

Form 51-102F3

MATERIAL CHANGE REPORT

1. **Full name and address of the Company.**

Urbanfund Corp. (the "Corporation")
35 Lesmill Road
Toronto, Ontario M3B 2T3

2. **Date of Material Change.**

August 29, 2012

3. **News Release.**

A news release was disseminated on August 29, 2012 through Marketwire and was filed on SEDAR with the British Columbia, Alberta, Ontario securities commissions and the TSX Venture Exchange.

4. **Summary of Material Change.**

The Corporation confirmed that the Corporation, along with its joint venture partner, Westdale Construction Co. Limited, sold the property known municipally as 790-800 Richmond Street West.

5. **Full Description of Material Change.**

A full description of the material change was described in a news release dated August 29, 2012 attached as Schedule "A" to this report.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102.**

Neither subsection 7.1(2) nor (3) is being relied upon.

7. **Omitted Information.**

No Information has been omitted on the basis that it is confidential information.

8. **Executive Officer.**

For further information, please contact Mitchell Cohen, President and Chief Executive Officer, Telephone: (416) 703-1877

9. **Date of Report.**

DATED at Toronto, Ontario, this 10th day of September, 2012

Schedule "A"

URBANFUND CORP. ANNOUNCES THE CLOSING OF SALE OF RICHMOND STREET JOINT VENTURE PROPERTY

August 29, 2012 – For Immediate Release

Toronto, Ontario –Toronto, Ontario – Further to Urbanfund Corp's press release dated July 13, 2012, Mitchell Cohen, President and Chief Executive Officer of Urbanfund Corp. (TSX-V: UFC) (the "Company"), confirmed today that the Company, along with its joint venture partner, Westdale Construction Co. Limited ("Westdale"), has sold the property known municipally as 790-800 Richmond Street West (the "Property").

The property is comprised of twin-tower apartment complex located on Richmond Street, West of Bathurst Street. In 2003, the Corporation entered into a joint venture with Westdale and acquired its 10% undivided interest in the property. Mr. Ronald S. Kimel, the Chairman and Chief Executive Officer of Urbanfund, is a director, officer and shareholder of Westdale, the Company's largest shareholder.

Financial terms of the proposed Property sale were not disclosed. It is anticipated that Urbanfund will receive gross proceeds from the sale of approximately \$7.5 million (subject to customary purchase price adjustments for transactions of this nature) prior to repayment of mortgage liabilities and related obligations. The Company anticipates using the net proceeds of the proposed sale to further its stated business objectives.

Urbanfund Corp. is a Toronto-based real estate development and operating company. Urbanfund Corp. is a TSX Venture exchange listed real estate company based in Toronto. The Company's common shares trade under the symbol UFC on the TSX Venture Exchange. Urbanfund's focus is to identify, evaluate and invest in real estate or real estate related projects. The Company's assets are located in Belleville, London and Toronto, Ontario. The Company's strategy going forward remains committed to seek accretive real estate or real estate-related opportunities.

FORWARD LOOKING STATEMENTS

This press release contains certain forward-looking statements, including statements relating to the use of proceeds from the sale transaction, repayment of mortgage liabilities and related obligations, the financial impact on the Company in respect of the proposed sale transaction and the Company's future plans and intentions and other future events. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict" or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect Management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results,

performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, interest rates, costs outside of the Company's control such as Real Estate Taxes and utilities, the ability of tenants to satisfy their contractual rent obligations and any unforeseen repair, maintenance or replacement of the Company's assets. More detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the "Risks and Uncertainties" section of the Company's most recent Management's Discussion and Analysis, which is filed on www.sedar.com

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For further information please contact:

Urbanfund Corp.

Mitchell Cohen

President & CEO

(416) 703-1877x1025

Neither TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.