

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.**

AMENDED NOTICE OF MOTION

URBANCORP (WOODBINE) INC. (“**UC Woodbine**”) and **URBANCORP (BRIDLEPATH) Inc.** (“**UC Bridlepath**” and together with UC Woodbine, the “**Urbancorp NOI Entities**”) will make a motion before a Judge of the Ontario Superior Court of Justice, Commercial List (the “**Court**”), on September 15, 2016 at 10:00 am, or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR Orders substantially in the form attached at Tab 3 A and B of the Motion Record, *inter alia*:

1. abridging the time for service of the Notice of Motion and the Motion Record, if necessary, and declaring that this motion is properly returnable on September 15, 2016, and dispensing with further service thereof;
2. approving the agreement of purchase and sale entered into by UC Bridlepath and Claude Bitton, In Trust, (“**Bitton**”) dated August 16, 2016 (the “**Bridlepath Sale Agreement**”) and the transaction contemplated therein pursuant to which Bitton has agreed to purchase all of UC Bridlepath’s right, title and interest in and to the Purchased Assets (as defined in the Bridlepath Sale Agreement (the “**Bridlepath Purchased Assets**”), and vesting the Bridlepath Purchased Assets in Bitton’s purchaser nominee entity (the “**Bridlepath Purchaser**”);

3. approving the agreement of purchase and sale entered into by UC Woodbine and Wang Zhendong Holding Corporation (“**WZHC**”) dated August 23, 2016 (the “**Woodbine Sale Agreement**”) and the transaction contemplated therein pursuant to which WZHC has agreed to purchase all of UC Woodbine’s right, title and interest in and to the Purchased Assets (as defined in the Woodbine Sale Agreement (the “**Woodbine Purchased Assets**”)) and vesting the Woodbine Purchased Assets in WZHC’s wholly owned subsidiary, Gemterra (Woodbine) Inc. (the “**Woodbine Purchaser**”, and together with the Bridlepath Purchaser, the “**Purchasers**”);
4. authorizing the Urbancorp NOI Entities to complete the transactions contemplated by the Bridlepath Sale Agreement and the Woodbine Sale Agreement (the “**Transactions**”), including executing any additional documents as may be necessary or desirable for the completion of the Transactions, and vesting the Purchased Assets absolutely in the respective Purchasers, free and clear of any and all security interests, encumbrances, estates, rights and claims, upon delivery of a certificate to each of the Purchasers by the Proposal Trustee;
5. approving the Sixth report of KSV Kofman Inc. in its capacity as Proposal Trustee (the “**Proposal Trustee**”), dated September 8, 2016 and the activities described therein (the “**Sixth Report**”);
6. extending the time for the Urbancorp NOI Entities to file a proposal with the Official Receiver from October 6, 2016 to October 25, 2016;
7. sealing the confidential appendices to the Sixth Report until further Order of the Court; and
8. such other and further relief as counsel may request and this Court deems just.

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

1. on April 25, 2016, each of the Urbancorp NOI Entities filed a Notice of Intention to Make a Proposal pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) and KSV Kofman Inc. was appointed as Proposal Trustee in respect of each of the NOI proceedings (together, the “**Proposal Proceedings**”);
2. each of the Urbancorp NOI Entities is a single purpose entity that owns specific real property for the purpose of developing and constructing residential projects;
3. pursuant to the Order of the Honourable Mr. Justice Newbould dated June 30, 2016, a sales process was approved for the properties subject to the Sale Agreements (the “**Sales Process**”) as set out in the Proposal Trustee’s Third Report dated June 23, 2016 (the “**Third Report**”), including the engagement of TD Cornerstone Commercial Realty Inc. (“**TD**”) as real estate broker for the Urbancorp NOI Entities;
4. commencing July 6, 2016, TD, in consultation with the Proposal Trustee, marketed the properties to solicit interest from prospective purchasers;
5. as detailed in the Third Report, over one hundred (100) parties signed confidentiality agreements and were provided access to an online data room containing information regarding the properties. Interested parties conducted tours of the properties and performed other diligence;
6. pursuant to the terms of the Sales Process, prospective purchasers were required to submit offers, by way of a purchase and sale agreement, on or before August 16, 2016 (the “**Offer Deadline**”);
7. twenty-six (26) offers were received for the properties by the Offer Deadline, with sixteen (16) received for UC Bridlepath and twelve (12) received for UC Woodbine;
8. a summary of the offers was attached as a Confidential Appendix to the Supplement to the Fourth Report of the Proposal Trustee dated August 17, 2016 and was sealed pursuant to the Endorsement of the Honourable Mr. Justice Newbould dated August 17, 2016;

9. after reviewing the offers received, the Proposal Trustee determined that the offers submitted by the Purchasers were superior to the other offers submitted and accepted the Purchasers' offers;
10. if the Transactions are completed, it is expected that the sale proceeds derived therefrom will be sufficient to satisfy all mortgages and registered liens, known vendor claims, home buyer deposits and intercompany loans related to the respective subject properties, subject to the results of the claims process to be commenced by the Proposal Trustee in the near term;
11. the confidential appendices to the Sixth Report contain copies of the Sale Agreements and/or Transaction Summaries and, as such, their release, and the commercially sensitive information set out therein, could prejudice the stakeholders of UC Bridlepath and UC Woodbine particularly if the Transactions were to fail to close;
12. Section 65.13 of the BIA and the inherent and equitable jurisdiction of this Court;
13. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure* (Ontario), as amended; and
14. such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be filed and used in support of this motion, namely:

- a) this Notice of Motion;
- b) the Sixth Report and the confidential appendices thereto; and
- c) such further and other material as counsel may advise and this Court may permit.

DATE: September 9, 2016

WEIRFOULDS LLP

Barristers and Solicitors
The TD Bank Tower, Suite 4100
66 Wellington Street West
Toronto, ON M5K 1B7

EDMOND F.B. LAMEK (LSUC No. 33338U)

Direct Tel: 416.947.5042
Direct Fax: 416.365.1876
Email: elamek@weirfoulds.com

DANNY M. NUNES (LSUC No. 53802D)

Direct Tel: 416.619.6293
Direct Fax: 416.365.1876
Email: dnunes@weirfoulds.com

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

To: **THE ATTACHED SERVICE LIST**

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ONTARIO
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(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable September 15, 2016)

WEIRFOULDS LLP

Barristers and Solicitors
The TD Bank Tower, Suite 4100
66 Wellington Street West
Toronto, ON M5K 1B7

Edmond F.B. Lamek (LSUC No. 33338U)

Tel.: 416.947.5042

Fax: 416.365.1876

Email: elamek@weirfoulds.com

Danny M. Nunes (LSUC No. 53802D)

Tel.: 416.619.6293

Fax: 416.365.1876

Email: dnunes@weirfoulds.com

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

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 October 25, 2016.

ACTIVITIES OF THE PROPOSAL TRUSTEE

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

GENERAL

4. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or 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 or to assist the Urbancorp Entities and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

5. **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.

Court File No.: 31-2114850

Estate File No.: 31-2114850

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ORDER

WEIRFOULDS LLP
Barristers and Solicitors
The TD Bank Tower, Suite 4100
66 Wellington Street West
Toronto, ON M5K 1B7

Edmond F.B. Lamek (LSUC No. 33338U)
Tel.: 416.947.5042
Fax: 416.365.1876
Email: elamek@weirfoulds.com

Danny M. Nunes (LSUC No. 53802D)
Tel.: 416.619.6293
Fax: 416.365.1876
Email: dnunes@weirfoulds.com

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Urbancorp (Bridlepath) Inc.