



**First Report to Court of
KSV Kofman Inc. as CCAA Monitor of
Urbancorp (Woodbine) Inc., Urbancorp
(Bridlepath) Inc., The Townhouses of
Hogg's Hollow Inc., King Towns Inc.,
Newtowns at Kingtowns Inc. Deaja
Partner (Bay) Inc. and TCC/Urbancorp
(Bay) Limited Partnership**

November 10, 2016

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COURT FILE NO.: CV-16-11549-00CL

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 (WOODBINE) INC. AND URBANCORP (BRIDLEPATH) INC.,
THE TOWNHOUSES OF HOGG'S HOLLOW INC., KING TOWNS INC.,
NEWTOWNS AT KINGTOWNS INC. AND DEAJA PARTNER (BAY) INC.
(COLLECTIVELY, THE "APPLICANTS")

AND IN THE MATTER OF TCC/URBANCORP (BAY) LIMITED PARTNERSHIP

FIRST REPORT OF KSV KOFMAN INC. AS MONITOR
NOVEMBER 10, 2016

1.0 Introduction

1. On April 25, 2016, Urbancorp (Woodbine) Inc. ("Woodbine") and Urbancorp (Bridlepath) Inc. ("Bridlepath") 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 (the "NOI Proceedings"). (Jointly, Woodbine and Bridlepath are referred to as the "Companies"). KSV Kofman Inc. ("KSV") was appointed as the Proposal Trustee in the NOI Proceedings.
2. Pursuant to an order made by the Ontario Superior Court of Justice (Commercial List) (the "Court") dated October 18, 2016, the Applicants (which include the Companies) and TCC/Urbancorp (Bay) Limited Partnership ("Bay LP", and together with the Applicants, the "Bay LP CCAA Entities") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed monitor (the "Monitor").
3. The Initial Order granted a stay of proceedings to the Bay LP CCAA Entities until November 17, 2016.
4. This report (the "Report") is filed by KSV in its capacity as Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information on the Bay LP CCAA Entities;
 - b) advise why certain documents filed with the Proposal Trustee's Sixth Report dated September 8, 2016 (the "Sixth Report") and which were sealed pursuant to an order of the Court dated September 15, 2016 should be unsealed;
 - c) report on the Bay LP CCAA Entities' consolidated cash flow projection for the period November 17, 2016 to January 31, 2017 (the "Cash-Flow Statement"); and
 - d) recommend that the Court make an order:
 - unsealing the Agreements of Purchase and Sale for the Bayview and Woodbine real property (the "Agreements of Purchase and Sale"); and
 - granting the Bay LP CCAA Entities' request for an extension of its stay of proceedings from November 17, 2016 to January 31, 2017.

1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial information of the Bay LP CCAA Entities, the books and records of the Bay LP CCAA Entities and discussions with representatives of the Bay LP CCAA Entities, including their lawyers and accountants. The Monitor has not performed an audit or other verification of such information. The financial information discussed herein remains subject to further review.
2. An examination of the Bay LP CCAA Entities' Cash Flow-Statement as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Bay LP CCAA Entities' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

2.0 Background

1. The Bay LP CCAA Entities, together with several affiliates, comprise the Urbancorp Group (the "Urbancorp Group"). The business of the Urbancorp Group commenced in 1991. The Urbancorp Group primarily engages in the development, construction and sale of residential properties in the Greater Toronto Area. A corporate chart for the Urbancorp Group is provided in Appendix "A".
2. Bay LP appears to be the sole shareholder and beneficial owner of the assets of the Applicants, other than Deaja Partner (Bay) Inc. ("Deaja"). A search of public records reflects that Deaja is the general partner of Bay LP.

3. Each of Woodbine and Bridlepath owned a single piece of largely undeveloped real property (each a "Property" and jointly, the "Properties"). On June 30, 2016, the Court issued orders approving a sale process to be carried out for the Properties. On September 15, 2016, the Court made orders approving the sale of the Properties (the "Transactions"). The Bridlepath transaction closed on October 14, 2016 and the Woodbine transaction closed on September 30, 2016.
4. The Bay LP CCAA Entities do not carry on any operations. The only significant assets held by the Bay LP CCAA Entities are the proceeds from the sale of the Properties.
5. The primary purpose of the CCAA proceedings is to conduct a claims process and distribute the cash generated from the sale of the Properties to the creditors of the Bay LP CCAA Entities. On October 18, 2016, the Court made an order (the "Claims Procedure Order") approving a claims process for the Bay LP CCAA Entities and any of the Bay LP CCAA Entities' directors and officers. The claims bar date for Pre-Filing Claims (as defined in the Claims Procedure Order) is November 23, 2016.

3.0 Confidential Appendices

1. The Proposal Trustee recommended in its Sixth Report that the Court issue an order sealing certain information related to the outcome of the sale process for the Properties, including the Agreements of Purchase and Sale. The Court issued the Sealing Order on September 15, 2016.
2. As the Transactions have closed, it is the Monitor's view that there is no further purpose for the Agreements of Purchase and Sale to be sealed and that no party will be prejudiced if they are unsealed at this time. Accordingly, the Monitor is of the view that the Agreements of Purchase and Sale should now be unsealed.

4.0 Cash Flow Forecast

1. The Bay LP CCAA Entities have prepared a consolidated cash flow for the period November 17, 2016 to January 31, 2017 (the "Period"). The Cash-Flow Statement and the Bay LP CCAA Entities' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "B".
2. As the Bay LP CCAA Entities are not operating, the only projected disbursements anticipated to be paid by the Bay LP CCAA Entities during the Period are in respect of professional fees.
3. Based on the Monitor's review of the Cash-Flow Statement, there are no material assumptions which seem unreasonable in the circumstances. The Monitor's statutory report on the cash flow is attached as Appendix "C".

5.0 Request for an Extension

1. The Bay LP CCAA Entities are seeking an extension of the stay of proceedings from November 17, 2016 to January 31, 2017. The Monitor supports the Bay LP CCAA Entities' request for an extension of the stay of proceedings for the following reasons:
 - a) the Bay LP CCAA Entities are acting in good faith and with due diligence;
 - b) no creditor will be materially prejudiced if the extension is granted;
 - c) it will allow the Bay LP CCAA Entities the opportunity to complete the claims process; and
 - d) as of the date of this Report, neither the Bay LP CCAA Entities nor the Monitor is aware of any party opposed to an extension.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in Section 1.1.1(d) of this Report.

* * *

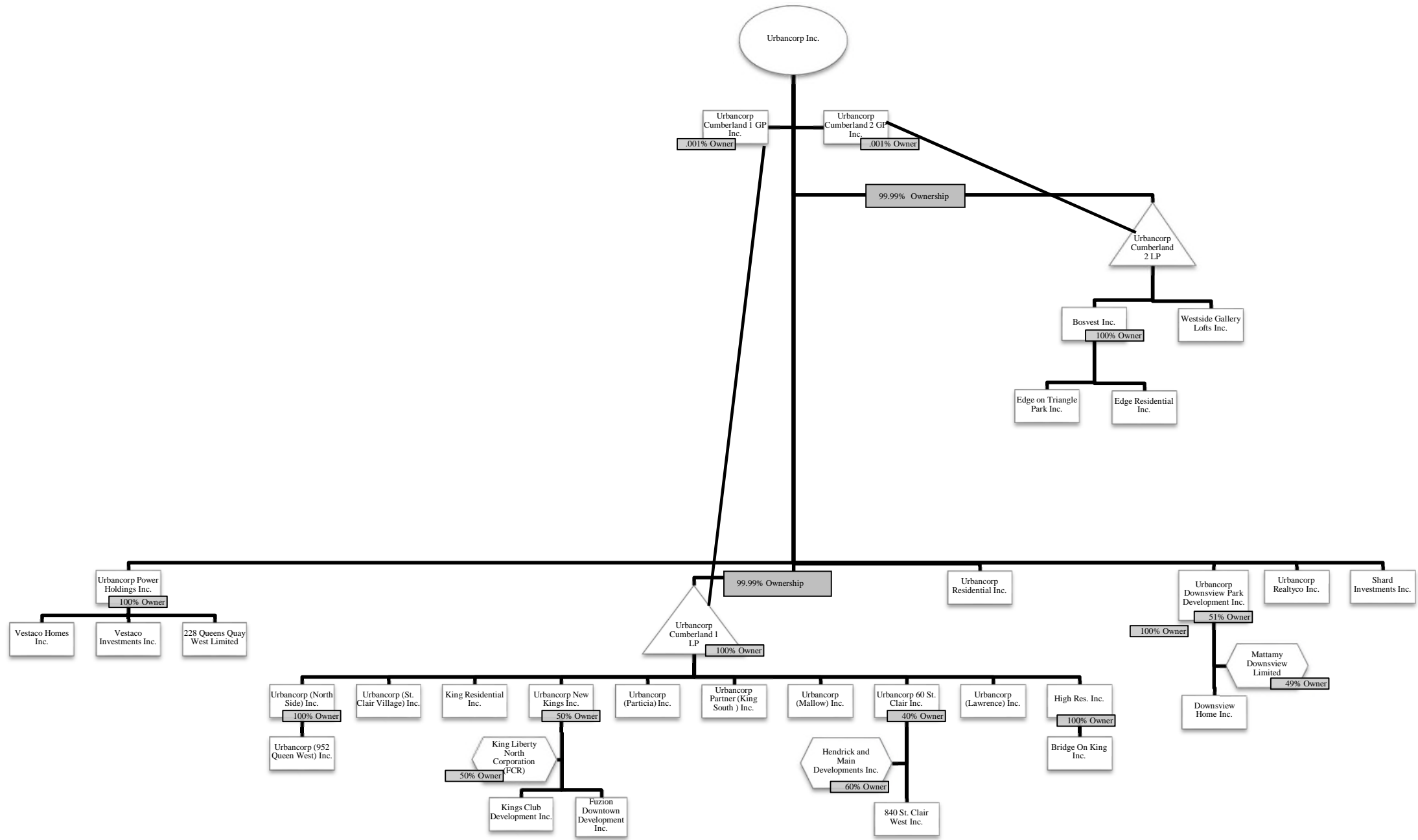
All of which is respectfully submitted,



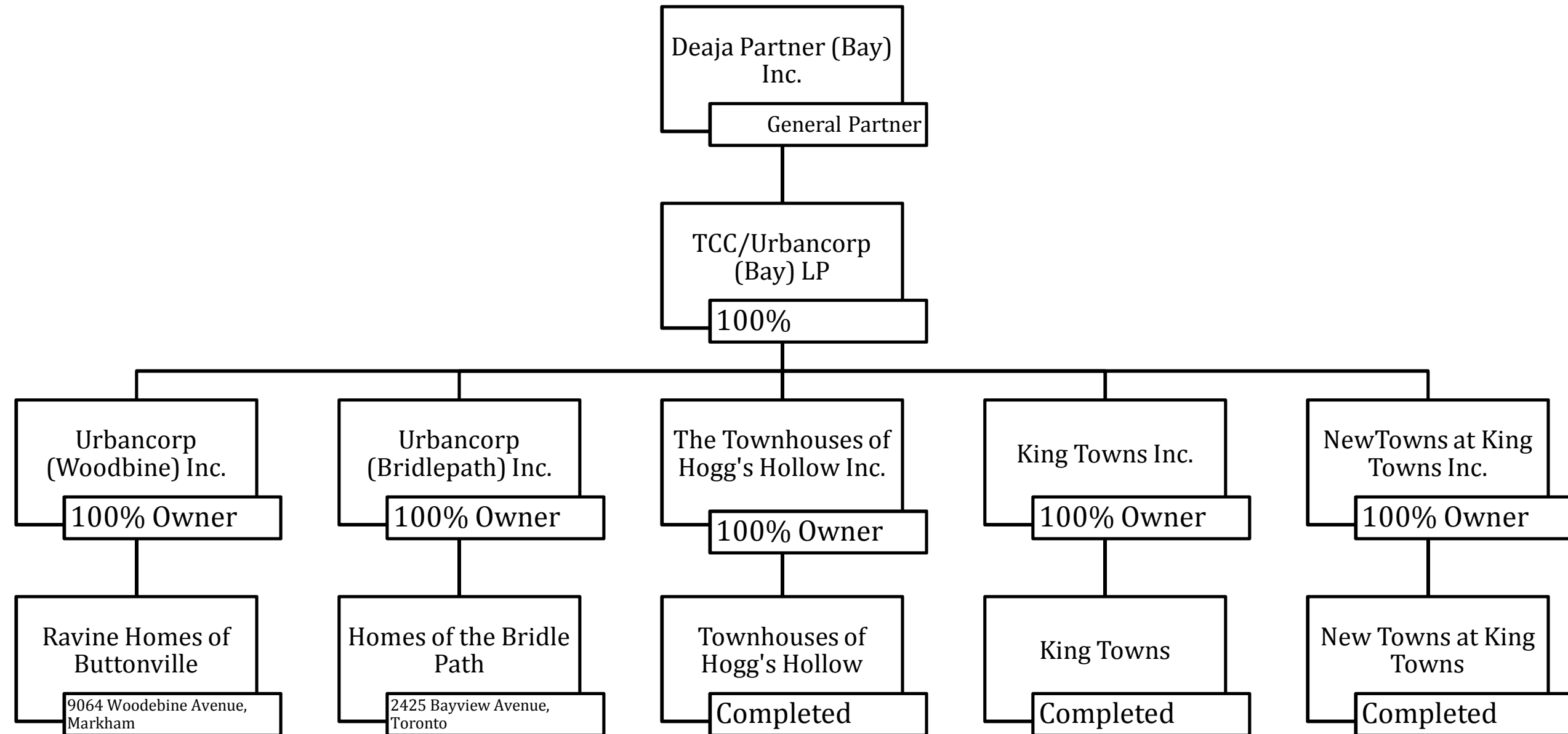
KSV KOFMAN INC.

**IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF
URBANCORP (WOODBINE) INC., URBANCORP (BRIDLEPATH) INC., THE TOWNHOUSES
OF HOGG'S HOLLOW INC., KING TOWNS INC., NEWTOWNS AT KINGTOWNS INC.,
DEAJA PARTNER (BAY) INC. AND TCC/URBANCORP (BAY) LIMITED PARTNERSHIP
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



TCC/URBANCORP (BAY)



Appendix “B”

Projected Statement of Cash Flow¹
 For the Period Ending January 31, 2017
 (Unaudited; \$C)

	Note	Week Ending										5 days ending 31-Jan-17	Total
		24-Nov-16	01-Dec-16	08-Dec-16	15-Dec-16	22-Dec-16	29-Dec-16	05-Jan-17	12-Jan-17	19-Jan-17	26-Jan-17		
<i>Total Receipts</i>		-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	2	-	203,400	-	-	-	203,400	-	-	-	-	203,400	610,200
<i>Total Disbursements</i>	3	-	203,400	-	-	-	203,400	-	-	-	-	203,400	610,200
<i>Net Cash Flow</i>		-	(203,400)	-	-	-	(203,400)	-	-	-	-	(203,400)	(610,200)

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

Notes to Projected Statement of Cash Flow

For the Period Ending January 31, 2017

(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the entities listed on Schedule "A" ("Bay LP CCAA Entities") for the period November 17, 2016 to January 31, 2016 in respect of its proceedings under the *Companies' Creditors Arrangement Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Bay LP CCAA Entities.

Hypothetical Assumption

2. The professional fees are in respect of the Monitor, its legal counsel and legal counsel to the Bay LP CCAA Entities. The amounts include HST. The amounts reflected are estimates only.

Most Probable Assumption

3. Disbursements will be funded from the sale proceeds of properties held by the Urbancorp (Bridlepath) Inc. and Urbancorp (Woodbine) Inc.

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**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
URBANCORP (WOODBINE) INC., URBANCORP (BRIDLEPATH) INC., THE TOWNHOUSES
OF HOGG'S HOLLOW INC., KING TOWNS INC., NEWTOWNS AT KINGTOWNS INC. AND
DEAJA PARTNER (BAY) INC. (COLLECTIVELY, THE "APPLICANTS")
AND IN THE MATTER OF TCC/URBANCORP (BAY) LIMITED PARTNERSHIP**

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

The management of Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., Newtowns at Kingtowns Inc., Deaja Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "Bay LP CCAA Entities") have developed the assumptions and prepared the attached statement of projected cash flow as of the 8th day November, 2016 for the period November 17, 2016 to January 31, 2017 ("Cash Flow"). All such assumptions are disclosed in Notes 2 and 3.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Company 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 and 3. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 8th day of November, 2016.



Alan Saskin, Director

Bay LP CCAA Entities

Appendix “C”

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.
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DEAJA PARTNER (BAY) INC. (COLLECTIVELY, THE "APPLICANTS")
AND IN THE MATTER OF TCC/URBANCORP (BAY) LIMITED PARTNERSHIP**

MONITOR'S REPORT ON CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., Newtowns at Kingtowns Inc., Deaja Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "Bay LP CCAA Entities"), as of the 8th day of November, 2016, consisting of a weekly projected cash flow statement for the period November 17, 2016 to January 31, 2017 ("Cash Flow") has been prepared by the management of the Bay LP CCAA Entities for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 to 3.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Bay LP CCAA Entities. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also 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) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Bay LP CCAA Entities or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical 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 8th day of November, 2016.

A handwritten signature in blue ink that reads "KSV Kofman Inc". The signature is written in a cursive, flowing style.

**KSV KOFMAN INC.
IN ITS CAPACITY AS THE CCAA MONITOR OF
THE BAY LP CCAA ENTITIES
AND NOT IN ITS PERSONAL CAPACITY**