

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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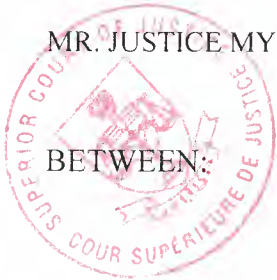
TUESDAY, THE 26th

MR. JUSTICE MYERS

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DAY OF JUNE, 2018

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BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.,
URBANCORP (RIVERDALE) DEVELOPMENTS INC., &
URBANCORP (THE BEACH) DEVELOPMENTS INC.

Respondents

APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, section 68 of the *Construction Lien Act*, R.S.O. 1990,
c. C.30, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

ORDER

**(RE: APPROVALS OF LIEN SETTLEMENTS, GEO THERMAL MARKETING,
CONDOMINIUM BOARD AND FEES)**

THIS MOTION, made by Alvarez & Marsal Canada Inc. in its capacity as receiver and manager (in such capacity, the **“Receiver”**), pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended, and in its capacity as construction lien trustee (in such capacity, the **“Construction Lien Trustee”**), pursuant to section 68 of the *Construction Lien Act*, R.S.O. 1990, c.C.30, as amended (the Receiver, together with the Construction Lien Trustee, the **“Construction Receiver”**), of all of the assets, undertakings, and property acquired for, or used in relation to the business, including all proceeds thereof (the **“Property”**) of Urbancorp (Leslieville) Developments Inc. (**“UC Leslieville”**), Urbancorp (Riverdale) Developments Inc. and Urbancorp (The Beach) Developments Inc. (**“UC Beach”**), for an order granting certain approvals as set out herein, was heard this day in Toronto, Ontario.

ON READING the Notice of Motion dated June 19, 2018, the Sixth Report of the Construction Receiver dated June 19, 2018 (the “**Sixth Report**”), and on hearing the submissions of counsel for the Construction Receiver and the counsel on the counsel slip, attached, no one appearing for any other person on the service list, although properly served with the Construction Receiver’s Motion Record as appears from the affidavit of service of Caitlin McIntyre sworn June 20, 2018, filed,

SERVICE

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

APPROVAL OF LIEN SETTLEMENTS AND DISTRIBUTIONS

Leslieville Project Lien Settlements

2. **THIS COURT ORDERS** that the lien settlement amounts agreed to by the Vetting Committee (as defined in the Sixth Report) and parties claiming construction liens against the Respondent UC Leslieville’s construction project located in the Leslieville neighbourhood of Toronto (“**Leslieville Construction Lien Claimants**”), as set out in Paragraph 50 and Appendix A of the Sixth Report, are hereby approved. The Respondent UC Leslieville’s construction project located in Leslieville, Toronto shall be referred to as the “**Leslieville Project**” for the purposes of this Order.

3. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and directed to distribute, without further order of the Court, the settlement amounts hereby approved by this Order to the applicable Leslieville Construction Lien Claimant from the \$1,184,000 holdback reserve established by the Construction Receiver in respect of the Leslieville Project.

4. **THIS COURT ORDERS** that following the distributions provided for in Paragraph 3 hereof, the Construction Receiver shall maintain a holdback reserve in respect of the Leslieville Project in the amount of \$200,000, and any other amounts held by the Construction Receiver as a holdback reserve in respect of the Leslieville Project shall be distributed by the

Construction Receiver in accordance with paragraph 55 of the order of this Court made on May 2, 2017 in these proceedings (the “**Settlement Approval Order**”).

Beach Project Lien Settlements

5. **THIS COURT ORDERS** that the lien settlement amounts agreed to by the Vetting Committee (as defined in the Sixth Report) and parties claiming construction liens against the Respondent UC Beach’s construction project located in The Beach neighbourhood of Toronto (the “**Beach Construction Lien Claimants**”), as set out in Paragraph 50 and Appendix A of the Sixth Report, are hereby approved. The Respondent UC Beach’s construction project located in The Beach, Toronto shall be referred to as the “**Beach Project**” for the purposes of this Order.

6. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and directed to distribute, without further order of the Court, the settlement amounts hereby approved by this Order to the applicable Beach Construction Lien Claimant from the \$416,000 holdback reserve established by the Construction Receiver in respect of the Beach Project.

7. **THIS COURT ORDERS** that following the distributions provided for in Paragraph 6 hereof, the Construction Receiver shall maintain a holdback reserve in respect of the Beach Project in the amount of \$120,000, and any other amounts held by the Construction Receiver as a holdback reserve in respect of the Beach Project shall be distributed by the Construction Receiver in accordance with paragraph 55 of the Settlement Approval Order.

APPROVAL OF GEO-THERMAL MARKETING PROCESS & FINANCING

8. **THIS COURT ORDERS** that the sale and solicitation process undertaken by Innovia Corporation and described in Paragraphs 64 and 65 of the Sixth Report to sell the geo-thermal heating and cooling system at the Leslieville Project (the “**Leslieville Geo-thermal System**”) be and is hereby approved, and the Construction Receiver shall have no obligation to market or solicit interest in purchasing the Leslieville Geo-thermal System.

9. **THIS COURT ORDERS** that the Construction Receiver and C.R.A.F.T Development Corporation are hereby authorized and directed to assist in soliciting, negotiating and documenting financing for the purchase of the Leslieville Geo-thermal System by the Leslieville Project condominium corporation (to be incorporated), materially on the terms set out

in Paragraph 66 of the Sixth Report, provided that nothing in this order shall compel the Leslieville condominium corporation to enter into such financing.

APPROVAL OF LESLIEVILLE CONDOMINIUM CORPORATION BOARD

10. **THIS COURT ORDERS AND DECLARES** that Peter Griffis, Amanda Griffis and Robert Sabato are authorized to comprise the first board of directors of the Leslieville Project condominium corporation (collectively, the **“Proposed Interim Board Members”**).

11. **THIS COURT ORDERS** that the Proposed Interim Board Members shall incur no liability or obligation as a result of their appointment as the initial board of directors of the Leslieville Project condominium corporation, save and except for any gross negligence or wilful misconduct on their part.

ACTIVITY AND FEE APPROVALS

12. **THIS COURT ORDERS** that the activities and conduct of the Construction Receiver occurring prior to the date hereof in relation to the Respondents and these proceedings, as are further particularized in the Sixth Report, are hereby ratified and approved

13. **THIS COURT ORDERS** that the fees of the Construction Receiver in the amount of \$712,331.00, plus HST and disbursements, for the thirteen (13) month period from April 1, 2017 to April 30, 2018 be and hereby are approved.

14. **THIS COURT ORDERS** that the fees of the Construction Receiver’s independent counsel Blake, Cassels & Graydon LLP in the amount of \$693,744.80, plus HST and disbursements, for the thirteen (13) month period from April 1, 2017 to April 30, 2018 be and hereby are approved.

15. **THIS COURT ORDERS** that the fees of the Construction Receiver’s counsel Gowling WLG (Canada) LLP LLP in the amount of \$108,100.00, plus HST and disbursements, for the thirteen (13) month period from April 1, 2017 to April 30, 2018 be and hereby are approved.

16. **THIS COURT ORDERS** that the fees of the Construction Receiver's real estate counsel Miller Thomson LLP in the amount of \$120,318.65, plus HST and disbursements, for the period from April 1, 2017 to June 2, 2017 be and hereby are approved.



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

JUN 26 2018

PER / PAR:



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

**(APPROVALS OF LIEN SETTLEMENTS, GEO
THERMAL MARKETING, CONDOMINIUM
BOARD AND FEES)**

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Independent Counsel for Alvarez & Marsal Canada Inc.,
in its capacity as both Receiver and Manager, and
Construction Lien Trustee of the assets, undertakings
and property of Urbancorp (Leslieville) Developments
Inc., Urbancorp (Niverdale) Developments Inc., and
Urbancorp (The Beach) Developments Inc.