

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

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

NOTICE OF MOTION

URBANCORP (WOODBINE) INC. (“**UC Woodbine**”) and **URBANCORP (BRIDLEPATH) INC.** (“**UC Bridlepath**” and together, the “**Urbancorp Entities**”) will make a motion before a Judge of the Ontario Superior Court of Justice, Commercial List, on Thursday, June 30, 2016 at 10:00 am, or soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario, for an Order pursuant to, *inter alia*, sections 50.4(9) and 64.2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”).

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order substantially in the form to be filed as Tab 3 to the Motion Record, *inter alia*:
 - (a) abridging the time for service of this Notice of Motion and the Motion Record of the Urbancorp Entities so that this motion is properly returnable on June 30, 2016;
 - (b) extending the time within which to file a proposal with the Official Receiver by each of the Urbancorp Entities under section 62(1) of the BIA from July 8, 2016 to August 22, 2016 (the “**Stay Period**”);

- (c) approving the Third Report of KSV Kofman Inc. (the “**Proposal Trustee**”), in its capacity as Proposal Trustee, dated June 23, 2016 (the “**Third Report**”), and the activities and actions of the Proposal Trustee as set out therein;
 - (d) authorizing the Urbancorp Entities, the Proposal Trustee and TD Cornerstone Commercial Realty Inc. (“**TD Realty**”) to execute and to carry out and perform their respective obligations under the listing agreement with TD Realty, as real estate broker for the Urbancorp Entities, dated June 23, 2016 (the “**Listing Agreement**”), attached as Appendix “E” to the Third Report;
 - (e) approving the sale process as described in Section 3 of the Third Report to the Court (the “**Sale Process**”);
 - (f) authorizing the Urbancorp Entities, the Proposal Trustee and TD Realty to carry out the Sale Process, subject to any amendments or modifications to the Sale Process that the Proposal Trustee and the Urbancorp Entities, in consultation with the LBC and Atrium, consider appropriate;
 - (g) granting a sale process administration charge in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Urbancorp Entities (the “**Sale Process Administration Charge**”) ranking immediately behind the First Ranking Charges (as defined herein);
 - (h) sealing the Confidential Appendix “1” to the Third Report until further Order of the Court; and
2. Such other and further relief as counsel may request and this Honourable Court may allow.

AND FURTHER TAKE NOTICE that the grounds to be argued in support of this application are as follows, namely:

1. on April 25, 2016, each of the Urbancorp Entities filed a Notice of Intention to Make a Proposal pursuant to section 50.4 of the BIA (each an “**NOI**”) and appointed KSV Kofman Inc. as Proposal Trustee in respect of each of the NOI proceedings (together, the “**Proposal Proceedings**”);
2. on May 24, 2016, the Honourable Mr. Justice Newbould issued an Order (the “**May 24 Order**”), and filed in these proceedings, among other things, (i) administratively consolidating the Proposal Proceedings; (ii) granting the Administrative Charge (as defined in the May 24 Order), which charge is subordinate to all Encumbrances (as defined in the May 24 Order); and (iii) extending the Stay Period to July 8, 2016;
3. each of the Urbancorp Entities is an Ontario corporation with their registered office in Toronto, Ontario, and is indirectly owned by Alan Saskin and members of his family. Each of the Urbancorp Entities is a single purpose entity that owns specific real property for the purpose of developing and constructing residential projects;
4. on February 4, 2016, Laurentian Bank of Canada (“**LBC**”) issued a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA against UC Woodbine;
5. on March 4, 2016, LBC initiated enforcement proceedings as against UC Woodbine pursuant to its first ranking security interest over all of the personal and real property of UC Woodbine (the “**LBC Charge**”), including under the *Mortgages Act* (Ontario) in respect of UC Woodbine’s real property municipally known as 9064, 9074, 9084, 9100 and 9110 Woodbine Avenue, Markham, Ontario (the “**Woodbine Property**”), and privately appointed Grant Thornton Limited as receiver;
6. on April 11, 2016, Terra Firma Capital Corporation (“**Terra Firma**”) and Atrium Mortgage Investment Corporation (“**Atrium**”) initiated enforcement proceedings as against UC Bridlepath pursuant to its first ranking security interest over the real property (the “**Bridlepath Charge**” and together with the LBC Charge, the “**First Ranking Charges**”) municipally known as 2425 Bayview Avenue, Toronto, Ontario (the “**Bridlepath Property**” and together with the Woodbine Property, the “**Properties**”);

7. Terra Firma also has second mortgages behind the First Ranking Charges over both the Woodbine Property and the Bridlepath Property, as security for guarantees of a loan made by Terra Firma to Urbancorp Holdco Inc., the parent corporation of Urbancorp Inc.;
8. during the week of May 30th, the Proposal Trustee commenced a solicitation process for marketing proposals from real estate brokers to act as the listing agent in respect of the Properties. Marketing proposals were due on June 13, 2016, following which TD Realty was selected and will assist the Urbancorp Entities, in accordance with the terms of the Engagement Letter, with preparing and carrying out of the Sale Process, subject to approval by the Court;
9. the Urbancorp Entities, in conjunction with the Proposal Trustee, and in consultation with LBC, Atrium and Terra Firma, seeks the Court's approval of the Sale Process with a view to marketing each of the Properties of the Urbancorp Entities for sale;
10. the Third Report provides a detailed description of the Sale Process for approval by the Court;
11. at all material times since the filing of the NOIs, each of the Urbancorp Entities have acted, and continue to act, in good faith and with due diligence;
12. each of the Urbancorp Entities would likely be able to make a viable proposal if the extension being applied for were granted;
13. no creditor of either of the Urbancorp Entities will be materially prejudiced if the Sale Process Administration Charge and the extension being applied for is granted;
14. extending the Stay Period will allow the Urbancorp Entities to implement the Sale Process in an effort to maximize the value of the assets of the Urbancorp Entities;
15. circumstances exist that make granting an extension of the Stay Period appropriate;

16. the facts and circumstances set out in the Third Report;
17. Rules 1.04, 1.05, 2.01, 2.03, 16.04 and 37 of the *Rules of Civil Procedure* (Ontario); and
18. sections 2, 50.4(9), 64.2(1) and 183(1) of the BIA;

AND FURTHER TAKE NOTICE that the following materials will be filed in support of this application, namely:

- (a) this Notice of Motion;
- (b) the Third Report; and
- (c) such further and other material as counsel may advise and this Honourable Court may allow.

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(Updated June 15, 2016)

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PROCEEDINGS COMMENCED AT TORONTO

**NOTICE OF MOTION
(Returnable June 30, 2016)**

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