



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

August 23, 2016

and

**Fourth Report to Court of KSV Kofman
Inc. as CCAA Monitor of Urbancorp
Toronto Management Inc., Urbancorp (St.
Clair Village) Inc., Urbancorp (Patricia)
Inc., Urbancorp (Mallow) Inc., Urbancorp
(Lawrence) Inc., Urbancorp Downsview
Park Development Inc., Urbancorp (952
Queen West) Inc., King Residential Inc.,
Urbancorp 60 St. Clair Inc., High Res.
Inc., Bridge On King Inc. and the
Affiliated Entities Listed in Schedule “A”
Hereto**

Contents		Page
1.0	Introduction.....	2
	1.1 Purposes of this Report	2
	1.2 Currency	2
2.0	Background	3
	2.1 Sale Process	4
3.0	Representative Counsel Motions	4
	3.1 Impact of Representative Counsel Motion on Debtor-in-Possession Loans... 6	6
	3.2 Correspondence with Homebuyers	6
	3.3 KSV's Recommendation on the Representative Counsel Motions..... 6	6
	3.4 Home Buyer Assistance in the Claims Administration Process..... 7	7

Schedules and Appendices

Schedule	Tab
Affiliated Entities	A
Appendix	Tab
Letter from Davies to Dickinson Wright LLP dated August 3, 2016	A
Letter from Dickinson Wright LLP to Davies dated August 16, 2016	B
Updated Notice to Home Buyers dated August 2, 2016	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.

FIFTH REPORT OF KSV KOFMAN INC. AS PROPOSAL TRUSTEE

AUGUST 23, 2016

COURT FILE NO.: CV-16-11389-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

FOURTH REPORT OF KSV KOFMAN INC. AS CCAA MONITOR

AUGUST 23, 2016

1.0 Introduction

1. On April 21, 2016, Urbancorp (St. Clair Village) Inc. (“St. Clair”), Urbancorp (Patricia) Inc. (“Patricia”), Urbancorp (Mallow) Inc. (“Mallow”), Urbancorp Downsview Park Development Inc. (“Downsview”), Urbancorp (Lawrence) Inc. (“Lawrence”) and Urbancorp Toronto Management Inc. (“UTMI”) each filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence and UTMI are referred to as the “Companies”). KSV Kofman Inc. (“KSV”) was appointed as the Proposal Trustee of each of the Companies.
2. Pursuant to an Order made by the Ontario Superior Court of Justice (Commercial List) (the “Court”) dated May 18, 2016 (the “Initial Order”), the Applicants (which include the Companies) together with the entities listed on Schedule “A” attached (collectively, the “Urbancorp CCAA Entities”) were granted protection under the *Companies’ Creditors Arrangement Act* (the “CCAA”) and KSV was appointed the monitor in those proceedings (the “Monitor”).
3. On April 25, 2016, Urbancorp (Bridlepath) Inc. (“Bridlepath”) and Urbancorp (Woodbine) Inc. (“Woodbine”) and together with Bridlepath, the “NOI Entities”) each filed NOIs. KSV is the Proposal Trustee of the NOI Entities.
4. The principal purpose of the restructuring proceedings is to create a stabilized environment to allow the Urbancorp CCAA Entities and the NOI Entities the opportunity to consider their restructuring options, including selling some or all of their properties through a Court supervised sale process.

1.1 Purposes of this Report

1. The purposes of this report (“Report”) are to:
 - a) discuss motions filed by Dickinson Wright LLP (“Dickinson”) seeking an order appointing itself as representative counsel to home buyers in the CCAA proceedings and the NOI proceedings (the “Representative Counsel Motions”); and
 - b) advise the Court of the perspective of KSV, as Monitor and Proposal Trustee, concerning the Representative Counsel Motions.

1.2 Currency

1. All currency references in this Report are to Canadian dollars.

2.0 Background

1. The table below provides a summary of the properties (the “Properties” and each a “Property”) owned by the Companies and the NOI Entities, excluding Downsview (collectively, the “Property Companies”).

Owner	Address of Property	Date Purchased
Companies		
St. Clair	19 Innes Avenue, 177 Caledonia Road, Toronto	August 1, 2013
Patricia	425 Patricia Avenue, Toronto	August 27, 2014
Lawrence	1780 Lawrence Avenue West, Toronto	August 29, 2013
Mallow	15 Mallow Road, Toronto	August 28, 2014
NOI Entities		
Bridlepath	2425 Bayview Avenue, Toronto	March 20, 2014
Woodbine	9064 Woodbine Avenue, Markham	January 30, 2014

2. The Properties were purchased to develop residential projects. No construction has commenced on the Properties; each is presently raw land.¹
3. With the exception of Patricia which did not pre-sell any homes, each of the Property Companies pre-sold freehold homes and received deposits (the “Deposits”) from home buyers in connection with the home sales, as detailed below.

Entity	Deposits (\$)
Companies	
St. Clair	3,283,830
Mallow	1,375,920
Lawrence	3,676,489
Subtotal	8,336,239
NOI Entities	
Woodbine	1,899,480
Bridlepath	5,634,500
Subtotal	7,533,980
Total	15,870,219

4. The Property Companies did not hold the Deposits in trust. All such monies have been spent. As the projects involve the construction of freehold homes, there is no legislation requiring home buyer deposits to be segregated or held in trust.

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

2.1 Sale Process

1. On June 30, 2016, the Court made orders in the CCAA proceedings and the NOI proceedings approving sale processes for the Properties (the “Sale Process”). Offers were due on August 16, 2016. Multiple offers were received for each of the Properties. As of the date of this Report, offers have been accepted for the Lawrence, Mallow and Bridlepath properties and the Sale Process is advancing for the other Properties. Any transaction will be subject to approval by this Court.
2. All of the leading offers received in the Sale Process require that clean title be vested in the purchaser free of all obligations, including the agreements of purchase and sale entered into between the Property Companies and home buyers. The agreements of purchase and sale are obligations of the Property Companies and do not attach to the real estate owned by the Property Companies. If an order were to be issued requiring the successful bidders to assume the agreements of purchase and sale, the value of their offers would be significantly reduced.
3. In the event that the contemplated transactions are completed, it appears that the sale proceeds from each transaction will be sufficient to repay in full the amount of the Deposits as well as any registered liens and mortgages. It should be noted that KSV, as Monitor and Proposal Trustee, is in the process of commencing a claims process in the CCAA and NOI Proceedings, so further claims may be identified (the “Claims Process”). However, as at the date of this Report, no creditor not already known to KSV has contacted KSV advising that they may have a material claim against one or more of the Property Companies.

3.0 Representative Counsel Motions

1. On June 29, 2016, Dickinson filed the Representative Counsel Motions. The Representative Counsel Motions seek, among other things, a charge ranking equal with the Administration Charge (as defined in the Initial Order and orders dated May 24, 2016 in the NOI proceedings)² of \$300,000 on the Property Companies’ assets (\$75,000 on Bridlepath, \$75,000 on Woodbine and \$150,000³ jointly on St. Clair and Lawrence).
2. On June 30, 2016, the Court adjourned the Representative Counsel Motions to August, 2016 to provide parties time to consider the motions and to prepare responding materials.

² In the CCAA proceedings, the Administration Charge ranks in priority to all creditors. In the NOI proceedings, the Administration Charge is subordinate to all valid perfected security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise granted by each NOI Entity or to which each NOI Entity is subject as of May 24, 2016.

³ Receipt of a subsequently revised draft order from Dickinson indicates that this amount is being reduced to \$75,000.

3. At a chambers appointment on August 2, 2016, Mr. Justice Newbould set August 31, 2016 as the date to hear the Representative Counsel Motions.
4. On August 3, 2016, Davies Ward Phillips and Vineberg LLP (“Davies”), counsel to KSV as Monitor and Proposal Trustee, sent a letter to Dickinson asking for information about its clients. A copy of the letter is attached as Appendix “A”. Dickinson’s response is provided in Appendix “B”.
5. Dickinson’s response reflects that:
 - a) 14.1% of total home buyers have signed engagement letters with Dickinson, as reflected in the table below:

Entity	Signed Engagement Letters	Total Home Buyers	% of Home Buyers Engaged by Dickinson
Companies⁴			
St. Clair	8	41	19.5%
Mallow	-	17	0%
Lawrence	13	65	20.0%
Subtotal	21	123	17.1%
NOI Entities			
Woodbine	-	22	0%
Bridlepath	5	40	12.5%
Subtotal	5	62	8.1%
Total	26	185	14.1%

- b) no Mallow or Woodbine home buyers have engaged Dickinson as at the date of this Report (Dickinson advised by email on August 18, 2016 that certain Mallow home buyers may wish to retain it);
- c) the average purchase price of a home varies significantly by Property Company, as detailed in the table below:

(C\$)	St. Clair	Mallow	Lawrence	Woodbine	Bridlepath
Average Purchase Price	800,847	n/a	652,834	n/a	1,181,250

- d) the home buyers have different characteristics and desired outcomes: some acknowledge being investors, some want to move into their homes, some want their Deposits returned, some live in owned homes while others do not; amounts paid for a home differ significantly per Property Company.

⁴ There have been no home sales on Patricia.

3.1 Impact of Representative Counsel Motion on Debtor-in-Possession Loans

1. A charge in favour of Representative Counsel with the same priority as the Administrative Charge would be an event of default under the existing DIP facility being provided by Atrium Mortgage Investment Corporation to St. Clair and Lawrence as approved by the Court by order dated June 30, 2016 in the CCAA proceedings.
2. Such a charge would also be an event of default under the existing DIP facility being provided by Mattamy (Downsview) Limited to Downsview as approved by the Court by order dated June 15, 2016 in the CCAA proceedings as a result of adversely impacting the ranking of the Interim Financing Charge (as defined therein).

3.2 Correspondence with Homebuyers

1. Since the commencement of the proceedings, KSV has responded promptly to all homebuyer questions concerning the process. Many home buyers have asked about the status of their Deposits and their homes. Because of the uncertainty in any restructuring process, KSV has been unable to provide definitive responses to their questions, but provided guidance to them, to the extent possible. KSV has also responded to four letters that were provided to it by Mr. Justice Newbould, who had received these letters directly from home buyers.
2. In response to questions from home buyers (including the letters to Mr. Justice Newbould), and to ensure a consistent message was being communicated to them, on June 29, 2016, KSV prepared and posted a notice to home buyers on its website (<http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>). On August 2, 2016, KSV posted an updated notice to home buyers on its website.
3. The notices addressed questions that were being raised by home buyers, including the rationale for a debtor-in-possession loan facility (which the Monitor is using to fund the CCAA proceedings), as well as the anticipated duration of the Sale Process. The updated notice added that home buyers should address their concerns to KSV and not to Mr. Justice Newbould personally, but was otherwise virtually identical to the initial notice. A copy of the updated notice is provided in Appendix "C".

3.3 KSV's Recommendation on the Representative Counsel Motions

1. Now having the benefit of the Sale Process results, KSV, as Monitor and Proposal Trustee, is of the view that an estate funded Representative Counsel is not necessary in the CCAA and NOI proceedings for the following reasons:
 - a) based on the results of the Sale Process and depending on the results of the claims processes, it appears that the sale proceeds should be sufficient to repay the Deposits in full;

- b) Dickinson has signed engagement letters with only 14% of the total home buyers;
- c) Dickinson presently has no clients on Mallow and Woodbine and it has no more than 20% of the home buyers as clients on any one Property;
- d) Dickinson's clients do not have a common interest – some are investors, some want a return of their deposits, some want to move into the homes they purchased, the amounts paid by home buyer varies significantly depending on the project;
- e) the obligations to home buyers do not attach to the Properties themselves, but rather are obligations of the Property Companies. There does not appear to be any legal or statutory basis on which to require the completion of the sales to the home buyers, as has been suggested as a possible outcome by Dickinson. Doing so would significantly reduce the value of the offers received for the Properties, each of which is subject to vesting clean title in the Properties to the prospective buyers. Further, there is no certainty that purchasers would have bid for the Properties if they were required to construct homes conforming to the requirements in the agreements with the home buyers;
- f) a number of home buyers are already represented by counsel other than Dickinson in these proceedings, having incurred their own costs in doing so; and
- g) the charges being sought by Dickinson, if granted, would create an event of default under existing Court-approved DIP financing.

3.4 Home Buyer Assistance in the Claims Administration Process

1. KSV, as Monitor and Proposal Trustee, and its counsel, intend to work with home buyers in order to assist them in preparing and filing their claims in the Claims Process. The Monitor also intends to seek an order to make a timely distribution to home buyers for the amounts of their Deposits. These amounts will be paid as early as possible in a Claims Process, assuming all relevant transactions have closed.

* * *

All of which is respectfully submitted,

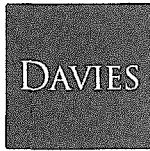


**KSV KOFMAN INC. IN ITS CAPACITIES
AS PROPOSAL TRUSTEE AND CCAA MONITOR
AND NOT IN ITS PERSONAL CAPACITY**

Schedule "A"

Urbancorp (952 Queen West) Inc.
King Residential Inc.
Urbancorp 60 St. Clair Inc.
High Res. Inc.
Bridge on King Inc.
Urbancorp Power Holdings Inc.
Vestaco Homes Inc.
Vestaco Investments Inc.
228 Queen's Quay West Limited
Urbancorp Cumberland 1 LP
Urbancorp Cumberland 1 GP Inc.
Urbancorp Partner (King South) Inc.
Urbancorp (North Side) Inc.
Urbancorp Residential Inc.
Urbancorp Realtyco Inc.

Appendix “A”



155 Wellington Street West
Toronto ON M5V 3J7
dwpv.com

August 3, 2016

Jay Swartz
T 416.863.5520
jswartz@dwpv.com

File No. 256201

BY E-MAIL

Lisa S. Corne and David P. Preger
Dickinson Wright LLP
199 Bay Street, Suite 2200
Commerce Court West
Toronto ON M5L 1G4

Dear Lisa and David:

Representative Counsel Motion

In anticipation of your motion for appointment as representative counsel, we, on behalf of KSV Advisory Inc., would appreciate receiving the following information with respect to each of the six properties for which you are seeking appointment:

1. The number of individual clients/purchasers who have retained you or are requesting that you act on their behalf and the percentage of each group that have signed retainer or engagement letters with your firm.
2. Please advise which of your clients are currently renting properties versus those who have existing homes or who are seeking to purchase properties for investment or rental purposes.
3. Which of your clients, if any, have purchased multiple properties.
4. How have you determined whether clients are seeking completion of their transactions as opposed to a return of their deposit or other damages? We are trying to understand if the group you wish to represent have common objectives and common types of claims.
5. Assuming you are appointed as representative counsel in respect of some or all of the properties, how are you proposing that your firm be paid, i.e. on a contingency fee basis, on an hourly basis or on some other basis and how are you proposing to allocate your fees and expenses between the various properties in respect of which you are appointed? Do the proposed charges in the order represent a cap on fees?

6. What is the average purchase price for the properties in each project for the clients who have retained you?
7. Why is the opt-out period limited to 30 days?
8. What form of communications plan do you have to keep the represented groups up-to-date and to provide them with advice with respect to their rights as well as how you intend to gather information with respect to individual claims? How do you plan to take instructions from a disparate group of purchasers?

There may be other issues which will come up prior to the motion but providing answers to these questions will assist us in framing an appropriate response with respect to your proposed engagement and developing an appropriate order.

We are happy to discuss these issues with you.

Yours very truly,

A handwritten signature in black ink, appearing to read "Jay Swartz". The signature is stylized and cursive.

Jay Swartz

JAS/sd

cc Bobby Kofman
Noah Goldstein
Robin Schwill

Appendix “B”



199 BAY STREET, SUITE 2200
P.O. BOX 447, COMMERCE COURT POSTAL STATION
TORONTO, ON CANADA M5L 1G4
TELEPHONE: (416) 777-0101
FACSIMILE: (416) 865-1398
<http://www.dickinsonwright.com>

LISA S. CORNE
LCorne@dickinsonwright.com
(416) 646-4608

August 16, 2016

SENT VIA E-MAIL

Jay Swartz
Davies Ward Phillips & Vineberg LLP
155 Wellington Street West, 40th Floor
Toronto ON M5V 3J7

Dear Jay:

Re: Representative Counsel Motion

We apologize for the delay in getting back to you. It has taken us time to collect all of the information requested in your letter dated August 3, 2016.

As you are aware, we represent certain purchasers of homes from Urbancorp (Woodbine) Inc. (“Woodbine”) and Urbancorp (Bridlepath) Inc. (“Bridlepath”) in the *Bankruptcy and Insolvency Act* Proposal proceedings, and Urbancorp (St. Clair Village) Inc. (“St. Clair”) and Urbancorp (Lawrence) Inc. (“Lawrence”) in the *Companies' Creditors Arrangement Act* proceedings.

Please find below responses to each of the questions that you posed. This information is accurate as of 12 pm, on the date herein. However, please note that this information is subject to change as purchasers continue to inquire about our representation and clients provide us with further information regarding their purchase agreements.

1. The following table outlines the number of purchasers that have retained our firm and the percentage of those purchasers that have signed an engagement letter with our firm or asked that we act on their behalf:

	St. Clair	Lawrence	Bridlepath
Purchasers who have retained or asked that Dickinson Wright act	8	13	6
Purchasers that have signed an engagement letter	8	13	5
Percentage of signed engagement letters	100%	100%	83%

August 16, 2016
Page 2

2. The following tables summarize the responses that we have received regarding purchasers' current living situations and their intentions for the homes that they purchased from Urbancorp:

Purchasers' Current Living Situations

	St. Clair	Lawrence*	Bridlepath
Purchasers currently renting	3	4	1
Purchasers that own their current residence	4	7	5
Purchasers that have yet to respond to our inquires on this issue	1	1	0
*One purchaser is currently living rent free with a relative. Their response is not reflected in the above table.			

Purchasers' Intentions for the Homes Purchased from Urbancorp

	St. Clair*	Lawrence	Bridlepath
Purchasers intending to use the property for personal use	6	12	4
Purchasers intending to use the property for investment purposes	0	0	2
Purchasers that have yet to respond to our inquires on this issue	1	1	0
*One purchaser intends to utilize the property initially for investment purposes, and thereafter for personal use. Their response is not reflected in the above table.			

3. Our review of our clients' purchase agreements discloses that no individual signed a purchase agreement or purchase agreements for more than one unit.
4. We have made specific inquiries of our clients to ascertain each of their objectives in seeking representation in these proceedings. Although subject to change and provided without prejudice to our clients' rights to pursue a different outcome, the following table summarizes the responses received to the above question:

	St. Clair	Lawrence	Bridlepath*
Purchasers that prefer to complete the transaction	7	10	4
Purchasers that prefer a return of their initial deposit	0	2	1

Purchasers that have yet to respond to our inquires on this issue	1	1	0
*One purchaser does not have a preference between completing the transaction and receiving a return of their initial deposit. Their response is not reflected in the above table.			

5. The proposed charges in the draft orders to secure fees do represent a cap. We propose to allocate fees on a project by project basis, based on actual time spent, and to be paid at our standard hourly rates as follows:

David Preger	\$575
Lisa Corne	\$575
Michael Brzezinski	\$275
Rachel Pilc	\$240
Dylan Augruso	\$240

6. As of today's date, we have received and reviewed 17 agreements of purchase and sale from our clients. The average purchase price, prior to amendments, listed in those agreements is as follows:

- (a) Bridlepath: \$1,181,250.00
- (b) St. Clair Village: \$800,847.14
- (c) Lawrence: \$652,834.286

7. The opt-out period can be negotiated. It can be extended or removed.

8. If Dickinson Wright is appointed as representative counsel for purchasers of homes from each of Woodbine, Bridlepath, Lawrence and St. Clair, our firm proposes to arrange for the appointment of steering committees consisting of purchasers from each development to provide instructions to our firm and communicate with our firm on behalf of all purchasers in their respective developments. We will also establish a private internal website, which all purchasers will have access to for the purpose of posting relevant communications and permitting direct communications between Dickinson Wright and our clients. If the court appoints our firm as representative counsel, we also intend to send written notice to all of the purchasers advising them of our appointment and explaining the process for opting out of representation by our firm, if they wish to do so.

August 16, 2016
Page 4

Please be advised that at this time, none of the Woodbine purchasers have signed engagement or retainer letters. However, we have been asked by 11 different purchasers to represent their interests in the Proposal proceedings.

Also, please note that in light of comments from various parties, we have revised the draft orders in our motion records, clean and blackline versions of which are enclosed.

We believe it is critical that representative counsel be appointed in respect of all of the Urbancorp Projects, as there could well be interested bidders who would be prepared to negotiate new Agreements of Purchase and Sale with the existing purchasers in order to avoid the time and expense of a marketing campaign. Without representative counsel, groups of purchasers will lose the opportunity to make such arrangements.

Yours truly,
DICKINSON WRIGHT LLP



Lisa S. Come

LSC/dag

Encls.

cc: Bobby Kofman
Noah Goldstein
Robin Schwill

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

THE HONOURABLE) WEDNESDAY, THE
MR. JUSTICE NEWBOULD) 31ST DAY OF AUGUST 2016

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (WOODBINE) INC. OF THE CITY OF TORONTO, IN THE PROVINCE
OF ONTARIO**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (BRIDLEPATH) INC. OF THE CITY OF TORONTO, IN THE
PROVINCE OF ONTARIO**

REPRESENTATION ORDER

THIS MOTION made by Dickinson Wright LLP for an Order appointing Dickinson Wright LLP as Representative Counsel to represent purchasers of residential units from Urbancorp (Woodbine) Inc. (“Woodbine”), and Urbancorp (Bridlepath) Inc. (“Bridlepath” and collectively, the “Purchasers”), with respect to all matters pertaining to any recovery, compromise of rights, and claims in these proceedings (the “Purpose”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and Affidavit of Michael Brzezinski dated June 29, 2016, and on hearing the submissions of counsel for Woodbine and Bridlepath, counsel for KSV Advisory Inc. in its capacity as Proposal Trustee (the “Trustee”), Dickinson Wright LLP, and other counsel present as appears from the counsel slip, no one else appearing for any other

person although duly served as appears from the Affidavit of Service of Jennifer Samuels sworn June 29, 2016, filed.

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

2. **THIS COURT ORDERS** that, subject to paragraph 9 hereof, Dickinson Wright LLP is hereby appointed as counsel ("**Representative Counsel**") for all Purchasers in respect of all issues affecting the Purchasers in these proceedings.

3. **THIS COURT ORDERS** that the Trustee shall provide to Representative Counsel, without charge, the following information, documents and data (the "**Information**"):

(a) The names, last known addresses and last known email addresses (if any) of the Purchasers; and

(b) Such additional documents and information as may be relevant to the Purpose.

and that, in so doing, the Trustee is not required to obtain express consent from any Purchaser authorizing disclosure of the Information to Representative Counsel for the Purpose, and this Order shall be sufficient to authorize the disclosure of the Information without the knowledge or consent of the individual Purchasers.

4. **THIS COURT ORDERS** that Representative Counsel may retain such financial advisors and other advisors and assistance as may be necessary in connection with its duties as Representative Counsel in relation to the Purpose.

5. **THIS COURT ORDERS** that all reasonable professional fees and disbursements that may be incurred by Representative Counsel and any advisors or assistants retained by it in accordance herewith, in each case at their standard rates and charges, whether incurred prior to or after the date of this Order, shall be paid by Woodbine, or Bridlepath, as applicable, on a monthly basis, forthwith upon the rendering of accounts to Woodbine, or Bridlepath, respectively, and in the event of any disagreement regarding such fees and disbursements, such disagreement may be remitted to this Court for determination.

SCHEDULE "A"

By Order dated June ____, 2016 granted by the Ontario Superior Court of Justice in proposal proceedings by Urbancorp (Woodbine) Inc., and Urbancorp (Bridlepath) Inc. under the *Bankruptcy and Insolvency Act* (the "*NOI Proceedings*"), Dickinson Wright LLP was appointed as representative counsel for purchasers of residential units from Woodbine and Bridlepath. A copy of the Representation Order dated August 31, 2016 is attached.

Woodbine and Bridlepath will be responsible for the reasonable legal fees incurred by Dickinson Wright LLP as court-appointed counsel in carrying out its prescribed mandate.

If you do not wish to be bound by this Order, you may opt-out of the group in accordance with paragraph 9 of the Order.

Purchasers may in confidence directly contact either David Preger or Lisa Corne at Dickinson Wright LLP, as set out below:

Lisa Corne
E: lcorne@dickinsonwright.com
P: 416.646.4608

David Preger
E: dpreger@dickinsonwright.com
P: 416.777.4606

6. **THIS COURT ORDERS** that Representative Counsel shall be entitled to the benefit of and is hereby granted a charge (the “**Representative Counsel Charge**”) on all of the assets, property, and undertakings of Woodbine, and Bridlepath, respectively, which charge shall not exceed an aggregate amount of \$75,000 each, as security for their professional fees and disbursements incurred at the standard rates and charges of such counsel, both before and after the making of this Order in respect of these proceedings. The Representative Counsel Charge (as defined in the Order herein dated May 24, 2016) shall rank subordinate to any secured lenders of each of Woodbine and Bridlepath, and shall have the same priority as the Administration Charge.

7. **THIS COURT ORDERS** that that Representative Counsel is hereby authorized to take all steps and do all acts necessary or desirable to carry out the terms of this Order.

8. **THIS COURT ORDERS** that notice of the granting of this Order, substantially in the form attached hereto as **Schedule “A”** shall be sent by Woodbine and Bridlepath, with the assistance of the Trustee, by regular mail to the last known address of each Purchaser within seven days of the date of this Order.

9. **THIS COURT ORDERS** that any Purchaser who does not wish to be represented by Representative Counsel in these proceedings shall notify the Trustee, and Representative Counsel in writing, that he or she is opting out of representation by delivering a notice substantially in the form attached as **Schedule “B”** hereto, and shall thereafter not be bound by the actions of Representative Counsel and shall represent him or herself or be represented by any counsel that he or she may retain exclusively at his or her own expense.

10. **THIS COURT ORDERS** that Representative Counsel shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order and any subsequent Orders in these proceedings, save and except for any gross negligence or willful misconduct on their part.

11. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Court, on notice to the Trustee, Woodbine, and Bridlepath, for advice and directions in the performance or variation of their powers or duties.

SCHEDULE "B"

Court File No.: 31-2114843
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. OF THE CITY OF TORONTO, IN THE PROVINCE
OF ONTARIO**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (BRIDLEPATH) INC. OF THE CITY OF TORONTO, IN THE
PROVINCE OF ONTARIO**

OPT-OUT LETTER

TO: KSV ADVISORY INC.
150 King Street West
Suite #2308
Toronto, ON M5H 1J9

Attention: Bobby Kofman, Managing Director
T +1 416 932 6228
M +1 647 282 6228
E bkofman@ksvadvisory.com

AND DICKINSON WRIGHT LLP
TO: Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

Attention: Lisa Corne
T +1 416 646 4608
F + 1 416 865 1398
E lisacorne@dickinsonwright.com

I, _____, am a Purchaser as defined in the Order dated August 31, 2016.

Under Paragraph 9 of that Order, Purchasers who do not wish Dickinson Wright LLP to act as their representative counsel may opt out.

I hereby notify you that I do not wish to be bound by the Order and will be represented as an independent individual party at my own expense to the extent I wish to appear in these proceedings.

Date

Signature

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF URBANCORP (WOODBINE) INC. OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF URBANCORP (BRIDLEPATH) INC. OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

REPRESENTATION ORDER

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

DAVID P. PREGGER (36870L)
Email: dpreger@dickinsonwright.com
Tel: (416) 646-4606
Fax: (416) 865-1398

LISA S. CORNE (27974M)
Email: lcome@dickinsonwright.com
Tel: (416) 646-4608
Fax: (416) 865-1398

Lawyers for Certain Purchasers

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

THE HONOURABLE) **~~DAY~~WEDNESDAY, THE**
)
MR. JUSTICE NEWBOULD) **31ST DAY OF ~~JUNE~~AUGUST 2016**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (WOODBINE) INC. OF THE CITY OF TORONTO, IN THE PROVINCE
OF ONTARIO**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (BRIDLEPATH) INC. OF THE CITY OF TORONTO, IN THE
PROVINCE OF ONTARIO**

REPRESENTATION ORDER

THIS MOTION made by Dickinson Wright LLP for an Order appointing Dickinson Wright LLP as Representative Counsel to represent purchasers of residential units from Urbancorp (Woodbine) Inc. (**“Woodbine”**), and Urbancorp (Bridlepath) Inc. (**“Bridlepath” and collectively,** the **“Purchasers”**), with respect to all matters pertaining to any recovery, compromise of rights, and claims in these proceedings (the **“Purpose”**), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and Affidavit of Michael Brzezinski dated June 29, 2016, and on hearing the submissions of counsel for ~~Urbancorp (Woodbine) Inc.~~ (**“Woodbine”**) and ~~Urbancorp (Bridlepath) Inc.~~ (**“Bridlepath”**), counsel for KSV Advisory Inc. in its capacity as Proposal Trustee (the **“Trustee”**), ~~and~~ Dickinson Wright LLP, **and other counsel present as appears from the counsel slip,** no one else appearing for any other person

although duly served as appears from the Affidavit of Service of *Jennifer Samuels sworn June 29, 2016, filed.

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

2. **THIS COURT ORDERS** that, subject to paragraph 9 hereof, Dickinson Wright LLP is hereby appointed as counsel ("**Representative Counsel**") for all Purchasers in respect of all issues affecting the Purchasers in these proceedings.

3. **THIS COURT ORDERS** that the Trustee shall provide to Representative Counsel, without charge, the following information, documents and data (the "**Information**"):

(a) The names, last known addresses and last known email addresses (if any) of the Purchasers; and

(b) Such additional documents and information as may be relevant to the Purpose.

and that, in so doing, the Trustee is not required to obtain express consent from any Purchaser authorizing disclosure of the Information to Representative Counsel for the Purpose, and this Order shall be sufficient to authorize the disclosure of the Information without the knowledge or consent of the individual Purchasers.

4. **THIS COURT ORDERS** that Representative Counsel may, ~~with prior approval of the Trustee or further order of this Court~~, retain such financial advisors and other advisors and assistance as may be necessary in connection with its duties as Representative Counsel in relation to the Purpose.

5. **THIS COURT ORDERS** that all reasonable professional fees and disbursements that may be incurred by Representative Counsel and any advisors or assistants retained by it in accordance herewith, in each case at their standard rates and charges, whether incurred prior to or after the date of this Order, shall be paid by Woodbine, or Bridlepath, as applicable, on a monthly basis, forthwith upon the rendering of accounts to Woodbine, or Bridlepath,

respectively, and in the event of any disagreement regarding such fees and disbursements, such disagreement may be remitted to this Court for determination.

6. **THIS COURT ORDERS** that Representative Counsel shall be entitled to the benefit of and is hereby granted a charge (the “**Representative Counsel Charge**”) on all of the assets, property, and undertakings of Woodbine, and Bridlepath, respectively, which charge shall not exceed an aggregate amount of \$75,000 each, as security for their professional fees and disbursements incurred at the standard rates and charges of such counsel, both before and after the making of this Order in respect of these proceedings. The Representative Counsel Charge (as defined in the Order herein dated May 24, 2016) shall rank subordinate to any secured lenders of each of Woodbine and Bridlepath, and shall have the same priority as the Administration Charge.

7. **THIS COURT ORDERS** that that Representative Counsel is hereby authorized to take all steps and do all acts necessary or desirable to carry out the terms of this Order.

~~8. **THIS COURT ORDERS** that notice of the granting of this Order, substantially in the form attached hereto as Schedule “A” shall be:~~

~~(a) **Published by Woodbine and Bridlepath, with the assistance of the Trustee, in the Globe & Mail (national edition), and Toronto Star, within seven calendar days of the date of this Order; and**~~

8. (b) **Sent THIS COURT ORDERS that notice of the granting of this Order, substantially in the form attached hereto as Schedule “A” shall be sent** by Woodbine and Bridlepath, with the assistance of the Trustee, by regular mail to the last known address of each Purchaser within seven days of the date of this Order.

9. **THIS COURT ORDERS** that any Purchaser who does not wish to be represented by Representative Counsel in these proceedings shall, ~~within 30 days of publication of notice of the appointment of Representative Counsel in accordance with paragraph 8 above,~~ notify the Trustee, and Representative Counsel in writing, that he or she is opting out of representation by delivering a notice substantially in the form attached as **Schedule “B”** hereto, and shall thereafter not be bound by the actions of Representative Counsel and shall represent him or

herself or be represented by any counsel that he or she may retain exclusively at his or her own expense.

10. **THIS COURT ORDERS** that Representative Counsel shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order and any subsequent Orders in these proceedings, save and except for any gross negligence or willful misconduct on their part.

11. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Court, on notice to the Trustee, Woodbine, and ~~the Applicants~~ Bridlepath, for advice and directions in the performance or variation of their powers or duties.

SCHEDULE "A"

By Order dated June _____, 2016 granted by the Ontario Superior Court of Justice in proposal proceedings by Urbancorp (Woodbine) Inc., and Urbancorp (Bridlepath) Inc. under the *Bankruptcy and Insolvency Act* (the "*NOI Proceedings*"), Dickinson Wright LLP was appointed as representative counsel for purchasers of residential units from Woodbine and Bridlepath. A copy of the Representation Order dated ~~June _____~~, August 31, 2016 is attached.

Woodbine and Bridlepath will be responsible for the reasonable legal fees incurred by Dickinson Wright LLP as court-appointed counsel in carrying out its prescribed mandate.

If you do not wish to be bound by this Order, you may opt-out of the group in accordance with paragraph 9 of the Order.

Purchasers may in confidence directly contact either David Preger or Lisa Corne at Dickinson Wright LLP, as set out below:

Lisa Corne

E:

leorn@dickinsonwright.comcorne@dickinsonwright.com

P: 416.646.4608

David Preger

E: dpreger@dickinsonwright.com

P: 416.777.4606

SCHEDULE "B"

Court File No.: 31-2114843

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. OF THE CITY OF TORONTO, IN THE PROVINCE
OF ONTARIO**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
URBANCORP (BRIDLEPATH) INC. OF THE CITY OF TORONTO, IN THE
PROVINCE OF ONTARIO**

OPT-OUT LETTER

TO: KSV ADVISORY INC.
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Attention: Bobby Kofman, Managing Director
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E bkofman@ksvadvisory.com

AND DICKINSON WRIGHT LLP
TO: Barristers & Solicitors
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Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

Attention: Lisa Corne
T +1 416 646 4608
F + 1 416 865 1398
E lisacorne@dickinsonwright.com

I, _____, am a Purchaser as defined in the Order dated ~~June _____~~, August 31, 2016.

Under Paragraph 9 of that Order, Purchasers who do not wish Dickinson Wright LLP to act as their representative counsel may opt out.

I hereby notify you that I do not wish to be bound by the Order and will be represented as an independent individual party at my own expense to the extent I wish to appear in these proceedings.

Date

Signature

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF URBAN CORP (WOODBINE) INC. OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF URBAN CORP (BRIDLEPATH) INC. OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

REPRESENTATION ORDER

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

DAVID P. PREGER (36870L)
Email: dpreger@dickinsonwright.com
Tel: (416) 646-4606
Fax: (416) 865-1398

LISA S. CORNE (27974M)
Email: lcorne@dickinsonwright.com
Tel: (416) 646-4608
Fax: (416) 865-1398

Lawyers for Certain Purchasers

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

THE HONOURABLE) WEDNESDAY, THE
MR. JUSTICE NEWBOULD) 31ST DAY OF AUGUST 2016

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

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

REPRESENTATION ORDER

THIS MOTION made by Dickinson Wright LLP for an Order appointing Dickinson Wright LLP as Representative Counsel to represent purchasers of residential units from Urbancorp (St. Clair Village) Inc. ("**St. Clair**"), and Urbancorp (Lawrence) Inc. ("**Lawrence**") and collectively, the "**Purchasers**"), with respect to all matters pertaining to any recovery, compromise of rights, and claims in these proceedings (the "**Purpose**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and Affidavit of Michael Brzezinski sworn June 29, 2016, the Affidavit of Anthony Salmon sworn July 29, 2016 and the Affidavit of Trudy Huynh sworn July 29, 2016 and on hearing the submissions of counsel for the Applicants herein,

counsel for KSV Advisory Inc. in its capacity as Monitor (the “**Monitor**”), Dickinson Wright LLP, and other counsel present as appears from the counsel slip, no one else appearing for any other person although duly served as appears from the Affidavits of Service of Jennifer Samuels sworn June 29, 2016 and July ___, 2016, filed.

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

2. **THIS COURT ORDERS** that, subject to paragraph 9 hereof, Dickinson Wright LLP is hereby appointed as counsel (“**Representative Counsel**”) for all Purchasers in respect of all issues affecting the Purchasers in these proceedings.

3. **THIS COURT ORDERS** that the Monitor shall provide to Representative Counsel, without charge, the following information, documents and data (the “**Information**”):

- (a) The names, last known addresses and last known email addresses (if any) of the Purchasers; and
- (b) Such additional documents and information as may be relevant to the Purpose.

and that, in so doing, the Monitor is not required to obtain express consent from any Purchaser authorizing disclosure of the Information to Representative Counsel for the Purpose, and this Order shall be sufficient to authorize the disclosure of the Information without the knowledge or consent of the individual Purchasers.

4. **THIS COURT ORDERS** that Representative Counsel may retain such financial advisors and other advisors and assistance as may be necessary in connection with its duties as Representative Counsel in relation to the Purpose.

5. **THIS COURT ORDERS** that all reasonable professional fees and disbursements that may be incurred by Representative Counsel and any advisors or assistants retained by it in accordance herewith, in each case at their standard rates and charges, whether incurred prior to or after the date of this Order, shall be paid by St. Clair or Lawrence, as applicable, on a monthly

basis, forthwith upon the rendering of accounts to them, respectively, and in the event of any disagreement regarding such fees and disbursements, such disagreement may be remitted to this Court for determination.

6. **THIS COURT ORDERS** that Representative Counsel shall be entitled to the benefit of and is hereby granted a charge (the “**Representative Counsel Charge**”) on all of the assets, property, and undertakings of St. Clair and Lawrence, which charge shall not exceed an aggregate amount of \$75,000, as security for their professional fees and disbursements incurred at the standard rates and charges of such counsel, both before and after the making of this Order in respect of these proceedings. The Representative Counsel Charge shall have same priority as the Administrative Charge (as defined in the Initial Order herein).

7. **THIS COURT ORDERS** that that Representative Counsel is hereby authorized to take all steps and do all acts necessary or desirable to carry out the terms of this Order.

8. **THIS COURT ORDERS** that notice of the granting of this Order, substantially in the form attached hereto as **Schedule “A”** shall be sent by St. Clair and Lawrence, with the assistance of the Monitor, by regular mail to the last known address of each Purchaser within seven days of the date of this Order.

9. **THIS COURT ORDERS** that any Purchaser who does not wish to be represented by Representative Counsel in these proceedings shall notify the Monitor, and Representative Counsel in writing, that he or she is opting out of representation by delivering a notice substantially in the form attached as **Schedule “B”** hereto, and shall thereafter not be bound by the actions of Representative Counsel and shall represent him or herself or be represented by any counsel that he or she may retain exclusively at his or her own expense.

10. **THIS COURT ORDERS** that Representative Counsel shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order and any subsequent Orders in these proceedings, save and except for any gross negligence or willful misconduct on their part.

11. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Court, on notice to the Monitor, St. Clair, and Lawrence, for advice and directions in the performance or variation of their powers or duties.

SCHEDULE "A"

By Order dated August 31, 2016 granted by the Ontario Superior Court of Justice in proceedings by Urbancorp (St. Clair Village) Inc., and Urbancorp (Lawrence) Inc. (collectively, "Urbancorp") under the *Companies' Creditors' Arrangement Act* (the "*CCAA Proceedings*"), Dickinson Wright LLP was appointed as representative counsel for purchasers of residential units from Urbancorp in respect of all issues arising in the *CCAA Proceedings*. A copy of the Representation Order dated June ____, 2016 is attached.

Urbancorp will be responsible for the reasonable legal fees incurred by Dickinson Wright LLP as court-appointed counsel in carrying out its prescribed mandate.

If you do not wish to be bound by this Order, you may opt-out of the group in accordance with paragraph 9 of the Order.

Purchasers may in confidence directly contact either David Preger or Lisa Corne at Dickinson Wright LLP, as set out below:

Lisa Corne

E: lcorne@dickinsonwright.com

P: 416.646.4608

David Preger

E: dpreger@dickinsonwright.com

P: 416.777.4606

SCHEDULE "B"

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

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

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

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

OPT-OUT LETTER

TO: KSV ADVISORY INC.
150 King Street West
Suite #2308
Toronto, ON M5H 1J9

Attention: Bobby Kofman, Managing Director
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M +1 647 282 6228
E bkofman@ksvadvisory.com

AND DICKINSON WRIGHT LLP
TO: Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

Attention: Lisa Corne
T +1 416 646 4608
F + 1 416 865 1398
E lisacorne@dickinsonwright.com

I, _____, am a Purchaser as defined in the Order dated August 31, 2016.

Under Paragraph 9 of that Order, Purchasers who do not wish Dickinson Wright LLP to act as their representative counsel may opt out.

I hereby notify you that I do not wish to be bound by the Order and will be represented as an independent individual party at my own expense to the extent I wish to appear in these proceedings.

Date

Signature

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

REPRESENTATION ORDER

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

DAVID P. PREGER (36870L)

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LISA S. CORNE (27974M)

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Tel: (416) 646-4608
Fax: (416) 865-1398

Lawyers for Certain Purchasers

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

THE HONOURABLE)
)
MR. JUSTICE NEWBOULD) **DAY WEDNESDAY, THE**
) **31ST DAY OF JUNE AUGUST 2016**

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

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

REPRESENTATION ORDER

THIS MOTION made by Dickinson Wright LLP for an Order appointing Dickinson Wright LLP as Representative Counsel to represent purchasers of residential units from Urbancorp (St. Clair Village) Inc. ("St. Clair"), and Urbancorp (Lawrence) Inc. ("Lawrence" and collectively, the "Purchasers"), with respect to all matters pertaining to any recovery, compromise of rights, and claims in these proceedings (the "Purpose"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and Affidavit of Michael Brzezinski dated sworn June 29, 2016, the Affidavit of Anthony Salmon sworn July 29, 2016 and the Affidavit of Trudy Huynh sworn July 29, 2016 and on hearing the submissions of counsel for the

Applicants herein, counsel for ~~the~~ KSV Advisory Inc. in its capacity as Monitor (the "Monitor"), ~~and~~ Dickinson Wright LLP, and other counsel present as appears from the counsel slip, no one else appearing for any other person although duly served as appears from the Affidavits of Service of *Jennifer Samuels sworn June 29, 2016 and July, 2016, filed.

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

2. **THIS COURT ORDERS** that, subject to paragraph 9 hereof, Dickinson Wright LLP is hereby appointed as counsel ("**Representative Counsel**") for all Purchasers in respect of all issues affecting the Purchasers in these proceedings.

3. **THIS COURT ORDERS** that the Monitor shall provide to Representative Counsel, without charge, the following information, documents and data (the "**Information**"):

- (a) The names, last known addresses and last known email addresses (if any) of the Purchasers; and
- (b) Such additional documents and information as may be relevant to the Purpose.

and that, in so doing, the Monitor is not required to obtain express consent from any Purchaser authorizing disclosure of the Information to Representative Counsel for the Purpose, and this Order shall be sufficient to authorize the disclosure of the Information without the knowledge or consent of the individual Purchasers.

4. **THIS COURT ORDERS** that Representative Counsel may, ~~with prior approval of the Monitor or further order of this Court~~, retain such financial advisors and other advisors and assistance as may be necessary in connection with its duties as Representative Counsel in relation to the Purpose.

5. **THIS COURT ORDERS** that all reasonable professional fees and disbursements that may be incurred by Representative Counsel and any advisors or assistants retained by it in accordance herewith, in each case at their standard rates and charges, whether incurred prior to

or after the date of this Order, shall be paid by ~~Urbancorp (St. Clair Village) Inc., or Urbancorp (Lawrence) Inc.~~, as applicable, on a monthly basis, forthwith upon the rendering of accounts to them, respectively, and in the event of any disagreement regarding such fees and disbursements, such disagreement may be remitted to this Court for determination.

6. **THIS COURT ORDERS** that Representative Counsel shall be entitled to the benefit of and is hereby granted a charge (the "**Representative Counsel Charge**") on all of the assets, property, and undertakings of ~~Urbancorp (St. Clair Village) Inc., and Urbancorp (Lawrence) Inc.~~, which charge shall not exceed an aggregate amount of ~~\$150,000~~, 75,000, as security for their professional fees and disbursements incurred at the standard rates and charges of such counsel, both before and after the making of this Order in respect of these proceedings. The Representative Counsel Charge shall have same priority as the Administrative Charge (as defined in the Initial Order herein).

7. **THIS COURT ORDERS** that that Representative Counsel is hereby authorized to take all steps and do all acts necessary or desirable to carry out the terms of this Order.

~~8. THIS COURT ORDERS that notice of the granting of this Order, substantially in the form attached hereto as Schedule "A" shall be:~~

~~(a) Published by the Applicants, with the assistance of the Monitor, in the Globe & Mail (national edition), and Toronto Star, within seven calendar days of the date of this Order; and~~

8. (b) Sent by the Applicants **THIS COURT ORDERS that notice of the granting of this Order, substantially in the form attached hereto as Schedule "A" shall be sent by St. Clair and Lawrence**, with the assistance of the Monitor, by regular mail to the last known address of each Purchaser within seven days of the date of this Order.

9. **THIS COURT ORDERS** that any Purchaser who does not wish to be represented by Representative Counsel in these proceedings shall, ~~within 30 days of publication of notice of the appointment of Representative Counsel in accordance with paragraph 8 above~~, notify the Monitor, and Representative Counsel in writing, that he or she is opting out of representation

by delivering a notice substantially in the form attached as **Schedule "B"** hereto, and shall thereafter not be bound by the actions of Representative Counsel and shall represent him or herself or be represented by any counsel that he or she may retain exclusively at his or her own expense.

10. **THIS COURT ORDERS** that Representative Counsel shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order and any subsequent Orders in these proceedings, save and except for any gross negligence or willful misconduct on their part.

11. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Court, on notice to the Monitor, St. Clair, and ~~the Applicants~~ Lawrence, for advice and directions in the performance or variation of their powers or duties.

SCHEDULE "A"

By Order dated ~~June _____~~, **August 31**, 2016 granted by the Ontario Superior Court of Justice in proceedings by Urbancorp (St. Clair Village) Inc., and Urbancorp (Lawrence) Inc. (collectively, "Urbancorp") under the *Companies' Creditors' Arrangement Act* (the "*CCAA Proceedings*"), Dickinson Wright LLP was appointed as representative counsel for purchasers of residential units from Urbancorp in respect of all issues arising in the *CCAA Proceedings*. A copy of the Representation Order dated June _____, 2016 is attached.

Urbancorp will be responsible for the reasonable legal fees incurred by Dickinson Wright LLP as court-appointed counsel in carrying out its prescribed mandate.

If you do not wish to be bound by this Order, you may opt-out of the group in accordance with paragraph 9 of the Order.

Purchasers may in confidence directly contact either David Preger or Lisa Corne at Dickinson Wright LLP, as set out below:

Lisa Corne

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dickinsonwright.com

P: 416.646.4608

David Preger

E: dpreger@dickinsonwright.com

P: 416.777.4606

SCHEDULE "B"

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

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

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

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

OPT-OUT LETTER

TO: KSV ADVISORY INC.
150 King Street West
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Toronto, ON M5H 1J9

Attention: Bobby Kofman, Managing Director
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E bkofman@ksvadvisory.com

AND DICKINSON WRIGHT LLP

TO: Barristers & Solicitors
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Suite 2200, P.O. Box 447
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Toronto, Ontario, M5L 1G4

Attention: Lisa Corne
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E lisacorne@dickinsonwright.com

I, _____, am a Purchaser as defined in the Order dated ~~June _____~~, August 31, 2016.

Under Paragraph 9 of that Order, Purchasers who do not wish Dickinson Wright LLP to act as their representative counsel may opt out.

I hereby notify you that I do not wish to be bound by the Order and will be represented as an independent individual party at my own expense to the extent I wish to appear in these proceedings.

Date

Signature

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

Court File No. CV-16-11389-1

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

REPRESENTATION ORDER

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
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Lawyers for the ~~Moving Party~~
Certain Purchasers

TORONTO 71772-1 1172369v42

Appendix “C”



August 2, 2016

Updated Notice to Home Purchasers

KSV Kofman Inc. ("KSV") is the monitor ("Monitor") in proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") involving several subsidiaries of Urbancorp Inc. (the "CCAA Companies"), including Urbancorp (Mallow) Inc., Urbancorp (Patricia) Inc., Urbancorp (St. Clair Village) Inc. ("St. Clair") and Urbancorp (Lawrence) Inc. ("Lawrence"), each of which is a former school board property (the "School Board Companies"). KSV is also the proposal trustee in the proceedings involving Urbancorp (Bridlepath) Inc. ("Bridlepath") and Urbancorp (Woodbine) Inc. ("Woodbine"). (The School Board Properties, Bridlepath and Woodbine are referred to as the "Companies".) KSV is an independent officer of the Court. KSV is not an agent of the Companies nor of the Urbancorp Inc. shareholders.

We have been made aware of concerns raised by home buyers of the Companies. This notice is intended to address those concerns.

Several individuals purchased homes which were to be developed by the Companies. Deposits were received from home buyers on each of these developments. The deposits were spent in advance of the commencement of these insolvency proceedings and each purchaser has claims against the entity to which it paid a deposit.

On June 30, 2016, the Ontario Superior Court of Justice (Commercial List) approved a sale process for the real property and projects owned by the Companies and a debtor-in- possession loan ("DIP Loan"). There is considerable interest from prospective purchasers in all of the Companies' properties. The sale process will generate proceeds that will be used to repay the Companies' creditors. Based on value estimates received by KSV from several realtors, creditors, including home buyers, may have a significant recovery of their claims. KSV is aiming to complete the sale process by the end of September 2016, at which point it will have better visibility.

KSV is aware of, and sympathetic to, the concerns expressed by home buyers who want to have their contracts honoured and their homes completed. At this time, we do not know if prospective purchasers will assume these contracts. Again, this will be known when we receive bids from prospective purchasers in September, 2016.

In the context of an insolvency process, funding is often raised through a DIP Loan. This money is used to maintain and protect the assets of the Companies and to fund the costs of the process. Of the School Board Companies, the properties owned by Lawrence and St. Clair are unencumbered (other than two construction liens for relatively small amounts) and, accordingly, it is easiest to raise funding for the proceedings by pledging their business and assets as collateral for the DIP Loan. Lawrence and St. Clair are making advances to other CCAA Companies on a court-ordered priority basis approved by the Court, and the amounts loaned will be repaid by the receiving company when their assets are sold. Each of the Companies will ultimately be responsible for its own costs. The amount of the DIP Loan is not necessarily the amount that will be spent; however, the size of the DIP is more cost-effective than a lesser amount and provides a contingency for unexpected costs. Without the DIP Loan there could not be a sale process, meaning that there would be no ability to generate recoveries to repay creditors. All creditors, including home buyers, will be in a better position at the end of the sale process than they are today because of the liquidity created.

The DIP Loan cannot be used to fund Bridlepath and Woodbine as they are not part of the CCAA process. Funding required by those entities in the short term is not considered significant.

We understand that several home owners have written directly to Justice Newbould to express their concerns. If you wish to express your views to the Court, you should do so through counsel and should not contact the judge directly. You are also free to attend at Court hearings although we would advise that it is preferable to do so through counsel.

If you have questions, please contact Noah Goldstein at ngoldstein@ksvadvisory.com or 416.932.6207.

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

**KSV KOFMAN INC.
IN ITS CAPACITIES AS COURT-APPOINTED MONITOR
OF THE URBANCORP CCAA ENTITIES AND PROPOSAL TRUSTEE OF
URBANCORP (WOODBINE) INC. AND URBANCORP (BRIDLEPATH) INC.
AND NOT IN ITS PERSONAL CAPACITY**