

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

**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.**

**MOTION RECORD
(Returnable June 30, 2016)**

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INDEX

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INDEX

TAB

DOCUMENT

- 1 Notice of Motion returnable June 30, 2016
- 2 Third Report of KSV Kofman Inc. dated June 23, 2016

APPENDICES

- A Proposal Trustee's Second Report
- B Endorsement of the Honourable Justice Newbould
- C Request for Proposal re Real Estate Brokers
- D Listing Agreement
- E Cash Flow Forecasts and Management's Reports on Cash Flow
- F Proposal Trustee's Reports on Cash Flow

CONFIDENTIAL APPENDIX

- 1 Summary of Listing Proposals for Bayview and Woodbine
- 3 Draft Order

1

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

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

IN BANKRUPTCY AND INSOLVENCY

PROCEEDINGS COMMENCED AT TORONTO

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

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2



**Third Report to Court of
KSV Kofman Inc. as Proposal
Trustee of Urbancorp (Woodbine) Inc.
and Urbancorp (Bridlepath) Inc.**

June 23, 2016

Contents

	Page
1.0	Introduction..... 1
1.1	Purposes of this Report 2
1.2	Restrictions..... 3
2.0	Background 3
2.1	Secured Creditors..... 4
2.2	Laurentian Receivership Application re Woodbine 4
3.0	Sale Process 5
3.1	Request for Proposals from Brokers 5
3.2	Laurentian..... 6
3.3	Confidentiality 6
3.4	Sale Process 6
3.5	Sale Process Recommendation 8
4.0	Cash Flow Forecast 8
5.0	Companies' Request for an Extension 9
6.0	Administration Charge..... 9
7.0	Conclusion and Recommendation 10

Appendices

Appendix	Tab
Proposal Trustee's Second Report.....	A
Endorsement of the Honourable Justice Newbould	B
Request for Proposal.....	C
Listing Agreement.....	D
Cash Flow Forecasts and Management's Reports on Cash Flow	E
Proposal Trustee's Reports on Cash Flow	F

Confidential Appendix

Confidential Appendix	Tab
Realtor Summary.....	1



ESTATE NO.: 31-2114850
COURT FILE NO.: 31-2114850

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

THIRD REPORT OF KSV KOFMAN INC. AS PROPOSAL TRUSTEE

JUNE 23, 2016

1.0 Introduction

1. This report (the “Report”) is filed by KSV Kofman Inc. (“KSV”) in its capacity as proposal trustee (the “Proposal Trustee”) in connection with Notices of Intention to Make a Proposal (each a “NOI”) filed on April 25, 2016 by Urbancorp (Woodbine) Inc. (“Woodbine”) and Urbancorp (Bridlepath) Inc. (“Bridlepath”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “NOI Proceedings”). (Woodbine and Bridlepath are jointly referred to herein as the “Companies”.)
2. On May 24, 2016, the Ontario Superior Court of Justice – Commercial List (the “Court”) made an Order, *inter alia* (the “May 24th Order”):
 - a) administratively consolidating the Companies’ NOI Proceedings;
 - b) extending the time for the Companies to file a proposal with the Official Receiver to July 8, 2016; and
 - c) granting a charge ranking subordinate to the secured lenders of each of Woodbine and Bridlepath in the amount of \$250,000 each (\$500,000 total) to secure the fees of the Proposal Trustee, the Proposal Trustee’s counsel and the Companies’ counsel (the “Administration Charge”).

3. The principal purpose of the NOI Proceedings is to create a stabilized environment to allow the Companies to consider their restructuring options, including selling their properties through a Court-supervised process (the “Sale Process”).

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide an update concerning the Companies since the Proposal Trustee last reported to Court;
 - b) provide an update on an application filed by Laurentian Bank of Canada (“Laurentian”), a secured creditor of Woodbine, to appoint Grant Thornton Limited (“Grant Thornton”) as Court-appointed Receiver of Woodbine (the “Receivership Application”);
 - c) summarize the process carried out by the Proposal Trustee to solicit proposals from realtors to list for sale the properties owned by Woodbine at 9064 Woodbine Avenue, Markham and owned by Bridlepath at 2425-2427 Bayview Avenue, Toronto (jointly, the “Properties”);
 - d) summarize the Proposal Trustee’s recommended Sale Process for the Properties, including the retention of TD Cornerstone Commercial Realty Inc. (“TD”) to act as listing agent for the Properties;
 - e) report on the Companies’ unconsolidated weekly cash flow projections for the period July 8, 2016 to August 22, 2016 (the “Cash Flow Forecasts”);
 - f) discuss the Companies’ request for an extension of the stay of proceedings from July 8, 2016 to August 22, 2016;
 - g) discuss the Administration Charge and the proposed Sale Process Administration Charge (as defined below); and
 - h) recommend that the Court issue an order:
 - i. approving the Sale Process, including the retention of TD as the listing agent;
 - ii. approving the changes to the Administration Charge;
 - iii. sealing the confidential appendix until further order of this Court; and
 - iv. approving the Companies’ request for an extension of the time to file a proposal with the Official Receiver from July 8, 2016 to August 22, 2016.

1.2 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information of the Companies. The Proposal Trustee has not performed an audit or other verification of such information. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report.

2.0 Background

1. A background of the Companies, and the Urbancorp Group, is set out in the Second Report to Court of the Proposal Trustee dated June 1, 2016 (the "Second Report"), a copy of which is attached as Appendix "A".
2. The table below provides a description of the Properties.

Company	Address of Owned Property	Date Purchased	Purchase Price
Woodbine	9064 Woodbine Avenue, Markham	January 30, 2014	\$5,250,000
Bridlepath	2425 Bayview Avenue, Toronto	March 20, 2014	\$11,500,000

3. The Properties were purchased to develop residential projects (the "Projects"). A summary of the current status of the Projects is provided below:

Company	Project Description	Current Status
Woodbine	28 low rise residential units	Raw land
Bridlepath	37 low rise residential units	Raw land ¹

4. The Companies are in the process of obtaining the approvals required to develop each of the Projects. Timelines for the Projects have been provided to the Proposal Trustee which reflect that construction could be completed and homes delivered to buyers by the end of 2017. These timelines make the Projects attractive for sale at this time.
5. Home buyers paid deposits on each of the Properties, including approximately \$1.9 million on Woodbine and \$5.6 million on Bridlepath. The Companies did not hold these monies in trust and the Proposal Trustee understands that they have been spent. As the Projects involve the construction of freehold homes, there is no legislation requiring that the deposits be segregated or held in trust.

¹ There has been some servicing work completed on the property. The previous owner commenced construction of an underground garage on the property.

2.1 Secured Creditors

1. The table below summarizes the existing mortgages on the Properties.

Company	Lender	Security	Principal Amount (\$)
Woodbine	Laurentian and Terra Firma Capital Corporation ("TFCC") ²	9064 Woodbine Ave.	4,725,000 ³
Bridlepath	Atrium Mortgage Investment Corporation ("AMIC") and TFCC	2425 Bayview Ave.	10,350,000 ⁴
Woodbine and Bridlepath (as guarantors of Urbancorp Holdco Inc. ⁵)	TFCC – collateral mortgage (the "TFCC Collateral Mortgage")	9064 Woodbine Ave., 2425 Bayview Ave.	5,000,000
			20,075,000 ⁶

2. The Proposal Trustee and its counsel have not yet performed a review of the security of any of the secured lenders.

2.2 Laurentian Receivership Application re Woodbine

1. On February 4, 2016, Laurentian issued a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA against Woodbine. The NOI Proceedings commenced on April 25, 2016 and, accordingly, Laurentian is not stayed by the filing of the NOI. On May 13, 2016, Laurentian appointed Grant Thornton as private receiver over the property for which Woodbine is the registered owner. The Proposal Trustee understands that Grant Thornton has not commenced a sale process for Woodbine.
2. On May 20, 2016, Laurentian filed the Receivership Application. On June 1, 2016, the Proposal Trustee filed its Second Report to discuss, *inter alia*, the Receivership Application. The Proposal Trustee recommended in the Second Report, and in a Chambers Appointment with Mr. Justice Newbould on June 2, 2016 (the "Chambers Appointment"), that the Court adjourn the Receivership Application until June 30, 2016 to provide time for the Proposal Trustee to commence a sale process for the Properties.

² Laurentian represents the first \$2.65 million and TFCC holds the subordinate \$2.1 million interest in this mortgage.

³ Principal amount outstanding as at March 4, 2016.

⁴ Principal amount outstanding as at April 11, 2016.

⁵ Urbancorp Holdco Inc. ("Holdco") owns 100% of the shares of Urbancorp Inc. The Companies are guarantors of the TFCC loan to Holdco. TFCC has a registered mortgage on the title to the Properties.

⁶ Total amount owing is not inclusive of all interest and other fees that may be payable.

3. At the Chambers Appointment, the Court adjourned the Receivership Application and Mr. Justice Newbould issued an endorsement (attached as Appendix “B”) stating that the Receivership Application was adjourned to June 30, 2016 “*to take stock of the sale process that the Proposal Trustee is undertaking and will continue to undertake*”. During the Chambers Appointment, the Proposal Trustee briefly apprised Mr. Justice Newbould of the intended next steps in the Sale Process.

3.0 Sale Process

3.1 Request for Proposals from Brokers

1. As outlined in the Second Report, since the outset of the NOI Proceedings, the Proposal Trustee has been contacted by several realtors and interested parties regarding the Properties.
2. On June 2, 2016, the Monitor sent a Request for Proposal (the “RFP”) to eight realtors. A copy of the RFP is attached as Appendix “C”. Proposals from the realtors were submitted on June 13, 2016 (the “Proposal Deadline”). Each of the realtors submitted a proposal by the Proposal Deadline.
3. The Proposal Trustee prepared a summary of the proposals (the “Realtor Summary”). The Realtor Summary was provided to Atrium, TFCC and Laurentian. The Realtor Summary is attached as Confidential Appendix “1”. The rationale for seeking a sealing order for the Realtor Summary is provided in Section 3.3 below.
4. On June 14, 2016, three realtors, including TD, were short listed to present the next day their marketing plan for the Properties. Atrium, TFCC and Laurentian were invited to attend the presentations. Laurentian did not respond to the invitation, nor did it attend the presentation. Atrium and TFCC attended.
5. In consultation with Atrium and TFCC, the Proposal Trustee determined that the TD proposal was the best in the circumstances. Considerations included TD’s experience selling similar properties, Atrium’s firsthand experience working with the TD representative who will lead this mandate and TD’s commission structure, which is consistent with market and the other proposals submitted. Laurentian has also been consulted in respect of the retention of TD, including the terms of its retention.
6. Following the presentations, the Proposal Trustee discussed the presentations with management of the Companies, who consented to the retention of TD. On June 17, 2016, the Proposal Trustee advised TD that its proposal was selected, subject to finalizing a listing agreement.

3.2 Laurentian

1. As of the date of this Report, Laurentian had not consented to the relief sought by the Company in this motion. Discussions are ongoing. In the event an agreement cannot be reached, the Proposal Trustee will file a supplemental report in connection with the Proposal Trustee’s dealings with Laurentian throughout these proceedings, including Laurentian’s requirements to consent to the relief requested by the Companies.

3.3 Confidentiality

1. The Proposal Trustee requests that the Realtor Summary be filed with the Court on a confidential basis and be sealed (the “Sealing Order”) until further Order of this Court.
2. The summary contains confidential information provided by each of the realtors. If the summary is not sealed, bidders for the Properties will have access to information which could prejudice the Sale Process, including value estimates.
3. The Proposal Trustee is not aware of any party that would be prejudiced by the proposed Sealing Order. Accordingly, the Proposal Trustee believes that the proposed Sealing Order is appropriate in the circumstances.

3.4 Sale Process

1. A summary of the recommended Sale Process is provided in the following table:

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Due diligence	➤ TD to review all available documents concerning the Properties, including environmental reports and planning and development reports.	By end of June
Finalize marketing materials	➤ TD and the Proposal Trustee to: <ul style="list-style-type: none"> ○ prepare a development summary; ○ populate an online data room; ○ prepare a Vendor’s form of Purchase and Sale Agreement (the “PSA”); ○ prepare a confidentiality agreement (“CA”); and ○ prepare a Confidential Information Memorandum (“CIM”). 	
Prospect Identification	➤ TD to develop a master prospect list. TD will qualify and prioritize prospects. ➤ TD will also have pre-marketing discussions with targeted developers.	

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 2 – Marketing</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ Offering summary and marketing materials printed; ○ publication of the acquisition opportunity in <i>The Globe and Mail</i> (National Edition); ○ publication of the acquisition opportunity in the Epoch Times; ○ canvassing top prospects in Asia; ○ telephone and email canvass of leading prospects; and ○ meet with and interview bidders. 	First two weeks of July
Stage 2	<ul style="list-style-type: none"> ➤ TD to provide detailed information to qualified prospects which sign the CA, including the CIM, access to the data room and a form PSA. ➤ TD to facilitate all diligence by interested parties. 	To – Mid August
Stage 3	<ul style="list-style-type: none"> ➤ Prospective purchasers to submit PSAs (which PSAs may, at the option of each prospective purchaser, be for either Property or both Properties). 	August 15, 2016
<i>Phase 3 – Offer Review and Negotiations</i>		
Short-listing of Offers	<ul style="list-style-type: none"> ➤ Proposal short listing and approval. ➤ 2nd Round Bids - Prospective purchasers may be asked to re-submit PSAs. 	One week following bid deadline
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents. 	One week
Sale Approval Motion and Closing	<ul style="list-style-type: none"> ➤ Motion for sale approval and close transaction 	Two weeks

2. Additional attributes regarding the Sale Process include:

- a) the Properties will be marketed on an “as is, where is” basis;
- b) the Proposal Trustee will be entitled to extend the Sale Process if it considers it to be warranted in the circumstances;
- c) the Proposal Trustee will have the right to reject any and all offers, including the highest offer; and
- d) any transaction(s) resulting from the Sale Process will be subject to Court-approval.

3.5 Sale Process Recommendation

1. The Proposal Trustee recommends that this Court issue an order approving the Sale Process, including the retention of TD as the Companies' Listing Agent, for the following reasons:
 - a) TD's team will be led by individuals who have experience selling similar properties to those owned by the Companies. TD has relationships with many of the likely bidders for the Properties. Its fee structure is consistent with market and the proposals submitted by other realtors;
 - b) by the time the Sale Process is commenced, information will be available in a data room for review by interested parties – there will be no delay commencing the process;
 - c) the duration of the Sale Process is sufficient to allow interested parties to perform diligence. The recommended order provides the Proposal Trustee the right to extend or amend the Sale Process timelines should it feel that is necessary; and
 - d) Atrium and TFCC have consented to the retention of TD and to the Sale Process.
2. Based on the foregoing, the Proposal Trustee recommends that the Court approve the Sale Process, including the retention of TD as the Listing Agent. A copy of the TD listing agreement is attached as Appendix "D".

4.0 Cash Flow Forecast

1. Pursuant to the provisions of the BIA, each of the Companies is required to prepare a cash flow forecast. The main asset of the Companies is raw land. No disbursements are projected to be paid by the Companies during the period June 30, 2016 to August 21, 2016 (the "Period"). The cash flows reflect no activity for the Period; however, cash flows reflecting same have been prepared, as statutorily required. The Cash Flow Forecasts of each of the Companies, together with Management's Reports on the Cash-Flow Statements as required by Section 50.4(2)(c) of the BIA, are provided in Appendix "E". In the event that disbursements are required during the Sale Process, the Proposal Trustee will make arrangements with the secured creditors to fund such costs, if and when they arise.

2. Based on the Proposal Trustee's review of the Cash Flow Forecasts, there are no material assumptions which seem unreasonable in these circumstances. The Proposal Trustee's Reports on the Cash Flow Statements for each of the Companies as required by Section 50.4(2)(b) of the BIA are attached as Appendix "F".

5.0 Companies' Request for an Extension

1. The Companies are seeking an extension of the time to file a proposal with the Official Receiver from July 8, 2016 to August 22, 2016. The Proposal Trustee supports the Companies' request for the following reasons:
 - a) the Companies are acting in good faith and with due diligence;
 - b) the Companies would likely be able to make a viable proposal if the extension being applied for is granted;
 - c) no creditor would be materially prejudiced if the extension being applied for is granted;
 - d) it will allow the Sale Process to continue; and
 - e) as of the date of this report, the Proposal Trustee is not aware of any party opposed to an extension.

6.0 Administration Charge

1. Pursuant to the May 24th Order, the Court granted the Administration Charge, which presently ranks behind the secured lenders on the Properties. The Proposal Trustee is seeking a charge of \$50,000 per property (the "Sale Process Administration Charge") to rank in priority to the TFCC Collateral Mortgage (and the existing Administration Charge). The Proposal Trustee will be discussing this proposal with TFCC and will update the Court at the return of this motion on the status of these discussions, or will file a supplemental report, if necessary, addressing this issue. Any fees incurred by the Proposal Trustee, its counsel, and counsel to the Companies that are not satisfied out of the Sale Process Administration Charge would continue to have the benefit of the existing Administration Charge.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in Section 1.1(h) of this Report.

* * *

All of which is respectfully submitted,

A handwritten signature in cursive script that reads "KSV Kofman Inc".

**KSV KOFMAN INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (WOODBINE) INC. AND URBANCORP (BRIDLEPATH) INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix A



**Second Report to Court of
KSV Kofman Inc. as Proposal
Trustee of Urbancorp (Woodbine) Inc.
and Urbancorp (Bridlepath) Inc.**

June 1, 2016

Contents

	Page
1.0 Introduction.....	1
1.1 Purposes of this Report.....	2
1.2 Currency.....	2
1.3 Restrictions.....	3
2.0 Background.....	3
2.1 Secured Creditors.....	4
3.0 Current Status of Property.....	5
3.1 Administration Charge.....	5
3.2 Proposal Trustee's Recommendation.....	5
3.3 Confidential Appendices.....	6
4.0 Conclusion and Recommendation.....	6

Appendices

Appendix	Tab
Corporate Chart.....	A
Email from Steve Weisz.....	B
Confidential Appendix	Tab
Overview of the Project.....	A
Letter of Intent.....	B
Value summaries prepared by Real Estate Firms.....	C



ESTATE NO.: 31-2114850
COURT FILE NO.: 31-2114850

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.

SECOND REPORT OF KSV KOFMAN INC. AS PROPOSAL TRUSTEE

JUNE 1, 2016

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as proposal trustee ("Proposal Trustee") in connection with a Notice of Intention to Make a Proposal ("NOI") filed on April 25, 2016 ("Filing Date") by Urbancorp (Woodbine) Inc. ("Woodbine") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA"). On the same date, Urbancorp (Bridlepath) Inc. ("Bridlepath") also filed a NOI. (Woodbine and Bridlepath are jointly referred to herein as the "Companies".)
2. On April 21, 2016, Urbancorp (St. Clair Village) Inc., Urbancorp (Patricia) Inc., Urbancorp (Mallow) Inc., Urbancorp (Lawrence) Inc., Urbancorp Downsview Park Development Inc. and Urbancorp Toronto Management Inc., affiliates of the Companies, also filed NOIs (the "NOI Filing Entities"). KSV was appointed the Proposal Trustee in those BIA proceedings.
3. On May 18, 2016, the NOI Filing Entities and several other related companies filed for, and were granted, protection under the *Companies' Creditors Arrangement Act* ("CCAA"). KSV was appointed the Monitor in the CCAA proceedings.
4. The Companies are not subject to the CCAA proceedings.

5. On May 24, 2016, the Ontario Superior Court of Justice ("Court") made an Order, *inter alia* (the "May 24th Order"):
 - a) administratively consolidating the Companies' NOI proceedings; and
 - b) extending the time for the Companies to file a proposal with the Official Receiver to July 8, 2016.
6. The principal purpose of the NOI proceedings is to create a stabilized environment to allow the Companies to consider their restructuring options, including considering development opportunities and/or selling their properties through a Court-supervised process.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information concerning Woodbine;
 - b) discuss:
 - i. the application by Laurentian Bank of Canada ("Laurentian") for the appointment of a receiver and receiver and manager (the "Receiver") pursuant to section 243(1) of the BIA and Section 101 of the *Courts of Justice Act* (Ontario) (the "Receivership Application") over the real estate owned by Woodbine (the "Property");
 - ii. an unsolicited letter of intent ("LOI") received by the Proposal Trustee in connection with the Property;
 - iii. indications of value for the Property received from two well-known real estate firms;
 - iv. other expressions of interest received by the Proposal Trustee.
 - c) recommend that the Court make an Order:
 - i. adjourning the Receivership Application until June 30, 2016; and
 - ii. sealing the confidential appendices.

1.2 Currency

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

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Companies' representatives, the books and records of the Companies and discussions with representatives of the Companies, including their lawyers and accountants. The Proposal Trustee has not performed an audit or other verification of such information. Future oriented financial information relied upon in this Report is based on the Companies' representatives' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Proposal Trustee also references indications of value for the Property that were provided to the Proposal Trustee by real estate firms. The Proposal Trustee has not performed a review of the assumptions underlying the indications of value.

2.0 Background

1. The Urbancorp Group ("Urbancorp") commenced operations in 1991. Urbancorp primarily engages in the development, construction and sale of residential properties in the Greater Toronto Area ("GTA"). A condensed organization chart for Urbancorp is provided in Appendix "A".
2. The table below provides a description of the Property.

Company	Address of Owned Property	Date Purchased	Purchase Price
Woodbine	9064-9110 Woodbine Avenue, Markham	January 30, 2014	\$5,250,000

3. The Property was purchased in order to develop a residential project ("Project"). A summary of the current status the Project is provided below:

Company	Project Description	Current Status	Deposits Received
Woodbine	28 low rise residential units	Raw land	Yes

4. Woodbine pre-sold freehold homes for the Project and collected deposits totalling approximately \$2 million related thereto (the "Deposits"). As these are freehold home projects, Woodbine was not required to hold the Deposits in trust. The Proposal Trustee understands that the Deposits have been spent.
5. Woodbine is in the process of obtaining zoning approvals in connection with the Project. Project timelines have been provided to the Proposal Trustee which reflect that construction could be completed and homes delivered to buyers by the end of 2017. The ability to deliver homes on those timelines makes Woodbine an attractive project for a purchaser. The Proposal Trustee understands that there are certain aspects of the site development plan that require resolution between Woodbine and the City of Markham planning staff.
6. Further information on the Property, including an overview of the Project, is provided in Confidential Appendix "A".

2.1 Secured Creditors

2.1.1 Laurentian

1. Laurentian has a mortgage on the Property totalling approximately \$4.7 million, before interest and accrued fees (the "Laurentian Mortgage"). Terra Firma Capital Corporation ("Terra Firma") has a junior interest in the Laurentian Mortgage.
2. On February 4, 2016, Laurentian issued a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA against Woodbine, prior to the commencement of Woodbine's NOI proceedings. Laurentian is not stayed by the filing of the NOI.
3. At the commencement of the NOI proceedings, the Proposal Trustee and legal counsel for Woodbine, Borden Ladner Gervais LLP ("BLG"), contacted legal counsel to Laurentian, Blake, Cassels & Graydon LLP ("Blakes"), to determine Laurentian's intentions regarding Woodbine and the Property. It was communicated by the Proposal Trustee and BLG that they had been informed by Urbancorp's management ("Management") that there is considerable value in the Property after repayment of the Laurentian Mortgage and that an orderly sale process conducted in a restructuring proceeding was more likely to maximize recoveries than if the Property was sold through a power of sale process. Blakes was asked to determine whether Laurentian objected to a Court-supervised sale process conducted by the Proposal Trustee and to advise of Laurentian's views and intentions regarding Woodbine. Blakes did not provide the Proposal Trustee or BLG with any feedback.
4. On May 19, 2016, materials were served by the Companies on, among others, Blakes seeking, *inter alia*, an extension of the stay of proceedings in the Companies' NOI proceedings, as well as an administrative charge ranking behind the Laurentian Mortgage and the Terra Firma Mortgage (as defined below). Blakes advised at that time, amongst other things, that Laurentian had already appointed Grant Thornton Limited ("GTL") as its receiver privately and that it would be seeking a court order appointing GTL as the Receiver of Woodbine. A copy of an email from Steve Weisz of Blakes is provided in Appendix "B".

2.1.2 Terra Firma Capital Corporation

1. In addition to its junior interest in the Laurentian Mortgage, Terra Firma ("Terra Firma") has a collateral mortgage on the Companies' properties in the principal amount of approximately \$5 million (the "Terra Firma Mortgage").

3.0 Current Status of Property

1. The Proposal Trustee is in discussions with a number of parties regarding the Property. These efforts commenced, in earnest, about one week ago as the Proposal Trustee had waited for the requested feedback from Laurentian before initiating same. A status report is as follows:
 - a) an unsolicited letter of intent ("LOI") has been received from a party ("Interested Party") for a purchase price that substantially exceeds the amount of the Laurentian Mortgage. This party has expressed an interest in being a stalking horse in a sale process. A copy of the LOI is provided in Confidential Appendix "B". Although the Letter of Intent is dated March 15, 2016, the broker has confirmed to the Proposal Trustee his client's continuing interest in the Property;
 - b) the Proposal Trustee is in discussions with a major national developer which at the date of this Report was considering an offer in excess of the Laurentian Mortgage and had expressed a willingness to repay in full the Laurentian Mortgage;
 - c) the Proposal Trustee is routinely contacted by parties expressing an interest in the Property; and
 - d) two well-known real estate firms have provided value estimates for the Property well in excess of the amount owing under the Laurentian Mortgage. Other real estate firms have expressed a similar perspective. Attached as Confidential Appendix "C" are the value summaries prepared by the real estate firms.

3.1 Administration Charge

1. Pursuant to the May 24th Order, the Court granted the Proposal Trustee, its counsel and the Companies' counsel a charge (the "Administration Charge") on the Companies' business and assets. The charge is subordinate to Laurentian Mortgage and the Terra Firma Mortgage.

3.2 Proposal Trustee's Recommendation

1. The Proposal Trustee recommends that the Court adjourn the Receivership Application until June 30, 2016 for the following reasons:
 - a) It will provide time to commence a sale process;
 - b) there appears to be considerable value in the Property after repayment of the Laurentian Mortgage;
 - c) the carrying costs on the Property are not significant;

- d) the market is expecting the Property to be marketed by KSV as Proposal Trustee given its broader mandate with Urbancorp as CCAA Monitor, as evidenced by the Letter of Intent and ongoing expressions of interest it receives concerning the Property, as outlined above. Introducing yet another Court-appointed officer into the process is likely to confuse the market;
 - e) appointing another court officer will add unnecessary professional costs which would be to the detriment of stakeholders ranking behind Laurentian;
 - f) Terra Firma has advised the Proposal Trustee that it consents to an adjournment of the receivership application until June 30, 2016; and
 - g) the Administration Charge ranks behind the Laurentian Mortgage and the Terra Firma Mortgage.
2. Based on the foregoing, the Proposal Trustee recommends that the Court adjourn the Receivership Application until June 30, 2016.

3.3 Confidential Appendices

1. The Proposal Trustee recommends that the Court issue an order sealing the confidential appendices as the release of the information in the confidential appendices may negatively impact realizations on the Property.
2. The Proposal Trustee is not aware of any party that will be prejudiced if the confidential appendices are sealed. Accordingly, the Proposal Trustee believes the proposed sealing order is appropriate in the circumstances.

4.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in Section 1.1 (c) of this Report.

* * *

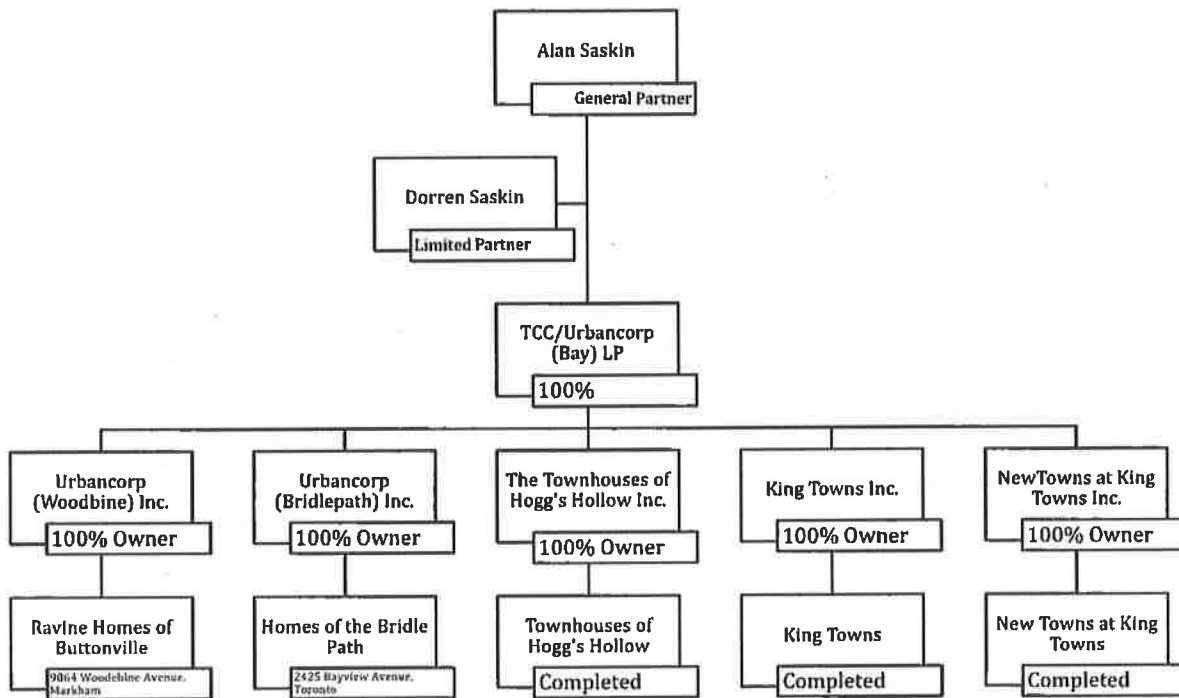
All of which is respectfully submitted,



**KSV KOFMAN INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (WOODBINE) INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix "A"

TCC/URBANCORP (BAY) LP



Appendix "B"

Noah Goldstein

Subject: Urbancorp Woodbine

From: WEISZ, STEVEN [<mailto:STEVEN.WEISZ@blakes.com>]
Sent: May 19, 2016 3:00 PM
To: Edmond Lamek (elamek@blg.com) <elamek@blg.com>; Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Krieger, Jonathan <Jonathan.Krieger@ca.gt.com>; MCGRAW, MICHAEL <MICHAEL.MCGRAW@blakes.com>
Subject: Urbancorp Woodbine

Edmond/Bobby,

I just received and reviewed the motion seeking an extension of the stay for Urbancorp (Woodbine) and the granting of an administrative charge over its property. Our client objects to that request and will be opposing the relief sought in respect of any priority charge in front of our client's interests. Grant Thornton Limited was appointed receiver by our client and we will be seeking the court appointment of Grant Thornton Limited over the property of Urbancorp(Woodbine) on Tuesday. Our materials will be delivered shortly. I hope we can discuss this matter and avoid unnecessary additional costs which will be added to our client's secured claim and erode the equity that might be available for unsecured claimants of Urbancorp (Woodbine). Please let me know when you would be available to discuss.

Thanks
Steve

Steven J. Weisz
Partner
steven.weisz@blakes.com
Dir: (416) 863-2616
Cell: (647) 295-2616



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Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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Appendix B

Court File No.

June 2, 2016

APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

LAURENTIAN BANK OF CANADA

URBANCORP (WOODBINE) INC.

Applicant

Respondent

June 2 / 16

This application is addressed to the court with a view to a 9:30 on June 30/16, to take stock of the sales process that the proposed trustee is undertaking and to undertake.

Trust

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

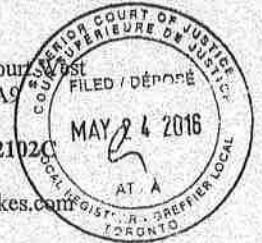
APPLICATION RECORD
(Returnable on a date to be set by the Commercial List)
(Re: Appointment of Receiver)

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street
Suite 4000, Commerce Court West
Toronto, Ontario M5L 1A9

Steven Weisz, LSUC #32102C
Tel: 416-863-2616
Email: steven.weisz@blakes.com

Michael McGraw, LSUC #46679C
Tel: 416-863-4247
Fax: (416) 863-2653
Email: michael.mcgraw@blakes.com

Lawyers for Laurentian Bank of Canada



Appendix C

**Request for Proposals for
REAL ESTATE BROKER SERVICES**

**Re: Urbancorp (Woodbine) Inc. ("Woodbine") and Urbancorp (Bridlepath) Inc.
("Bridlepath") (jointly, the "Companies")**

KSV Kofman Inc. ("KSV"), in its capacity as Proposal Trustee of the Companies invites proposals to provide real estate broker services for the following properties (the "Properties"):

- 2425 Bayview Avenue, Toronto, Ontario, owned by Bridlepath; and
- 9064-9110 Woodbine Avenue, Markham, Ontario, owned by Woodbine

Proposals must be submitted to Noah Goldstein, Senior Manager, KSV Kofman Inc., 150 King Street West, Suite 2308, Toronto, Ontario M5H 1J9 by 5:00 p.m. (Toronto time) on June 13, 2016.

For more information or questions, please contact Mr. Goldstein at (416) 932-6207 or at ngoldstein@ksvadvisory.com.

A. Background

- The Companies each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Part III of the *Bankruptcy and Insolvency Act* ("BIA"). Copies of NOI filing materials and Court Orders made in these proceedings are available on the Proposal Trustee's website at www.ksvadvisory.com.
- KSV was appointed as Proposal Trustee ("Trustee") of the Companies.
- The Proposal Trustee is now accepting proposals ("Proposals") to act as listing agents to market the Properties for sale.

The terms of any sale process and the selection of a broker are subject to Court approval.

B. Proposal Submission Deadline

- The Proposals are to be submitted to the Proposal Trustee by 5:00 p.m. (Toronto time) on June 13, 2016.

C. Agent's Role

The agent's role will include, *inter alia*, the following:

- Assisting to prepare a detailed marketing process, including timelines for the sale process.
- Establishing an estimated value for the Properties.
- Developing a marketing plan for the Properties, with the assistance of the Proposal Trustee.
- Preparing and providing all marketing materials, with input from the Proposal Trustee.
- Advertising the Properties for sale at the agent's expense, including to international buyers, to the extent relevant.
- Obtaining and negotiating confidentiality agreements from interested parties.
- Showing the Properties to interested parties and establishing and maintaining a data room or data rooms to facilitate the sale process.
- Qualifying interested parties from a financial prospective.
- Assisting interested parties in their due diligence.
- Assisting the Proposal Trustee to assess offers submitted.

- Providing the Proposal Trustee with a report summarizing the sale process with respect to each of the Properties, to be relied upon by the Proposal Trustee to support the Proposal Trustee's recommended transaction.
- Assisting the Proposal Trustee to close the transaction or transactions.

D. Proposal Content

The Proposal must contain the following:

1. Work Plan: all bidders shall provide a detailed work plan.
2. Firm Background and Staff Experience: all bidders shall provide background of the firm, including the experience of their staff on this assignment (including résumés).
3. Bidder's Liability Insurance Certificate: a copy of the bidder's liability insurance certificate should be included with the Proposal.
4. Compensation Structure: all proposals shall indicate the proposed compensation structure.
5. Conflict of Interest Statement: bidder shall disclose any professional or personal financial interests which could be a possible conflict of interest. In addition, all bidders shall further disclose any arrangements to derive additional compensation.

E. Proposal Consideration

The factors on which each Proposal will be considered include the following:

- Bidder's marketing plan.
- Depth of reach, including international targets.
- Professional qualifications of individuals assigned to the project.
- Compensation structure.
- Other factors as determined by the Proposal Trustee at its sole discretion.

Appendix D

Listing Agreement Authority to Offer for Sale



EXCLUSIVE

This is a Multiple Listing Service® Agreement

OR Exclusive Listing Agreement

(Seller's Initials)

(Seller's Initials)

BETWEEN:

BROKERAGE:

"See 'Rider to Listing Agreement'"

(the "Listing Brokerage") Tel.No. (.....)

SELLER(S):

(the "Seller")

In consideration of the Listing Brokerage listing the real property for sale known as.....

(the "Property")

the Seller hereby gives the Listing Brokerage the exclusive and irrevocable right to act as the Seller's agent, commencing at 12:01 a.m. on the See "Rider to Listing Agreement" Day of 20 until 11:59 p.m. on the day of 20 (the "Listing Period").

Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if a MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate and Business Brokers Act (2002), if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's Initials.

(Seller's Initials)

to offer the property for sale at a price of:

Dollars (CDN\$) 1.00

One

in the seller's sole and absolute discretion

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the property.

1. DEFINITIONS AND INTERPRETATIONS: For the purposes of this Listing Agreement ("Authority" or "Agreement"), "Seller" includes vendor, a "buyer" includes a purchaser, a prospective purchaser and a "real estate board" includes a real estate association. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

2. COMMISSION: In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of% of the sale price of the Property or See "Rider to Listing Agreement" for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period and on the terms and conditions set out in this Agreement OR such other terms and conditions as the Seller may accept, subject to the terms and conditions set out here. The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or

anyone on the Seller's behalf within 90 days after the expiration of the Listing Period (Holdover Period), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property. Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission. All amounts set out as commission are to be paid plus applicable taxes on such commission.

3. REPRESENTATION: The Seller acknowledges that the Listing Brokerage has provided the Seller with information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service. The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage), and to offer to pay

the co-operating brokerage a commission of% of the sale price of the Property or See "Rider to Listing Agreement"

"See 'Rider to Listing Agreement'"

out of the commission the Seller pays the Listing Brokerage.

INITIALS OF LISTING BROKERAGE:

(Handwritten initials)

INITIALS OF SELLER(S):

(Handwritten initials)



The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage listing other properties that may be similar to the Seller's Property without any claim by the Seller of conflict of interest. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the property. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage, said commission to be disbursed in accordance with the Commission Trust Agreement.

MULTIPLE REPRESENTATION: The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will obtain the Seller's written consent to represent both the Seller and the buyer for the transaction at the earliest practicable opportunity and in all cases prior to any offer to purchase being submitted or presented.

The Seller understands and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer, including a requirement to disclose all factual information about the Property known to the Listing Brokerage.

- However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:
- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
 - that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
 - the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
 - the price the buyer should offer or the price the Seller should accept; and
 - the Listing Brokerage shall not disclose to the buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the Property will be disclosed to both Seller and buyer to assist them to come to their own conclusions.

Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.

MULTIPLE REPRESENTATION AND CUSTOMER SERVICE: The Seller understands and agrees that the Listing Brokerage also provides representation and customer service to other sellers and buyers. If the Listing Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Listing Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Listing Brokerage's relationship to each seller and buyer.

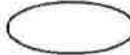
4. **FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the commission as described above.
5. **REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period, the Seller agrees to pay the Listing Brokerage the amount of commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
6. **MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property for sale during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or willful act.
7. **WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
8. **INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or willful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement or the accompanying data form. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (co-operating and brokers (listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
9. **FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the Seller's spouse has executed the consent hereinafter provided.
10. **VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information affecting the Property from any regulatory authorities, governments, mortgagees or others and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.
11. **USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the appropriate MLS® system(s), and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the

INITIALS OF LISTING BROKERAGE: 

INITIALS OF SELLER(S): 

database(s) of the appropriate MLS® system(s). The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the MLS® database is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may, during the term of the listing and thereafter, distribute the information in the MLS® database to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical MLS® data and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and selling of real estate during the term of the listing and thereafter.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:



Does

Does Not

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

12. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

13. CONFLICT OR DISCREPANCY: If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between the Seller and the Listing Brokerage. There is no representation, warranty, collateral agreement or condition which affects this Agreement other than as expressed herein.

14. ELECTRONIC COMMUNICATION: This Listing Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.

15. SCHEDULE(S): See "Order to Listing Agreement" and data form attached hereto form(s) part of this Agreement.

THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.

 (Authorized to bind the Listing Brokerage) DATE: 6/23/16 Ashley Mantis
 (Name of Person Signing)

THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE I HAVE SIGNED UNDER SEAL. Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

 (Signature of Seller) DATE: _____ (Seal) _____ (Tel No)

 (Signature of Seller) DATE: _____ (Seal)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees that he/she will execute all necessary or incidental documents to further any transaction provided for herein.

 (Spouse) DATE: _____ (Seal)

DECLARATION OF INSURANCE

The broker/salesperson Ashley Mantis
 (Name of Broker/Salesperson)

hereby declares that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.

 (Signature(s) of Broker/Salesperson)

ACKNOWLEDGEMENT

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a true copy of this Agreement on the _____ day of _____, 20 _____

 (Signature of Seller) Date: _____

 (Signature of Seller) Date: _____



Schedule "A"

Re: Listing Agreement (the "**Agreement**") for 2425 Bayview Avenue in the city of Toronto, Ontario (the "**Bridlepath Property**") and 9064, 9084, 9100 and 9110 Woodbine Avenue in the city of Markham Ontario (the "**Woodbine Property**") and together with the Bridlepath Property, the "**Properties**") among TD CORNERSTONE COMMERCIAL REALTY INC. (the "**Listing Brokerage**"), URBANCORP (BRIDLEPATH) INC, the registered owner of the Bridlepath Property, ("**Bridlepath Seller**"), and URBANCORP (WOODBINE) INC. the registered owner of the Woodbine Property (the "**Woodbine Seller**" and together with the Bridlepath Seller, the "**Sellers**"), and KSV KOFMAN INC. solely in its capacity as the proposal trustee of the Sellers and not in its personal capacity (the "**Proposal Trustee**").

Notwithstanding anything contained in the Agreement, each of Listing Brokerage, the Proposal Trustee and the Sellers acknowledges and agrees as follows:

1. **Termination Rights.** Subject to the approval of the Proposal Trustee, the Sellers may without penalty or cost to the Sellers terminate the Agreement at any time, if the Listing Brokerage is in default hereunder or under any other agreement with the Sellers. In addition, this Agreement shall automatically terminate if: (a) the Sellers are restricted in or enjoined from dealing with the Properties by a court of competent jurisdiction; and/or (b) any of the mortgagees of the Properties are permitted by Court order to enforce their rights and/or remedies.
2. **Price.** While it is the Sellers' intention to obtain the highest and best offer for the Properties, the Listing Brokerage acknowledges and agrees that the Sellers need not accept the highest offers and/or the best offers or any offer, and that acceptance by the Sellers of any offers for the Properties are subject at all times to the Sellers' approval in its sole and absolute discretion and as well as approval by the Court. No fee, commission or other compensation is payable to the Listing Brokerage in respect of either Property unless and until the sale of such Property has been completed and the applicable Seller is paid in its entirety (other than any portion of the purchase price to be paid by VTB mortgage or similar post-closing payment arrangement).
3. **Holdover Period Commission.** Any fee, commission or other compensation payable to the Listing Brokerage in connection with a holdover period, being six months from the termination of the Listing Agreement ("**Holdover Period**"), shall: (a) only apply to those purchasers who were introduced to the Sellers or to the Properties by the Listing Brokerage during the Listing Period and who the Listing Brokerage has previously disclosed in writing to the Sellers no later than three (3) days following the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Properties as the new Listing Brokerage (the "**New Agent**") on the basis of an agreement with the New Agent entered into with respect to the Holdover Period.

If the Listing Brokerage had introduced up to a maximum of three (3) different prospective *bona fide* purchasers to the Sellers during the Listing Period (each being a "**Serious Prospect**") and said Serious Prospect had entered into material negotiations with the Sellers to purchase the Properties, but said material negotiations had not resulted in a binding agreement of purchase and sale, to the extent that each of the Listing Brokerage and the Sellers agree in writing to designate said prospective purchaser as a Serious Prospect prior to the expiration of the Listing Period, and so long as the Sellers are not prohibited from doing so, and provided that the New Agent has agreed to forego its fee should a sale to a Serious Prospect be completed, the Listing Brokerage shall be entitled to its commission in connection with the transaction being completed with the Serious Prospect upon terms and conditions acceptable to the Sellers in their sole and absolute discretion, which transaction must be subject to Court approval and a binding and unconditional agreement of purchase and sale executed by each of the parties thereto prior to the expiration of the Holdover Period.

During the Holdover Period, the Listing Brokerage will not be entitled to any commission, payment or fee as the Sellers' agent if the Listing Team represents the purchaser.

4. **Listing Brokerage's Duties. The Listing Brokerage covenants and agrees with the Sellers and the Proposal Trustee to:**

- (a) pursuant to the Sellers's instructions as outlined below, offer each of the Properties for sale on an un-priced basis (save and except as described in (b) below with respect to the Multiple Listings Service ("MLS"));
- (b) if instructed by the Sellers, offer each of the Properties for sale on MLS, for which the listed price shall be \$1.00 (as a price is required) and the Commissions to Co-operating Brokerage shall be \$1.00 (it being the intention that the buyer(s) shall be responsible for any commissions to any Cooperating Agents (as defined below));
- (c) unless otherwise agreed by the Sellers, diligently market each of the Properties for sale and use commercially reasonable efforts to sell the Properties pursuant to the following process:

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 - Underwriting</i>		
Due diligence	<ul style="list-style-type: none"> ➤ TD to review all available documents concerning the Properties, including environmental reports and planning and development reports 	By end of June
Finalize marketing materials	<ul style="list-style-type: none"> ➤ TD and the Proposal Trustee to: <ul style="list-style-type: none"> ○ prepare a development summary; ○ populate an online data room; ○ prepare a Vendor's form of Purchase and Sale Agreement (the "PSA"); ○ prepare a confidentiality agreement ("CA"); and ○ prepare a Confidential Information Memorandum ("CIM") 	
Prospect Identification	<ul style="list-style-type: none"> ➤ TD to develop a master prospect list. TD will qualify and prioritize prospects. ➤ TD will also have pre-marketing discussions with targeted developers 	
<i>Phase 2 - Marketing</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ Offering summary and marketing materials printed ○ publication of the acquisition opportunity in <i>The Globe and Mail</i> (National Edition) ○ publication of the acquisition opportunity in the Epoch Times ○ telephone and email canvass of leading prospects ○ meet with and interview bidders 	First two weeks of July

Summary of Sale Process		
Milestone	Description of Activities	Timeline
Stage 2	<ul style="list-style-type: none"> ➤ TD to provide detailed information to qualified prospects which sign the CA, including the CIM, access to the data room and a form PSA ➤ TD to facilitate all diligence by interested parties 	To - Mid August
Stage 3	<ul style="list-style-type: none"> ➤ Prospective purchasers to submit PSAs (which PSAs, may, at the option of each prospective purchaser, be for either Property or both Properties) 	Second week of August
<i>Phase 3 - Offer Review and Negotiations</i>		
	<ul style="list-style-type: none"> ➤ Proposal short listing and approval ➤ 2nd Round Bids - Prospective purchasers may be asked to re-submit PSAs 	One week following bid deadline
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents. 	One week
Sale Approval Motion and Closing	<ul style="list-style-type: none"> ➤ Motion for sale approval and close transaction 	Two weeks

- (d) co-operate with all licensed real estate brokers and agents in the sale of the Properties (collectively the “Cooperating Agents” and each a “Cooperating Agent”), with any commissions or fees of such Cooperating Agents to be paid by the purchasers;
- (e) ensure that there is continuity in the assignment of individual staff members and partners to the work performed by the Listing Brokerage under the terms of this engagement. In particular, the Listing Brokerage agrees to ensure that individual staff members originally assigned, including Ashley Martis and Jamie Ziegel (collectively the “Listing Team”), to perform work in connection with the Listing Brokerage’s engagement, will each be available and will devote the time required to undertake the assignment contemplated herein;
- (f) subject to the instructions of the Sellers, to assist the Sellers in negotiating binding agreements of purchase and sale subject to Court approval with those parties identified by the Sellers. Only the Sellers shall have authority to accept offers and the Listing Brokerage shall not have any authority whatsoever to enter into any sale, financing or other contract on behalf of the Sellers and/or to otherwise bind the Sellers in any manner whatsoever;
- (g) continue to assist the Sellers and the Proposal Trustee in connection with the sale of the Properties and seeking Court approval after the execution of a binding agreement of purchase and sale with respect to the same until such sale has been successfully concluded; and
- (h) unless the Sellers’ written consent is provided in advance, to act solely for the benefit of the Sellers in connection with the marketing and sale of the Properties and not to have any direct or indirect interest in any entity purchasing or proposing to purchase the Properties and not to receive any payments or other benefits from said purchasers or potential purchasers.

5. **Commission Payable to the Listing Brokerage.** The Sellers shall pay to the Listing Brokerage upon the successful completion of sale of each of the Properties, a commission payable in accordance with Appendix "A" attached hereto (the "Listing Fee"). No commission or fee of or to any Cooperating Agents shall be payable by the Sellers. A Cooperating Agent may be employed at the Listing Brokerage so long that they are not a member of the Listing Team. For greater certainty, other than the Listing Team, all other agents shall be treated as third party Cooperating Agents, shall not be provided with any confidential information (unless they have signed or are bound by a confidentiality agreement, acceptable to the Sellers) and shall not be compensated by the Sellers. Said Cooperating Agent commission shall be payable by the purchaser to said Cooperating Agent's brokerage. The Sellers acknowledge that payment of HST applies on all commissions payable. As it relates to the commission payable, a sale constitutes a court approved sale of the Properties, share transaction, redemption, exercise of first right to purchase, option or other form of sale or transfer of the rights of the subject Properties. The Sellers agree to notify the Listing Brokerage of the successful completion or closing. The Sellers hereby instruct its solicitors and agrees to advise the court to distribute payment to the Listing Brokerage in the amount noted above directly out of the proceeds of sale in accordance with an accepted agreement of purchase and sale and to have same addressed as a closing cost to the transaction.

6. **Acknowledgments.** The Listing Brokerage acknowledges and agrees in favour of the Sellers that:

- (a) the Properties are to be marketed and sold on an "as is, where is" basis and, accordingly, any agreement of purchase and sale shall provide for an acknowledgment by such purchaser that the Properties are being sold by the Sellers on an "as is, where is" basis, and that no representations or warranties have been or will be made by the Proposal Trustee, Sellers, or anyone acting on its behalf, to the Listing Brokerage or such purchaser as to the condition of the Properties or any buildings located thereon;
- (b) the Sellers may annex a schedule to the transfer/deed of land (or other registrable document with respect to the sale) expressly excluding any covenants deemed to be included pursuant to the *Land Registration Reform Act* of Ontario, other than one to the effect that the Sellers have the right to convey the Properties;
- (c) in lieu of a transfer/deed of land for the Properties, the Sellers will vest title to the Properties by way of a vesting order; and
- (d) the sale of the Properties requires the prior approval of the Ontario Superior Court of Justice (Commercial List) in said Court's sole and absolute discretion.

7. **Advertisement Expenses & Third Party Consultants.** All advertising and sales promotion shall be subject to the approval of the Sellers and the Proposal Trustee and all such advertisement and promotional material shall be prepared, published and distributed by the Listing Brokerage and shall be at the expense of the Listing Brokerage. All third party reports and legal service fees requested and/or approved by the Sellers and the Proposal Trustee shall be at the expense of the Sellers.

8. **Indemnity.** The Listing Brokerage confirms that it owes an obligation to the Sellers and its officers, employees and agents and the Proposal Trustee (collectively, the "Indemnified Parties") to carry out its activities in a competent and professional manner acting reasonably and in good faith. As such, the Listing Brokerage confirms that it owes an obligation to the Indemnified Parties with respect to claims made by third parties against the Indemnified Parties arising out of work performed by the Listing Brokerage or the Listing Brokerage's failure to comply with its obligations hereunder. This indemnity shall survive the expiration or termination of the Agreement.

9. **Confidentiality.** The Listing Brokerage shall treat and shall cause its agents to treat as confidential and shall not disclose, during as well as after the rendering of the service contracted herein, any confidential information, records or documents to which the Listing Brokerage becomes privy as a result of its performance of the Agreement and shall take all necessary steps to ensure the confidentiality of information in the Listing Brokerage's possession or control except for disclosure that may be required for the reasonable performance by the Listing Brokerage of its responsibilities hereunder.

10. **Assignment.** This Agreement shall not be assigned in whole or in part by the Listing Brokerage without the prior written consent of the Sellers which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

11. **Sellers' Capacity.** Notwithstanding the foregoing or anything else contained herein or elsewhere, the Listing Brokerage acknowledges and agrees that both the execution of this Agreement and any transaction or transactions involving a sale of either or both of the Properties require the prior approval of the Ontario Superior Court of Justice (Commercial List) in said Court's sole and absolute discretion.

12. **Warranty.** Subject always to Section 11 above and the remainder of this Section 12, the Sellers represent and warrant that the Sellers have the exclusive authority and power to execute this Agreement and to authorize the Listing Brokerage to offer the Properties for sale. Notwithstanding the foregoing and Section 7 of the pre-printed portion of this Agreement, the Listing Brokerage acknowledges and agrees that the Sellers have only limited knowledge about the Properties and cannot confirm any third party interests or claims with respect to the Properties such as rights of first refusal, options, easements, mortgages, encumbrances or other otherwise concerning the Properties, which may affect the sale of the Properties. Section 7 of the pre-printed portion of this Agreement is qualified by the previous sentence.

13. **Facsimile & Counterparts.** This Agreement and any other agreement delivered in connection therewith, and any amendments thereto, may be executed by facsimile transmittal facilities, or electronic copy in a portable document format or such similar format and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original of this Agreement, or such other agreement or amendment, as the case may be, and shall be deemed to be made when the receiving party confirms this Agreement, or such agreement or amendment, as the case may be, to the requesting party by facsimile or by electronic copy in a portable document format or such similar format. This Agreement may be executed in several counterparts, and each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date first written above.

14. **Jurisdiction.** This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario. If any provision hereof is invalid or unenforceable in any jurisdiction where this Agreement is to be performed, such provision shall be deemed to be deleted and the remaining portions of this Agreement shall remain valid and binding on the parties hereto.

15. **Finder's Fees.** The Sellers do not consent to the Listing Brokerage (or their respective affiliates) receiving and retaining, in addition to the commission provided for or otherwise contemplated in this Agreement, a finder's fee for any financing of the Properties, it being acknowledged that the foregoing shall not preclude The Toronto-Dominion Bank from receiving any fees it would normally collect in the ordinary course of its lending business in connection with the financing of the purchase or development of the Properties.

16. **Verification of Information.** The Sellers authorize the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Properties and the Sellers agree to execute and deliver such further authorizations in this regard as may be reasonably required. For greater certainty, none of the Listing Brokerage or the Listing Brokerage's representatives may bind the Sellers or execute any documentation on behalf of the Sellers. The Sellers hereby authorize, instruct and direct the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage. Section 10 of the pre-printed portion of this Agreement is amended accordingly.

17. **Listing Period.** The term of this Agreement shall begin upon acceptance of this Agreement (the "Commencement Date") and shall expire one minute before midnight on the four-month anniversary of the Commencement Date or upon earlier termination as otherwise prescribed herein. Notwithstanding any other provision in this Agreement, the Listing Brokerage shall not advertise the Properties on MLS until the Sellers provide expressed authority to do so and all marketing materials have been approved. The Listing Brokerage shall have five (5) days following said approval to post the Properties on the MLS.

18. **Separate Properties.** Notwithstanding that this Agreement applies to two Properties, all rights

and obligations of each of the parties to this Agreement (including, without limitation, the Listing Brokerage's Duties and the Commission Payable to the Listing Brokerage) shall be interpreted and construed as applying to each of the Properties individually, it being the intention that the Properties may be sold on an individual basis to different buyers.

19. **Parmountcy.** In the event of any conflict or inconsistency between the provisions of the pre-printed portion of this Agreement and the provisions of this Schedule "A", the provisions of this Schedule "A" shall prevail and govern.

**TD CORNERSTONE COMMERCIAL REALTY INC.,
BROKERAGE**

Per: _____

Name: Ashley Martin
Title: Broker

**URBANCORP (WOODBINE) INC. AND
URBANCORP (BRIDLEPATH) INC.**

Per: _____

Name: Alan Saskin
Title: President

**KSV KOFMAN INC. IN ITS CAPACITY AS
PROPOSAL TRUSTEE OF URBANCORP
(WOODBINE) INC. AND URBANCORP
(BRIDLEPATH) INC. AND NOT IN ITS PERSONAL
CAPACITY**

Per: _____

Name: Robert Kofman
Title: President

Appendix "A"

Urbancorp (Bridlepath) Inc. and Urbancorp (Woodbine) Inc.
TD - Listing Fee
Canadian dollars

Property #1
9064 -9110 Woobline Avenue

	Proceeds	Percentage Commission
First	7,800,000	1.00%
Next	400,000	3.00%
Thereafter		5.00%

Property #2
2425 Bayview Avenue, Toronto

	Proceeds	Percentage Commission
First	16,900,000	1.00%
Next	900,000	3.00%
Thereafter		5.00%

Appendix E

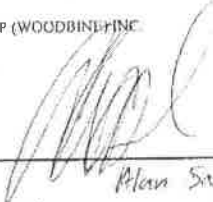
Urbancorp (Woodbine) Inc.
 Projected Statement of Cash Flow ¹
 For the Period Ending August 22, 2016
 (Unaudited; \$C)

Appendix "1"

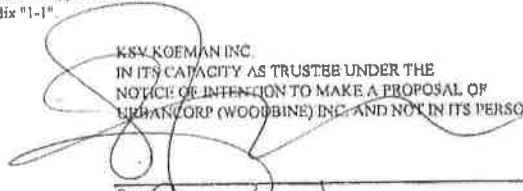
	Week Ending						3 Days Ending	Total
	15-Jul-16	22-Jul-16	29-Jul-16	05-Aug-16	12-Aug-16	19-Aug-16	22-Aug-16	
Total Receipts	-	-	-	-	-	-	-	-
Total Disbursements	-	-	-	-	-	-	-	-
Net Cash Flow	-	-	-	-	-	-	-	-
Opening cash balance	-	-	-	-	-	-	-	-
Closing cash balance	-	-	-	-	-	-	-	-

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

URBANCORP (WOODBINE) INC.

Per: 
 Alan Siskin
 Date: 23 JUNE 2016

KSV KOEMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL OF
 URBANCORP (WOODBINE) INC. AND NOT IN ITS PERSONAL CAPACITY

Per: 
 Robert Koeman
 Date: JUNE 23/16

Purpose and General Assumptions

- I. The purpose of the projection is to present a forecast of the cash flow of Urbancorp (Woodbine) Inc. (the "Company") for the period ending August 22, 2016 in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

To the extent there are disbursements required during the cash flow period, the Proposal Trustee will discuss the funding needs with the secured creditors.


Urbancorp (Bridlepath) Inc.
Projected Statement of Cash Flow¹
 For the Period Ending August 22, 2016
 (Unaudited; \$C)

Appendix "1"

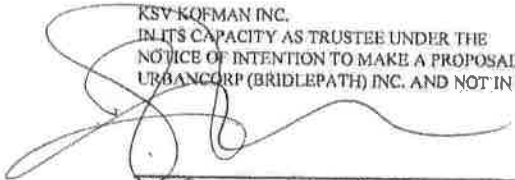
	Week Ending					3 Days Ending		Total
	15-Jul-16	22-Jul-16	29-Jul-16	05-Aug-16	12-Aug-16	19-Aug-16	22-Aug-16	
Total Receipts	-	-	-	-	-	-	-	-
Total Disbursements	-	-	-	-	-	-	-	-
Net Cash Flow	-	-	-	-	-	-	-	-
Opening cash balance	-	-	-	-	-	-	-	-
Closing cash balance	-	-	-	-	-	-	-	-

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

URBANCORP (BRIDLEPATH) INC.


 Per: Alan Saskin
 Date: 23 JUNE 2016

KSY KOFMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL OF
 URBANCORP (BRIDLEPATH) INC. AND NOT IN ITS PERSONAL CAPACITY


 Per: Robert Kofman
 Date: JUNE 25/16

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash flow of Urbancorp (Bridlepath) Inc. (the "Company") for the period ending August 22, 2016 in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

To the extent there are disbursements required during the cash flow period, the Proposal Trustee will discuss the funding needs with the secured creditors.

Appendix F

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of Urbancorp (Woodbine) Inc. has developed the assumptions and prepared the attached statement of projected cash flow of Urbancorp (Woodbine) Inc. for the period ending August 22, 2016.

It is assumed that Urbancorp (Woodbine) Inc. will not have any receipts or disbursements during the projection period. To the extent that Urbancorp (Woodbine) Inc. requires funding during the projection period, it will discuss the funding need with secured creditors.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 23rd day of June, 2016

URBANCORP (WOODBINE) INC.

Per: _____

Alan Sastkin

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of Urbancorp (Bridlepath) Inc. has developed the assumptions and prepared the attached statement of projected cash flow of Urbancorp (Bridlepath) Inc. for the period ending August 22, 2016.

It is assumed that Urbancorp (Bridlepath) Inc. will not have any receipts or disbursements during the projection period. To the extent that Urbancorp (Bridlepath) Inc. requires funding during the projection period, it will discuss the funding need with secured creditors.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 23rd day of June, 2016

URBANCORP (BRIDLEPATH) INC.

Per: _____

Alan Sastern

**Trustee's Report on Cash Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the BIA**

The attached statement of projected cash-flow of Urbancorp (Woodbine) Inc., as of the 23rd day of June, 2016, consisting of a weekly cash flow statement for the period July 8, 2016, to August 22, 2016, has been prepared by the management of the insolvent person for the purpose described in Note 1.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 23rd day of June, 2016

KSV Kofman Inc.

**KSV KOFMAN INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (WOODBINE) INC. AND NOT IN ITS PERSONAL CAPACITY**

**Trustee's Report on Cash Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the BIA**

The attached statement of projected cash-flow of Urbancorp (Bridlepath) Inc., as of the 23rd day of June, 2016, consisting of a weekly cash flow statement for the period July 8, 2016, to August 22, 2016, has been prepared by the management of the insolvent person for the purpose described in Note 1.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 23rd day of June, 2016



**KSV KOFMAN INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (BRIDLEPATH) INC. AND NOT IN ITS PERSONAL CAPACITY**

1

Confidential Appendix “1”

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

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

**TO THE THIRD REPORT
OF KSV KOFMAN INC. AS PROPOSAL TRUSTEE OF
URBANCORP (WOODBINE) INC. AND URBANCORP (BRIDLEPATH) INC.
FILED SUBJECT TO REQUEST FOR SEALING ORDER**

3

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

**THE HONOURABLE
JUSTICE NEWBOULD**

)
)
)

**THURSDAY, THE 30TH
DAY OF JUNE, 2016**

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

ORDER

THIS MOTION, made by Urbancorp (Woodbine) Inc. (“**UC Woodbine**”) and Urbancorp (Bridlepath) Inc. (“**UC Bridlepath**” and together with UC Woodbine, the “**Urbancorp Entities**”), 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 Record of the Urbancorp Entities, the Third Report of the KSV Kofman Inc., in its capacity as Proposal Trustee (the “**Proposal Trustee**”) of each of the Urbancorp Entities, dated June 23, 2016 (the “**Third Report**”), and the affidavit of service of Kyle B. Plunkett sworn June ●, 2016, filed, and on hearing the submissions of counsel for the Urbancorp Entities, counsel for the Proposal Trustee, counsel for Laurentian Bank of Canada, counsel for Terra Firma Capital Corporation and Atrium Mortgage Investment Corporation, and those other parties listed on the counsel slip.

SERVICE

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

EXTENSION OF TIME

2. **THIS COURT ORDERS** that, pursuant to subsection 50.4(9) of the BIA, the time for filing a proposal with the Official Receiver in respect of each of the proceedings of the Urbancorp Entities be and is hereby extended to August 22, 2016.

ACTIVITIES OF THE PROPOSAL TRUSTEE

3. **THIS COURT ORDERS** that the Third Report and the actions and activities of the Proposal Trustee described therein be and are hereby approved.

ENGAGEMENT OF REAL ESTATE BROKER

4. **THIS COURT ORDERS** that the Urbancorp Entities, the Proposal Trustee and TD Cornerstone Commercial Realty Inc. ("**TD Realty**") are each authorized 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 "**RE Broker**"), attached as Appendix "E" to the Third Report (the "**Listing Agreement**") (including payment of the amounts due to be paid to the RE Broker pursuant to the terms of the Listing Agreement).

5. **THIS COURT ORDERS** that all claims of the RE Broker pursuant to the Listing Agreement are not claims that may be compromised pursuant to any proposal ("**Proposal**") under the BIA, any plan of arrangement or compromise ("**Plan**") filed by the Urbancorp Entities under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, or any other restructuring or proceeding and no such Plan, Proposal or restructuring shall be approved

that does not provide for the payment of all amounts due to the RE Broker pursuant to the terms of the Listing Agreement.

APPROVAL OF SALE PROCESS

6. **THIS COURT ORDERS AND DECLARES** that the sale process (the “**Sale Process**”) as described in Section 3 of the Third Report, be and is hereby approved.

7. **THIS COURT ORDERS** that the Urbancorp Entities, RE Broker and the Proposal Trustee be and are hereby authorized and directed to perform their obligations under and in accordance with the Sale Process, including under the terms of the Listing Agreement, and take such further steps as they consider necessary or desirable in carrying out the Sale Process and any steps taken by the Urbancorp Entities, RE Broker and/or the Proposal Trustee in connection with the Sale Process prior to the date hereof, as described in the Third Report, be and are hereby approved and ratified.

8. **THIS COURT ORDERS** that the Urbancorp Entities, RE Broker and the Proposal Trustee, to the extent the Proposal Trustee assists with the Sale Process, shall have no personal or corporate liability in connection with the Sale Process.

SALE PROCESS ADMINISTRATIVE CHARGE

9. **THIS COURT ORDERS** that, in addition to the Administration Charge (as defined at paragraph 8 of the Order of The Honourable Justice Newbould dated May 24, 2016 (the “**May 24 Administration Charge**”)) granted in these proceedings, 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 “**Sale Process 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 \$100,000.00, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee, its counsel and

counsel to the Urbancorp Entities in connection with the Sale Process, both before and after the making of this Order.

10. **THIS COURT ORDERS** that the filing, registration or perfection of the Sale Process Administration Charge shall not be required, and that the Sale Process Administration 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 Sale Process Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

11. **THIS COURT ORDERS** that the Sale Process Administration Charge shall rank in priority to all other 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**"), save and except for (i) the charge in favour of Laurentian Bank of Canada and Terra Firma Capital Corporation granted by UC Woodbine, registered as Instrument Number YR2090261 (the "**LBC Charge**"); and (ii) the charge in favour of Terra Firma Capital Corporation and Atrium Mortgage Investment Corporation granted by UC Bridlepath, registered as Instrument Number AT3541941 (the "**Atrium Charge**" and together with the LBC Charge, the "**First Ranking Charges**"). For greater certainty, the Sale Process Administration Charge shall have the priority set out in paragraph 13 herein.

12. **THIS COURT ORDERS** that the Sale Process Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Sale Process 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; or (e) 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 Sale Process 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) 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 Sale Process Administration Charge; and
- (c) the payments made by the Urbancorp Entities pursuant to this Order, and the granting of the Sale Process 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 COURTS ORDERS** that, notwithstanding the provisions of the May 24 Order, the priorities of the Sale Process Administration Charge, the Administration Charge (as defined in the May 24 Order), the First Ranking Charges and the existing Encumbrances, as among them, shall be as follows:

First – the First Ranking Charges;

Second – the Sale Process Administration Charge in the maximum amount of \$50,000.00 as against each Property of the Urbancorp Entities;

Third – Encumbrances other than the First Ranking Charges, including without limitation the charges in favour of Terra Firma Capital Corporation, registered as Instrument Number YR2411107 as against the Property of UC Woodbine and Instrument Number AT4107508 as against the Property of UC Bridlepath; and

Fourth – the May 24 Administration Charge.

SEALING CONFIDENTIAL APPENDIX TO THE THIRD REPORT

14. **THIS COURT ORDERS** that the Realtor Summary, which is attached as Confidential Appendix "1" to the Third Report, shall be sealed, kept confidential and not form part of the public record pending further Order of this Court.

GENERAL

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or in Israel, 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.

16. **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.

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

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

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

**ORDER
(June 30, 2016)**

BORDEN LADNER GERVAIS LLP

Barristers and Solicitors
Scotia Plaza
40 King Street West
Toronto, ON M5H 3Y4

EDMOND F. B. LAMEK ~ LSUC NO. 33338U

Direct Tel: 416-367-6311
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KYLE B. PLUNKETT ~ LSUC NO. 61044N

Direct Tel: 416-367-6314
Direct Fax: 416-361-2557
Email: kplunkett@blg.com

Lawyers for the Urbancorp (Woodbine) Inc. and
Urbancorp (Bridlepath) Inc.

Court File No.: 31-2114850

Estate File No.: 31-2114850

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

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

Proceedings commenced at Toronto

**MOTION RECORD
(Returnable June 30, 2016)**

BORDEN LADNER GERVAIS LLP

Barristers and Solicitors
Scotia Plaza, 40 King Street West
Toronto, ON M5H 3Y4

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Lawyers for Urbancorp (Woodbine) Inc.
and Urbancorp (Bridlepath) Inc.