



**Sixtieth Report to Court of
KSV Restructuring 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**

June 21, 2024

-and-

**Sixth Report to Court of
KSV Restructuring Inc. as Licensed
Insolvency Trustee of
Urbancorp Management Inc.**

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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**

SIXTIETH REPORT OF KSV RESTRUCTURING INC. AS MONITOR

- AND -

Estate File No.: 31-2743224

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

**IN THE MATTER OF THE BANKRUPTCY OF URBANCORP MANAGEMENT INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**SIXTH REPORT OF KSV RESTRUCTURING INC.
AS LICENSED INSOLVENCY TRUSTEE OF
URBANCORP MANAGEMENT INC.**

JUNE 21, 2024

1.0 Introduction

1.1 Cumberland CCAA Entities

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 "**NOI Entities**"). KSV Kofman Inc. ("**KSV Kofman**") was appointed as the Proposal Trustee of each of the NOI Entities. On August 31, 2020, KSV Kofman changed its name to KSV Restructuring Inc. ("**KSV**").

2. Pursuant to an Order dated May 18, 2016 (the “**Initial Order**”) made by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), the NOI Entities, together with the entities listed on Schedule “A” attached (collectively, the “**Cumberland CCAA Entities**” and each a “**Cumberland CCAA Entity**”) were granted protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and KSV Kofman was appointed monitor (the “**Monitor**”) of the Cumberland CCAA Entities (the “**CCAA Proceedings**”). A copy of the Initial Order is attached as Appendix “A”.
3. On April 25, 2016, the District Court in Tel Aviv-Yafo, Israel (the “**Israeli Court**”) appointed Guy Gissin as the functionary officer and foreign representative (the “**Foreign Representative**”) of UCI and granted him certain powers, authorities and responsibilities over UCI (the “**Israeli Proceedings**”).
4. On May 18, 2016, the Court issued two orders under Part IV of the CCAA, which:
 - a) recognized the Israeli Proceedings as a “foreign main proceeding”;
 - b) recognized Mr. Gissin as Foreign Representative of UCI; and
 - c) appointed KSV as the Information Officer.
5. Urbancorp Renewable Power Inc. (“**URPI**”) was incorporated to manage the Geothermal Assets (“**Geothermal Assets**”). Pursuant to a Court order made on June 28, 2018, KSV was appointed as the receiver (the “**Receiver**”) of URPI. The Geothermal Assets were owned directly by 228 Queen’s Quay West Ltd. (“**228**”), Vestaco Homes Inc. (“**Vestaco Homes**”), Urbancorp New Kings Inc. (“**UNKI**”) and Vestaco Investments Inc. (“**Vestaco Investments**”). Urbancorp Power Holdings Inc. (“**UPHI**”) is the parent company of 228, Vestaco Homes and Vestaco Investments (collectively, the “**Geothermal Asset Owners**”) and UCI is the parent of UPHI. The Geothermal Assets were located at four condominiums developed by the Geothermal Asset Owners. The Geothermal Assets were sold in these proceedings for approximately \$25 million (the “**Geothermal Transactions**”).
6. Attached as Appendix “B” is the Monitor’s 59th Report to Court dated January 23, 2024, without attachments (the “**59th Report**”). As was the case in the 59th Report, the only substantive issue remaining to be addressed in these CCAA Proceedings is dealing with Canada Revenue Agency (“**CRA**”) to obtain clearance certificates in respect of the tax obligations of the Geothermal Asset Owners so that the Monitor can make the final distributions in these proceedings, which would be made primarily by intercorporate dividend to UCI from the funds held by the Monitor on behalf of the Geothermal Asset Owners.
7. The Monitor advised in the 59th Report that it had distributed \$74 million to UCI since the commencement of these proceedings. The Monitor has not made any additional distributions to UCI since the date of the 59th Report. The Monitor’s ability to make additional distributions to UCI is largely tied to the outcome of tax matters. The only material update in this report (the “**Report**”) is in respect of tax matters.
8. The stay of proceedings in these proceedings presently expires on June 27, 2024.

1.2 Urbancorp Management Inc.

1. A bankruptcy order was made against Urbancorp Management Inc. (“**UMI**”) by this Court on May 20, 2021 (the “**Bankruptcy Date**”) based on an application made on January 26, 2021 by the Monitor of UTMI. KSV was appointed as licensed insolvency trustee (the “**Trustee**”) of UMI. Upon resolution of certain tax issues resulting from the Urbancorp Group’s historical tax planning, the Trustee intends to make distributions to UMI’s creditors and to seek its discharge. The Urbancorp Group’s historical tax planning has required significant investigation by the Trustee and various other professionals involved in these proceedings. An update on UMI’s bankruptcy is provided in Section 3 below.

1.3 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide an update concerning these CCAA proceedings;
 - b) provide the rationale for extending the stay of proceedings from June 27, 2024 to January 31, 2025;
 - c) report on the consolidated cash flow projection of the Cumberland CCAA Entities from June 27, 2024 to January 31, 2025 (the “**Cash-Flow Statement**”);
 - d) summarize and seek approval of the fees and expenses of KSV, as Monitor of the Cumberland CCAA Entities, the Monitor’s counsel, Davies Ward Phillips & Vineberg LLP (“**Davies**”), and the Cumberland CCAA Entities’ counsel, DLA Piper (Canada) LLP (“**DLA**”), from January 1, 2024 to May 31, 2024; and
 - e) recommend that the Court issue orders:
 - i. granting an extension of the stay of proceedings for the Cumberland CCAA Entities from June 27, 2024 to January 31, 2025;
 - ii. approving this Report and the activities of the Monitor, as detailed herein; and
 - iii. approving the fees and disbursements of the Monitor, Davies and DLA, as detailed in this Report.

1.4 Currency

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

1.5 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial information of the Cumberland CCAA Entities, the books and records of the Cumberland CCAA Entities, discussions with the financial and legal advisors of the Foreign Representative, being B. Riley Farber (formerly the Farber Group) and Dentons Canada LLP, respectively. The Monitor has not performed an audit or other verification of such information.

2. The Monitor has not audited, reviewed or otherwise verified the accuracy or completeness of the financial information in a manner that would comply with Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook.
3. An examination of the Cash Flow Statement as outlined in the Chartered Professional Accountants Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.
4. Other than the Court, any party wishing to place reliance on the Cumberland CCAA Entities' financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Update

2.1 Cash Balances

1. As of the date of this Report, the total cash balance in the bank accounts of the Cumberland CCAA Entities is approximately \$2.8 million. These monies, net of professional fees, will be made available to UCI upon resolution of all tax matters.

2.2 Tax Matters

1. Pursuant to orders of the Court dated May 27, 2021, the Monitor was authorized to distribute \$1,584,000 and \$4,974,000 to UCI from 228 and Vestaco Homes, respectively. These amounts were distributed by the Monitor on June 1, 2021.
2. The Monitor filed December 31, 2020 tax returns for 228 and Vestaco Homes and paid taxes of approximately \$93,000 and \$2,428,000 for 228 and Vestaco Homes, respectively; the 2020 Vestaco Homes tax return reflected refundable dividend tax on hand of \$1,145,000 (the "**RDTOH**"). The Monitor also filed nil returns for 2021 for 228 and Vestaco Homes. At the time of filing the Vestaco Homes 2020 tax return, the claim filed by Urbancorp Management Inc. ("**UMI**")¹ against Vestaco Homes for additional rent of \$2,049,000 (the "**Additional Rent**") in respect of the lease (the "**Berm Lease**") for certain lands, known as the Berm Lands, beneficially owned by UMI had not been determined. As a result, Vestaco Homes did not reflect the Additional Rent as an expense when calculating its December 31, 2020 taxable income.
3. On September 16, 2021, this Court ordered, *inter alia*, the Monitor, on behalf of Vestaco Homes, to pay \$2,049,000 to UMI (the "**Additional Rent Order**"). The Foreign Representative, on behalf of UCI, unsuccessfully appealed the Additional Rent Order. The Monitor paid the Additional Rent to UMI in 2022, which is in bankruptcy, with KSV acting as licensed insolvency trustee in that bankruptcy.

¹ This claim was made by UMI prior to its bankruptcy. The shareholder of UMI is believed to be the Saskin Family Trust, which is not subject to the CCAA proceedings.

4. The Geothermal Asset Owners are solvent² and all residual funds, net of professional fees, can be distributed by dividend to UCI as the sole shareholder of UPHI or, in the case of Vestaco Homes, as a repayment of an intercompany debt owing to Cumberland and the balance by dividend.
5. On July 27, 2022, the Court issued an order authorizing the Monitor to wind-up and dissolve each of the Geothermal Asset Owners and to distribute to UCI by way of intercorporate dividends, or otherwise, the UCI Holdback, together with tax refunds referenced in subsections 2.2(6) and (7) below.
6. As part of the wind-up, the Monitor requires clearance certificates from CRA confirming that the Geothermal Asset Owners are not indebted to CRA for income taxes or HST (the “**Clearance Certificates**”). The process to request Clearance Certificates requires the Geothermal Asset Owners to first file up to date tax returns and to obtain assessments and/or re-assessments from CRA. As the Geothermal Asset Owners have not been carrying on any business activities since completion of the sale of the Geothermal Assets in 2020, the Monitor intends to request Clearance Certificates for the periods up to December 31, 2023, once assessments or reassessments are obtained. The Monitor is not prepared to make any further distributions of the Tax Holdback until it obtains the Clearance Certificates as the Monitor understands that there could be potential exposure to KSV in its personal capacity.
7. The Monitor worked with tax advisors from Davies, its counsel, and the Urbancorp Group’s accountants, MNP LLP (“**MNP**”), on the various tax returns and amended tax returns that needed to be filed. As a result of Vestaco Homes being required to pay the Additional Rent, the Monitor filed an amended 2020 tax return for Vestaco Homes and claimed a refund of approximately \$542,985. The Monitor also filed an amended 2021 tax return for Vestaco Homes. The original 2021 Vestaco Homes tax return (the “**Original 2021 Vestaco Homes Tax Return**”) incorrectly reflected a dividend payment in the amount of \$6 million, which resulted in a tax refund claim of the \$1,145,000 RDTOH. The amended 2021 Vestaco Homes tax return (the “**Amended 2021 Vestaco Homes Tax Return**”) reflects a dividend payment of \$2 million resulting in a reduced RDTOH refund claim of \$766,667.
8. The refund of the full RDTOH is available provided Vestaco Homes pays dividends of approximately \$3 million. As set out in the preceding paragraph, the Monitor filed the Amended 2021 Vestaco Homes Tax Return, in which it reflected a \$2 million dividend paid to UCI, via UPHI, and claimed a refund of approximately \$766,667 of the RDTOH. The Monitor will be able to claim the balance of the RDTOH after the Clearance Certificates have been issued by CRA.
9. The 2022 tax returns for the Geothermal Asset Owners have all been filed, all of which are essentially nil returns.
10. As a result of the Additional Rent paid by Vestaco Homes to UMI, Vestaco Homes did not have sufficient shareholder’s equity to pay the \$3 million in dividends necessary to fully recover the full amount of the RDTOH. Vestaco Homes’s only creditor is Cumberland, which it owes \$2,013,000. To enable Vestaco Homes to recapture the remaining RDTOH, the Monitor, with the advice of Davies, arranged for Cumberland to forgive \$500,000 of the indebtedness owing to it by Vestaco Homes (the “**Debt**”).

² Other than Vestaco Investments Inc. The Monitor will not take steps to wind-up and dissolve this entity.

Forgiveness”). The Debt Forgiveness also involved UCI, which consented to the arrangement (the “**Debt Forgiveness Arrangement**”). The Debt Forgiveness Arrangement has been planned in a manner that would mitigate any tax liability for either Vestaco Homes or UCI. The necessary tax form (Form T2056) was filed by Davies on behalf of the Monitor on October 18, 2023.

11. The above arrangements have been or ultimately will be reviewed by CRA prior to the issuance of any notices of assessment or reassessment and clearance certificates. As of the date of this Report, CRA originally issued assessments in respect of fiscal 2020 and 2021 for the Geothermal Asset Owners, as filed. Subsequently, CRA reassessed 228’s 2020 tax return, disallowing professional fees of \$187,655. This resulted in additional taxes of \$61,620, inclusive of interest. The Monitor paid the additional taxes in April 2024 to avoid additional interest. The Monitor is in communication with CRA to have CRA reconsider the disallowance of the 2020 professional fees. The Monitor understands the CRA is in the process of auditing the Original 2021 Vestaco Homes Tax Return, as well as the professional fees of \$162,274. The Monitor intends to provide the professional fee information that CRA requires to complete its review.
12. The Monitor is working with MNP to have the 2023 tax returns prepared and filed for the applicable Urbancorp entities, all of which are expected to reflect no taxes payable.
13. As noted, the Monitor is looking to complete the tax returns and obtain the Clearance Certificates as soon as possible; however, the time to obtain the Clearance Certificates is out of the Monitor’s control. Consequently, the Monitor is seeking a stay extension until January 31, 2025 to avoid wasting judicial resources. If the Clearance Certificates are obtained before that date, the Monitor will return to Court to seek orders to distribute the remaining funds and terminate these proceedings.

3.0 UMI

1. KSV is Trustee of UMI.
2. Based on the UMI Decision, UMI received \$2.049 million as Additional Rent from the sale of the Geothermal Assets owned by Vestaco Homes.
3. As reflected in the table below, the claims filed against UMI total approximately \$30.5 million (the “**Claims**”).

Creditor	\$000s
Claimants represented by KSV	8,800
Claimants controlled by the Saskin family	1,619
Claimants represented by Fuller Landau	1,453
UCI	18,600
CRA – Income Tax	827
CRA – HST	538
Third parties	71
Total	\$31,908

4. The Claims, with the exception of the UCI claim(the “UCI Claim”, discussed separately below) and the CRA claims, are primarily a result of related-party transactions over numerous years. In order to verify the accuracy of the Claims, the Trustee has relied on the records of the Cumberland CCAA Entities and UMI. The Trustee has also communicated with representatives of the Saskin family and Fuller Landau regarding their respective claims.
5. The Foreign Representative has filed a claim of approximately \$18.6 million in the UMI estate on behalf of UCI. The basis for the UCI Claim is a judgment obtained by the Foreign Representative in Israel against, among others, UMI (the “**Israeli Judgment**”). The Israeli Judgment was obtained after the commencement of the bankruptcy, without notice to the Trustee, and notwithstanding the stay of proceedings against UMI. The Trustee has been in discussions with the Foreign Representative’s advisors concerning this claim. The difference in the amount that would be received by UCI as a result of admitting and not admitting its claim is approximately \$200,000.
6. Based on discussions with the Foreign Representative’s advisors, the Trustee believes that this issue should be easily resolved once the tax matters below (particularly the UMI Additional Rent Issue, as defined below) have been addressed.
7. The Trustee has been in communications with MNP regarding the tax position of UMI, which has an October 31st year end. The Trustee, in consultation with MNP, identified two potential tax issues, being:
 - (a) the \$2,049,000 Additional Rent that UMI received from Vestaco Homes, which amount may be required to be amortized over the remaining term of the Berm Lease and could result in a post-Bankruptcy Date tax liability for UMI that might be required to be reported over a period to 2060 (the term of the Berm Lease) and paid in priority to UMI creditors (“**UMI’s Additional Rent Issue**”); and
 - (b) UMI’s potential tax liability resulting from a \$5 million Promissory Note Receivable owing from UTMI (the “**Promissory Note**”) (the “**Setoff Issue**”).
8. In respect of UMI’s Additional Rent Issue, the Trustee worked with MNP to file UMI’s pre-Bankruptcy Date tax returns, being the year ended October 31, 2020 and the stub period from November 1, 2020 to the Bankruptcy Date (the “**Stub-Period**”). The year ended October 31, 2020 tax return reflected no revenue and no tax liability. The Stub-Period tax return reflected the entire \$2,049,000 of Additional Rent as revenue. This resulted in a tax liability of \$707,524. CRA has assessed the Stub-Period tax return as filed, plus a penalty of approximately \$120,000. CRA has filed a proof of claim in the amount of \$827,803. The Trustee is reviewing whether the penalty portion of CRA’s claim is a claim provable in the UMI estate. In addition, CRA filed a proof of claim in the amount of \$538,128 in respect of HST. The Trustee is also reviewing the HST proof of claim to determine its validity.
9. In respect of the Setoff Issue, the Promissory Note was established in 2012 as part of tax planning by the Urbancorp Group; the Promissory Note, for tax purposes, has a NIL cost base. Any recovery on the Promissory Note, including by way of set-off, could create additional taxable income and tax liability for UMI in the post Bankruptcy Date period. The Trustee has consulted with Davies and MNP and is of the view that it is not in the financial interest of UMI to assert the right of set-off that UMI may have against UTMI. Accordingly, it is the Trustee’s intention to admit UTMI’s claim against UMI without set off and UMI will maintain its Promissory Note claim in full against

UTMI. While this marginally reduces the pro rata recoveries to creditors of UMI, asserting the set-off and paying the resulting tax liability would result in even lower recoveries to UMI's creditors. Any recoveries by UTMI on its claim against UMI will be payable to UCI as a result of the Intercompany Lender's Charge (as defined in the Initial Order). Accordingly, UMI's Promissory Note claim against UTMI will have a NIL recovery.

10. The Trustee intends to recommend to the Inspector of UMI that a distribution be made to UMI's creditors and for the Trustee to seek its discharge once UMI's tax claims and UCI's claims are resolved.

4.0 Cash Flow Forecast

1. The Cash-Flow Statement and the Cumberland CCAA Entities' statutory report on the Cash Flow Statement pursuant to Section 10(2)(b) of the CCAA are attached in Appendices "C" and "D", respectively.
2. The expenses in the Cash-Flow Statement are primarily in respect of professional costs. The Cumberland CCAA Entities are projected to have sufficient cash to pay all disbursements during the Period.
3. Based on the Monitor's review of the Cash-Flow Statement, the assumptions appear reasonable. The Monitor's statutory report on the Cash Flow Statement is attached as Appendix "E".

5.0 Request for an Extension

1. The Cumberland CCAA Entities are seeking an extension of the stay of proceedings from June 27, 2024 to January 31, 2025. The Monitor supports the request for an extension of the stay of proceedings for the following reasons:
 - a) the Cumberland CCAA Entities are acting in good faith and with due diligence;
 - b) no creditor will be prejudiced if the extensions are granted;
 - c) as of the date of this Report, neither the Cumberland CCAA Entities nor the Monitor is aware of any party opposed to an extension; and
 - d) it will provide the Monitor further time to deal with outstanding matters, including dealing with CRA regarding the Clearance Certificates.

6.0 Professional Fees

1. The fees and disbursements (excluding HST) of the Monitor, Davies and DLA are summarized below.

Firm	Period	(\$)			Average Hourly Rate
		Fees	Disbursements	Total	
KSV	Jan 1/24 – May 31/24	53,652.50	-	53,652.50	687.41
Davies	Jan 1/24 – May 31/24	18,889.50	31.10	18,920.60	1,285.00
DLA	Jan 1/24 – May 31/24	6,690.00	339.00	7,029.00	662.38
Total		79,232.00	370.10	79,602.10	

2. Detailed invoices are provided in the exhibits to the fee affidavits filed by representatives of KSV, Davies and DLA, which are provided in Appendices “F”, “G” and “H”, respectively.
3. Since the last fee approval motion, the main matters addressed by Davies include dealing with tax matters.
4. As reflected in the table above, all professional fees since the last fee approval motion have been relatively insignificant.
5. The Monitor is of the view that the hourly rates charged by Davies and DLA are consistent with rates charged by law firms practicing in restructuring and insolvency in the downtown Toronto market, and that the fees charged are reasonable and appropriate in the circumstances.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in Section 1.3(1)(e) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE CUMBERLAND CCAA ENTITIES
AND NOT IN ITS PERSONAL CAPACITY**

KSV Restructuring Inc.

**AND IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF
URBANCORP MANAGEMENT INC.
AND NOT IN ITS PERSONAL CAPACITY**

Schedule "A"

Urbancorp Toronto Management Inc.

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”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) **WEDNESDAY, THE 18TH**
)
JUSTICE NEWBOULD) **DAY OF MAY, 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 RESIDENTIAL 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**

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Alan Saskin sworn May 13, 2016 and the Exhibits thereto (the "**Saskin Affidavit**"), the First Report of KSV Kofman Inc. in its capacity as Proposal Trustee and as proposed monitor dated May 13, 2016 (the "**First Report**") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Urbancorp CCAA Entities, counsel for the proposed Monitor, counsel for the Foreign Representative of Urbancorp

Inc., counsel for Mattamy (Downsview) Limited, counsel for King Liberty North Corporation, counsel for the syndicate of lenders represented by the Bank of Nova Scotia as administrative agent, and those other parties listed on the counsel slip, no one appearing for any other person although duly served as appears from the Affidavit of Service of Kyle B. Plunkett sworn May 13, 2016, filed, on reading the consent of KSV Kofman Inc. to act as the Monitor (in such capacity, the “**Monitor**”);

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies, save and except Urbancorp New Kings Inc. (“**UNKI**”) which shall not be an Applicant hereunder, and shall be removed from the style of cause in these proceedings and such style of cause shall be hereafter amended to exclude UNKI.
3. **THIS COURT ORDERS AND DECLARES** that although not Applicants, the Urbancorp CCAA Entities’ affiliated Corporations and Limited Partnerships listed in **Schedule “A”** to this Order (the “**Non-Applicant UC Entities**”) are proper parties to these proceedings and shall enjoy the benefits of the protections and authorizations provided by this Order. (The Applicants together with the Non-Applicant UC Entities are hereinafter referred to as the “**Urbancorp CCAA Entities**”).
4. **THIS COURT ORDERS AND DECLARES** that the proposal proceedings of each of Urbancorp Toronto Management Inc. (Estate No. 31-2114055), Urbancorp Downsview Park Developments Inc. (Estate No. 31-2114054), Urbancorp (Patricia) Inc. (Estate No. 31-2114050), Urbancorp (Mallow) Inc. (Estate No. 31-2114049), Urbancorp (Lawrence) Inc. (Estate No. 31-2114048) and Urbancorp (St. Clair Village) Inc. (Estate No. 31-2114053) (collectively, the “**Urbancorp NOI Entities**”) commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), be taken up and continued under the CCAA and that the provisions of Part III of the BIA shall have no further application to the Urbancorp NOI Entities.

PLAN OF ARRANGEMENT

5. **THIS COURT ORDERS** that subject to the provisions of this Order, the Applicants shall have the authority to file, and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (hereinafter referred to as the “**Plan**” or “**Plans**”).

POSSESSION OF PROPERTY AND OPERATIONS

6. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Urbancorp CCAA Entities shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. Subject to paragraph 29 hereof, the Urbancorp CCAA Entities are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

7. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall be entitled to continue to utilize the central cash management system currently in place as described in the Saskin Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Urbancorp CCAA Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Urbancorp CCAA Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

8. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Urbancorp CCAA Entities in respect of these proceedings, at their standard rates and charges.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Urbancorp CCAA Entities shall be entitled but not required to pay all reasonable expenses incurred by the Urbancorp CCAA Entities in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Urbancorp CCAA Entities following the date of this Order.

10. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Urbancorp CCAA Entities in connection with the sale

of goods and services by the Urbancorp CCAA Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Urbancorp CCAA Entities.

11. **THIS COURT ORDERS** that, except where any of the Urbancorp CCAA Entities are a landlord, until a real property lease is disclaimed in accordance with the CCAA, the Urbancorp CCAA Entities shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Urbancorp CCAA Entities and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. **THIS COURT ORDERS** that, except as specifically permitted herein or by further order of this Court, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by an Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

13. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall not, without further Order of this Court: (a) make any disbursement out of the ordinary course of its Business

exceeding in the aggregate \$100,000 in any calendar month; or (b) engage in any material activity or transaction not otherwise in the ordinary course of its Business.

RESTRUCTURING

14. **THIS COURT ORDERS** that subject to paragraph 29 herein, the Urbancorp CCAA Entities shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;
- (c) pursue all avenues of refinancing (including Additional Interim Financing as hereinafter defined) of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing; and
- (d) pursue a sale or development of some or all of any Urbancorp CCAA Entity's Business and Property,

all of the foregoing to permit the Urbancorp CCAA Entities to proceed with an orderly restructuring of the Business (the "**Restructuring**").

15. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall provide each of the relevant landlords with notice of the Urbancorp CCAA Entities' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Urbancorp CCAA Entities' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Urbancorp CCAA Entities, or by further Order of this Court upon application by the Urbancorp CCAA Entities on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the lease governing such leased premises in

accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Urbancorp CCAA Entities' claim to the fixtures in dispute.

16. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against that Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE URBANCORP CCAA ENTITIES OR THE PROPERTY

17. **THIS COURT ORDERS** that until and including June 17, 2016, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Urbancorp CCAA Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Urbancorp CCAA Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

18. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Urbancorp CCAA Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Urbancorp CCAA Entities to carry on

any business which the Urbancorp CCAA Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

19. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Urbancorp CCAA Entities, except with the written consent of the Urbancorp CCAA Entities and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Urbancorp CCAA Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Urbancorp CCAA Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Urbancorp CCAA Entities, and that the Urbancorp CCAA Entities shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Urbancorp CCAA Entities in accordance with normal payment practices of the Urbancorp CCAA Entities or such other practices as may be agreed upon by the supplier or service provider and each of the Urbancorp CCAA Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or

licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Urbancorp CCAA Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Urbancorp CCAA Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Urbancorp CCAA Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Urbancorp CCAA Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the Urbancorp CCAA Entities or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. **THIS COURT ORDERS** that the Urbancorp CCAA Entities shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Urbancorp CCAA Entities after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. **THIS COURT ORDERS** that the directors and officers of the Urbancorp CCAA Entities shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 43 and 45 herein.

25. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Urbancorp CCAA Entities' directors and officers

shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

INTERIM FINANCING

26. **THIS COURT ORDERS** that the interim credit facility in the maximum amount of \$1,900,000 (the "**Interim Facility**") made available to the Urbancorp CCAA Entities by Urbancorp Partner (King South) Inc. (the "**Interim Lender**") pursuant to the terms of the term sheet dated as of May 13, 2016 (the "**Term Sheet**"), and attached as an Exhibit to the Saskin Affidavit, and the Term Sheet itself, be and are hereby approved, and the Urbancorp CCAA Entities are hereby authorized and empowered to execute and deliver such documents as are contemplated by the Term Sheet.

PROTOCOL FOR CO-OPERATION

27. **THIS COURT ORDERS AND DIRECTS** that the "Protocol For Cooperation Among Canadian Court Officer and Israeli Functionary", between KSV Kofman Inc. in its capacity as proposal trustee and as proposed Monitor and Guy Gissin, in his capacity as Functionary Officer appointed by the Israel District Court in Tel Aviv-Yafo in respect of Urbancorp Inc., attached as **Schedule "B"** to this Order (the "**Protocol**"), be and is hereby approved. In the event of a conflict between the terms of this Order and the Protocol, the terms of this Order shall prevail.

APPOINTMENT OF MONITOR

28. **THIS COURT ORDERS** that KSV Kofman Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Urbancorp CCAA Entities with the powers and obligations set out in the CCAA or set forth herein and that the Urbancorp CCAA Entities and their shareholders, officers, directors, and Assistants shall not take any steps with respect to the Urbancorp CCAA Entities, the Business or the Property, save and except under the direction of the Monitor, pursuant to paragraph 29 of this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

29. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, and without altering in any way the powers, abilities, limitations and obligations of the Urbancorp CCAA Entities within, or as a result of these proceedings, be and is hereby authorized, directed and empowered to:

- (a) cause the Urbancorp CCAA Entities, or any one or more of them, to exercise rights under and observe its obligations under paragraphs 8, 9, 10, 11, 12 and 13 above;
- (b) conduct a process for the solicitation of proposals for additional interim financing of the Business to replace or augment the Interim Credit Facility (the “**Additional Interim Financing**”), which Additional Interim Financing shall be subject to the approval of the Court;
- (c) cause the Urbancorp CCAA Entities to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Urbancorp CCAA Entities in dealing with the Property;
- (d) conduct, supervise and direct one or more Court-approved sales and investor solicitation processes (with prior Court approval if deemed appropriate by the Monitor) for portions of the Property or the Business, including the solicitation of development proposals, and any procedures regarding the allocation and/or distribution of proceeds of any transactions;
- (e) cause the Urbancorp CCAA Entities to administer the Property and operations of the Urbancorp CCAA Entities, including the control of receipts and disbursements, as the Monitor considers necessary or desirable for the purposes of completing any transaction, or for purposes of facilitating a Plan or Plans for some or all Applicants, or parts of the Business;
- (f) propose or cause the Applicants or any one or more of them to propose one or more Plans in respect of the Applicants or any one or more of them;
- (g) engage advisors or consultants or cause the Urbancorp CCAA Entities to engage advisors or consultants as the Monitor deems necessary or desirable to carry out the

terms of this Order or any other Order made in these proceedings or for the purposes of the Plan and such persons shall be deemed to be “Assistants” under this Order;

- (h) apply to this Court for any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter;
- (i) meet and consult with the directors of the Urbancorp CCAA Entities as the Monitor deems necessary or appropriate;
- (j) meet with and direct management of the Urbancorp CCAA Entities with respect to any of the foregoing including, without limitation, operational and restructuring matters;
- (k) monitor the Urbancorp CCAA Entities’ receipts and disbursements;
- (l) approve Drawdown Requests under the Interim Credit Facility and any Additional Interim Facility;
- (m) cause any Urbancorp CCAA Entity with available cash (an “**Intercompany Lender**”) to loan some or all of that cash to another Urbancorp CCAA Entity (an “**Intercompany Borrower**”) on an interest free inter-company basis (an “**Approved Intercompany Advance**”) up to an aggregate of \$1 million, which Approved Intercompany Advances shall be secured by the Intercompany Lender’s Charge against the Property of the Intercompany Borrower, where in the Monitor’s view the Approved Intercompany Advance secured by the Intercompany Lender’s Charge does not prejudice the interest of the creditors of the Intercompany Lender and does not violate any agreement to which a Non-Applicant UC Entity is a party.
- (n) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (o) assist the Urbancorp CCAA Entities in its preparation of the Urbancorp CCAA Entities’ cash flow statements and reporting required by the Term Sheet or the Court;

- (p) hold and administer creditors' or shareholders' meetings for voting on the Plan or Plans;
- (q) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Urbancorp CCAA Entities, to the extent that is necessary to adequately assess the Urbancorp CCAA Entities business and financial affairs or to perform its duties arising under this Order;
- (r) be at liberty to engage legal counsel, real estate experts, or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (s) perform such other duties as are required by this Order or by this Court from time to time; and
- (t) to comply with the Protocol,

provided, however, that the Monitor shall comply with all applicable law and shall not have any authority or power to elect or to cause the election or removal of directors of any of the Urbancorp CCAA Entities or any of their subsidiaries.

30. **THIS COURT ORDERS** that, until further order of this court, Robert Kofman, or such representative of KSV Kofman Inc. as he may designate in writing from time to time, is authorized, directed and empowered to act as, and is hereby appointed as, the representative of UNKI on the Management Committee of the Kings Club Development Inc. project (the "**Management Committee Member**"). For purposes of this Order, in carrying out its duties as Management Committee Member pursuant to this Order, the Management Committee Member shall have the same protections afforded to the Monitor pursuant to paragraph 35 of this Order. Subject to further order of this Court, on notice to The Bank of Nova Scotia and King Liberty North Corporation, UNKI otherwise remains unaffected by this Order and the CCAA proceedings.

31. **THIS COURT ORDERS** that the Urbancorp CCAA Entities and their advisors shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and

shall provide the Monitor with such assistance as the Monitor may request from time to time to enable the Monitor to carry out its duties and powers as set out in this Order or any other Order of this Court under the CCAA or applicable law generally.

32. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof and that nothing in this Order, or anything done in pursuance of the Monitor's duties and powers under this Order, shall deem the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation.

33. **THIS COURT ORDERS** that, without limiting the provisions herein, all employees of the Urbancorp CCAA Entities shall remain employees of the Urbancorp CCAA Entities until such time as the Urbancorp CCAA Entities may terminate the employment of such employees. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts, as applicable.

34. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Urbancorp CCAA Entities with information provided by the Urbancorp CCAA Entities in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Urbancorp CCAA Entities is confidential, the Monitor shall not

provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Urbancorp CCAA Entities may agree.

35. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

36. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Urbancorp CCAA Entities shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Urbancorp CCAA Entities as part of the costs of these proceedings. ^{subject to being assessed by the court.} The Urbancorp CCAA Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Urbancorp CCAA Entities and any Assistants retained by the Monitor on a weekly basis and, in addition, the Urbancorp CCAA Entities are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Urbancorp CCAA Entities and any Assistants retained by the Monitor, such reasonable retainers as may be requested to be held by them as security for payment of their respective fees and disbursements outstanding from time to time. The Urbancorp CCAA Entities are also authorized and directed to pay the fees and disbursements of KSV as Proposal Trustee, the fees and disbursements of the Proposal Trustee's counsel and the fees and disbursements of counsel to Urbancorp NOI Entities up to the date of this Order in respect of the proposal proceedings of the Urbancorp NOI Entities. WJ.

37. **THIS COURT ORDERS** that KSV in its capacity as Monitor, and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

38. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Urbancorp CCAA Entities' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property of the Applicants, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred

at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 43 and 45 hereof.

INTERCOMPANY LENDER'S CHARGE

39. **THIS COURT ORDERS** that an Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Lender's Charge**") on the Property of the Intercompany Borrower as security for all Approved Intercompany Advances advanced to the Intercompany Borrower. The Intercompany Lender's Charge shall have the priority set out in paragraphs 43 and 45 hereof.

INTERIM FINANCING

40. **THIS COURT ORDERS** that the Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property of the Applicants as security for all amounts advanced to any Applicant under the Interim Credit Facility and as security for all liabilities and obligations of the Applicant as guarantors pursuant to the Term Sheet. The Interim Lender's Charge shall have the priority set out in paragraphs 43 and 45 hereof.

41. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge;
- (b) upon the occurrence of an Event of Default under the Interim Facility Term Sheet, the Interim Lender may terminate the Interim Credit Facility and cease making advances to the Applicants, and, upon five (5) days' notice to the Monitor and the parties on the Service List, may bring a motion for leave to exercise any and all of its rights and remedies against the Applicants or their Property under or pursuant to the Interim Term Sheet, and the Interim Lender's Charge, including without limitation, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a

- bankruptcy order against an Applicant and for the appointment of a trustee in bankruptcy of one or more Applicants; and
- (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or their Property.

42. **THIS COURT ORDERS AND DECLARES** that the Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by any Applicant under the CCAA, with respect to any advances made under the Interim Credit Facility.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

43. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge to the maximum amount of \$750,000;

Second – Interim Lender's Charge to the maximum amount of \$1,900,000 plus accrued interest under the Term Sheet (as against the Property of the Applicants only), and the Intercompany Lender's Charge (as against the Property of the relevant Intercompany Borrower only) on a *pari passu* basis; and

Third – Directors' Charge to the maximum amount of \$300,000.

44. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the Interim Lender's Charge or the Intercompany Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

45. **THIS COURT ORDERS** that each of the Charges shall rank as against the applicable Property subordinate to all valid perfected security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise granted by each respective

Urbancorp CCAA Entity or to which each respective Urbancorp CCAA Entity is subject (collectively, “**Encumbrances**”) as of the date of this Order (collectively, “**Pre-Filing Security Interests**”), save and except the security interests, if any, in favour of Reznik Paz Nevo Trusts Ltd. in its capacity as trustee (the “**Israeli Trustee**”) under a certain Deed of Trust dated December 7, 2015 between Urbancorp Inc. and the Israeli Trustee, which shall rank subordinate to the Charges.

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

47. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; (e) the pendency of the Israeli Court Proceedings; or (f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Urbancorp CCAA Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, or performance of the Interim Facility Term Sheet shall create or be deemed to constitute a breach by the Urbancorp CCAA 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 Urbancorp CCAA Entities entering into the Interim Facility Term Sheet or the creation of the Charges; and

- (c) the payments made by the Urbancorp CCAA Entities pursuant to this Order, the Interim Facility Term Sheet, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

48. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Urbancorp CCAA Entity's interest in such real property leases.

SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail – Toronto Edition, a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Urbancorp CCAA Entities of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

50. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.ksvadvisory.com/insolvency-cases-2/urbancorp/> .

51. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Urbancorp CCAA Entities and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices

or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Urbancorp CCAA Entities' creditors or other interested parties at their respective addresses as last shown on the records of the Urbancorp CCAA Entities and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

52. **THIS COURT ORDERS** that the Urbancorp CCAA Entities or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Urbancorp CCAA Entities, the Business or the Property.

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

55. **THIS COURT ORDERS** that each of the Urbancorp CCAA Entities and the Monitor be at liberty and is 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, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. **THIS COURT ORDERS** that any interested party (including the Urbancorp CCAA Entities and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



**ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:**

MAY 18 2016

PER / PAR: *RW*

SCHEDULE "A"

List of Non Applicant Affiliates

- 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.

SCHEDULE "B"

PROTOCOL

For Co-operation Among Canadian Court Officer and Israeli Functionary

BETWEEN:

GUY GISSIN, in his capacity
as Functionary Officer appointed by
the Israeli Court for Urbancorp Inc.

- and -

KSV KOFMAN INC., in its capacity
as proposal trustee and proposed monitor
of certain subsidiaries of Urbancorp Inc.

WHEREAS KSV Kofman Inc. ("KSV") was appointed the proposal trustee in respect of each of Urbancorp (Lawrence) Inc., Urbancorp (Mallow) Inc., Urbancorp (Patricia) Inc., Urbancorp (St. Clair Village) Inc., Urbancorp Downsview Park Development Inc. and Urbancorp Toronto Management Inc. (the "**Initial Subsidiaries**"), in notice of intention filings made by each of the Initial Subsidiaries under the *Bankruptcy and Insolvency Act* ("**BIA**") on April 21, 2016 (the "**Proposal Proceedings**");

AND WHEREAS Guy Gissin was appointed as Functionary Officer on a preliminary basis (the "**Israeli Parentco Officer**") of Urbancorp Inc. ("**Parentco**"), the parent of the Initial Subsidiaries, by order of the District Court in Tel Aviv-Yafo (the "**Israeli Court**") dated April 25, 2016 (the "**Israeli Functionary Order**") in case number 44348-04-16 *Reznik Paz Nevo Trusts Ltd. Vs. Urbancorp Inc.* (the "**Israeli Proceedings**");

AND WHEREAS it is anticipated that, with the exception of Bosvest Inc., Edge Residential Inc. and Edge on Triangle Park Inc., which are in separate BIA proposal proceedings with the Fuller Landau Group Inc. as proposal trustee, and Urbancorp Cumberland GP 2 Inc., Urbancorp Cumberland 2 LP and Westside Gallery Lofts Inc. (the "**Excluded Subsidiaries**"), all of the direct and indirect subsidiaries of Urbancorp Inc. (collectively, excluding the Excluded Subsidiaries, the "**Applicants**") will bring an application in the Ontario Superior Court of Justice – Commercial List (the "**Canadian Court**") for relief pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**") wherein the Proposal Proceedings will be taken up and continued within the CCAA Proceedings;

AND WHEREAS it is anticipated that the Israeli Parentco Officer will seek to have the Israeli Functionary Order and its role as the Israeli Parentco Officer recognized by the Canadian Court for the purpose of representing the interests of Parentco and participating as a stakeholder representative in the Applicants' CCAA Proceedings in connection with protecting the interests of Parentco's creditors, including the holders of the bonds issued on the Tel Aviv Stock Exchange (the "**Parentco Bonds**") pursuant to a deed of trust dated December 7, 2015 (the "**Parentco Bond Indenture**");

AND WHEREAS KSV and the Israeli Parentco Officer have agreed to work cooperatively on the terms set out herein to attempt to maximize recoveries through an orderly process for the stakeholders of Parentco and the Applicants (collectively, the "Urbancorp Group");

NOW THEREFORE, the Israeli Parentco Officer and KSV agree to implement the following protocol to cooperate with each other to maximize recoveries for the stakeholders of the Urbancorp Group:

1. The Israeli Parentco Officer will file an application under Part IV of the *Companies' Creditors Arrangement Act* ("CCAA"), seeking recognition of the Israeli Proceedings and of his appointment as foreign representative of Parentco thereunder, such application to seek recognition of the Israeli Proceedings as the "foreign main proceeding" with respect to Parentco. That application will include a request to appoint KSV as the Information Officer with respect to the Part IV CCAA proceedings of Parentco (the "Part IV Proceedings").
2. The Applicants will commence the CCAA Proceedings, proposing KSV to be appointed as Monitor with augmented powers so as to control ordinary course management and receipts and disbursements of funds for the Applicants. KSV acknowledges that the Israeli Parentco Officer shall have standing to appear before the Canadian Court as the representative of Parentco in the CCAA Proceedings.
3. The Israeli Parentco Officer and KSV agree that, with respect to the CCAA Proceedings:
 - (a) KSV shall provide the Israeli Parentco Officer with regular and timely information updates regarding the ongoing status of the CCAA Proceedings as they unfold. KSV will also provide information and updates to the Israeli Parentco Officer prior to the commencement of the CCAA Proceedings;
 - (b) The Israeli Parentco Officer shall provide KSV with at least three business days' prior notice (including full materials, translated into English) of any proceeding, motion or action it takes in the Israeli Court that will negatively impact the Applicants or the CCAA Proceedings. The Israeli Parentco Officer will also provide information and updates to KSV prior to the commencement of the CCAA Proceedings;
 - (c) KSV shall provide the Israeli Parentco Officer with at least three business days' prior notice (including full materials, translated into English) of any proceeding, motion or action it takes in the Canadian Court that will negatively impact the Urbancorp Inc. or the Israeli Proceedings. KSV will also provide information and updates to Israeli Parentco Officer prior to the commencement of the CCAA Proceedings;
 - (d) KSV shall provide to the Israeli Parentco Officer copies of all information pertaining to the Applicants:
 - (i) in KSV's possession that KSV considers material; or

- (ii) as reasonably requested by the Israeli Parentco Officer,

provided that KSV, in good faith, is not of the view that such information is subject to privilege or confidentiality restrictions. If KSV is of the view that such information is subject to privilege or confidentiality restrictions, then KSV shall so inform the Israeli Parentco Officer and shall seek directions from the Canadian Court on notice to the affected parties in the CCAA Proceedings as to whether there are any restrictions which would prevent the disclosure of such information to the Israeli Parentco Officer.

- (e) The Israeli Parentco Officer shall provide to KSV, in its capacity as the Information Officer of Parentco in the Part IV Proceedings, copies of all information pertaining to the Israeli Proceedings:

- (i) in the Israeli Parentco Officer's possession that it considers material to the Israeli Proceedings and is not subject to privilege or confidentiality restrictions; or

- (ii) as reasonably requested by KSV, provided that this shall not entitle KSV or any party requesting information through them to receive information on ongoing reviews or investigations being undertaken by the Israeli Parentco Officer or others in connection with the Israeli Proceedings; and

- (f) KSV will run an orderly dual track sale and restructuring process with respect to the Applicants, subject to approval by the Canadian Court in the CCAA Proceedings, which will consider both development opportunities and opportunities to sell the properties of the Applicants. KSV will design such process collaboratively, with the Israeli Parentco Officer, with the understanding that at any time during the pendency of the sales process, should an offer come forward with respect to any or all of the Applicants contemplating a restructuring or other option which is acceptable to both KSV and the Israeli Parentco Officer, the sale process may be truncated in order to pursue the other option with respect to the Applicant(s) in question. Alternatively, should the sale process continue to the point of submission of bids, subject to Section 4(b) below, copies of all bids will be provided to the Israeli Parentco Officer by KSV, and KSV shall discuss same with the Israeli Parentco Officer, with the objective, but not the obligation, of hopefully concurring on the course of action to be followed in terms of which bids to continue negotiating or which bid(s) to select as the successful bidder(s). KSV acknowledges that, throughout these processes, the Israeli Parentco Officer may from time to time require instructions and/or directions from the Israeli Court, and that the process shall be conducted in a fashion to permit the Israeli Parentco Officer the opportunity to do so on a timeframe consistent with the urgency of the circumstances then in question. The Israeli Parentco Officer and KSV agree that, in the event there is a disagreement between the Israeli Parentco Officer and KSV as to the working out of the sale and restructuring process, whether it be in terms of selecting an alternative option to a sale (including, without limitation, pursuing any development opportunities), determining which bids to proceed to negotiate further, or seeking approval of a particular sale from

the Canadian Court supervising the CCAA Proceedings, the ultimate decision and course of action shall be determined by the Canadian Court on application by KSV for directions and provided that the Israeli Parentco Officer shall have standing as representative of Parentco to make full representations to the Canadian Court as to his views and recommendations.

- (g) The initial order made in the CCAA Proceedings concerning all of the Applicants shall contain the following paragraph pertaining to material or non-ordinary course decisions or disbursements:

THIS COURT ORDERS that the Applicants shall not, without further order of this Court: (a) make any disbursement out of the ordinary course of its Business exceeding in the aggregate \$100,000 in any calendar month; or (b) engage in any material activity or transaction not otherwise in the ordinary course of its Business.

In the event that such paragraph is not included in the initial order for the Applicants or any of them, then any such disbursement or other material activity or transaction shall not be made without the order of the Canadian Court.

4. The Israeli Parentco Officer and KSV further agree to cooperate as follows:
- (a) to the extent practicable, each shall share with the other copies of materials to be filed with their respective courts (but not drafts of any such materials), prior to the public filing of same. This provision may not apply to materials submitted in the course of seeking directions from the Canadian Court in the event of a disagreement between the Israeli Parentco Officer and KSV over the working-out of the sale process; and
 - (b) The Israeli Parentco Officer agrees that any information provided to him by KSV in the course of the sale process or concerning any restructuring alternatives, shall remain confidential and not be disclosed to any party without KSV's consent, not to be unreasonably withheld, it being acknowledged that the Israeli Parentco Officer shall be entitled to provide information to its advisors (provided they agree to be bound by the confidentiality restrictions detailed herein) and to both the Israeli Court and the Official Receiver of the Israeli Ministry of Justice, in each case on a sealed and private basis to obtain directions as needed, or as may be set forth in the Non-Disclosure Agreement executed by the Israeli Parentco Officer on May 11, 2016.
5. The Israeli Parentco Officer and KSV acknowledge that, at present, KSV has the amount of CDN\$1.9 million in a trust account, which funds KSV received from Urbancorp Partner (King South) Inc. ("UPKSI"), and which funds KSV has proposed to utilize as a form of interim funding for certain costs of the CCAA Proceedings, to be secured by a priming charge in favour of UPKSI against the assets of the entities utilizing the funds. KSV acknowledges that it will seek to obtain, as soon as possible, a general purpose DIP loan from third party sources and sufficient to repay amounts borrowed from UPKSI, using what are otherwise unencumbered assets of the Applicants (the "DIP Loan").

Upon being able to draw sufficient funds under the DIP Loan (which DIP Loan subject to the approval of the Canadian Court), KSV agrees that it will repay to UPKSI the interim loan made to that date in the preceding sentence from the DIP Loan and that it will, as the court-appointed monitor of UPKSI and subject to Court approval in the Part IV Proceedings, make available funds from that CDN\$1.9 million as an interim loan from UPKSI to Urbancorp Inc., to be secured by a priming DIP charge against the assets of Urbancorp Inc., to assist in the funding of the costs of the Part IV Proceedings including the reasonable costs incurred by the Israeli Parentco Officer in connection with the Part IV Proceedings, the reasonable fees and disbursements of the Israeli Parentco Officer's Canadian counsel and the Information Officer and its counsel.

6. The Israeli Parentco Officer shall support the commencement of the CCAA Proceedings. Provided that KSV is acting in good faith and has not engaged in willful misconduct or gross negligence, the Israeli Parentco Officer shall not take any steps to attempt to remove KSV as either the proposal trustee under the Proposal Proceedings or the monitor under the CCAA Proceedings or to in any way to interfere with or seek to limit KSV's powers in such capacities or to suggest that KSV must take instruction from it or the Israeli Court or terminate the CCAA Proceedings without the consent of KSV or by order of the Canadian Court. Nothing herein shall be deemed to grant any additional claims, rights, security or priority to, or in respect of, the Parentco Bonds or to the trustee under the Parentco Bond Indenture or to the Israeli Parentco Officer as against the Applicants or any affiliate or direct or indirect subsidiary of Parentco. In the event of any restriction or termination of the Israeli Parentco Officer's powers by the Israeli Court, this Protocol shall be deemed to be modified accordingly such that the Israeli Parentco Officer's powers and authority hereunder are no greater than those given to him by the Israeli Court.
7. This Protocol shall be governed by laws of Ontario and the laws of Canada as applicable and all disputes or requests for direction in connection with this Protocol shall be determined by the Canadian Court. Nothing herein is or shall be deemed to be an attachment by KSV to the Israeli Court or the laws of Israel.
8. The Israeli Court Officer and KSV agree to use reasonable efforts to seek to commence the proceedings noted above on or before May 18, 2016. KSV shall support, to the extent necessary, an application by the Israeli Parentco Officer to commence the Part IV Proceedings, on terms consistent with this Protocol, even if commenced before the CCAA Proceedings.

****THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK****

9. This Agreement is subject to the approval of the Israeli Court and the Canadian Court.

DATED this _____ day of May, 2016.

Name of Witness:

} _____
Name: **GUY GISSIN**, the Israeli Parentco
Officer

**KSV KOFMAN INC. in its capacity
as proposal trustee and proposed monitor
of certain subsidiaries of Urbancorp Inc.,
and not in its personal capacity**

By: _____

Name: Robert Kofman
Title: President

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. (THE "APPLICANTS") AND THE AFFILIATED ENTITIES LISTED IN SCHEDULE "A" HERETO

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO

INITIAL ORDER
(May 18, 2016)

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Lawyers for the Applicants

Appendix “B”



**Fifty-Ninth Report to Court of
KSV Restructuring 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**

January 23, 2024

and

**Fifth Report to Court of
KSV Restructuring Inc. as Licensed
Insolvency Trustee of
Urbancorp Management Inc.**

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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**

FIFTY-NINTH REPORT OF KSV RESTRUCTURING INC. AS MONITOR

- AND -

Estate File No.: 31-2743224

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

**IN THE MATTER OF THE BANKRUPTCY OF URBANCORP MANAGEMENT INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**FIFTH REPORT OF KSV RESTRUCTURING INC.
AS LICENSED INSOLVENCY TRUSTEE OF
URBANCORP MANAGEMENT INC.**

JANUARY 23, 2024

1.0 Introduction¹

1.1 Cumberland CCAA Entities

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,

¹ Capitalized terms not defined in this section have the meanings provided to them in the sections below.

Lawrence and UTMI are referred to as the “**NOI Entities**”). KSV Kofman Inc. (“**KSV Kofman**”) was appointed as the Proposal Trustee of each of the NOI Entities. On August 31, 2020, KSV Kofman changed its name to KSV Restructuring Inc. (“**KSV**”).

2. Pursuant to an Order dated May 18, 2016 (the “**Initial Order**”) made by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), the NOI Entities, together with the entities listed on Schedule “A” attached (collectively, the “**Cumberland CCAA Entities**” and each a “**Cumberland CCAA Entity**”) were granted protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and KSV Kofman was appointed monitor (the “**Monitor**”) of the Cumberland CCAA Entities (the “**CCAA Proceedings**”). A copy of the Initial Order is attached as Appendix “A”.
3. Certain Cumberland CCAA Entities² are known to be owned directly or indirectly by Urbancorp Cumberland 1 LP (“**Cumberland**”). Collectively, Cumberland and its direct and indirect subsidiaries are the “**Cumberland Entities**”. Each Cumberland Entity is a nominee for Cumberland and, as such, the assets and liabilities of the Cumberland Entities are assets and liabilities of Cumberland. The remaining Cumberland CCAA Entities³, other than UTMI, are directly or indirectly wholly owned by Urbancorp Inc. (“**UCI**”) (collectively, the “**Non-Cumberland Entities**”). The corporate chart for the Cumberland CCAA Entities and the Non-Cumberland Entities is provided in Appendix “B”.
4. Pursuant to an order of the Court issued on September 29, 2023 (the “**Stay Extension Order**”), the stay of proceedings for the Cumberland CCAA Entities expires on January 31, 2024.
5. The only substantive issue remaining to be addressed in the CCAA Proceedings is dealing with Canada Revenue Agency (“**CRA**”) to obtain clearance certificates in respect of the Geothermal Asset Owners (as defined below) so that the Monitor can make the final distributions in these proceedings, which would be made primarily by way of intercorporate dividend to UCI from the funds held by the Monitor on behalf of the Geothermal Asset Owners. The Monitor has advanced the tax matters since the last stay extension motion; however, the time required to resolve the tax matters with CRA is beyond the Monitor’s control.

1.2 Urbancorp Management Inc.

1. A bankruptcy order was made against Urbancorp Management Inc. (“**UMI**”) by this Court on May 20, 2021 (the “**Bankruptcy Date**”) based on an application made on January 26, 2021 by the Monitor of UTMI. KSV was appointed as licensed insolvency trustee (the “**Trustee**”) of UMI. Upon resolution of certain tax issues resulting from the Urbancorp Group’s historical tax planning, the Trustee intends to make distributions to UMI’s creditors and to seek its discharge. The Urbancorp Group’s historical tax planning has required significant investigation by the Trustee and various other professionals involved in these proceedings. An update on UMI’s bankruptcy is provided in Section 6 below.

² Being St. Clair., Patricia, Mallow, Lawrence, Urbancorp (952 Queen West) Inc., King Residential Inc., Urbancorp 60 St. Clair Inc., High Res. Inc., Urbancorp Partner (King South) Inc., Urbancorp (North Side) Inc. and Bridge on King Inc.

³ Being Vestaco Homes Inc., Vestaco Investments Inc., Urbancorp Power Holdings Inc., UTMI, Downsview, 228 Queens Quay West Limited, Urbancorp Residential Inc., Urbancorp Realtyco Inc., Urbancorp Cumberland 1 GP Inc.

1.3 Urbancorp Inc., Recognition of Foreign Proceedings

1. On April 25, 2016, the District Court in Tel Aviv-Yafo, Israel (the “**Israeli Court**”) appointed Guy Gissin as the functionary officer and foreign representative (the “**Foreign Representative**”) of UCI and granted him certain powers, authorities and responsibilities over UCI (the “**Israeli Proceedings**”).
2. On May 18, 2016, the Court issued two orders under Part IV of the CCAA, which:
 - a) recognized the Israeli Proceedings as a “foreign main proceeding”;
 - b) recognized Mr. Gissin as Foreign Representative of UCI; and
 - c) appointed KSV as the Information Officer.

1.4 Purposes of this Report

1. The purposes of this report (“**Report**”) are to:
 - a) provide an update on these CCAA Proceedings, particularly in respect of tax matters;
 - b) provide the rationale for extending the stay of proceedings from January 31 to April 30, 2024;
 - c) report on the consolidated cash flow projection of the Cumberland CCAA Entities from January 31 to April 30, 2024 (the “**Cash-Flow Statement**”);
 - d) summarize and seek approval of the fees and expenses of KSV, as Monitor of the Cumberland CCAA Entities, the Monitor’s counsel, Davies Ward Phillips & Vineberg LLP (“**Davies**”), and the Cumberland CCAA Entities’ counsel, DLA Piper (Canada) LLP (“**DLA**”), from September 1 to December 31, 2023;
 - e) provide an update on the bankruptcy proceedings of UMI; and
 - f) recommend that the Court issue orders:
 - i. granting an extension of the stay of proceedings for the Cumberland CCAA Entities to April 30, 2024;
 - ii. approving this Report and the activities of the Monitor, as detailed in this Report; and
 - iii. approving the fees and disbursements of the Monitor, Davies and DLA, as detailed in this Report.

1.5 Currency

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

1.6 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial information of the Cumberland CCAA Entities, the books and records of the Cumberland CCAA Entities, discussions with the financial and legal advisors of the Foreign Representative, being B. Riley Farber (formerly the Farber Group) and Dentons Canada LLP, respectively. The Monitor has not performed an audit or other verification of such information.
2. The Monitor has not audited, reviewed or otherwise verified the accuracy or completeness of the financial information in a manner that would comply with Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook.
3. An examination of the Cash Flow Statement as outlined in the Chartered Professional Accountants Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.
4. The Monitor expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Monitor in preparing this Report. Other than the Court, any party wishing to place reliance on the Cumberland CCAA Entities' financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

1. The Urbancorp Group of Companies (the "**Urbancorp Group**") was primarily engaged in the development, construction and sale of residential properties in the Greater Toronto Area.
2. UCI was incorporated on June 19, 2015 to raise debt in the public markets in Israel. Pursuant to a Deed of Trust dated December 7, 2015, UCI made a public offering of debentures (the "**IPO**") in Israel of NIS180,583,000 (approximately \$64 million based on the exchange rate at the time of the IPO) (the "**Debentures**").
3. From the monies raised in the IPO, UCI made unsecured loans totalling approximately \$46 million to the NOI Entities (other than UTMI) so that these entities could repay loan obligations owing at the time.

2.1 Distributions

1. Since the Monitor's last report, the Monitor distributed a further \$2.9 million from the proceeds received in the Downsview Settlement, as discussed in Section 5 below. This brings total distributions to UCI to approximately \$74 million.
2. UCI, through the Foreign Representative, has also obtained recoveries in Israel from litigation it commenced against various parties involved in the underwriting of the Debentures, and is expected to have further recoveries in these CCAA Proceedings and from the CCAA proceedings in which The Fuller Landau Group Inc. ("**Fuller Landau**") is the CCAA monitor.

- It is unclear to the Monitor whether the Debentureholders will have a full recovery on their advances to UCI, inclusive of interest and costs; however, the amounts repaid by KSV in its various capacities in these proceedings exceed the principal amount that was owing to the Debentureholders at the commencement of these proceedings.
- The cash balance in the bank accounts of the Cumberland CCAA Entities and the Geothermal Asset Owners is provided below⁴:

(unaudited; \$000s)	Bank Balance	Administration Cost	
		Holdback	Tax Holdback
Cumberland CCAA Entities	297	297	-
Geothermal Asset Owners	2,250	503	1,747
	2,547	800	1,747

- The amount reflected as being held back for UCI (\$1.747 million) is to be used to address certain of the tax liabilities discussed in Section 3.1 below (the “**Tax Holdback**”).

3.0 Geothermal Assets

- Certain of the Cumberland CCAA Entities had an interest in geothermal assets (the “**Geothermal Assets**”) located at four condominiums developed by entities in the Urbancorp Group, being the Edge, Bridge, Fuzion and Curve condominiums.
- Urbancorp Renewable Power Inc. (“**URPI**”) was incorporated to manage the Geothermal Assets. Pursuant to a Court order made on June 28, 2018, KSV was appointed as the receiver (the “**Receiver**”) of URPI.
- Through two transactions approved by the Court in these proceedings, the Geothermal Assets were sold for approximately \$25 million (the “**Geothermal Transactions**”).
- Prior to the Geothermal Transactions, the Geothermal Assets were owned directly by 228 Queen’s Quay West Ltd. (“**228**”), Vestaco Homes Inc. (“**Vestaco Homes**”), Urbancorp New Kings Inc. (“**UNKI**”) and Vestaco Investments Inc. (“**Vestaco Investments**”), and indirectly by Urbancorp Power Holdings Inc. (“**UPHI**”), the parent company of 228, Vestaco Homes and Vestaco Investments⁵ (collectively, the “**Geothermal Asset Owners**”). UCI is the parent of UPHI.
- Additional recoveries from settlements concerning litigation between the Receiver and the condominium corporations for each of the Curve, Edge, Bridge and Fuzion condominiums totalled approximately \$7 million. Net of realization costs and harmonized sales tax remitted, the proceeds from the Geothermal Transactions have been distributed as set out in the table below.

⁴ Excludes amounts held by KSV as Trustee of Urbancorp Management Inc.

⁵ Urbancorp Power Holdings Inc. is a direct subsidiary of UCI and owned each of the Geothermal Asset Owners other than UNKI, which owned the Fuzion asset and was indirectly owned by Urbancorp Cumberland 1 LP. (“**Cumberland**”).

(unaudited; \$000s)					
Recipient	Edge ⁶	Bridge ⁷	Fuzion ⁸	Curve ⁹	Total
UCI	1,584	5,725	2,675	12	9,996
Fuller Landau	8,288	-	-	700	8,988
King Towns North Inc.	-	2,049	-	-	2,049
Other ¹⁰	-	-	2,182	-	2,182
Total	9,872	7,774	4,857	712	23,215

3.1 Tax Holdback

1. Pursuant to orders of the Court dated May 27, 2021, the Monitor was authorized to distribute \$1,584,000 and \$4,974,000 to UCI from 228 and Vestaco Homes, respectively. These amounts were paid by the Monitor on June 1, 2021.
2. The Monitor filed December 31, 2020 tax returns for 228 and Vestaco Homes and paid taxes of approximately \$93,000 and \$2,428,000 for 228 and Vestaco Homes, respectively; the 2020 Vestaco Homes tax return reflected refundable dividend tax on hand of \$1,145,000 (the “**RDTOH**”). The Monitor also filed nil returns for 2021 for 228 and Vestaco Homes. At the time of filing the Vestaco Homes 2020 tax return, the claim filed by UMI¹¹ against Vestaco Homes for additional rent of \$2,049,000 (the “**Additional Rent**”) in respect of the lease to the Berm lands (the “**Berm Lease**”) had not been determined. As a result, Vestaco Homes did not reflect the Additional Rent as an expense when calculating its December 31, 2020 taxable income.
3. On September 16, 2021, this Court ordered, *inter alia*, the Monitor, on behalf of Vestaco Homes, to pay \$2,049,000 to UMI (the “**Additional Rent Order**”). The Foreign Representative, on behalf of UCI, unsuccessfully appealed the Additional Rent Order. The Monitor paid the Additional Rent to UMI in 2022 which, as noted, is in bankruptcy.
4. The Geothermal Asset Owners are solvent¹² and all residual funds, net of professional fees, can be distributed by dividend to UCI as the sole shareholder of UPHI or, in the case of Vestaco Homes, as a repayment of an intercompany debt owing to Cumberland and the balance by dividend.
5. On July 27, 2022, the Court issued an order authorizing the Monitor to wind-up and dissolve each of the Geothermal Asset Owners and to distribute to UCI by way of intercompany dividends, or otherwise, the UCI Holdback, together with tax refunds referenced in subsections 6 and 7 below.

⁶ Owned by 228.

⁷ Owned by Vestaco Homes.

⁸ Owned by UNKI.

⁹ Owned by Vestaco Investments.

¹⁰ Mainly represents distributions to First Capital Realty Inc. in respect of a mortgage on the Fuzion geothermal assets.

¹¹ This claim was made by UMI prior to its bankruptcy. The shareholder of UMI is believed to be the Saskin Family Trust, which is not subject to the CCAA proceedings. Subsequently, KSV was appointed as the Licensed Insolvency Trustee of this entity.

¹² Other than Vestaco Investments Inc. The Monitor will not take steps to wind-up and dissolve this entity.

6. As part of the wind-up, the Monitor requires clearance certificates from CRA confirming that the Geothermal Asset Owners are not indebted to CRA for income taxes or HST (the “**Clearance Certificates**”). The process to request Clearance Certificates requires the Geothermal Asset Owners to first file up to date tax returns and to obtain assessments and/or re-assessments from CRA. As the Geothermal Asset Owners have not been carrying on any business activities since completion of the sale of the Geothermal Assets in 2020, the Monitor intends to request Clearance Certificates for the periods up to December 31, 2022, once assessments or reassessments are obtained. The Monitor is not prepared to make any further distributions of the Tax Holdback until it obtains the Clearance Certificates as the Monitor understands that there could be potential exposure to KSV.
7. The Monitor worked with tax advisors from Davies and the Urbancorp Group’s accountants, MNP LLP (“**MNP**”), on the various tax returns and amended tax returns that needed to be filed. As a result of Vestaco Homes being required to pay the Additional Rent, the Monitor filed an amended 2020 tax return for Vestaco Homes and claimed a refund of approximately \$542,985. In addition, the Monitor filed an amended 2021 tax return for Vestaco Homes to reflect \$2 million of the \$4,974,000 payment referenced in Section 3.1.1 above as a dividend; this resulted in a claimed RDTOH refund of \$766,667.
8. The refund of the full RDTOH is available provided Vestaco Homes pays dividends of approximately \$3 million. As set out in the preceding paragraph, the Monitor filed an amended 2021 Vestaco Homes tax return, in which it reflected a \$2 million dividend paid to UCI, via UPHI, and claimed a refund of approximately \$766,667 of the RDTOH. The Monitor is able to claim the balance of the RDTOH after the Clearance Certificates have been issued by CRA.
9. The 2022 tax returns for the Geothermal Asset Owners have all been filed, all of which are essentially nil returns.
10. As a result of the Additional Rent paid by Vestaco Homes to UMI, Vestaco Homes did not have shareholder’s equity sufficient to pay the \$3 million in dividends necessary to fully recover the full amount of the RDTOH. Vestaco Homes’s only creditor is Cumberland, which it owed \$2,013,000. To enable Vestaco Homes to recapture the remaining RDTOH, the Monitor, with the advice of Davies, arranged for Cumberland to forgive \$500,000 of the indebtedness owing to it by Vestaco Homes (the “**Debt Forgiveness**”). The Debt Forgiveness also involved UCI, which consented to the arrangement (the “**Debt Forgiveness Arrangement**”). The Debt Forgiveness Arrangement has been planned in a manner that would avoid any tax liability for either Vestaco Homes or UCI. The necessary tax form (Form T2056) was filed by Davies on behalf of the Monitor on October 18, 2023.
11. The above arrangements will ultimately be reviewed by CRA prior to the issuance of any notices of assessment or reassessment and clearance certificates. As of the date of this Report, no assessments or re-assessments have been issued by CRA in respect of the fiscal 2020, 2021 and 2022 returns. The Monitor continues to follow up with CRA on the status of the returns.

12. As stated in Section 3.1.3 above, Vestaco Homes paid the \$2,049,000 of Additional Rent in 2022 to UMI, being the amount of the Additional Rent Order. At the time the Additional Rent was paid, Vestaco Homes neither paid HST of \$266,370 relating to the Additional Rent to UMI nor claimed the HST of \$266,370 as an input tax credit (the “**ITC**”). The HST effect on Vestaco Homes was \$NIL as the HST payable would have been offset in full by the ITC. Correspondingly, UMI neither collected the HST of \$266,370 from Vestaco Homes nor remitted the HST of \$266,370 to CRA. As with Vestaco Homes, the HST effect on UMI was \$NIL, as the HST payable by UMI would have been offset in full by HST that would have been received from Vestaco Homes. Subsequently, the Monitor and its counsel, Davies, determined that the appropriate course of action was to file a voluntary disclosure (the “**Voluntary Disclosure**”) with CRA regarding the treatment of HST. On December 11, 2023, the Voluntary Disclosure was sent to CRA by Davies, outlining the HST matters relating to the Additional Rent and requesting CRA to treat the transaction as a “wash”. A copy of the Voluntary Disclosure letter from Davies to CRA is attached as Appendix “C”.

4.0 Proposal by Dig Developments

1. On April 16, 2023, Dig Developments Inc. (“**DIG**”), a company which the Monitor has been advised is owned and controlled by Alan Saskin’s family, made a settlement proposal in the Israeli Proceedings to UCI’s bondholders (the “**Settlement Proposal**”).
2. On December 3, 2023, DIG made a revised Settlement Proposal (the “**Revised Settlement Proposal**”). A copy of the Revised Settlement Proposal is attached as Appendix “D”. The Revised Settlement Proposal provides “*The Investor (DIG) will purchase the Company (UCI) (by purchasing all the issued and paid up capital of the Company), including all its rights and assets...(for) payment of a sum of four million and six hundred and forty thousand (\$4,642,000) [sic]¹³ Canadian dollars that the Investor shall deposit with the Functionary*”. The Monitor understands that the Revised Settlement Proposal is conditional upon, among other things, approval by creditors of UCI and Israeli Court. The Monitor also understands that the bondholders have already resolved to vote against the Revised Settlement Proposal and that the vote for all creditors is scheduled for January 25, 2024. The Monitor will provide the Court with an update, to the extent an update is available, at the return of this motion.
3. The Monitor understands that the Foreign Representative opposes the Revised Settlement Proposal.

5.0 Downview Settlement

1. The Monitor and the Foreign Representative reached a settlement (the “**Downview Settlement**”) with Mattamy Homes Inc. (“**Mattamy**”) in respect of management fees payable to UTMI on the Downview Project, subject to this Court’s approval and Israeli Court approval. The Downview Settlement contemplated, among other things, a full and final mutual release between the Monitor and Foreign Representative, on one hand, and Mattamy, on the other. Pursuant to the terms of the Downview Settlement, Mattamy was required to pay \$2.9 million to UTMI and \$60,000 to UCI. On September 29, 2023, this Court approved the Downview Settlement and on October 18, 2023, the Israeli Court approved the Downview Settlement. The Downview Settlement

¹³ This is an error in the Revised Settlement Proposal.

has since been completed and the majority of the funds received by the Monitor (\$2.960 million) have been distributed to UCI, net of harmonized sales tax owing to CRA.

6.0 UMI

1. KSV is Trustee of UMI.
2. Based on the UMI Decision, UMI received \$2.049 million as Additional Rent from the sale of the Geothermal Assets owned by Vestaco Homes.
3. As reflected in the table below, the claims filed against UMI total approximately \$30.5 million (the “**Claims**”).

Creditor	\$000s
Claimants represented by KSV	8,800
Claimants controlled by the Saskin family	1,619
Claimants represented by Fuller Landau	1,453
UCI	18,600
Third parties	71
Total	\$30,543

4. The Claims, with the exception of the UCI claim (the “**UCI Claim**”, discussed separately below), are primarily a result of related-party transactions over numerous years. In order to verify the accuracy of the Claims, the Trustee has relied on the records of the Cumberland CCAA Entities and UMI. The Trustee has also communicated with representatives of the Saskin family and Fuller Landau regarding their respective claims.
5. The Foreign Representative has filed a claim of approximately \$18.6 million in the UMI estate on behalf of UCI. The basis for the UCI Claim is a judgment obtained by the Foreign Representative in Israel against, among others, UMI (the “**Israeli Judgment**”). The Israeli Judgment was obtained after the commencement of the bankruptcy, without notice to the Trustee, and notwithstanding the stay of proceedings against UMI. The Trustee has been in discussions with the Foreign Representative’s advisors concerning this claim. The difference in the amount that would be received by UCI as a result of admitting and not admitting its claim is approximately \$200,000¹⁴. Based on discussions with the Foreign Representative’s advisors, the Trustee believes that this issue should be easily resolved once the tax matters below (particularly the UMI Additional Rent Issue, as defined below) have been addressed.

¹⁴ On a net basis, after considering recoveries that UCI would receive from UTMI as a result of the issue detailed in paragraph 6.8.

6. The Trustee has been in communications with MNP regarding the tax position of UMI, which has an October 31st year end. The Trustee, in consultation with MNP, has identified two potential tax issues, being:
 - a. the \$2,049,000 Additional Rent that UMI received from Vestaco Homes, which amount may be required to be amortized over the remaining term of the Berm Lease and could result in a post-Bankruptcy Date tax liability for UMI that might be required to be reported over a period to 2060 (the term of the Berm Lease) and paid in priority to UMI creditors (“**UMI’s Additional Rent Issue**”); and
 - b. UMI’s potential tax liability resulting from a \$5 million Promissory Note Receivable owing from UTMI (the “**Promissory Note**”) (the “**Setoff Issue**”).
7. In respect of UMI’s Additional Rent Issue, the Trustee worked with MNP to file UMI’s pre-Bankruptcy Date tax returns, being the year ended October 31, 2020 and the stub period from November 1, 2020 to the Bankruptcy Date (the “**Stub-Period**”). The year ended October 31, 2020 tax return reflected no revenue and no tax liability. The Stub-Period tax return reflected the entire \$2,049,000 of Additional Rent as revenue. This resulted in a tax liability of \$707,524. As of the date of this report, CRA has neither assessed the Stub-Period tax return nor filed a claim in the UMI estate. If CRA does not accept the manner in which the Additional Rent has been treated, the Additional Rent may need to be amortized over the balance of the term of the Berm Lease.
8. In respect of the Setoff Issue, the Promissory Note was established in 2012 as part of tax planning by the Urbancorp Group; the Promissory Note, for tax purposes, has a NIL cost base. Any recovery on the Promissory Note, including by way of set-off, could create additional taxable income and tax liability for UMI in the post Bankruptcy Date period. The Trustee has consulted with Davies and MNP and is of the view that it is not in the financial interest of UMI to assert the right of set-off that UMI may have against UTMI. Accordingly, it is the Trustee’s intention to admit UTMI’s claim against UMI without set off and UMI will maintain its Promissory Note claim in full against UTMI. While this marginally reduces the pro rata recoveries to creditors of UMI, asserting the set-off and paying the resulting tax liability would result in even lower recoveries to UMI’s creditors. Any recoveries by UTMI on its claim against UMI will be payable to UCI as a result of the Intercompany Lender’s Charge (as defined in the Initial Order). Accordingly, UMI’s Promissory Note claim against UTMI will have a NIL recovery.
9. The Trustee intends to recommend to the Inspector of UMI that a distribution be made to UMI’s creditors and to discharge the Trustee once UMI’s tax matters are resolved.

7.0 Cash Flow Forecast

1. The Cash-Flow Statement and the Cumberland CCAA Entities’ statutory report on the Cash Flow Statement pursuant to Section 10(2)(b) of the CCAA are attached in Appendices “E” and “F”, respectively.
2. The expenses in the Cash-Flow Statement are primarily in respect of professional costs. The Cumberland CCAA Entities are projected to have sufficient cash to pay all disbursements during the Period.

3. Based on the Monitor’s review of the Cash-Flow Statement, the assumptions appear reasonable. The Monitor’s statutory report on the Cash Flow Statement is attached as Appendix “G”.

8.0 Request for an Extension

1. The Cumberland CCAA Entities are seeking an extension of the stay of proceedings from January 31 to April 30, 2024. The Monitor supports the request for an extension of the stay of proceedings for the following reasons:
 - a) the Cumberland CCAA Entities are acting in good faith and with due diligence;
 - b) no creditor will be prejudiced if the extensions are granted;
 - c) as of the date of this Report, neither the Cumberland CCAA Entities nor the Monitor is aware of any party opposed to an extension; and
 - d) it will provide the Monitor further time to deal with outstanding administrative matters, including dealing with CRA regarding the Clearance Certificates. There is no certainty that the tax matters will be resolved by April 30, 2024.

9.0 Professional Fees

1. The fees and disbursements (excluding HST) of the Monitor, Davies and DLA are summarized below.

Firm	Period	(\$)			Average Hourly Rate
		Fees	Disbursements	Total	
KSV	Sept 1/23 – Dec 31/23	55,081.75	-	55,081.75	651.86
Davies	Sept 1/23 – Dec 31/23	88,836.00	83.96	88,919.96	1,191.00
DLA	Sept 1/23 – Dec 31/23	6,497.50	339.00	6,836.50	643.32
Total		150,415.25	422.96	150,838.21	

2. Detailed invoices are provided in the exhibits to the fee affidavits filed by representatives of KSV, Davies and DLA, which are provided in Appendices “H”, “I” and “J”, respectively.
3. Since the last fee approval motion, the main matters addressed by Davies include dealing with tax matters, the Settlement Proposal and the Downsview Settlement.
4. As reflected in the table above, DLA’s legal fees since the last fee approval motion have been insignificant.
5. The Monitor is of the view that the hourly rates charged by Davies and DLA are consistent with rates charged by law firms practicing in restructuring and insolvency in the downtown Toronto market, and that the fees charged are reasonable and appropriate in the circumstances.

10.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in Section 1.4(1)(f) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE CUMBERLAND CCAA ENTITIES
AND NOT IN ITS PERSONAL CAPACITY**

**AND IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF
URBANCORP MANAGEMENT INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “C”

Urbancorp Filing Entities Listed on Schedule "A"

Notes to Projected Statement of Cash Flow

For the Period Ending January 31, 2025

(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection ("Projection") is to present a cash flow forecast of the entities listed on Schedule "A" ("Urbancorp CCAA Entities") for the period June 27, 2024 to January 31, 2025 (the "Period") in respect of their proceedings under the *Companies' Creditors Arrangement Act*.

The projected cash flow statement has been prepared based on most probable assumptions.

Most Probable Assumptions

2. Represents sundry costs, including translation services related to the Israeli proceedings and IT costs.
3. Represents the estimated professional fees of the Monitor, its legal counsel and legal counsel to the Urbancorp CCAA Entities. The amounts reflected are estimates only.
4. The cash flow deficiency will be funded from cash on hand.

Schedule A

Urbancorp Filing Entities

For the Period Ending January 31, 2025

1. Urbancorp Toronto Management Inc.
2. Urbancorp Downsview Park Development Inc.
3. Urbancorp (St. Clair Village) Inc.
4. Urbancorp (Patricia) Inc.
5. Urbancorp (Mallow) Inc.
6. Urbancorp (Lawrence) Inc.
7. Urbancorp (952 Queen West) Inc.
8. King Residential Inc.
9. Urbancorp New Kings Inc.
10. Urbancorp 60 St. Clair Inc.
11. High Res. Inc.
12. Bridge on King Inc.
13. Urbancorp Power Holdings Inc.
14. Vestaco Homes Inc.
15. Vestaco Investments Inc.
16. 228 Queen's Quay West Limited
17. Urbancorp Cumberland 1 LP
18. Urbancorp Cumberland 1 GP Inc.
19. Urbancorp Partner (King South) Inc.
20. Urbancorp (North Side) Inc.
21. Urbancorp Residential Inc.
22. Urbancorp Realtyco Inc.

Appendix “D”

**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., AND THE AFFILIATED ENTITIES
LISTED IN SCHEDULE "A" HERETO**

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)**

The management 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., Hi Res. Inc. Bridge on King Inc. and the affiliated entities listed in Schedule "A" Hereto (collectively, the "Companies"), have developed the assumptions and prepared the attached statement of projected cash flow as of the 21st day of June, 2024 for the period June 27, 2024 to January 31, 2025 ("Cash Flow"). All such assumptions are disclosed in Notes 2 to 4.

The probable assumptions are suitably supported and consistent with the plans of the Companies and provide a reasonable basis for the Cash Flow.

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

The Cash Flow has been prepared solely for the purpose outlined in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 4. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 21st day of June, 2024.


KSV RESTRUCTURING INC.

SCHEDULE "A"

- 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 “E”

**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., AND THE AFFILIATED ENTITIES
LISTED IN SCHEDULE "A" HERETO**

**MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)**

The attached statement of projected cash-flow as of the 21st day of June, 2024 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., Hi Res. Inc. Bridge on King Inc. and the affiliated entities listed in Schedule "A" Hereto (collectively, the "Urbancorp CCAA Entities") consisting of a weekly projected cash flow statement for the period June 27, 2024 to January 31, 2025 ("Cash Flow") has been prepared by the management of the Urbancorp CCAA Entities for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 to 4.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Urbancorp CCAA Entities. We have reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

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

- a) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Urbancorp CCAA Entities or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- b) the Cash Flow does not reflect the probable assumptions.

Since the Cash Flow 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 Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow 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 this 21st day of June, 2024.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE URBANCORP CCAA ENTITIES
AND NOT IN ITS PERSONAL CAPACITY**

SCHEDULE "A"
List of Non-Applicant Affiliated Companies

- 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 “F”

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**


AFFIDAVIT OF NOAH GOLDSTEIN
(sworn June 21, 2024)

I, **NOAH GOLDSTEIN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY
AS FOLLOWS:**

1. I am a Managing Director at KSV Restructuring Inc.¹ ("KSV"), the Court-appointed monitor (the "Monitor") of the Applicants and the entities listed on Schedule "A" attached (collectively, the "Cumberland CCAA Entities"), and as such I have knowledge of the matters deposed to herein.
2. Pursuant to an order of the Ontario Superior Court of Justice ("Court") made on May 18, 2016, the Cumberland CCAA Entities were granted protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and KSV was appointed as the Monitor in these proceedings.
3. This Affidavit is sworn in support of a motion seeking, among other things, approval of the Monitor's fees and disbursements for the period January 1 to May 31, 2024 (the "Period").
4. The Monitor's invoices for the Period disclose in detail: the nature of the services rendered; the time expended by each person and their hourly rates; and the total charges for the services rendered; and disbursements charged. Copies of the Monitor's invoices are attached hereto as Exhibit "A" and the billing summary is attached hereto as Exhibit "B".

¹ Formerly KSV Kofman Inc.

5. The Monitor spent a total of 78.05 hours on this matter during the Period, resulting in fees totalling \$53,652.50, excluding disbursements and HST, as summarized in Exhibit "B".
6. As reflected on Exhibit "B", the Monitor's average hourly rate for the Period was \$687.41.
7. I verily believe that the time expended and the fees charged are reasonable in light of the services performed and the prevailing market rates for services of this nature in downtown Toronto.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
this 21st day of June, 2024)
)
)
_____)
Rajinder Kashyap, a Commissioner, etc.,)
Province of Ontario, for KSV Restructuring Inc.)
Expires February 23, 2027)



NOAH GOLDSTEIN

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

Sworn before me

this 21st day of June, 2024



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

INVOICE

The Urbancorp Group
Suite 2A - 120 Lynn Williams Street
Toronto, ON M6K 3P6

March 19, 2024

Invoice No: 3567

HST #: 818808768 RT0001

Re: The entities listed on Schedule "A" attached (collectively, the "Companies")

For professional services rendered from January 1 to February 29, 2024 by KSV Restructuring Inc. in its capacity as Monitor (the "Monitor") in the Companies' proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA"), including:

Stay Extension

- reviewing and commenting on Court materials prepared by DLA Piper LLP, counsel to the Companies, and by Davies Ward Phillips & Vineberg LLP ("Davies"), counsel to the Monitor, in respect of a motion returnable January 28, 2024 (the "Stay Extension Motion"), seeking, *inter alia*, an extension of the stay of proceedings;
- preparing the Fifty-Ninth Report of the Monitor dated January 23, 2024 (the "Fifty-Ninth Report") in connection with the Stay Extension Motion;
- preparing a cash flow projection ("Cash Flow Projection") in the context of the Stay Extension Motion;
- preparing Management's Report on Cash Flow Statement and the Monitor's Report on Cash Flow Statement in connection with the Cash Flow Projection;
- attending at Court on January 28, 2024;

Tax Matters

- continuing the process to finalize tax returns to obtain tax clearance certificates for certain of the Companies, including corresponding with MNP LLP ("MNP"), the Companies' external accountants, and Davies, and attending calls with MNP;
- working with MNP to amend several tax returns of the Companies;

- corresponding extensively with Davies regarding refundable dividend tax on hand in connection with tax return for Vestaco Homes Inc.;
- preparing harmonized sales tax returns for several of the Companies;

Other

- to all other matters not specifically addressed above.

* * *

Total fees per attached time summary	\$	26,012.50
HST		<u>3,381.63</u>
Total Due	\$	<u><u>29,394.13</u></u>

KSV Restructuring Inc.

Urbancorp Group

Time Summary

For the period January 1, 2024 to February 29, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	850	13.35	11,347.50
Noah Goldstein	750	7.00	5,250.00
Robert Harlang	700	9.70	6,790.00
Other staff and administration		6.50	2,625.00
Total Fees		26.85	26,012.50

Schedule "A"

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.
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.



ksv advisory inc.
220 Bay St, Suite 1300
Toronto, Ontario, M5H 2W4
T +1 416 932 6262
F +1 416 932 6266

ksvadvisory.com

INVOICE

The Urbancorp Group
c/o KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

June 20, 2024

Invoice No: 3717
HST #: 818808768 RT0001

Re: The entities listed on Schedule "A" attached (collectively, the "Companies")

For professional services rendered from March 1 to May 31, 2024 by KSV Restructuring Inc. in its capacity as Monitor (the "**Monitor**") in the Companies' proceedings under the *Companies' Creditors Arrangement Act*, including:

Tax Matters

- continuing to deal with all tax matters required to obtain clearance certificates from Canada Revenue Agency ("**CRA**") for certain of the Companies, including corresponding extensively with MNP LLP ("**MNP**"), the Companies' external accountants, and Davies Ward Phillips & Vineberg LLP ("**Davies**"), the Monitor's legal counsel;
- working with MNP and Davies to amend and refile several tax returns;
- reviewing on March 15, 2024, notices of assessment for 2022 from CRA in respect of Cumberland 1 LP and 228 Queen Quay ("**228**");
- meeting on March 20, 2024 with MNP re the 228 assessment;
- communicating on March 24, 2024 with representatives of the Foreign Representative (the "Foreign Representative") of Urbancorp Inc. ("**Urbancorp**") concerning the status of tax matters, including with Hylton Levy of B. Riley;
- considering issues related to the disallowance of professional fees claimed by certain of the Companies;
- corresponding extensively with Davies regarding refundable dividend tax on hand in connection with tax return for Vestaco Homes Inc.;
- preparing harmonized sales tax returns for several of the Companies;

Other

- updating, for stakeholders, a realization analysis that the Monitor previously prepared;
- dealing with Bank of Montreal regarding certain letters of credit issued on behalf of Urbancorp entities;
- attending to all estate administration and banking issues; and
- to all other matters not specifically addressed above.

* * *

Total fees per attached time summary	\$	27,640.00
HST		<u>3,593.20</u>
Total Due	\$	<u><u>31,233.20</u></u>

KSV Restructuring Inc.

Urbancorp Group

Time Summary

For the period March 1, 2024 to May 31, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	850	2.40	2,040.00
Noah Goldstein	750	5.00	3,750.00
Robert Harlang	700	30.10	21,070.00
Other staff and administration		4.00	780.00
Total Fees		11.40	27,640.00

Schedule "A"

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.
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.

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

Sworn before me

this 21st day of June, 2024



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027

Cumberland CCAA Entities

Schedule of Professionals' Time and Rates

For the Period from January 1, 2024 to May 31, 2024

Personnel	Title	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	Managing Director	15.75	850	13,387.50
Noah Goldstein	Managing Director	12.00	750	9,000.00
Robert Harlang	Managing Director	39.80	700	27,860.00
Other staff and administrative	Various	10.50	175-225	3,405.00
Total fees				<u>53,652.50</u>
Total hours				78.05
Average hourly rate				\$ 687.41

Appendix “G”

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 DEVELOPMENTS INC.,
URBANCORP (952 QUEEN WEST) INC., KING RESIDENTIAL INC., URBANCORP NEW
KINGS INC., URBANCORP 60 ST. CLAIR INC., HIGH RES.INC., BRIDGE ON KING INC.
(THE "APPLICANTS") AND THE AFFILIATED ENTITIES LISTED IN SCHEDULE "A"
HERETO

**AFFIDAVIT OF
ROBIN B. SCHWILL
(Sworn June 21, 2024)**

I, Robin B. Schwill, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am a partner with Davies Ward Phillips & Vineberg LLP ("**Davies**"), solicitors for KSV Restructuring Inc. in its capacity as the court-appointed CCAA monitor (the "**Monitor**") of Urbancorp Toronto Management Inc., Urbancorp (St. Clair Village) Inc., Urbancorp (Patricia) Inc., Urbancorp (Mallow) Inc., Urbancorp (Lawrence) Inc., Urbancorp Downsview Park Developments Inc., Urbancorp (952 Queen West) Inc., King Residential Inc., Urbancorp New Kings Inc., Urbancorp 60 St. Clair Inc., High Res. Inc., Bridge On King Inc. and their affiliates listed in Schedule A hereto. As such, I have knowledge of the matters deposed to herein.


2. This affidavit is sworn in support of a motion to be made in these proceedings seeking, among other things, approval of the fees and disbursements of Davies for the period from January 1, 2024 to May 31, 2024 (the "**Period**"). There may be additional time for this Period which has been accrued but not yet billed.

3. During the Period, Davies has provided services and incurred fees and disbursements in the amounts of \$18,889.50 and \$31.10 (excluding harmonized sales tax ("**HST**")).

4. A billing summary of all invoices rendered by Davies during the Period is attached hereto as Exhibit "A". A summary of the hourly rates of each person who rendered services, the total time expended by such person and the aggregate blended rate of all professionals at Davies who rendered services on this matter is attached hereto as Exhibit "B". Copies of the actual invoices are attached hereto as Exhibit "C". The invoices disclose in detail: (i) the names of each person who rendered services on this matter during the Period; (ii) the dates on which the services were rendered; (iii) the time expended each day; and (iv) the total charges for each of the categories of services rendered during the Period.

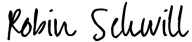
5. I have reviewed the Davies invoices and believe that the time expended and the legal fees charged are reasonable in light of the services performed and the prevailing market rates for legal services of this nature in downtown Toronto.

SWORN remotely by Robin B. Schwill
at the City of Toronto, in the Province
of Ontario this 21st day of June, 2024
in accordance with O. Reg. 431/20,
Administering Oath or Declaration
Remotely.

DocuSigned by:

54D0570FA025488...

Commissioner for taking affidavits
Chenyang Li

LSO# 73249C

DocuSigned by:

4204123C68114DE...

Robin B. Schwill

SCHEDULE "A"

LIST OF NON APPLICANT AFFILIATES

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.

This is Exhibit "A" referred to in the Affidavit of Robin B. Schwill sworn before me this 21st day of June, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:



54D0570EA025488...

Commissioner for Taking Affidavits

- 6 -

Exhibit "A"**Billing Summary**

Invoice Date	Docket Entry Periods	Fees	Disbursements	HST	Total
January 23, 2024	January 1, 2024 to January 18, 2024	\$3,480.00	\$0.00	\$452.40	\$3,932.40
February 26, 2024	February 1, 2024 to February 20, 2024	\$12,799.50	\$31.10	\$1,667.98	\$14,498.58
May 10, 2024	April 1, 2024 to April 30, 2024	\$2,610.00	\$0.00	\$339.30	\$2,949.30
	TOTALS	\$18,889.50	\$31.10	\$2,459.68	\$21,380.28

This is Exhibit "B" referred to in the Affidavit of Robin B. Schwill sworn before me this 21st day of June, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:



54D0570EA025488

Commissioner for Taking Affidavits

Exhibit "B"**Aggregate Blended Rate Summary**

Individual	Title	Hourly Rate	Total Hours
Robin B. Schwill	Partner	\$1450.00	10.60
Sabina Han	Lawyer	\$1075.00	1.70
Cadie Yiu	Associate	\$710.00	2.20
Katie Lawlor	Associate	\$650.00	0.20
Total Fees from Exhibit "A"			\$18,889.50
Total Hours			14.70
Average Blended Hourly Rate (rounded to the nearest dollar)			\$1,285.00

This is Exhibit "C" referred to in the Affidavit of Robin B. Schwill sworn before me this 21st day of June 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:



54D0576FA025480...

Commissioner for Taking Affidavits

DAVIES

Davies Ward Phillips & Vineberg LLP
 155 Wellington Street West
 Toronto, ON, M5V 3J7 Canada

KSV Restructuring Inc.
 150 King Street West
 Suite 2308
 Toronto, ON M5H 1J9
 Canada

Attention: Robert Kofman
 Managing Director
 bkofman@ksvadvisory.com

CC: Noah Goldstein
 ngoldstein@ksvadvisory.com

Invoice #: 772775
 Date: January 23, 2024
 Client/Matter #: 126507.256201
 GST/HST: 118882927 RT0001
 Billing Lawyer: Robin Schwill
 Email: rschwill@dwpv.com
 Phone: 416.863.5502

Privileged & Confidential

For professional services rendered through January 18, 2024 in connection with UrbanCorp (Matter #: 256201)

Our Fee		3,480.00
HST ON (13%)		452.40
Total Due	Canadian Dollars (CAD)	\$ 3,932.40

Payment Due Upon Receipt

Canadian Dollar Payment

Beneficiary Bank:	Canadian Imperial Bank of Commerce 199 Bay Street Commerce Court-Main Banking Centre Toronto, Ontario M5L 1G9 Canada	Account Name:	Davies Ward Phillips & Vineberg LLP
		Bank Institution #:	010
		SWIFT Code:	CIBCCATT
		Bank Transit #:	00002
		Bank Account #:	2909219
Beneficiary:	Davies Ward Phillips & Vineberg LLP 155 Wellington Street West Toronto, Ontario M5V 3J7 Canada	Clearing Code:	CC001000002

Payment remittances should be directed to AR@dwpv.com.

Any fees and disbursements recorded after the above mentioned period will appear on subsequent statements. Invoices are due upon receipt. Interest will be charged on all amounts owing over 30 days. The interest rate is set at 12% per year.

Please see important terms of client service, including file retention and disposal policy, on our website, www.dwpv.com/serviceterms

DAVIES

Invoice #: 772775

Page 2

Timekeeper Summary

Timekeeper	Rate	Hours	Amount
Robin B. Schwill	1,450.00	2.40	3,480.00
Total		2.40	\$ 3,480.00

Time Detail

Date	Timekeeper	Description	Hours
02/Jan/24	Robin B Schwill	Emails regarding stay extension; emails regard Saskin Israeli proceedings proposal;	0.20
03/Jan/24	Robin B Schwill	Emails regarding Israeli creditors meeting on Saskin proposal;	0.10
05/Jan/24	Robin B Schwill	Emails regarding Saskin proposal in Israeli proceedings;	0.10
08/Jan/24	Robin B Schwill	Emails regarding Saskin proposal in Israel; Telephone conversation with counsel to the Israeli functionary regarding same; reviewing Section 38 materials;	1.10
09/Jan/24	Robin B Schwill	Emails regarding stay extension; Telephone conversation with counsel to the Israeli Functionary regarding Saskin proposal in Israeli proceedings;	0.40
17/Jan/24	Robin B Schwill	Emails regarding stay extension motion;	0.10
18/Jan/24	Robin B Schwill	Reviewing and commenting on draft stay extension Notice of Motion and Order; related emails;	0.40
Total Hours			2.40

DAVIES

Davies Ward Phillips & Vineberg LLP
 155 Wellington Street West
 Toronto, ON, M5V 3J7 Canada

KSV Restructuring Inc.
 150 King Street West
 Suite 2308
 Toronto, ON M5H 1J9
 Canada

Attention: Robert Kofman
 Managing Director
 bkofman@ksvadvisory.com

CC: Noah Goldstein
 ngoldstein@ksvadvisory.com

Invoice #: 775518
 Date: February 26, 2024
 Client/Matter #: 126507.256201
 GST/HST: 118882927 RT0001
 Billing Lawyer: Robin Schwill
 Email: rschwill@dwpv.com
 Phone: 416.863.5502

Privileged & Confidential

For professional services rendered through February 20, 2024 in connection with UrbanCorp (Matter #: 256201).

Our Fee		12,799.50
Disbursements		31.10
HST ON (13%)		1,667.98
Total Due	Canadian Dollars (CAD)	\$ 14,498.58

Payment Due Upon Receipt

Canadian Dollar Payment

Beneficiary Bank:	Canadian Imperial Bank of Commerce 199 Bay Street Commerce Court-Main Banking Centre Toronto, Ontario M5L 1G9 Canada	Account Name:	Davies Ward Phillips & Vineberg LLP
		Bank Institution #:	010
		SWIFT Code:	CIBCCATT
		Bank Transit #:	00002
		Bank Account #:	2909219
Beneficiary:	Davies Ward Phillips & Vineberg LLP 155 Wellington Street West Toronto, Ontario M5V 3J7 Canada	Clearing Code:	CC001000002

Payment remittances should be directed to AR@dwpv.com.

Any fees and disbursements recorded after the above mentioned period will appear on subsequent statements. Invoices are due upon receipt. Interest will be charged on all amounts owing over 30 days. The interest rate is set at 12% per year.

Please see important terms of client service, including file retention and disposal policy, on our website, www.dwpv.com/serviceterms

DAVIES

Invoice #: 775518

Page 2

Timekeeper Summary			
Timekeeper	Rate	Hours	Amount
Robin B. Schwill	1,450.00	6.40	9,280.00
Cadie Yiu	710.00	2.20	1,562.00
Sabina Han	1,075.00	1.70	1,827.50
Kate Lawlor	650.00	0.20	130.00
Total		10.50	\$ 12,799.50

Time Detail			
Date	Timekeeper	Description	Hours
19/Jan/24	Robin B Schwill	Emails regarding stay extension materials;	0.40
20/Jan/24	Robin B Schwill	Reviewing and commenting on draft stay extension report; related emails;	1.50
21/Jan/24	Robin B Schwill	Reviewing and commenting on revised draft of stay extension report; related emails;	0.50
22/Jan/24	Robin B Schwill	Reviewing and commenting on revised draft stay extension report and notice of motion;	1.50
23/Jan/24	Robin B Schwill	Reviewing and commenting on revised draft stay extension report;	0.30
24/Jan/24	Robin B Schwill	Email regarding stay extension motion;	0.10
25/Jan/24	Cadie Yiu	Emails regarding voluntary disclosure program application.	0.20
25/Jan/24	Kate Lawlor	Email correspondence with C. Yiu regarding CRA authorizations in respect of a company where a monitor has been assigned.	0.20
25/Jan/24	Robin B Schwill	Telephone conversation with counsel to Israeli Functionary regarding application to recognize Israeli judgment;	0.20
25/Jan/24	Sabina Han	Reviewed CRA correspondence. Emails with Cadie Yiu.	0.60
26/Jan/24	Cadie Yiu	Various emails regarding CRA's letter on the submitted authorize a representative form. Drafted letter to CRA regarding authorization forms.	1.00
26/Jan/24	Robin B Schwill	Emails regarding stay extension and factum;	0.40
26/Jan/24	Sabina Han	Emails with Cadie Yiu regarding information for CRA.	0.30
29/Jan/24	Robin B Schwill	Preparing for and attending on stay extension motion; Telephone conversation with Bobby regarding same; related emails;	1.20
29/Jan/24	Sabina Han	Emailed to Cadie Yiu regarding documentation for CRA voluntary disclosure.	0.40
30/Jan/24	Cadie Yiu	Drafted cover letter to Canada Revenue Agency regarding re-submission of authorization forms. Drafted emails regarding corporate profile report and cover letter.	0.70

DAVIES

Invoice #: 775518

Page 3

Time Detail			
Date	Timekeeper	Description	Hours
31/Jan/24	Sabina Han	Reviewed draft letter to CRA regarding authorized signatories.	0.10
01/Feb/24	Cadie Yiu	Updated letter to CRA regarding authorization forms for comments from Sabina Han. Coordinated fax of letter to CRA.	0.20
01/Feb/24	Robin B Schwill	Reviewing stay extension endorsements and orders for both Cumberland 1 and 2;	0.20
01/Feb/24	Sabina Han	Reviewed letter to CRA and provided comments.	0.30
02/Feb/24	Cadie Yiu	Emails regarding faxed letter to CRA regarding authorization forms.	0.10
05/Feb/24	Robin B Schwill	Reviewing proposed UCI R&D spreadsheet; related emails;	0.10
Total Hours			10.50

Disbursement Summary		Amount
Taxable		
On Corp Direct Inc.		31.10
Total		\$ 31.10



Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON, M5V 3J7 Canada

KSV Restructuring Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9
Canada

Invoice #: 782262
Date: May 10, 2024
Client/Matter #: 126507.256201

GST/HST: 118882927 RT0001

Attention: Robert Kofman
Managing Director
bkofman@ksvadvisory.com

Billing Lawyer: Robin Schwill
Email: rschwill@dwpv.com
Phone: 416.863.5502

CC: Noah Goldstein
ngoldstein@ksvadvisory.com

Privileged & Confidential

For professional services rendered through April 30, 2024 in connection with UrbanCorp (Matter #: 256201)

Our Fee	2,610.00
HST ON (13%)	339.30
Total Due	Canadian Dollars (CAD) \$ 2,949.30

Payment Due Upon Receipt

Canadian Dollar Payment

Beneficiary Bank:	Canadian Imperial Bank of Commerce 199 Bay Street Commerce Court-Main Banking Centre Toronto, Ontario M5L 1G9 Canada	Account Name:	Davies Ward Phillips & Vineberg LLP
		Bank Institution #:	010
		SWIFT Code:	CIBCCATT
		Bank Transit #:	00002
		Bank Account #:	2909219
Beneficiary:	Davies Ward Phillips & Vineberg LLP 155 Wellington Street West Toronto, Ontario M5V 3J7 Canada	Clearing Code:	CC001000002

Payment remittances should be directed to AR@dwpv.com.

Any fees and disbursements recorded after the above mentioned period will appear on subsequent statements. Invoices are due upon receipt. Interest will be charged on all amounts owing over 30 days. The interest rate is set at 12% per year.

Please see important terms of client service, including file retention and disposal policy, on our website, www.dwpv.com/serviceterms

DAVIES

Invoice #: 782262

Page 2

Timekeeper Summary			
Timekeeper	Rate	Hours	Amount
Robin B. Schwill	1,450.00	1.80	2,610.00
Total		1.80	\$ 2,610.00

Time Detail			
Date	Timekeeper	Description	Hours
03/Apr/24	Robin B Schwill	Emails regarding letter of credit; reviewing draft agreement and prior court orders; Telephone conversation with counsel to the Israeli Functionary regarding same; drafting form of confirmation; related emails;	1.80
Total Hours			1.80

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

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

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 DEVELOPMENTS INC., URBANCORP (952 QUEEN
WEST) INC., KING RESIDENTIAL INC., URBANCORP NEW KINGS INC., URBANCORP 60
ST. CLAIR INC., HIGH RES.INC., BRIDGE ON KING INC. (THE "APPLICANTS") AND THE
AFFILIATED ENTITIES LISTED IN SCHEDULE "A" HERETO

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

Proceeding commenced at Toronto

AFFIDAVIT OF ROBIN B. SCHWILL

DAVIES WARD PHILLIPS & VINEBERG LLP
155 WELLINGTON STREET WEST
TORONTO, ON M5V 3J

Robin B. Schwill (LSO #38452I)
Tel: 416.863.5502
Fax: 416.863.0871

Lawyers for the Monitor

Appendix “H”

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

FEE AFFIDAVIT OF EDMOND F.B. LAMEK
(sworn June 19, 2024)

I, EDMOND F. B. LAMEK, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am a partner in the law firm of DLA Piper (Canada) LLP ("**DLA**"), the solicitors to the Applicants and entities listed in Schedule "A" to the Initial CCAA Order (the "**Urbancorp CCAA Entities**"). I have knowledge of the matters hereinafter deposed to.

2. Attached hereto as **Exhibit "A"** are copies of the Statements of Account of DLA in respect of services rendered to the Urbancorp CCAA Entities during the period from January 1, 2024 to May 31, 2024 (the "**Billing Period**"). During the Billing Period, the total fees billed by DLA were \$6,690, plus disbursements in the amount of \$339 and applicable taxes in the amount of \$869.70.

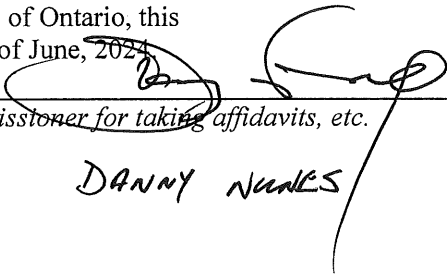
3. As set out in the following table, 10.1 hours were billed by DLA personnel during the Billing Period, resulting in an average hourly rate of \$662.38 (exclusive of applicable taxes):

Lawyers/Clerks	Hours	Rate/Hr.
Danny Nunes	9.1	\$700
Tara Khatter	1.0	\$325
TOTAL	10.1	Avg. Rate/Hr: \$662.38

4. The activities detailed in the Statements of Account attached as Exhibit "A" accurately reflect the services provided by DLA and the rates charged are the standard hourly rates of those individuals at DLA at the time they were incurred.

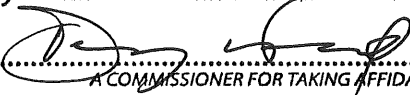
5. I swear this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of DLA set out above and for no other or improper purpose.

Sworn before me at the)
City of Toronto, in the)
Province of Ontario, this)
19th day of June, 2024.)
_____)
A Commissioner for taking affidavits, etc.)


DANNY NUNES


_____)
EDMOND F.B. LAMEK

This is Exhibit ^{"A"} referred to in the
affidavit of EDMOND LAMEK
sworn before me, this 19th
day of JUNE 2024


A COMMISSIONER FOR TAKING AFFIDAVITS

DANNY NUNES



DLA Piper (Canada) LLP
Suite 6000, 1 First Canadian Place
PO Box 367, 100 King St W
Toronto ON M5X 1E2
www.dlapiper.com
T 416.365.3500
F 416.365.7886

Urbancorp CCAA Entities c/o KSV Advisory Inc.
Private and Confidential
150 King Street West
Suite 2308, Box 42
Toronto, ON M5H 1J9 Canada
Attention: Bobby Kofman/Noah Goldstein

Our File No: 038694-00001

Urbancorp Toronto Management Inc.
Re: CCAA Proceedings

Date: February 20, 2024
Invoice Number: 2261313

PROFESSIONAL SERVICES

For Professional Services rendered and/or disbursements advanced through January 31, 2024.

<u>Date</u>	<u>Professional</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
10/03/23	Danny Nunes	Review correspondence from court staff attaching Orders and endorsements;	0.20	135.00
01/02/24	Danny Nunes	Review correspondence regarding stay extension motion;	0.20	140.00
01/08/24	Danny Nunes	Correspondence with R. Schwill regarding stay extension motion; correspondence regarding scheduling same;	0.30	210.00
01/09/24	Danny Nunes	Correspondence regarding scheduling stay extension motion; correspondence with R. Schwill regarding same;	0.20	140.00
01/17/24	Danny Nunes	Review correspondence from R. Schwill regarding stay extension motion;	0.10	70.00
01/18/24	Danny Nunes	Draft stay extension motion materials; correspondence to R. Schwill regarding same;	1.10	770.00
01/19/24	Danny Nunes	Correspondence regarding draft stay extension motion materials;	0.20	140.00
01/20/24	Danny Nunes	Correspondence regarding stay extension motion materials;	0.40	280.00
01/21/24	Danny Nunes	Correspondence regarding stay extension motion materials;	0.30	210.00
01/22/24	Danny Nunes	Review draft Monitor's report and amend stay extension motion materials; correspondence from R. Schwill and N. Goldstein regarding	1.50	1,050.00



<u>Date</u>	<u>Professional</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
		same;		
01/23/24	Danny Nunes	Review correspondence regarding Monitor's report; finalize stay extension motion materials and serve same;	1.50	1,050.00
01/23/24	Tara Khatter	Adding bookmarks to motion record; email to D. Nunes re same;	0.30	97.50
01/26/24	Tara Khatter	Finalizing factum; updates to same; arranging for electronic signature of D. Nunes in DocuSign;	0.70	227.50
01/26/24	Danny Nunes	Draft factum for stay extension motion and serve same;	1.90	1,330.00
01/29/24	Danny Nunes	Prepare for and attend stay extension motion; review correspondence from Court regarding same;	0.90	630.00
Total Hours and Fees:			9.80	\$6,480.00

PROFESSIONAL SERVICES SUMMARY

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Danny Nunes	699.43	8.80	6,155.00
Tara Khatter	325.00	1.00	325.00
Total Fees:			\$6,480.00

DISBURSEMENT SUMMARY

Disbursements

Non-Taxable Disbursements

<u>Description</u>	<u>Amount</u>
Filing Fees - Non Taxable	\$339.00
Non-Taxable Disbursements:	\$339.00

BILL SUMMARY

	Total Fees:	\$	6,480.00
	Total Disbursements:	\$	339.00
	Total HST:	\$	842.40
REG # 110 152 824	Total Current Invoice Due:	CAD \$	7,661.40



Matter: 038694-00001
Invoice: 2261313
Page : 3

This is our account.

DLA Piper (Canada) LLP

Per:

Edmond Lamek

Please note that this account is payable on receipt. If not paid within 30 days from the invoice date, interest at the rate of prime plus 2% per annum will be charged from the invoice date.



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Attention: Bobby Kofman/Noah Goldstein

Our File No: 038694-00001

Urbancorp Toronto Management Inc.
Re: CCAA Proceedings

Date: June 19, 2024
Invoice Number: 2291981

PROFESSIONAL SERVICES

For Professional Services rendered and/or disbursements advanced through May 31, 2024.

<u>Date</u>	<u>Professional</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
05/28/24	Danny Nunes	Correspondence regarding stay extension motion;	0.30	210.00
Total Hours and Fees:			0.30	\$210.00

PROFESSIONAL SERVICES SUMMARY

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Danny Nunes	700.00	0.30	210.00
Total Fees:			\$210.00

BILL SUMMARY

	Total Fees:	\$	210.00
REG # 110 152 824	Total HST:	\$	27.30
	Total Current Invoice Due:	CAD \$	237.30



Matter: 038694-00001
Invoice: 2291981
Page : 2

This is our account.

DLA Piper (Canada) LLP

Per:

A handwritten signature in black ink, appearing to read 'Edmond Lamek', written over a horizontal line.

Edmond Lamek

Please note that this account is payable on receipt. If not paid within 30 days from the invoice date, interest at the rate of prime plus 2% per annum will be charged from the invoice date.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF EDMOND F.B. LAMEK
(sworn June 19, 2024)

DLA PIPER (CANADA) LLP
1 First Canadian Place, Suite 6000
100 King Street West
Toronto, ON M5X 1E2

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Fax: 416.369.7945
Email: danny.nunes@dlapiper.com

Lawyers for the Urbancorp CCAA Entities