

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE **MISTER** )  
JUSTICE **F. NEWBOLD** )

TUESDAY, THE 24<sup>TH</sup>  
DAY OF MAY, 2016

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
URBANCORP (BRIDLEPATH) INC.**

**ORDER**

**THIS MOTION**, made by Urbancorp (Bridlepath) Inc. ("**UC Bridlepath**"), pursuant to Sections 50.4(9) and 64.2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Motion Records of each of UC Bridlepath and Urbancorp (Woodbine) Inc. ("**UC Woodbine**", and together with UC Bridlepath, the "**Urbancorp Entities**"), the First Report of the KSV Advisory Inc., in its capacity as Proposal Trustee (the "**Proposal Trustee**") of each of the Urbancorp Entities, dated May 20, 2016 (the "**First Report**"), and the affidavit of service of Rachael Belanger sworn May 20, 2016, filed, and on hearing the submissions of counsel for the Urbancorp Entities, counsel for the Proposal Trustee, and counsel for other parties in attendance;

**SERVICE**

1. **THIS COURT ORDERS** that the time for service and filing of each the Notice of Motions and the Motion Records filed by each the Urbancorp Entities is hereby abridged and

validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

#### **ADMINISTRATIVE CONSOLIDATION**

2. **THIS COURT ORDERS** that the proposal proceedings of each of UC Woodbine (Estate No. 31-2114850) and UC Bridlepath (Estate No. 31-2114843) (collectively, the “**Proposal Proceedings**”) are hereby administratively consolidated and the Proposal Proceedings are hereby authorized and directed to continue under the following joint title of proceedings:

Estate No.: 31-2114850  
Court File No.: 31-2114850

#### **IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF URBANCORP (WOODBINE) INC. AND URBANCORP (BRIDLEPATH) INC.**

3. **THIS COURT ORDERS** that all further materials in the Proposal Proceedings shall be filed with the Commercial List Office only in the UC Woodbine estate and court file, under Estate No. 31-2114850 and Court File No. 31-2114850.

#### **SUBSTITUTED SERVICE AND CASE WEBSITE**

4. **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-direction/toronto/#Commercial\\_List](http://www.ontariocourts.ca/scj/practice/practice-direction/toronto/#Commercial_List)), 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/>

5. **THIS COURT ORDERS** that the E-Service List Keeper and the Webhost (as such terms are defined in the Protocol) for the purpose of this proceeding shall be the Proposal Trustee.

#### **EXTENSION OF TIME**

6. **THIS COURT ORDERS** that, pursuant to subsection 50.4(9) of the BIA, the time for filing a proposal with the Official Receiver in each of the proceedings of the Urbancorp Entities be and is hereby extended to July 8, 2016.

#### **ACTIVITIES OF THE PROPOSAL TRUSTEE**

7. **THIS COURT ORDERS** that the actions and activities of the Proposal Trustee described in the First Report be and are hereby approved.

#### **ADMINISTRATIVE CHARGE**

8. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and the Urbancorp Entities' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof of each of the Urbancorp Entities (the "**Property**"), which charge shall not exceed an aggregate amount of \$250,000 with respect to each Urbancorp Entity, for a total charge not exceeding an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee 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 9 and 10 hereof.

9. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administrative Charge shall be valid and enforceable

for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

10. **THIS COURT ORDERS** that the Administrative Charge shall rank as against the 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 Entity or to which each respective Urbancorp Entity is subject (collectively, “**Encumbrances**”) as of the date of this Order.

11. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by further order of this Court, the Urbancorp Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge.

12. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (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 Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Urbancorp Entities of any Agreement to which it is a party;

- (b) (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 creation of the Administration Charge; and
- (c) (c) the payments made by the Urbancorp Entities pursuant to this Order, and the granting of the Administrative Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

13. **THIS COURT ORDERS** that the Administration Charge created by this Order over leases of real property in Canada shall only be an Administration Charge in the Urbancorp Entities' interest in such real property leases.

#### **GENERAL**

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Urbancorp Entities, the Proposal Trustee 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 Entities and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Urbancorp Entities and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

15. **THIS COURT ORDERS** that each of the Urbancorp Entities and the Proposal Trustee shall be at liberty and are 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.

16. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as *Companies' Creditors Arrangement Act* monitor, interim receiver, receiver,

receiver and manager, or trustee in bankruptcy of the Urbancorp Entities or any corporations related thereto.

  
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Court File No.: 31-2114843  
Estate File No.: 31-2114843

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF URBANCORP  
(BRIDLEPATH) INC.

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

**IN BANKRUPTCY AND INSOLVENCY**  
PROCEEDINGS COMMENCED AT TORONTO

**ORDER**  
**(May 24, 2015)**

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