under the DIP Loan (which DIP Loan subject to the approval of the Canadian Court), KSV agrees that it will repay to UPKSI the interim loan made to that date in the preceding sentence from the DIP Loan and that it will, as the court-appointed monitor of UPKSI and subject to Court approval in the Part IV Proceedings, make available funds from that CDN$1.9 million as an interim loan from UPKSI to Urbancorp Inc., to be secured by a priming DIP charge against the assets of Urbancorp Inc., to assist in the funding of the costs of the Part IV Proceedings including the reasonable costs incurred by the Israeli Parentco Officer in connection with the Part IV Proceedings, the reasonable fees and disbursements of the Israeli Parentco Officer's Canadian counsel and the Information Officer and its counsel.

6. The Israeli Parentco Officer shall support the commencement of the CCAA Proceedings. Provided that KSV is acting in good faith and has not engaged in willful misconduct or gross negligence, the Israeli Parentco Officer shall not take any steps to attempt to remove KSV as either the proposal trustee under the Proposal Proceedings or the monitor under the CCAA Proceedings or to in any way to interfere with or seek to limit KSV's powers in such capacities or to suggest that KSV must take instruction from it or the Israeli Court or terminate the CCAA Proceedings without the consent of KSV or by order of the Canadian Court. Nothing herein shall be deemed to grant any additional claims, rights, security or priority to, or in respect of, the Parentco Bonds or to the trustee under the Parentco Bond Indenture or to the Israeli Parentco Officer as against the Applicants or any affiliate or direct or indirect subsidiary of Parentco. In the event of any restriction or termination of the Israeli Parentco Officer's powers by the Israeli Court, this Protocol shall be deemed to be modified accordingly such that the Israeli Parentco Officer's powers and authority hereunder are no greater that those given to him by the Israeli Court.

7. This Protocol shall be governed by laws of Ontario and the laws of Canada as applicable and all disputes or requests for direction in connection with this Protocol shall be determined by the Canadian Court. Nothing herein is or shall be deemed to be an attornment by KSV to the Israeli Court or the laws of Israel.

8. The Israeli Court Officer and KSV agree to use reasonable efforts to seek to commence the proceedings noted above on or before May 18, 2016. KSV shall support, to the extent necessary, an application by the Israeli Parentco Officer to commence the Part IV Proceedings, on terms consistent with this Protocol, even if commenced before the CCAA Proceedings.

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9. This Agreement is subject to the approval of the Israeli Court and the Canadian Court.

DATED this _____ day of May, 2016.

Name of Witness:

Name: **GUY GISSIN**, the Israeli Parentco Officer

KSV KOFMAN INC. in its capacity as proposal trustee and proposed monitor of certain subsidiaries of Urbancorp Inc., and not in its personal capacity

By: _____
Name: Robert Kofman
Title: President

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

INITIAL ORDER
(May 18, 2016)

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Lawyers for the Applicants

Appendix “I”

Eighth 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

November 10, 2016

Contents

Schedules and Appendices

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

EIGHTH REPORT OF KSV KOFMAN INC. AS CCAA MONITOR

NOVEMBER 10, 2016

1.0 Introduction

1. On April 21, 2016, Urbancorp (St. Clair Village) Inc. ("St. Clair"), Urbancorp (Patricia) Inc. ("Patricia"), Urbancorp (Mallow) Inc. ("Mallow"), Urbancorp Downsview Park Development Inc. ("Downsview"), Urbancorp (Lawrence) Inc. ("Lawrence") and Urbancorp Toronto Management Inc. ("UTMI") each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended. (Collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence and UTMI are referred to as the "Companies"). KSV Kofman Inc. ("KSV") was appointed as the Proposal Trustee of each of the Companies.

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 Applicants (which include the Companies) together with the entities listed on Schedule "A" attached (collectively, the "Urbancorp CCAA Entities") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed the monitor in those proceedings (the "Monitor").

3. The entities below are the known direct or indirect wholly-owned subsidiaries of Urbancorp Cumberland 1 LP ("Cumberland"):

   - St. Clair
   - Patricia
   - Mallow
   - Lawrence
   - High Res Inc. ("High Res")
   - King Residential Inc. ("King Residential")
   - Urbancorp (952 Queen West) Inc. ("952 Queen")
   - Urbancorp 60 St. Clair Inc. ("60 St. Clair")
   - Urbancorp New Kings Inc. ("New Kings")
   - Bridge on King Inc. ("Bridge")
   - Urbancorp (North Side) Inc. ("North Side")
   - Urbancorp Partner (King South) Inc. ("King South")

   Collectively, the above, together with Cumberland, 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. Because of the foregoing, there is no need to review the intercompany balances owing from one Cumberland Entity to another.

4. The remaining Urbancorp CCAA Entities, which are not Cumberland Entities, are as follows:

   - UTMI
   - Downsview
   - Urbancorp Power Holdings Inc. ("Power Holdings")
   - Vestaco Homes Inc. ("Vestaco Homes")
   - Vestaco Investments Inc. ("Vestaco Investments")
   - 228 Queens Quay West Limited ("228 Queens Quay")
   - Urbancorp Residential Inc. ("Urbancorp Residential")
   - Urbancorp Realtyco Inc. ("Realtyco")
   - Urbancorp Cumberland 1 GP ("Cumberland GP")

   Collectively, the above are the "Non-Cumberland Entities" and each individually is a "Non-Cumberland Entity". Except for UTMI, all Non-Cumberland Entities are direct or indirect wholly-owned subsidiaries of Urbancorp Inc. UTMI is believed to be wholly-owned by Alan Saskin.

5. A corporate chart for the Urbancorp CCAA Entities is attached as Appendix "A".

6. On September 15, 2016 and on October 25, 2016, the Court issued orders approving a claims process (jointly, the "Claims Procedure Orders") in respect of the Urbancorp CCAA Entities. Pursuant to the Claims Procedure Orders, the Monitor is to perform a review of, and to report on, the transactions giving rise to the claims as at the date of the Initial Order between a) the Cumberland Entities and the Non-Cumberland Entities and b) the claims between the various Non-Cumberland Entities ("Inter-CCAA Entity Claims").

1.1 Purposes of this Report

1. The purposes of this report ("Report") are to:

   a) detail the Monitor's review of the transactions giving rise to the Inter-CCAA Entity claims and to provide the Monitor's assessment of those transactions in order to determine the Inter-CCAA Entity Claims, as required by the Claims Procedure Orders; and

   b) recommend the Court make an order approving:

      i. this Report;

      ii. the Monitor's recommended claim amounts, as set out in Section 2.0; and

      iii. the Monitor's activities in connection with its review of the Inter-CCAA Entity Claims.

1.2 Currency

1. All dollar amounts in this Report are in Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial statements of the Urbancorp CCAA Entities, the books and records of the Urbancorp CCAA Entities ("Books and Records") and discussions with their management ("Management"), their legal counsel ("Legal Counsel") and their external accountants ("Accountants"). (Collectively, Management, Legal Counsel and the Accountants are referred to as the "Representatives".)

2. The Monitor has not performed an audit or independent verification of the information referenced above. The financial information discussed herein is preliminary and remains subject to further review. The Monitor expresses no opinion or other form of assurance with respect to the financial information presented in this Report.

3. Pursuant to the Claims Procedure Orders, the Monitor is required to file this Report no later than November 10, 2016. A hearing to consider this Report has been scheduled for November 30, 2016. The Monitor will be seeking an order on the return of the motion approving the Inter-CCAA Entity claims as detailed in this Report. The purpose of the motion is to afford stakeholders the opportunity to comment on this Report. The findings in this Report are subject to new information being provided to the Monitor prior to the return of this motion.

2.0 Summary of the Inter-CCAA Entity Claims

1. The table below summarizes the Inter-CCAA Entity Claims[1] as reflected in the Books and Records and the adjustments thereto being recommended by the Monitor:

($000s; unaudited)

Claimant	Debtor	Claim Amounts*	Monitor's Recommended Adjustments	Monitor's Recommended Claim Amount	Section[2]
Cumberland Entities	UTMI	3,359	44	3,403	6.1
Cumberland Entities	Vestaco Homes	4,126	-	4,126	6.2
Urbancorp Residential	Cumberland Entities	10	-	10	7.1
Urbancorp Residential	UTMI	242	-	242	8.1
Urbancorp Residential	Vestaco Homes	154	-	154	8.1
Downsview	UTMI	40	-	40	8.2
UTMI	Vestaco Homes	322	-	322	8.3
Vestaco Homes	Vestaco Investments	5,677	(5,677)	-	8.4

**Inter-CCAA Entities having claims below $5,000, although reviewed, are not included in the table above. No claims are intended to be admitted for these amounts because they are immaterial.*

3.0 Inter-CCAA Entity Claims Review

3.1 The Review Process

1. The Monitor's review included:

   a) obtaining copies of the accounting sub-ledgers in the Books and Records reflecting the entries ("Entries") of the transactions between Cumberland Entities and Non-Cumberland Entities and between the various Non-Cumberland Entities;

   b) obtaining documentation supporting the Entries, as required and as available; and

   c) having discussions with the Representatives.

[1] The claims are as of May 18, 2016, the date of the Initial Order.

[2] Details regarding the Entries reviewed in respect of each Inter-CCAA Entity Claim are provided in Appendix "C" to this Report.

4.0 Description of Activities of CCAA Entities

4.1 UTMI

1. As set out in the affidavit of Alan Saskin ("Saskin Affidavit") dated May 13, 2016, UTMI provides management services for the Urbancorp CCAA Entities and their affiliates (collectively, the "Urbancorp Group"). The services provided by UTMI include:

   a) cash management;

   b) development management;

   c) construction management;

   d) property management;

   e) geothermal asset management; and

   f) administrative services management.

2. UTMI is the only entity within the Urbancorp Group with employees and an office infrastructure.

3. UTMI's revenues are derived from fees charged to the various Urbancorp Group entities for the services listed above, as applicable. There do not appear to be any agreements between UTMI and the Urbancorp CCAA Entities. Details of the management fee arrangements are described in the prospectus ("Prospectus") referenced in the Saskin Affidavit. The Prospectus indicates UTMI would receive the following in respect of Urbancorp CCAA Entities:

   - Development fees of $7,500 per residential unit;
   - Construction fees of 3½ % of the total construction costs of the projects built by the Group (as defined in the Prospectus); and
   - Property management fees of 3½ % of the total rental income from rental units owned by certain entities in the Urbancorp Group.[3]

4. Intercompany balances arise between UTMI and other Urbancorp Group entities as funds (from sources such as purchasers' deposits, loan proceeds and sale proceeds) are transferred from Urbancorp Group entities to UTMI, as UTMI pays third parties (for expenditures such as loan interest and construction costs) on behalf of Urbancorp Group entities and as UTMI earns management fees from Urbancorp Group entities.

[3] The CCAA Entities which have rental properties have not paid or accrued property management fees. The Monitor is not recommending any adjustment because the amounts would be immaterial.

4.2 Urbancorp CCAA Entities (excluding UTMI)

1. Each Cumberland Entity and Non-Cumberland Entity (excluding UTMI) is a single purpose entity. Set out in Appendix "B" is a brief description of the single purpose activity for each Cumberland Entity and Non-Cumberland Entity (excluding UTMI). The entities are involved in residential property development, rental of residential units or geothermal asset ownership.

5.0 Inter-CCAA Entity Transactions

1. The Monitor has reviewed the accounting sub-ledgers of the Books and Records reflecting the Entries for the transactions between the Cumberland Entities and the Non-Cumberland Entities and between the Non-Cumberland Entities. A schedule of the Entries, together with the Monitor's comments, is provided in Appendix "C" to this Report. The sections that follow provide summaries of the Monitor's review of the validity and the quantum of the transactions giving rise to the claims between the Cumberland Entities and the Non-Cumberland Entities and between the various Non-Cumberland Entities.

6.0 Inter-CCAA Entity Claims of the Cumberland Entities

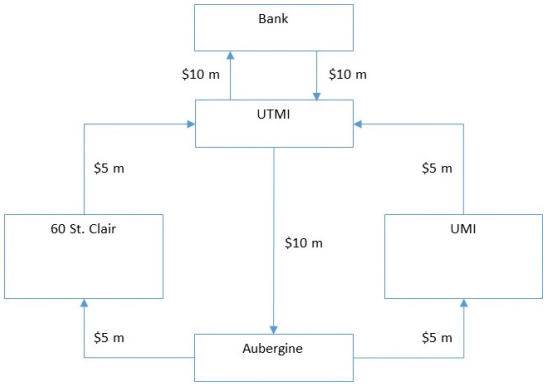
6.1 Claims by Cumberland Entities against UTMI

1. The table below sets out the Cumberland Entities claims against UTMI. A summary of the transactions that comprise the claim are provided in Appendix "D" to this Report.

($000s; unaudited) Cumberland Entity	Claim Against (By) UTMI	Monitor's Recommended Adjustments	Monitor's Recommended Claim Amounts
60 St. Clair	4,994		4,994
Lawrence	1,205	(82)	1,123
952 Queen	344		344
High Res	300		300
King Residential	260		260
North Side	(1)		(1)
King South	(179)		(179)
Bridge	(392)		(392)
St. Clair	(516)	187	(329)
Mallow	(1,165)	(59)	(1,224)
Patricia	(1,491)	(2)	(1,493)
Cumberland Entities' claims against UTMI	3,359	44	3,403

2. The 60 St. Clair intercompany receivable is primarily the result of a circular transaction that occurred on December 27, 2012. On that date, UTMI's bank loaned it $10 million, which was transferred from UTMI to Aubergine Investments Limited ("Aubergine"), an affiliated entity, which then transferred $5 million to 60 St. Clair, a Cumberland Entity, which then transferred $5 million back to UTMI. Aubergine transferred the remaining $5 million to Urbancorp Management Inc. ("UMI"), a non-Urbancorp CCAA Entity, and UMI transferred $5 million to UTMI. The bank was repaid on the same day. The transactions were for tax planning purposes.

3. The flow of funds in respect of these transactions is set out below.



4. The result of the foregoing, as it affects the Urbancorp CCAA Entities, is that:

   a) 60 St. Clair has a $5 million obligation to Aubergine. As a Cumberland Entity, 60 St. Clair's obligation will be combined with Cumberland's other obligations;

   b) UTMI has a $5 million obligation to 60 St. Clair; and

   c) There is uncertainty whether UTMI will be able to repay its liabilities in full. In the event that the recovery made by 60 St. Clair from UTMI is less than the distribution made by Cumberland (on behalf of 60 St. Clair) to Aubergine, the Cumberland Entities will have been prejudiced by this circular transaction.

5. The Monitor's recommended adjustments for Lawrence, Mallow and Patricia reflect development management fees earned by UTMI that have not been accrued.

6. The Monitor's recommended adjustment for St. Clair reflects development management fees paid to UTMI which were not recorded.

6.2 Cumberland Entity Claims against Vestaco Homes

1. The table below sets out the claims of the individual Cumberland Entities against Vestaco Homes.

($000s; unaudited)	Claims Against (By)
Cumberland Entity	Vestaco Homes
Bridge	4,667
High Res	618
King Residential	41
Mallow	(1,200)
Cumberland Entities' claims against Vestaco Homes	4,126

2. Vestaco Homes acquired the geothermal assets at the Bridge condominium building from Bridge. This was a non-cash transaction. The $4.667 million claim by Bridge represents the purchase price and adjustments made by the Accountants.

3. High Res's claim represents: (i) sales taxes remitted to Canada Revenue Agency ("CRA") on behalf of Vestaco Homes; and (ii) certain costs incurred by it to construct the geothermal asset at the Bridge Condominium on behalf of Vestaco Homes.

4. The King Residential claim represents costs it incurred to purchase parts for the geothermal asset owned by Vestaco Homes.

5. The $1.2 million intercompany receivable owing to Vestaco Homes by Mallow represents funds advanced by Vestaco Homes to Terra Firma Capital Corporation ("TFCC") to repay one of Mallow's loans from TFCC. Vestaco Homes received these monies through a loan to it from The Toronto-Dominion Bank.

7.0 Inter-CCAA Entity Claims of the Non-Cumberland Entities against Cumberland Entities

1. The following section details the claims of the Non-Cumberland Entities against the Cumberland Entities.

7.1 Urbancorp Residential

1. The following table sets out the claim of Urbancorp Residential against the Cumberland Entities:

($000s; unaudited)	Claim By (Against)
Cumberland Entity	Urbancorp Residential
King Residential	24
Bridge	(14)
Urbancorp Residential's claims against Cumberland Entities	10

2. Urbancorp Residential's claim against the Cumberland Entities represents payments made on behalf of King Residential, a Cumberland Entity, for common area maintenance fees on condominium units owned by King Residential.

3. Bridge's claim against Urbancorp Residential represents legal fees paid by Bridge on behalf of Urbancorp Residential.

8.0 Inter-CCAA Entity Claims of the Non-Cumberland Entities against other Non-Cumberland Entities

1. The following section details the claims of the Non-Cumberland Entities against other Non-Cumberland Entities.

8.1 Urbancorp Residential

1. Urbancorp Residential has the following claims against Non-Cumberland Entities:

($000s; unaudited)	Claim By
Non-Cumberland Entity	Urbancorp Residential
UTMI	242
Vestaco Homes	154
Urbancorp Residential's claims against Non-Cumberland Entities	396

2. Urbancorp Residential's claim against UTMI represents cash transferred to UTMI to cover UTMI's sundry expenses, including payroll and UTMI's advances to other Urbancorp Group entities.

3. Urbancorp Residential's claim against Vestaco Homes represents:

   a) $144,000 paid by Urbancorp Residential to purchase parts used in the geothermal asset owned by Vestaco Homes; and

   b) $10,000 transferred by Urbancorp Residential to Vestaco Homes to cover an overdraft in Vestaco Homes' bank account.

8.2 Downsview

1. Downsview has a claim of approximately $40,000 against UTMI, a Non-Cumberland Entity. Downsview does not have claims against any other Cumberland or Non-Cumberland entity.

2. Downsview's claim against UTMI represents the difference between the proceeds of a loan to Downsview from Mattamy Homes ("Mattamy") ($4,499,985) for Downsview's required share of equity injection into Downsview Homes Inc., which were advanced to UTMI, and the amount advanced by UTMI ($4,457,985) to Downsview Homes Inc. on behalf of Downsview. Essentially, UTMI retained $40,000 of the advance from Mattamy.

8.3 UTMI

1. UTMI has a claim against Vestaco Homes in the amount of $322,000. The claim is primarily comprised of:

   a) payments of $70,000 to CRA for HST paid on behalf of Vestaco; and

   b) transfers in the amount of $250,000 from UTMI to fund debt service costs owing by Vestaco Homes.

8.4 Vestaco Homes

1. The Books and Records reflect that Vestaco Homes has a $5.677 million claim against Vestaco Investments in respect of the transfer of geothermal assets.

2. The $5.677 million claim by Vestaco Homes against Vestaco Investments relates to the acquisition of the geothermal assets from Westside Gallery Lofts Inc. ("Westside Gallery"). Initially the acquisition was recorded as a transaction between Westside Gallery and Vestaco Homes notwithstanding that the conveyance of the geothermal assets was from Westside Gallery to Vestaco Investments, as reflected by the transaction conveyance documents. Subsequently, the geothermal assets at Westside Gallery were transferred, by journal entries, to Vestaco Investments from Vestaco Homes, which created the $5.667 million claim by Vestaco Homes against Vestaco Investments.

3. The Monitor is of the view that the Entries resulting in the $5.677 million claim should be reversed and there should be no claim by Vestaco Homes against Vestaco Investments. The Monitor understands that Management concurs with the Monitor's position with respect to this claim.

9.0 Results of the Monitor's Review

1. Based on the review conducted by the Monitor, the Monitor has made the following conclusions:

   a) Except as outlined below, the intercompany balances between the Cumberland Entities and the Non-Cumberland Entities and among the Non-Cumberland Entities appear accurate and valid;

   b) The $5.7 million intercompany payable from Vestaco Investments to Vestaco Homes should be reflected as an intercompany payable from Vestaco Investment to Westside Gallery;

   c) The Cumberland Entities' claim against UTMI should be increased by $44,000 to reflect unaccrued development management fees of $143,000 earned by UTMI from the Cumberland Entities and an unrecorded payment of $187,000 made to UTMI in respect thereof; and

   d) If 60 St. Clair is unable to collect its intercompany receivable from UTMI, the transaction described in section 6.1 would be prejudicial to Cumberland and the Monitor should consider whether an action in accordance with Section 36.1 of the CCAA should be pursued.

2. Subject to the approval of this Court, the Monitor intends to admit the Inter-CCAA Entity claims as set out in Section 2, subject to the Monitor's right to bring an action as described in 9 (1) (d) above in the future.

10.0 Conclusion

1. Based on the foregoing, the Monitor respectfully recommends that this Court make an Order granting the relief detailed in Section 1.1 (b) of this Report.

* * *

All of which is respectfully submitted,

KSV Kofman Inc

KSV KOFMAN INC.
IN ITS CAPACITY CCAA MONITOR OF
THE URBANCORP CCAA ENTITIES
AND NOT IN ITS PERSONAL CAPACITY

Schedule “A”

Urbancorp (952 Queen West) Inc.
King Residential Inc.
Urbancorp 60 St. Clair Inc.
High Res. Inc.
Bridge on King Inc.
Urbancorp Power Holdings Inc.
Vestaco Homes Inc.
Vestaco Investments Inc.
228 Queen’s Quay West Limited
Urbancorp Cumberland 1 LP
Urbancorp Cumberland 1 GP Inc.
Urbancorp Partner (King South) Inc.
Urbancorp (North Side) Inc.
Urbancorp Residential Inc.
Urbancorp Realtyco Inc.

Appendix “J”

From: Alan Saskin <alansaskin@gmail.com>
Sent: January 22, 2021 1:43 PM
To: Noah Goldstein <ngoldstein@ksvadvisory.com>
Cc: barry rotenberg <Brotenberg@chaitons.com>
Subject: KTNI claim

Hi Noah,
This is the revised KTNI claim on the berm lands lease transfer.
Please confirm receipt.
thanks
Alan

Proof of Claim for claims against the CCAA entities

1. Name of CCAA Entities or Entities (the "Debtor")
Bridge on King Inc.
Urbancorp Power Holdings Inc.
Vestaco Homes Inc.

2. Original Claimant (the "Claimant")

King Towns North Inc. ("KTNI")

3. Amount of Claim

KTNI is claiming $ 5,875,269.00
This is the amount of the increased value that Vestaco Homes received from Enwave on account of the berm lands lease.

KTNI owns the berm lands which contain the 83 geothermal wells for the Bridge condo geothermal system.
Enwave has just purchased the system for $9.5 million.
In Enwaves purchase agreement, Enwave allocated $2.15 million to the value of the berm lease.
KTNI believes the value is higher. The present value calculation to substantiate the higher value is attached.

Section 13.4 (d) and (e) of the berm lease confirm KTNI's right to any value increase associated with the berm lease.

4. Documentation:
The berm lease, the APS with ENWAVE, attached present value calculation.

5. Certification:
I am the claimant, I have knowledge of the circumstances connected with the claim, documentation is attached.

signature. .....

Name: Alan Saskin

Title: President
King Towns North Inc.

Dated at Toronto this th day of January 2021.

Claim filed to; KSV Inc.
150 King street West
Suite 2308
Toronto,ON. M5H 1J9

Assumptions	
Annual Payment	$229,000
Annual Increase	3.0%
Discount Rate	5.0% ← vary this as desired

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
Annual Payment	$229,000	$229,000	$229,000	$229,000	$229,000	$229,000	$229,000	$229,000	$229,000	$235,870	$241,936	$249,462	$258,193	$267,229	$276,392	$286,243	$296,252	$306,632	$317,365	$328,493	$339,990	$351,890	$364,206	$376,953	$390,147	$403,802	$417,935	$432,563	$447,702	$463,372	$479,590	$496,376	$513,749	$531,730	$550,341	$569,603	$589,539	$610,173	$631,529	$653,632	$676,509	$700,187	$724,694	$750,058	$776,310	$803,481	$831,603	$860,709	$890,833
Year number	0	0	0	0	0	0	0	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
Discount Factor	1	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.92	0.85	0.78	0.72	0.66	0.61	0.56	0.51	0.47	0.43	0.40	0.37	0.34	0.31	0.29	0.26	0.24	0.22	0.21	0.19	0.17	0.16	0.15	0.14	0.12	0.11	0.11	0.10	0.09	0.08	0.08	0.08	0.07	0.06	0.06	0.05	0.05	0.05	0.04	0.04	0.04
Discounted Value	$229,000	$229,000	$229,000	$229,000	$229,000	$229,000	$229,000	$229,000	$229,000	$214,245	$204,004	$194,253	$184,967	$176,136	$167,707	$159,691	$152,058	$144,789	$137,868	$131,278	$125,003	$119,028	$113,338	$107,921	$102,762	$97,850	$93,172	$88,719	$84,478	$80,440	$76,595	$72,934	$69,446	$66,129	$62,967	$59,957	$57,092	$54,363	$51,764	$49,290	$46,934	$44,690	$42,564	$40,520	$38,583	$36,736	$34,983	$33,311	$31,719

Net Present Value (2020)	**$3,873,249**

Notes:

NPV calculation is for 2020

Amounts from 2021 onwards are discounted at the appropriate discount rate

Historical amounts received in 2012 through 2020 are not discounted as there is no risk associated here

Interest on historical amounts is not factored into this calculation

Appendix “K”

From: Alan Saskin <alansaskin@gmail.com>
Sent: January 19, 2021 3:13 PM
To: Noah Goldstein <ngoldstein@ksvadvisory.com>
Subject: Fwd: urpi claim

Hi Noah,
The following is the updated claim by Aubergine for URPI
please confirm receipt
thanks
Alan

Proof of Claim for claims against the CCAA entities

1. Name of CCAA Entities or Entities (the "Debtors")
Bridge on King Inc.
Urbancorp Power Holdings Inc.
Vestaco Homes Inc.
Vestaco Investments Inc.
228 Queens Quay West Limited
Urbancorp New Kings Inc.
Urbancorp Renewable Power Inc.

2. Original Claimant (the "Claimant")

Aubergine Investments Inc. ("Aubergine")

3. Amount of Claim

Aubergine is the 100% owner of Urbancorp Renewable Power Inc. ("URPI")
URPI is in receivership with KSV as receiver.
URPI is owed fees and expenses from the Debtors, which is claimed by Aubergine.

URPI is the manager, not the owner, of the four geothermal systems, with the Debtors being the owners.
URPI is entitled to receive fees and expenses of $809,076 (period from March/2016- December 2020) copies of which KSV already has, from the Debtors.
In addition, URPI is entitled to receive reimbursement for the full cost of any receivership expenses.

Claim summary:
1) Management Fees of $351,621 (3% for Fuzion and Edge, 5% for Bridge)
2) Administrative cost recovery: $232,455
3) Legal fees of $225,000
4) KSV receivership cost. estimate. $750,000 (to be adjusted to actual)

Claim total: $809,076 + $750,000 = $1,559,076

1)Fees are calculated as per the management agreements.

2) URPI invoiced and was paid the administrative cost from the condo corps. In the amount of $6 million that KSV collected, there were $232,455 of URPI administrative costs collected.
3) URPI has incurred at least $225,000 of legal fees over the past 5 years in connection with the geothermal collections.
4) KSv ran the receivership and knows that cost amount.

URPI sent out invoices for geothermal expenses of over $6 million cumulatively to the four condo corps, as it had done for the previous years.
These amounts were not paid to URPI but were paid into lawyers trust accounts and subsequently to KSV.
There is presently about $5 million in the KSV accounts for the Debtors and claims.

URPI's management agreements with the Debtors provide for payment of management fees between 3-5% and also for reimbursement of any costs to collect monies owing by the condo corps and for any costs to repair the geothermal systems. The receivership of URPI only commenced in October/ 2018, but the above entities have been in CCAA since March /2016. For the first two and a half years , URPI was not in receivership and in that time period, continued to manage and invoice the condo corps and collected over $4 million. URPI fees and expenses during this period prior to the receivership were fees of $193,000 plus administration costs of $162,000 plus legal expenses of $100,000, for a subtotal of $455,000.00 These are expenses incurred and owing for the period prior to the receivership.
Whatever expense URPI incurred, in receivership or collection costs, are a reimbursable expense from the Debtors. Putting URPI into receivership midway through the process, when it had no liabilities and was only a management company, has harmed the equity owner of URPI. The four geothermal companies, in CCAA, are still required to fund the cost of any collections and geothermal repair obligations, as per the terms of the management agreements.

4. Documentation:
Already submitted.

5. Certification:
I am the claimant, I have knowledge of the circumstances connected with the claim.

signature. .....

Name: Alan Saskin

Title: Vice President
Aubergine Investments Inc.

Dated at Toronto this 19th day of January 2021.