



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

January 23, 2017

and

**Third 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**

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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**

ELEVENTH REPORT OF KSV KOFMAN INC.

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

THIRD REPORT OF KSV KOFMAN INC.

JANUARY 23, 2017

1.0 Introduction

1. On April 21, 2016, Urbancorp (St. Clair Village) Inc. (“St. Clair”), Urbancorp (Patricia) Inc. (“Patricia”), Urbancorp (Mallow) Inc. (“Mallow”), Urbancorp Downsview Park Development Inc. (“Downsview”), Urbancorp (Lawrence) Inc. (“Lawrence”) and Urbancorp Toronto Management Inc. (“UTMI”) each filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence and UTMI are referred to as the “NOI Entities”). KSV Kofman Inc. (“KSV”) was appointed as the Proposal Trustee of each of the Companies.
2. Pursuant to an Order made by the Ontario Superior Court of Justice (Commercial List) (the “Court”) dated May 18, 2016 (the “Initial Order”), the 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 was appointed monitor of the Cumberland CCAA Entities (the “Monitor”).
3. On April 25, 2016, Urbancorp (Woodbine) Inc. (“Woodbine”) and Urbancorp (Bridlepath) Inc. (“Bridlepath”) each filed an NOI. KSV was appointed as the Proposal Trustee of each of Bridlepath and Woodbine.
4. Pursuant to an Order made by the Court dated October 18, 2016, Bridlepath and Woodbine and the entities listed on Schedule “B” (collectively, the “Bay CCAA Entities”, and together with the Cumberland CCAA Entities, the “CCAA Entities”) were granted protection in a separate CCAA proceeding and KSV was appointed Monitor of the Bay CCAA Entities.
5. On November 16, 2016, the Court issued Orders extending the stay of proceedings for the Cumberland CCAA Entities and the Bay CCAA Entities to January 31, 2017.

1.1 Purposes of this Report

1. The purposes of this report (“Report”) are to:
 - a) provide an update on the CCAA proceedings of the CCAA Entities;
 - b) summarize the recommended process to complete sales of 28 condominium units held by Urbancorp Residential Inc. (“URI”) and King Residential Inc.¹ (“KRI”) (jointly, the “Residential Unit Owners”), each of which is a Cumberland CCAA Entity, being marketed for sale by Brad J. Lamb Realty Inc. (“Brad Lamb Realty”), as approved by the Court pursuant to an Order issued on December 14, 2016 (“Sale Process Order”);
 - c) report on the respective Cumberland CCAA Entities’ and the Bay CCAA Entities’ consolidated cash flow projections for the period February 1, 2017 to April 30, 2017 (“Cash-Flow Statements”);

¹ URI and KRI are nominee companies for Urbancorp Realty Co. and Urbancorp Cumberland 1 LP.

- d) summarize and seek approval of the fees and expenses of KSV, as the Monitor of the Cumberland CCAA Entities, and its counsel, Davies Ward Philips & Vineberg LLP (“Davies”), and of WeirFoulds LLP (“WeirFoulds”), counsel to the Cumberland CCAA Entities;
- e) summarize and seek approval of the fees and expenses of KSV, as the Monitor of the Bay CCAA Entities, Davies, and WeirFoulds, counsel to the Bay CCAA Entities; and
- f) recommend that the Court issue orders:
 - i. approving the process to complete sales of the condominium units;
 - ii. granting an extension of the stay of proceedings for the CCAA Entities to April 30, 2017; and
 - iii. approving the fees and disbursements of the Monitor, Davies and WeirFoulds, as detailed in this Report.

1.2 Currency

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

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial information of the CCAA Entities, the books and records of the CCAA Entities and discussions with representatives of the 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 is subject to further review. The Monitor expresses no opinion or other form of assurance with respect to the financial information presented in this Report.
2. An examination of the CCAA Entities’ Cash Flow-Statements 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 CCAA Entities’ assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

2.0 Update on CCAA Proceedings

2.1 Claims Process

1. Pursuant to Orders issued in the CCAA proceedings, the Monitor was authorized to conduct claims processes for the Bay CCAA Entities and Cumberland CCAA Entities (the “Claims Process”). The following sub-sections summarize the major issues that need to be resolved before the Monitor can make a distribution to creditors.

2.2 Home Buyer Claims

1. Mallow, Lawrence, St. Clair, Bridlepath and Woodbine (collectively, the “Property Companies”) each held an interest in real property as bare trustees (collectively, the “Properties”). The Property Companies intended to develop residential projects. In connection with the developments, the Property Companies pre-sold 185 freehold homes and collected deposits totalling \$15.6 million from home buyers (the “Deposits”). There was no statutory or other requirement that the Deposits be held in trust or otherwise segregated. The Deposits were spent prior to the commencement of these insolvency proceedings.
2. At the commencement of the CCAA proceedings, the Properties consisted of raw land. The Property Companies were in the process of obtaining, and in some cases had obtained, approvals required to develop each of their projects.
3. The Monitor carried out a sale process for the Properties. The Approval and Vesting Orders in respect of each of the sale transactions provided each purchaser with title free and clear of all obligations, including the agreements of purchase and sale entered into between the Property Companies and home buyers (the “Home Buyer Agreements”). Accordingly, each home buyer has a claim arising from the failure of the Property Companies to perform the Home Buyer Agreements.
4. Pursuant to the Claims Process, home buyers were not required to file proofs of claim. Based on the Monitor’s review of the Home Buyer Agreements, it determined that home buyers only had a claim for the return of their deposits. The Monitor then prepared each home buyer’s claim and sent it to each home buyer. Home buyers were entitled to accept the claims as determined by the Monitor or dispute the amount of the claim by filing an objection notice.
5. Pursuant to Orders issued by the Court on August 29, 2016, Dickinson Wright LLP (“Dickinson”) was appointed as representative counsel to home buyers who elected to “opt in” to being represented by them.
6. Dickinson has filed an objection notice on behalf of 56 home buyers (the “Dickinson Objection”) (representing approximately 30% of the home buyers). In addition to a claim for Deposits, Dickinson filed a damage claim which it has yet to be quantified.
7. On January 10, 2017, the Monitor and its counsel, Davies, met with Dickinson to attempt to formalize a process to resolve the Dickinson Objection. Davies and Dickinson continue to work on arriving at an agreed process and timetable to resolve the Dickinson Objection. If an agreement cannot be reached in a timely manner, the Monitor intends to seek instructions from the Court regarding next steps.

2.3 Tarion Warranty Corporation

1. Tarion Warranty Corporation (“Tarion”) filed 21 claims aggregating a total of approximately \$5.8 billion against the Cumberland CCAA Entities and 8 claims aggregating approximately \$349 million against the Bay CCAA Entities. Substantially all of Tarion’s claims are contingent claims. The Monitor disallowed Tarion’s claims in full. The majority of the claims were disallowed because the claims were against entities that did not construct any homes or dwelling units. In addition, on certain projects, Tarion claimed a deposit warranty claim. Tarion protects the deposits paid for all new homes up to a maximum of \$40,000 per home. As discussed above, the Claims Process provided for the deposit claims of home buyers to be accepted as a claim against the CCAA Entity, subject to objection by the home buyer. Accordingly, all claims for the return of deposits have been made as against the CCAA Entities. The Tarion deposit warranty claim was therefore duplicative of the home buyer deposit claim and was disallowed on the basis of the common law rule against double proofs.
2. The Monitor understands that Tarion would like to preserve a claim for dwelling deficiencies in connection with the CCAA Entities’ projects. Tarion backstops warranty coverage to new home owners in connection with the construction of their homes for a seven year period. The Bridge on King Inc. is the only CCAA Entity that still qualifies for the Tarion warranty coverage.
3. The Monitor is continuing to have discussions with Tarion to resolve their claims. The Monitor is hopeful that resolution of the home buyer claims will substantially resolve the Tarion claims, thus allowing for a distribution to all creditors.

2.4 Israeli Proceedings

1. Urbancorp Inc. (“UCI”) is the direct or indirect shareholder of the Cumberland CCAA Entities². UCI was incorporated on June 19, 2015 for the purpose of raising capital 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 for NIS 180,583,000 (approximately \$64 million based on the exchange rate at the time of the IPO) (the “Bonds”). The Bonds traded on the Tel Aviv Stock Exchange (the “TASE”). UCI is alleged to have defaulted on the Bonds and trading in the Bonds has been suspended by the TASE.
2. The majority of the proceeds from the Bonds were used by UCI to provide loans to the NOI Entities (other than UTMI) so that those entities could in turn repay certain of their loan obligations owing at the time. The loan agreements between UCI and the NOI Entities set out that these advances are unsecured and functionally subordinated to certain other obligations of the NOI Entities.

² Other than UTMI.

3. On April 25, 2016, the District Court in Tel Aviv-Yafo (the “Israeli Court”) issued a decision appointing 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 (the "Part IV Proceedings") which, among other things:
 - 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 in the Part IV Proceedings.
5. On January 9, 2017, the Israeli Court made an order (the “January 9th Order”):
 - a) extending the appointment of the Foreign Representative by 90 days to April 8, 2017; and
 - b) authorizing the Foreign Representative to convene a creditors’ meeting in order to approve a plan of arrangement for UCI (the “Plan”).
6. The Monitor understands that the Plan will seek to distribute to UCI’s creditors, *inter alia*, any funds received by UCI from its subsidiaries, including distributions from the Cumberland CCAA Entities. As of the date of this Report, the Monitor has not been provided a copy of the Plan and has no further details regarding the Plan.
7. The Monitor further understands that the Foreign Representative will be seeking an Order in the Part IV Proceedings recognizing the January 9th Order. Further information concerning the January 9th Order will be provided in a report or reports to be filed in the Part IV Proceedings by KSV in its capacity as the Information Officer in those proceedings.

2.5 Geothermal Assets

1. Subsidiaries of UCI have an interest in geothermal assets (collectively, the “Geothermal Assets”) located at four condominium projects developed by entities in the Urbancorp Group of Companies. The Geothermal Assets provide heating and cooling to condominium projects through geothermal power. The condominium projects are as follows:

Condominium Name	Address
Edge	36 Lisgar Street, Toronto
Curve	170 Sudbury Street, Toronto
Bridge	38 Joe Shuster Way, Toronto
Fuzion	20 Joe Shuster Way, Toronto

2. The Geothermal Assets are primarily comprised of: (i) geothermal energy systems;³ and (ii) geothermal energy supply agreements between Urbancorp Renewable Power Inc. (“URPI”), a corporation that is not a subsidiary of UCI and that is not subject to CCAA proceedings, and the relevant condominium corporation (collectively, the “Condo Corporations”) to manage each of the geothermal energy systems and to deal with and collect revenues from the Condo Corporations (collectively, the “Supply Agreements”). The Monitor’s understanding is that URPI is supposed to distribute the revenue to the Urbancorp entity that holds the geothermal energy system, less a management fee of approximately 3%.
3. The Condo Corporations have failed to make payments under their Supply Agreements since March, 2016. The Monitor understands that URPI has initiated litigation proceedings against the Condo Corporations for failure to pay for the geothermal services. URPI has advised the Monitor that it expects this litigation to be heard in the next few months.
4. Contemporaneous with the litigation with the Condo Corporations, the Monitor is considering options for realizing on the Geothermal Assets. It has engaged in discussions with an interested party in this regard.

2.6 Downview

1. Downview Homes Inc. (“DHI”) owns land located at 2995 Keele Street in Toronto, which is being developed into condominiums and low-rise residences (the “Downview Project”). The Downview Project consists of two phases. The first phase consists of approximately 560 townhomes and is expected to be completed in 2017. The second phase is a midrise condominium which will consist of approximately 500 residential units. Construction has not commenced on the second phase and is not expected to be completed until about 2020.
2. The shares of DHI are owned by Downview (51%) and Mattamy (Downview) Limited, an affiliate of Mattamy Homes (“Mattamy”) (49%).
3. Construction on the Downview Project is being managed by Mattamy. Downview participates as financial partner on the project.

³ The registered owners of the geothermal energy systems appear to be Vestaco Homes Inc. (Bridge), Vestaco Investments Inc. (Curve) and 228 Queen’s Quay West Ltd. (Edge), each of which is a Cumberland CCAA Entity. The registered owner of the Fuzion geothermal energy system appears to be Urbancorp New Kings Inc. and Urbancorp Management Inc., each as to 50% and each of which is not subject to CCAA proceedings. The Fuller Landau Group Inc. (“Fuller Landau”), in its capacity as Monitor of certain of the other entities in the Urbancorp Group of Companies, including Edge Residential Inc., Edge on Triangle Park Inc. and Bosvest Inc. (collectively, the “Edge Companies”), has indicated that the Edge Companies may have an interest in certain of the geothermal energy systems.

4. Downsvew has no material assets other than the shares of DHI. The shares are subject to transfer restrictions and co-ownership obligations with, and a pledge in favour of, Mattamy.
5. The Monitor is continuing to oversee this project, which has the potential to generate significant value for stakeholders in these proceedings.

2.7 Urbancorp New Kings Inc.

1. Urbancorp Cumberland 1 LP, a Cumberland CCAA Entity, is the shareholder of Urbancorp New Kings Inc. (“UNKI”). UNKI is not subject to the CCAA proceedings. UNKI owns a 50% interest in a development located at 1100 King Street West, Toronto (the “Kingsclub Development”). The remaining 50% interest of the Kingsclub Development is owned by King Liberty North Corporation (“KLNC”), an affiliate of First Capital (S.C.) Corporation (“FCSCC”).⁴
2. The Kingsclub Development is a significant project presently under construction and is to consist of residential and retail space together with related residential and retail parking space.
3. Pursuant to the Initial Order, Robert Kofman, the President of KSV and the person with primary oversight of these proceedings on behalf of the Monitor, or such representative of KSV as Mr. Kofman may designate in writing from time to time, was appointed to the management committee of the Kingsclub Development in place of Alan Saskin, the sole officer and director of UNKI.
4. The Monitor, KLNC and FSSCC have entered into a Court-approved standstill agreement in respect of the Kingsclub Development (the “Standstill Agreement”). The Standstill Agreement is intended to facilitate an orderly completion of the Kingsclub Development. The Monitor is continuing to oversee the Kingsclub Development with a view to generating recoveries from this asset. The recoveries, if any, cannot be quantified at this time.
5. Further information concerning the Standstill Agreement is provided in the Monitor’s Tenth Report to Court dated December 9, 2016 (“Tenth Report”). A copy of the Tenth Report is attached as Appendix “A”, without appendices

3.0 Residential Units Sale Process

1. Pursuant to the Sale Process Order, Brad Lamb Realty is marketing the Residential Units for sale. In order for the Monitor to convey clean title to the Residential Units without the requirement to attend in Court for each of the 28 unit sales, the Monitor is requesting authority from the Court to complete transactions for the Residential Units provided it is satisfied with the purchase price and other terms of the transaction.

⁴ Kings Club Development Inc., a nominee entity, is the registered owner of the Kingsclub Development on behalf of its beneficial owners, UNKI (50%) and KLNC (50%).

2. In order to facilitate the process, the Monitor is seeking approval of a form of Purchase and Sale Agreement (“PSA”) in respect of the Residential Units and authorization to execute the PSA. The Monitor is also prospectively seeking Court approval of a form of Approval and Vesting Order (the “Approval and Vesting Order”) in respect of the sale of the Residential Units. Copies of the draft PSA and Vesting Order are attached as Appendix “B” and “C”, respectively.
3. Given that the sale process has already been approved pursuant to the Sale Process Order, the Monitor recommends that the Court issue an order approving the forms of PSA and the Approval and Vesting Order as doing so is more efficient and less costly than seeking the Court’s approval of each condominium sale.
4. Following the completion of all transactions, the Monitor will file with the Court a report detailing the sale price of each of the Residential Units.

4.0 Cash Flow Forecasts

1. The Cumberland CCAA Entities and Bay CCAA Entities have each prepared consolidated cash flow projections for the period February 1, 2017 to April 30, 2017 (the "Period"). The Cash-Flow Statements and the CCAA Entities’ statutory reports on the cash flow pursuant to Section 10(2)(b) of the CCAA are attached as Appendix “D” and “E”, respectively.
2. The CCAA Entities’ principal assets are proceeds from various real property transactions; the CCAA Entities’ operations do not generate positive cash flow. The expenses in the Cash-Flow Statements include payroll, general and administrative expenses and professional fees.
3. Both the Cumberland CCAA Entities and the Bay CCAA Entities have sufficient cash on hand to pay all disbursements during the Period.
4. Based on the Monitor’s review of the Cash-Flow Statements, there are no material assumptions which seem unreasonable in the circumstances. The Monitor’s statutory reports on the cash flows are attached as Appendix “F”.

5.0 Request for an Extension

1. The CCAA Entities are seeking an extension of the stay of proceedings from January 31, 2017 to April 30, 2017. The Monitor supports their request for extensions of the stay of proceedings for the following reasons:
 - a) the CCAA Entities are acting in good faith and with due diligence;
 - b) no creditor will be prejudiced if the extensions are granted;
 - c) it will allow the Cumberland CCAA Entities and the Monitor further time to deal with other assets owned by the Cumberland CCAA Entities, including the Residential Units, Downsview, the Geothermal Assets and UNKI;

- d) it will allow the Monitor to stay apprised of and consider issues in the Israeli Proceedings;
- e) it will allow the Monitor the opportunity to address issues in the claims process, including the Dickinson Objection; and
- f) as of the date of this Report, neither the CCAA Entities nor the Monitor is aware of any party opposed to an extension.

6.0 Professional Fees

1. The fees and disbursements of the Monitor, Davies and WeirFoulds are summarized below.

Firm	Period	(\$)		
		Fees	Disbursements	Total
<u>Cumberland CCAA Entities</u>				
KSV	Aug 1/16 – Dec 31/16	658,099.25	5,001.01	663,100.26
Davies	Aug 1/16 – Dec 31/16	462,802.50	10,643.13	473,445.63
WeirFoulds	Aug 19/16 – Nov 30/16	184,002.50	1,983.21	185,985.71
Total		1,304,904.25	17,627.35	1,322,531.60
<u>Bay CCAA Entities</u>				
KSV	Oct 18/16 – Dec 31/16	119,170.50	670.96	119,841.46
Davies	Oct 1/16 – Dec 31/16	47,096.50	61.05	47,157.55
WeirFoulds	Aug 19/16 – Nov 30/16	89,507.50	1,465.54	90,973.04
Total		255,774.50	2,197.55	257,972.05

2. Detailed invoices are provided in appendices to the affidavits filed by representatives of KSV, Davies and WeirFoulds which are provided in Appendices “G”, “H” and “I”, respectively.
3. The average hourly rates for the Monitor, Davies and WeirFoulds are as follows:

Firm	Average Hourly Rate (\$)
<u>Cumberland CCAA Entities</u>	
KSV	472.42
Davies	874.86
WeirFoulds	606.86
<u>Bay CCAA Entities</u>	
KSV	484.63
Davies	890.29
WeirFoulds	538.55

4. The Monitor is of the view that the hourly rates charged by Davies and WeirFoulds are consistent with rates charged by law firms practicing in the area of 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 1.1(f) of this Report.

* * *

All of which is respectfully submitted,

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

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

Schedule "A"

Urbancorp Toronto Management Inc.
Urbancorp (St. Clair Village) Inc.
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Urbancorp (Mallow) Inc.
Urbancorp Downsview Park Development Inc.
Urbancorp (Lawrence) 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.

Schedule "B"

Urbancorp (Woodbine) Inc.

Urbancorp (Bridlepath) Inc.

The Townhouses of Hogg's Hollow Inc.

King Towns Inc.

Newtowns at Kingtowns Inc.

Deaja Partner (Bay) Inc.

TCC Urbancorp (Bay) Limited Partnership

Appendix “A”



**Tenth Report to Court of
KSV Kofman Inc. as CCAA Monitor of
Urbancorp Toronto Management Inc.,
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December 9, 2016

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Schedules and Appendices

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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
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HIGH RES. INC., BRIDGE ON KING INC. (COLLECTIVELY, THE
"APPLICANTS") AND THE AFFILIATED ENTITIES LISTED IN SCHEDULE
"A" HERETO**

TENTH REPORT OF KSV KOFMAN INC.

DECEMBER 9, 2016

1.0 Introduction

1. On April 21, 2016, Urbancorp (St. Clair Village) Inc. ("St. Clair"), Urbancorp (Patricia) Inc. ("Patricia"), Urbancorp (Mallow) Inc. ("Mallow"), Urbancorp Downsview Park Development Inc. ("Downsview"), Urbancorp (Lawrence) Inc. ("Lawrence") and Urbancorp Toronto Management Inc. ("UTMI") each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "NOI Proceedings"). Collectively, St. Clair, Patricia, Mallow, Downsview, Lawrence and UTMI are referred to as the "Companies". KSV Kofman Inc. ("KSV") was appointed as the Proposal Trustee in the NOI Proceedings.
2. Pursuant to an Order made by the Ontario Superior Court of Justice (Commercial List) (the "Court") dated May 18, 2016 (the "Initial Order"), the Applicants (which include the Companies) together with the entities listed on Schedule "A" attached (collectively, the "Urbancorp CCAA Entities") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed monitor (the "Monitor").
3. Pursuant to an order issued by the Court on November 16, 2016, the stay of proceedings for the Urbancorp CCAA Entities was extended to January 31, 2017.

4. The principal purpose of the restructuring proceedings is to create a stabilized environment to allow the Urbancorp CCAA Entities the opportunity to consider their restructuring options, including selling some or all of their properties and other assets through a Court approved sale process.
5. 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 an update on the status of the CCAA proceedings;
 - b) summarize the recommended sale process (“Sale Process”) pursuant to which 28 condominium units (the “Residential Units”) owned by Urbancorp Residential Inc. (“URI”) and King Residential Inc. (“KRI”) ¹ (jointly, the “Residential Unit Owners”) are to be marketed for sale, including the Monitor’s recommended retention of Brad J. Lamb Realty Inc. (“Brad Lamb Realty”) to act as listing agent for the Residential Units;
 - c) summarize a Standstill Agreement (“Standstill Agreement”) among the Monitor, King Liberty North Corporation (“KLNC”), Urbancorp New Kings Inc. (“UNKI”) and First Capital (S.C.) Corporation (“FCSCC”) in respect of a development located at 1100 King Street West, Toronto (the “Kingsclub Development”);
 - d) summarize a Release and Settlement Agreement (the “Settlement Agreement”) between the Bridge on King Inc. (“Bridge”) and Toronto Standard Condominium Corporation No. 2302 (the “Condominium Corporation”) in respect of common element deficiencies at the condominium developed and constructed by Bridge located at 38 Joe Shuster Way, Toronto (the “Bridge Condo”);
 - e) recommend that the Court issue orders:
 - i. approving the Sale Process;
 - ii. approving the retention of Brad Lamb Realty to act as listing agent for the Residential Units by entering into the sales agency agreement (the “Sales Agency Agreement”);
 - iii. approving the Standstill Agreement; and
 - iv. approving the Settlement Agreement.

¹ Urbancorp Residential Inc. and King Residential Inc. are nominee companies for Urbancorp Realty Co. and Urbancorp Cumberland 1 LP, respectively.

1.2 Currency

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

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial information of the Urbancorp CCAA Entities, the books and records of the Urbancorp CCAA Entities and discussions with representatives of the Urbancorp CCAA Entities, including their management. The Monitor has not performed an audit or other verification of such information. The financial information discussed herein is preliminary and remains subject to further review. The Monitor expresses no opinion or other form of assurance with respect to the financial information presented in this Report.

2.0 Background

1. The Urbancorp CCAA Entities, together with several affiliates, comprise the Urbancorp Group (collectively, the “Group”). The business of the Group commenced in 1991. The Group primarily engages in the development, construction and sale of residential properties in the Greater Toronto Area. The Group also owns rental properties and geothermal assets. A condensed corporate chart for the Group is provided in Appendix “A”.
2. Additional background concerning the Group is provided in KSV’s previous reports. The reports and other materials filed in these proceedings with the Court are available on KSV’s website at <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.

3.0 Update on the CCAA Proceedings

1. On November 8, 2016, the Court issued an order approving the sale of a property in which Urbancorp 60 St. Clair Inc. (“60 St. Clair”) had a 40% interest (the “St. Clair Property”). On December 6, 2016, the Monitor closed the transaction for the St. Clair Property.
2. On November 16, 2016, the Court issued an order approving the sale of a property for which Lawrence was the registered owner (the “Lawrence Property”). On November 17, 2016, the Monitor closed the transaction for the Lawrence Property. The Monitor had previously closed transactions for the real estate held by Patricia, Mallow and St. Clair.

- On September 15, 2016, the Court made an order (the “Claims Procedure Order”) approving a claims process (“Claims Process”) for the Urbancorp CCAA Entities and any of the Urbancorp CCAA Entities’ directors and officers (the “D&Os”). The claims bar date was October 21, 2016. The Monitor received approximately 240 claims, including approximately 30 claims against the D&Os. The Monitor issued 84 Notices of Revision or Disallowance (the “Revision and Disallowance Notices”) in respect of the claims received. Parties that received a Revision and Disallowance Notice have 21 days to file a Notice of Dispute from the date they were deemed to have received the Revision and Disallowance Notice. The Monitor intends to file a further report to Court concerning the Claims Process.

4.0 Residential Units

- The table below provides a summary of the Residential Units.

Condo Name	Address	Registered Owner	Number of Units
Bridge Condominium	38 Joe Shuster Way, Toronto	KRI	13
Curve Condominium	170 Sudbury Street, Toronto	URI	8
Westside Gallery Lofts	150 Sudbury Street, Toronto	URI	7

- The Residential Units are owned by the entities listed in the table above, each of which is a direct or indirect subsidiary of Urbancorp Inc. Many of the Residential Units are currently being leased to tenants.

4.1 Secured Lenders

- The table below summarizes the mortgages on the Residential Units.

Company	Lender	Security	Amount (\$)
KRI	Canadian Imperial Bank of Commerce	7 units	1,134,387
KRI	TD Bank	6 units	1,340,581
URI	TD Bank	15 units	3,035,794
			<u>5,510,762²</u>

- In addition to the mortgages reflected in the table above, there is a mortgage registered against KRI in favour of Speedy Electrical Contractors Ltd. (“Speedy”) in the amount of \$2.4 million against each condominium unit owned by KRI. The mortgage is to secure a guarantee provided by KRI in connection with amounts owing to Speedy by Alan Saskin and Edge on Triangle Park Inc., an affiliate of the Urbancorp CCAA Entities. The Monitor has disallowed Speedy’s claim against KRI in full in the Claims Process. Speedy has issued a Notice of Dispute in connection with the disallowance.

² Total amount owing is likely not inclusive of all interest and other fees that may be payable.

3. Rental income generated from the Residential Units has been used to, *inter alia*, service the mortgages during the CCAA proceedings. The proceeds from the sale of the units will be first used to repay the mortgage obligations on the Residential Units on a unit-by-unit basis (other than Speedy's mortgage claim which is currently being disputed).

5.0 Sale Process

5.1 Proposals from Realtors

1. Edge Residential Inc. and Edge on Triangle Park Inc. (jointly, the "Edge Entities") are affiliates of the Urbancorp CCAA Entities. The Edge Entities are subject to CCAA proceedings in which the Fuller Landau Group Inc. ("Fuller Landau") is the CCAA monitor. In July 2016, Fuller Landau solicited proposals from 13 realtors to sell 37 residential condominium units owned by the Edge Entities (the "Edge Units"). Following interviews with realtors and discussions with the Group's management, Fuller Landau selected Brad Lamb Realty to list the Edge Units for sale.
2. The Residential Units are similar to the Edge Units. They were both built by the Group and are in close proximity to one another. In order to avoid professional fees associated with soliciting new proposals from realtors, and to allow the Monitor to commence the Sale Process expeditiously, the Monitor obtained copies of the realtor proposals that were submitted to Fuller Landau.
3. The Monitor discussed the proposals with Fuller Landau and the Group's management. Fuller Landau advised that Brad Lamb Realty was selected as listing agent as, among other things, the firm is a leading realtor focused on the Toronto condominium market. Fuller Landau also advised that it is pleased with Brad Lamb Realty's performance to-date.
4. Brad Lamb Realty has also provided the Monitor with an action plan for selling the Residential Units over a period of time, as well as the suggested listing prices for the Residential Units. It has also agreed to reduce its commission for this assignment from 2.5% to 2.15%. The Monitor intends to enter into the Sales Agency Agreement, subject to Court Approval. A copy of the Sales Agency Agreement is attached as Appendix "B".

5.2 Sale Process

1. A summary of the recommended Sale Process is provided below:

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Preparation and Due Diligence</i>		
Due diligence	<ul style="list-style-type: none"> ➤ Brad Lamb Realty will inspect the Residential Units. ➤ Brad Lamb Realty and the Monitor will compile all relevant due diligence documents, including floor plans, unit descriptions, condominium status certificates and leases. 	By December 31, 2016
Finalize marketing materials	<ul style="list-style-type: none"> ➤ To the extent the Residential Units are vacant, Brad Lamb Realty will stage the Residential Units for showings. ➤ Brad Lamb Realty will prepare a marketing brochure for each of the Residential Units, including pictures of the units. 	
<i>Phase 2 – Marketing</i>		
Marketing	<ul style="list-style-type: none"> ➤ Brad Lamb Realty will: <ul style="list-style-type: none"> ○ list the Residential Units for sale on MLS. The MLS listings will be limited to a few Residential Units at a time. When an offer is accepted, Brad Lamb Realty and the Monitor will identify the next Residential Unit to be listed for sale; ○ post on its website details of the Residential Units listed for sale; ○ arrange for open house showings; ○ conduct an “e-blast” marketing campaign (an email detailing the offering to over 155,000 contacts in Brad Lamb Realty’s database); and ○ provide interested parties with a copy of the Purchase and Sale Agreement (the “PSA”) to be utilized for the Residential Units. ➤ Brad Lamb Realty and the Monitor will be available during the marketing phase to respond to questions from potential purchasers. 	Commencing January 2, 2017

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 3 – Offer Review and Negotiations</i>		
Short-listing of Proposals	➤ As offers are presented, they will be reviewed by Brad Lamb Realty and a recommendation will be made by Brad Lamb Realty to the Monitor.	As received

2. In addition to the foregoing:

- a) the Residential Units will be marketed for sale on an “as is, where is” basis; and
- b) the Monitor will have the right to reject any and all offers, including the highest offers.

5.3 Sale Process Recommendation

1. The Monitor recommends that the Court issue an order approving the Sale Process, including the retention of Brad Lamb Realty and the execution of the Sales Agency Agreement for the following reasons:
 - a) Brad Lamb Realty is a leading Toronto realtor focused on the local condominium market. Its team is being led by an individual who has significant experience selling residential condominium properties. Brad Lamb Realty has developed a proven marketing strategy and has an extensive network of buyers. Its commission structure has been reduced for this assignment given the number of units to be sold;
 - b) the Monitor is of the view that the Sale Process strategy is appropriate and will assist to maximize value for the Residential Units; and
 - c) the recommended order provides the Monitor the right to amend the Sale Process should it feel that it is warranted.

6.0 Kingsclub Development

1. The Kingsclub Development is a significant development presently under construction and is to consist of residential and retail space together with related residential and retail parking space.

2. UNKI is an indirect subsidiary of Urbancorp Inc. It is not subject to the CCAA proceedings. UNKI owns a 50% interest in the Kingsclub Development. The remaining 50% interest of the Kingsclub Development is owned by KLNC, an affiliate of FCSCC.³ Urbancorp Cumberland 1 LP, to which these proceedings pertain, is the shareholder of UNKI.
3. KLNC and UNKI (each a “Co-Owner”) are parties to an amended and restated Co-Owners Agreement dated February 1, 2012 (the “Co-Owners Agreement”).
4. On July 28, 2015, KLNC and UNKI, as vendors, entered into a purchase and sale agreement for the residential component of the Kingsclub Development with CAPREIT Limited Partnership (“CAPREIT”) (the “CAPREIT APS”). Further to the CAPREIT APS, each of KLNC, UNKI and CAPREIT GP Inc., an affiliate of CAPREIT, entered into a management agreement dated July 28, 2015 (the “CAPREIT Management Agreement”).
5. Pursuant to the Initial Order, Robert Kofman, the President of KSV and the person with oversight of these proceedings on behalf of the Monitor, or such representative of KSV as Mr. Kofman may designate in writing from time to time, was appointed to the management committee of the Kingsclub Development (the “Management Committee”).
6. As of September 30, 2016, UNKI and KLNC had borrowed approximately \$151 million in connection with the financing of the Kingsclub Development, consisting of an approximately \$69.3 million loan from FCSCC (the “FCSCC Loan”) and \$81.8 million from Bank of Nova Scotia (the “BNS Loan”).
7. UNKI has also borrowed from KLNC: (i) approximately \$2.9 million to fund costs associated with the Kingsclub Development (the “Urbancorp Loan”); and (ii) \$2.1 million, together with Urbancorp Management Inc., an affiliate of UNKI, in connection with the purchase of geothermal assets from KLNC (the “Geothermal Loan”).
8. On September 30, 2016, the Management Committee of the Kingsclub Development authorized additional costs for the Kingsclub Development in the amount of \$24.7 million (the “Cost Increase”). Pursuant to the terms of the Co-Owners Agreement, each Co-Owner is obligated to contribute 50% of the Cost Increase. The Urbancorp CCAA Entities and/or UNKI are not in a position to fund the Cost Increase.
9. Since the commencement of the CCAA Proceedings, the Monitor has considered options to monetize UNKI’s interest in the Kingsclub Development, including commencing formal insolvency proceedings in respect of UNKI so that a sale process could be conducted for UNKI’s interest in the development, is possible.

³ Kings Club Development Inc., a nominee entity, is the registered owner of the Kingsclub Development on behalf of its beneficial owners, UNKI (50%) and KLNC (50%).

10. The Monitor considers that the best approach to maximize value for the UNKI interest at this time is to retain it until the development is completed. The Standstill Agreement assists to accomplish this. Pursuant to the terms of the Standstill Agreement, KLNC has agreed to advance UNKI's portion of the Cost Increase on the terms set out therein and to consider funding further potential Cost Increases, if and when necessary. The Standstill Agreement is not subject to Court approval, but requires such court approval to be sought.

6.1 Standstill Agreement⁴

1. A copy of the Standstill Agreement is attached as Appendix "C". The material terms of the Standstill Agreement are as follows:
 - a) Effective Date: November 7, 2016
 - b) Interim Borrowing: KLNC has agreed to make secured advances to UNKI of up to \$15 million at the interest rate prescribed in the Co-Owners Agreement (the "Capital Contribution Loan") in order to permit UNKI to fund its Cost Increase Capital Contribution and its portion of any additional cost increases approved in accordance with the terms of the Co-Owners Agreement, which provides that either Co-Owner may advance funds to the other Co-Owner for the purposes of funding costs of the Kingsclub Development.
 - c) Security: the Capital Contribution Loan will be secured under an existing charge on UNKI's interest in the Kingsclub Development in favour of KLNC (the "Co-Owners Cross Charge"), but the quantum of such charge shall be increased by \$15 million.
 - d) KLNC and FCSCC agree to forbear from exercising their rights and remedies under their loans provided to UNKI and under the Co-Owners Agreement until the earlier of:
 - o each of the following occurring: (i) completion of the Kingsclub Development; and (ii) repayment in full of the BNS Loan, the Urbancorp Loan, the Geothermal Loan and the amounts funded under the Standstill Agreement (i.e. the Capital Contribution Loan); or
 - o the occurrence of an Additional Event of Default (such earlier date being the "Termination Date");

⁴ Terms not defined in this section have the meanings ascribed to them in the Standstill Agreement.

- e) Additional Events of Default:
- Subject to Section 3(d) of the Standstill Agreement, any Event of Default under the Co-Owners Agreement, the Urbancorp Loan, or the Geothermal Loan that is existing as of the Effective Date or that may occur at any time on or after the Effective Date;
 - any insolvency, bankruptcy, restructuring or similar proceedings, including under any applicable insolvency legislation, are commenced against UNKI, in Canada or elsewhere, or any action is taken by UNKI in response to any such proceedings;
 - UNKI or KSV fails to comply with, or defaults in, the performance or observance of any of the terms, conditions, covenants, agreements or undertakings under or provided for in the Standstill Agreement;
 - UNKI fails to comply with, breaches, or defaults in the performance or observance of any of the terms, conditions, covenants, agreements or undertakings under or provided for in the other Loan Documents;
 - an Event of Default occurs under the BNS Loan; and
 - KLNC and FCSCC fails to increase the amounts available to fund UNKI's Cost Increase Capital Contribution within 30 days of such request being made;
- f) subject to paragraph 6.1 (1)(g) below, UNKI agrees not to:
- seek any creditor protection without the prior consent of KLNC and to oppose any application brought by another party to commence any similar proceeding on an involuntary basis. As the party controlling UNKI, the Monitor agrees not to take any steps that would result in UNKI breaching its obligation; and
 - take any steps to terminate, disclaim or resiliate the Co-Owners Agreement, the CAPREIT APS, the CAPREIT Management Agreement and the Standstill Agreement (the "Material Contracts");
- g) If the Termination date occurs as a result of:
- i. insolvency proceedings being commenced by KLNC, FCSCC or BNS against UNKI, then steps may be taken to place UNKI in any form of Debtor Relief Law and, in such proceedings, UNKI reserves the right to disclaim one or more Material Contracts, and KLNC reserves all rights with respect to such actions;

- ii. KLNC or FCSCC failing to increase the Capital Contribution Loan, then steps may be taken to place UNKI in any form of Debtor Relief Law and, in such proceedings, UNKI reserves the right to disclaim one or more Material Contracts, and KLNC reserves all rights with respect to such actions; and
 - iii. any other reason than (i) or (ii) above, then steps may be taken to place UNKI in any form of Debtor Relief Law and, in such proceedings, provided that funding for UNKI's portion of any additional cost increases approved in accordance with the terms of the Co-Owners Agreement continue to be provided by KLNC pursuant to the Standstill Agreement, UNKI shall not seek to disclaim the Material Contracts.
2. The Monitor recommends the Court approve the Standstill Agreement. The Standstill Agreement provides for an orderly completion of the Kingsclub Development, which has the best prospect of providing value for UNKI. It is unclear whether a sale of the UNKI interest today would generate value for UNKI. A filing of UNKI would be complex and would affect third parties, such as CAPREIT. The Standstill Agreement also provides a mechanism for UNKI to fund Cost Increases associated with the Kingsclub Development, which UNKI would otherwise be unable to fund.

7.0 Bridge on King Inc.

1. High Res Inc. is the sole shareholder of Bridge, which was the registered owner and title nominee for the property municipally known as 38 Joe Shuster Way, Toronto (the "Bridge Property"). The Bridge Condo is a 534 unit residential development which completed construction in mid-2011. The Bridge Condo was registered on April 5, 2013. The Condominium Corporation is the legal entity that controls and manages the common elements at the Bridge Condo.
2. Following the registration of the condominium, the Condominium Corporation retained a consultant to conduct a performance audit in order to determine the common element deficiencies with respect to the Bridge Condo. The performance audit identified approximately \$1.8 million in common element deficiencies. After lengthy negotiations (which commenced prior to the CCAA proceedings), the Condominium Corporation and Bridge reached the Settlement Agreement in respect of all common element deficiencies. A copy of the Settlement Agreement is attached as Appendix "D".
3. Pursuant to the Settlement Agreement, Bridge agreed to pay the Condominium Corporation \$450,000, including HST, in exchange for, *inter alia*, the Condominium Corporation agreeing to release Bridge from all claims arising out of the development in respect of common elements at the Bridge Condo.

4. Well prior to the CCAA proceedings, Bridge had posted a \$500,000 cash secured bond (the "Cash Security") with Tarion Warranty Corporation ("Tarion") which was held as security for, among other things, the common element deficiencies. The Monitor has been advised by the Group's management that Tarion has agreed to release the Cash Security so that Bridge can fund the settlement, with the remaining \$50,000 of Cash Security being returned to Bridge. The Settlement Agreement is contingent on Court approval.
5. The Monitor recommends the Court approve the Settlement Agreement as:
 - a) the Settlement Agreement was the result of extensive negotiations between the Condominium Corporation and the management of Bridge. Management has negotiated a significant decrease from the amount claimed in the original performance audit. Management has advised that it believes the Monitor should accept the Settlement Agreement;
 - b) the Monitor has reviewed the performance audit and discussed the terms of the Settlement Agreement with management and believes that the terms of the Settlement Agreement are reasonable; and
 - c) the Monitor understands that the terms of the settlement are acceptable to Tarion.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in Section 1.1 (e) of this Report.

* * *

All of which is respectfully submitted,



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

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 “B”

**BRIDGE CONDOMINIUM
AGREEMENT OF PURCHASE AND SALE OF TENANTED UNITS**

The undersigned _____ ("**Purchaser**") hereby agrees with **KING RESIDENTIAL INC. ("KRI")** as represented by KSV Kofman Inc. solely in its capacity as the court appointed monitor of KRI pursuant to an order of the Ontario Superior Court of Justice – Commercial List (the "**Court**") made in proceedings pursuant to the *Companies' Creditor Arrangement Act* bearing court file number CV-16-11389-00CL (the "**Vendor**"), to purchase the Unit in Toronto Standard Condominium Plan No. 2302 (the "**Plan**") at 38 Joe Shuster Way, Toronto (the "**Property**") described in Schedule "B" attached together with the appurtenant common interest (the "**Unit**").

1. Purchase price for the Unit shall be _____

DOLLARS (\$ _____) (the "**Purchase Price**") as follows:

(a) _____
_____ (\$ _____) by certified cheque payable to DAVIES WARD PHILLIPS & VINEBERG LLP (the "**Vendor's Solicitors**"), in trust as a deposit with this Offer; and

(b) The balance of the Purchase Price shall become due and be payable by wire transfer on the Unit Transfer Date as defined in Schedule "A" attached.

If Purchaser does not pay the deposit when due, then, at the option of the Vendor, this Agreement of Purchase and Sale shall become null and void and the deposit that has been paid, together with accrued interest, shall be forfeited to Vendor in full without setoff or deduction, without prejudice to any other right or remedy that Vendor may have.

2. It is expressly acknowledged and agreed that transfer of title to the Unit shall be effected by way of Vesting Order of the Court as defined in Paragraph 2 of Schedule "A".

3. This Agreement (together with Schedules "**A**", "**B**", "**C**", _____) when accepted, shall constitute the entire Agreement between Vendor and Purchaser and becomes a binding Agreement of Purchase and Sale.

Schedules to Agreement of Purchase and Sale

Schedule "A" – Additional Terms

Schedule "B" – Description of Units

DATED this _____ day of _____, 2017.

[If Purchaser is a Corporation] _____

Per:

Name and Title:

Name and Title:

I/We have authority to bind the Corporation

[If Purchaser is an individual]

Witness:

Name:

Name:

Purchaser:

Purchaser's Solicitor:

Address

Name

Address

Firm

Home Telephone No.

Fax No.

Address

Business Telephone No.

Email Address

Email

Telephone Number

Vendor accepts the above Agreement and agrees to complete this transaction in accordance with the terms thereof.

DATED at _____ this _____ day of _____, 20____.

VENDOR'S SOLICITORS

DAVIES WARD PHILLIPS & VINEBERG LLP

155 Wellington Street West

Toronto, Ontario M5V 3J7

Attn:

Telephone:

Fax:

E-mail:

KING RESIDENTIAL INC. as represented by KSV Kofman Inc. solely in its capacity as its court appointed monitor pursuant to an order of the Ontario Superior Court of Justice – Commercial List made in proceedings pursuant to the *Companies' Creditor Arrangement Act* bearing court file number CV-16-11389-00CL, and not in its personal or corporate capacity

Per: _____

Authorized Signing Officer

I have the authority to bind the Corporation

c/o

KSV KOFMAN INC.

150 King Street West

Suite 2308

Toronto, ON M5H 1J9

Attention: Noah Goldstein

Email: ngoldstein@ksvadvisory.com

Fax: 416.932.6266

SCHEDULE "A"
TO THE AGREEMENT OF PURCHASE AND SALE

ADDITIONAL TERMS

Condominium

1. The Unit has been created in accordance with a Description registered as Toronto Standard Condominium Plan No. 2302 with respect to a building on lands described in Schedule "A" to the Declaration (the "Lands") in accordance with the provisions of the *Condominium Act, 1998*, as amended (the "Act").

Unit Transfer

2. This Agreement shall be completed on the day that KSV Kofman Inc. in its capacity as the Court appointed Monitor of KRI pursuant to an order of the Court made in proceedings pursuant to the *Companies' Creditor Arrangement Act* bearing court file number CV-16-11389-00CL (the "Monitor") delivers to the Purchaser the Monitor's Certificate as defined in the Approval and Vesting Order granted by the Court on January 27, 2017 (the "Vesting Order"), provided that such day is a Business Day and shall not be earlier than **thirty (30) days** after the date this Agreement is accepted by the Vendor, or such extended or accelerated date pursuant to the terms of this Agreement (the "Unit Transfer Date").

Deposits

3. The deposit paid by Purchaser shall be held by Vendor's Solicitors, in trust in a designated trust account and shall be released only in accordance with the provisions of the Act and regulations thereto, as amended from time to time.
4. Any cheques provided by Purchaser to Vendor or to Vendor's Solicitors shall not be deposited until expiry of the ten-day rescission period provided for in the Act.

Title

5. Purchaser agrees to accept title subject to the following:
 - (a) Declaration, Description, By-laws, Rules and Regulations;
 - (b) Any subdivision agreement, site plan agreement, development agreement, Section 37 of the Planning Act agreement or any other agreement pertaining to the development of the Lands;
 - (c) Easements or licenses for installation or maintenance of any utility or other service, including, without limitation, telephone, hydro, gas, sewer, water, television, cable, master antenna television distribution system, support, and ventilation;
 - (d) Any easement agreements, mutual use agreements, shared facilities agreements, and reciprocal agreements entered into with neighbouring landowners relating to the shared use, maintenance, repair, improvement and replacement of facilities and services;
 - (e) All restrictive covenants and conditions touching or affecting the Lands, including any warning provisions or notice provisions required by any governmental authority pertaining to noise or noise attenuation or environmental matters;
 - (f) Leases, service, maintenance or license agreements of portions of Common Elements;
 - (g) Easement, restrictions and conditions that run with the Lands;provided that they have been complied with.
6. Purchaser:
 - (a) shall be allowed until fifteen days prior to Unit Transfer Date to examine title, at Purchaser's expense, and if, within that time, any valid objection is made in writing which Vendor shall be unwilling or unable to remove or satisfy and which Purchaser will not waive, this Agreement shall, notwithstanding any intermediate negotiations in respect of such objection, be null and void and deposit shall be returned with interest, less any deduction imposed by law, and, Vendor shall have no further liability or obligation and shall not be liable for any costs or damages whatsoever. Vendor may respond to such requisitions by means of a title memorandum, which shall constitute a satisfactory manner of responding to Purchaser's requisitions. Save as to any valid objections so made within such time, Purchaser shall be conclusively deemed to have accepted title;
 - (b) shall not call for production of any occupancy certificate, or title deed or abstract or other evidence of title;

- (c) acknowledges that any requisition letter in respect of this transaction may be answered by title memorandum issued by the Vendor's solicitors;
- (d) acknowledges that Unit may be encumbered by blanket charge(s) which is (are) not to be assumed. Purchaser shall accept the Vesting Order in full satisfaction of Vendor's obligation to provide a discharge of encumbrances not intended to be assumed by Purchaser;
- (e) acknowledges that Vendor will not be supplying a status certificate in respect of the Unit (the Purchaser is advised to contact TSCC No. 2302 to obtain a Status Certificate);
- (f) agrees that the Unit may include a rental or leased hot water tank and associated components which would remain the property of the appropriate company or other supplier of such item, and in such event, the Purchaser shall pay the monthly rental/lease charges assessed with respect thereto from and after the Unit Transfer Date, and shall execute all requisite rental documents in connection therewith. Accordingly the cost of a hot water tank and associated components is not included in the Purchase Price;
- (g) acknowledges and agrees that the HVAC equipment, which may include the geothermal heating, air conditioning and furnace unit, within the Unit shall be leased by the Purchaser and is, therefore, not included in the Purchase Price. The Purchaser agrees on or before the Unit Transfer Date to enter into a conditional sales/lease agreement with such company selected by the Vendor for the lease of same, and which shall confirm that the said equipment would remain the property of the supplier of same;
- (h) acknowledges having inspected the Units and is purchasing the Units on an "as is, where is" basis;
- (i) acknowledges that it may be required to enter into an agreement with the supplier of hydro services to the Condominium (the "Hydro Supplier"). Furthermore, the Purchaser acknowledges that such agreement may require the Purchaser to deliver a security deposit to the Hydro Supplier prior to the Unit Transfer Date and the Purchaser agrees to deliver such security deposit to the Vendor on the Unit Transfer Date; and
- (j) shall satisfy himself, herself or itself as to the due compliance with the provisions of any instrument referred to above, and shall not require releases with respect to same.

Adjustments, Etc.

7. On the Unit Transfer Date, in addition to deposits, the Purchase Price shall be adjusted as follows:
 - (a) Rents and Common Expenses, are to be apportioned and/or allowed to Unit Transfer Date, with the date itself apportioned to the Purchaser;
 - (b) There shall be no adjustment for realty taxes. Realty taxes to the Unit Transfer Date shall be dealt with by the Vesting Order. Realty taxes on and after the Unit Transfer Date shall be the responsibility of the Purchaser.
 - (c) Prepaid rents and rent deposits received from tenants under any leases in respect to tenanted Units, as a credit to Purchaser;
 - (d) The cost of water, gas, and/or electricity meter, check meter or consumption meter installation, connection charges, energization charges, and any other charges in connection with the provision of any water, gas, or electricity service;
 - (e) The amount to reimburse the Vendor for the insurance levy imposed on Vendor or its solicitors by Law Society of Upper Canada;
 - (f) Legal fees and disbursements charged to Purchaser, for implementing any changes to the Unit Transfer documents requested by Purchaser, for reproducing or resending any Unit Transfer Documents, and for reimbursement of Vendor's reasonable fees and disbursements incurred on account of any default of the Purchaser; and
 - (g) costs for any upgrades or changes requested by the Purchaser.
8. Where a levy, cost or charge is not assessed against Unit but against Property as a whole, and Vendor is otherwise permitted in this Agreement of Purchase and Sale to an adjustment for such levy, cost or charge, Vendor shall allocate such charge or levy amongst all Units. Vendor shall be entitled to estimate amount of such levy or charge and reflect such levy or charge on Statement of Adjustments as a credit, notwithstanding that such levy or charge may not have been formally or finally levied or assessed or payable by Unit Transfer Date, and such levy or charge shall be subject to readjustment, if necessary, when the final assessment, charge or levy has been made. A letter from the Vendor's consultant as to the amount of such charge, cost or levy shall constitute conclusive evidence and shall be binding upon Purchaser.

9. All adjustments shall be subject to applicable taxes.

Harmonized Sales Tax ("HST")

10. Vendor represents that the transaction is not subject to HST, and if HST applies to this transaction, HST is included in the Purchase Price.

Changes

11. If Purchaser:

- (a) Changes the names or the manner in which Purchaser has previously advised to take title to the Unit;
- (b) Changes solicitors, and/or
- (c) Changes any other information or documentation forming part of the Unit Transfer documents that are prepared by Vendor's solicitors

but fails to inform Vendor or Vendor's solicitors before the time that the Unit Transfer documents have been prepared, as the case may be, even though such documents may not yet have been delivered to Purchaser or Purchaser's solicitors, then the Purchaser shall reimburse Vendor for Vendor's processing costs, including any legal fees and disbursements, and the cost to redo, reproduce and send the documents, for each package that is revised, reproduced or re-sent.

General

12. If the within transaction is not completed for any reason whatsoever, notwithstanding refund or forfeiture of deposit, Purchaser shall execute and deliver such documents affecting title as are necessary for Vendor to effect a resale of Unit. Any amount paid for upgrades or extras shall not be refunded.

13. Purchaser is to pay registration costs and taxes on the registration of the Vesting Order transferring title of the Unit to the Purchaser.

14. Purchaser agrees to submit to Vendor ten (10) days before Unit Transfer Date, written advice as to the manner in which Purchaser intends to take title and Purchaser shall be required to take title in the manner so advised. If Purchaser does not submit such advice, Vendor shall be entitled to tender the Monitor's Certificate (as defined in the Vesting Order) engrossed in the name of Purchaser as shown on the face of this Agreement.

15. Purchaser shall provide to Vendor, on the Unit Transfer Date,

- (a) satisfactory evidence that Purchaser has opened accounts for all utilities or other services that are not bulk metered that supply service to the Unit or that are to be billed directly to the occupant of the Unit, and Purchaser shall not be entitled to possession of the Unit until such evidence is provided. **Purchaser is advised that Purchaser may not be permitted to open a hydro account until the local utility ("Hydro") receives a certification from an electrician as to completion of the Purchaser's own interior electrical work. It is responsibility of the Purchaser to complete the work and obtain the certificate.**
- (b) Undertaking to Readjust
- (c) Purchaser's Warranty and Acknowledgment for [NTD:]_____ (?)
- (d) Direction for title

16. Vendor shall provide, on or before the Unit Transfer Date, the following documents

- (a) Vesting Order
- (b) Monitor's Certificate
- (c) Statement of Adjustments
- (d) Bill of Sale
- (e) General Conveyance and Assignment
- (f) Declaration as to Residency
- (g) Undertaking to Readjust
- (h) Direction re closing proceeds

Purchasing "As Is – Where is"

17. Purchaser acknowledges that Purchaser is purchasing the Unit on an "as is, where is basis", and that there are no representations or warranties as to leases, the state of accounts relating to any tenancies, accuracy of any information provided to Purchaser, Unit size, condition of the Unit, fitness for purpose, finishes, or any obligation to complete work except as expressed in this Agreement in writing.

No Registration of Notice/Zoning Changes

18. Purchaser covenants and agrees not to register or cause to be registered this Agreement or Notice thereof or a Caution or any other document evidencing this Agreement against title. Purchaser covenants and agrees that he

will not object to or oppose any change or amendment in the zoning and/or official Plan and/or Site Plan requirements for the Project. Purchaser hereby irrevocably nominates, constitutes and appoints Vendor as Purchaser's agent and attorney, in fact and in law, to cause removal of Notice of this Agreement, Caution or any other document whatsoever from title and to represent Purchaser before any level of government or administrative tribunal in accordance with this provision, and agrees to execute a separate Power of Attorney if required by Vendor. Purchaser shall deliver to Vendor the same covenants in written form from any subsequent purchaser.

Assignment

19. Purchaser covenants and agrees not to list for sale, advertise for sale, offer for sale, sell, lease, offer to lease, transfer or assign, Purchaser's rights hereunder or in Unit, at any time prior to Unit Transfer Date, without prior written consent of Vendor, which consent shall may be unreasonably withheld.
20. Where a Purchaser is described on Page 1 of this Agreement of Purchase and Sale as having entered into this Agreement of Purchase and Sale in trust for a company to be incorporated (the "Corporate Purchaser"), Purchaser shall, within 10 days before the Unit Transfer Date, be permitted to direct title to the Corporate Purchaser and to assign the Agreement of Purchase and Sale to the Corporate Purchaser without payment of the Assignment Fee provided that:
 - (a) Purchaser shall remain personally liable under this Agreement of Purchase and Sale until completion of the purchase and sale transaction contemplated by the Agreement of Purchase and Sale;
 - (b) Purchaser is a director and a shareholder of at least 50% of the outstanding common shares of the Corporate Purchaser;
 - (c) The Corporate Purchaser assumes in writing the burden of the Agreement of Purchase and Sale including all obligations of Purchaser therein; and
 - (d) Purchaser provides an acknowledgement and certificate satisfactory to Vendor signed by Purchaser and Corporate Purchaser confirming items (a), (b) and (c) above.

Default

21. If there is any default by Purchaser
 - (a) relating to Purchaser's obligations to execute and deliver documentation required to be given to Vendor on the Unit Transfer Date, or relating to any obligation of Purchaser to pay the deposit or other monies pursuant to the Agreement, or
 - (b) relating to any covenant or agreement to be performed hereunder not involving the payment of money or the delivery of documents, and such default continues for five (5) days after written notice to Purchaser or Purchaser's Solicitors, or recurs after delivery of such notice,

then in addition to any other rights or remedies which Vendor may have, Vendor, at its option, shall have the right to declare this Agreement null and void without further notice. In such event, all deposit monies and interest thereon paid hereunder (including all monies paid to Vendor with respect to extras ordered by Purchaser and with respect to the customization of the Unit) shall be forfeited to Vendor as liquidated damages and not as penalty. If Purchaser has taken possession of Unit, Purchaser shall immediately vacate Unit and Vendor shall be at liberty to sell Unit with or without re-entry.

22. In the event of a default by the Purchaser, then Purchaser shall reimburse Vendor for Vendor's legal fees plus disbursements and HST incurred in rectification of Purchaser's default, including the issuance of notices of default and other communication, documents and services as a consequence of such default prior to termination of this Agreement.
23. An administration fee of THREE HUNDRED (\$300.00) DOLLARS plus HST shall be charged to Purchaser for any cheque delivered to Vendor and returned by Vendor's bank.

24. Intentionally Deleted

Risk

25. Unit and equipment within the Unit shall be and remain at risk of Vendor until Unit Transfer Date. If Unit is damaged before Unit Transfer Date, Vendor may either repair damage and finish Unit and complete this transaction, or may cancel this Agreement and cause all deposits to be returned to Purchaser, and Purchaser shall execute and complete such documents as may be necessary to clear title to Unit. Purchaser acknowledges that Purchaser alone is responsible for repair and replacement of all improvements and betterments made or acquired by Purchaser within or upon Unit. Pending completion of sale, Vendor will hold all insurance policies and proceeds thereof in trust for the parties as their interest may appear. Purchaser hereby indemnifies and saves Vendor harmless from all actions, causes of action, claims or demands for, arising out of, or in connection with any

loss or injury to person or property of Purchaser, and/or Purchaser's employees, agents, workmen, or invitees who have entered on Property whether with or without authorization, express or implied, of Vendor.

Postponement

26. Purchaser acknowledges and agrees that this Agreement is subordinate to and postponed to any mortgage arranged by Vendor and advances thereunder, easements, licences, agreements for service and access, and licences or reciprocal agreements with owners or lessees of adjacent lands. Purchaser agrees to execute all documentation required in this regard by Vendor, and, hereby irrevocably nominates, constitutes and appoints Vendor as Purchaser's agent and attorney in fact and in law to execute any consent or other document required to give effect to this paragraph. Purchaser agrees to execute a separate Power of Attorney if so required.

Warranties

27. Purchaser acknowledges and agrees that the clearance by the building department of the City of Toronto shall constitute complete and absolute acceptance by Purchaser of all construction matters and the quality and sufficiency thereof, including, without limitation, all mechanical, electrical, structural and architectural matters.

28. Vendor does not warrant any of the systems contained or installed in Unit or Common Elements, but shall provide Purchaser with the full benefit of any warranties obtained by it to the extent that it is able to do so pursuant to the terms of the warranties. Purchaser agrees to accept such warranties in lieu of any other warranties or guarantees, expressed or implied, at equity or at law, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement or condition precedent to, concurrent with or in any way affecting this Agreement or Unit, other than as expressed herein in writing.

29. Intentionally Deleted

Noise/Environmental

30. Purchasers are advised that despite the inclusion of noise control features in this development area and within the Building, sound levels from increasing road traffic may continue to be of concern, occasionally interfering with some activities as the sound level exceeds municipality's and the Ministry's noise criteria.

Teraview Electronic Registration

31. Purchaser agrees to retain a lawyer to complete the transaction pursuant to the Teraview Electronic Registration System ("TERS") and to enter into Vendor's Solicitor's standard escrow document registration agreement. If Purchaser's lawyer is unwilling or unable to complete the transaction under TERS, then Purchaser's lawyer shall personally attend at the offices of Vendor's solicitors, at such time on the Unit Transfer Date as directed by Vendor's solicitors, and shall complete the transaction using the computer facilities provided by Vendor's solicitors, and shall pay such fee to Vendor's solicitors as they may determine, acting reasonably, for use of such facilities.

Non-Merger

32. The covenants, warranties, consents, acknowledgments and obligations contained herein on the part of or to be performed by Purchaser, and the rights conferred upon Vendor hereunder, shall survive Unit Transfer Date and remain in full force and effect notwithstanding transfer of title.

Entire Agreement

33. This Agreement shall constitute a binding Agreement of Purchase and Sale. It is agreed and understood that there is no representation, warranty, collateral agreement or condition affecting this agreement or the unit other than as expressed herein.

Planning Act

34. This Agreement is subject to compliance with Section 50 of the Planning Act, R.S.O. 1990.

Joint and Several

35. Where there are two or more Purchasers, their obligations shall be joint and several.

Time of the Essence

36. Time shall be of the essence provided that waiver respecting any provision shall apply only to the specific provision waived.

Tender

37. The Parties hereby waive personal tender and any tender of documents or money may be made or given upon or to solicitor acting for party upon or to whom tender or notice is desired to be made or given, and it shall be sufficient that a certified cheque may be tendered in lieu of cash. In the event Purchaser or Purchaser's Solicitor indicates or expresses to Vendor or Vendor's Solicitors, on or before Unit Transfer Date that Purchaser is unable or unwilling to close, Vendor is relieved from any obligation to make any formal tender and may exercise forthwith any and all of its rights and remedies.

38.

- (a) Purchaser shall retain a lawyer who is an authorized TERS user to represent Purchaser in this transaction, and shall authorize such lawyer to enter into an escrow closing agreement ("Escrow Closing Agreement") with Vendor's solicitors on Vendor's solicitors' standard form, establishing the procedures and timing to be followed to complete the transaction.
- (b) The parties acknowledge that the delivery and exchange of documents, monies and keys to the Property, and the release of them to Vendor and Purchaser, as the case may be, shall not occur at the same time as the registration of the Vesting Order and other documents requiring registration, and that the documents, monies and keys shall not be released except in strict accordance with the Escrow Closing Agreement.
- (c) Purchaser acknowledges that Purchaser will not receive a Vesting Order to the Property for registration until the balance of funds due on the Closing Date, in accordance with the statement of adjustments, is either remitted by wire transfer using the Large Value Transfer System, or by such other means as Vendor's solicitors may direct, by no later than 3:00 p.m. on the Unit Transfer Date, or by no later than 4:00 p.m. on the Unit Transfer Date if received by wire transfer to Vendor's solicitors' trust account using the Large Value Transfer System administered by the Canadian Payments Association.
- (d) If, on the Unit Transfer Date, Purchaser has delivered all documents and funds required to complete the transaction, and Vendor has delivered all documents and has obtained and released the Vesting Order, Vendor shall be at liberty to release the funds after 5:00 p.m. on the Unit Transfer Date notwithstanding the failure of the Purchaser to register the Vesting Order.
- (e) Notwithstanding anything contained in this Agreement, an effective tender shall be deemed to have been made by Vendor upon Purchaser when Vendor's solicitors have:
 - (i) Faxed or made available for download all closing documents, to Purchaser's solicitor in accordance with the Escrow Closing Agreement;
 - (ii) Advised Purchaser's solicitor in writing that Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement, and that keys and/or funds payable to Purchaser, if any, are available; and
 - (iii) Completed all steps required by TERS to complete the transaction that can be performed by Vendor's solicitor without the cooperation or participation of Purchaser's solicitor, and that the Vesting Order has been obtained;

Without the necessity of personally attending on Purchaser or Purchaser's solicitor with the documents, funds, and/or keys described above, and without any requirement to have an independent witness attesting to the matters described above.

39. Purchaser agrees that keys may be released to the Purchaser at the construction site or sales office on Closing. Vendor's advice that keys are available shall be a valid tender of possession of the Unit to the Purchaser.

Binding on Heirs

40. Agreement shall enure to benefit of and shall be binding upon the parties, their heirs, executors, administrators, successors and assigns.

Causes of Action

41. Notwithstanding any rights which Purchaser may have at law or equity, Purchaser acknowledges and agrees that Purchaser shall not assert any such rights, nor have any claim or cause of action arising out of or in connection with this Agreement of Purchase and Sale against any person, firm, corporation or other legal entity other than the Vendor named herein, even though the Vendor may be or adjudged to be a nominee, trustee or agent of another person, firm, corporation or other legal entity, and this acknowledgement may be pleaded as an estoppel and complete defence against the Purchaser in any lawsuit, action, application or proceeding brought by or on behalf of the Purchaser against such third parties.

Notices

42. Any notice required to be given shall be deemed to have been given if delivered, sent by facsimile transmission or electronic mail, or mailed by ordinary mail in Ontario to Purchaser or Purchaser's solicitor at the address indicated on Page 2 of this Agreement (or at Unit after Unit Transfer Date) and to Vendor or Vendor's Solicitors at the address indicated on Page 2 of this Agreement. Such notice shall be deemed to have been received on the third business day following posting, or, if sent by facsimile transmission or electronic mail or delivered personally shall be deemed to have been received on date of such facsimile transmission, electronic mail or personal delivery.

Gender and Number

43. This Agreement is to be read with all changes of gender and number required.

Headings/Severability

44. The headings of this Agreement form no part thereof and are inserted for convenience of reference only. Each provision shall be deemed to be independent and severable and the invalidity or unenforceability of any provision shall not impair or affect remainder of this Agreement.

Mortgage Approval/Credit Report

45. Purchaser shall concurrently apply to Vendor's designated mortgage lender or such other mortgage lender approved by Vendor, acting reasonably, and shall provide such information and documentation as such mortgagee may reasonably request, or shall provide to Vendor a copy of a mortgage commitment. Purchaser covenants and agrees to provide Vendor with all requested financial information and materials, including proof respecting Purchaser's income and source of funds and any other documents, evidence, instruments or verifications as may be required or requested by Vendor for the purpose of determining and establishing the financial ability of Purchaser to fulfil Purchaser's financial obligations under Agreement, at any time or times within ten (10) days of request by Vendor. If Purchaser fails to provide the information, evidence or documentation as requested within the time period specified or if the information, evidence or documentation is, in whole or in part, incomplete, false or misleading, or if Purchaser fails to make application to Vendor's designated mortgage lender disclosing all relevant facts pertaining to Purchaser's financial circumstances or abilities, or if Purchaser fails to pay such further deposit as required within 10 days of written demand by Vendor, then Purchaser shall be deemed to be in default. If within twenty (20) days following the date Purchaser has made application to Vendor's designated mortgage lender Purchaser does not receive a mortgage commitment, then Vendor, by notice in writing to Purchaser, may declare Agreement null and void and deposit monies shall be returned to Purchaser.

46. Purchaser hereby consents to Vendor obtaining consumer's report containing credit and/or personal information.

Privacy and Personal Information

47. Purchaser acknowledges being advised by Vendor that personal information of Purchaser is being collected, used by Vendor and/or disclosed to third parties in connection with this real estate transaction, to process and complete the real estate transaction in accordance with the Agreement of Purchase and Sale and with applicable law, to communicate with consultants retained by the Vendor in connection with sales and marketing, legal, accounting, and property management services to the Vendor, to report the change of ownership to the Condominium Corporation upon completion of the real estate transaction, to report the particulars of the real estate transaction as may be required by or to any governmental authority and/or any lender of the Vendor, and to assist in marketing and sales and in post-closing and after-sales customer care purposes.

48. To comply with the provisions of any applicable Federal and/or Provincial privacy legislation (including, but not limited to, the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, chapter 5, as amended), **Purchaser hereby consents** to the Vendor's collection, use and distribution to third parties described above, of the Purchaser's personal information, which includes (but is not limited to):

- (a) Purchaser's name, address, e-mail address, telefax/telephone numbers, date of birth, marital status and name of spouse,
- (b) residency status, and social insurance number,
- (c) financial information, including family income, credit history, and employment history, and
- (d) particulars concerning the purchase and sale transaction, including but not limited to, model, purchase price, deposits, legal description, address of property, taxes, and closing date(s).

Provided that Vendor agrees that the personal information of Purchaser collected by Vendor shall be used by Vendor and/or distributed only as follows to:

- (a) Any banks or other financial institutions in which deposits on account of purchase price are held;
- (b) Any insurance companies which may provide insurance coverage with respect to the Property (or any portion thereof) and/or the common elements of the Condominium;
- (c) Any contractors, trades, suppliers, sub-trades or their suppliers who have been retained by or on behalf of the Vendor (or who are otherwise dealing with the Vendor), to construct and complete the Unit, the installation of any extras or upgrades ordered or requested by the Purchaser, and/or to complete any after-sales service requirements;
- (d) One or more providers of cable television, telephone, telecommunication, hydro-electricity, chilled water/hot water, gas and/or other similar or related services to the Property (or any portion thereof) and/or the Condominium;
- (e) Any relevant governmental authorities or agencies, including but not limited to, the Land Titles Office (in which the Condominium is registered), the Ministry of Finance for the Province of Ontario (with respect to

Land Transfer Tax and any applicable rebate), the Provincial Assessor (for purposes of realty tax assessment), and Canada Customs & Revenue Agency (with respect to any applicable HST);

- (f) Canada Customs & Revenue Agency, to whose attention the T-5 interest income tax information return and/or the NR4 non-resident withholding tax information return is submitted (where applicable), which will contain or refer to the Purchaser's social insurance number as required by Regulation 201(1)(b)(ii) of The Income Tax Act R.S.C. 1985, as amended;
- (g) Vendor's solicitors and Purchaser's solicitors, to facilitate the preparation of all documents, the interim occupancy and/or final closing of this transaction, including the closing by electronic means using the Teraview Electronic Registration System, and which may (in turn) involve the disclosure of such personal information to any company utilized by the Vendor or Vendor's solicitors for electronic document production and registration assistance;
- (h) Any financial institution(s) providing (or wishing to provide) mortgage financing, banking and/or other financial or related services to the Purchaser and/or members of the Purchaser's family; and
- (i) The condominium corporation, for purposes of facilitating the completion of the corporation's voting, leasing and/or other relevant records, and to the condominium's property manager for the purposes of facilitating the issuance of notices, the collection of common expenses and/or implementing other condominium management/administration functions.

Provided that Vendor shall not sell such personal information, or provide or distribute such personal information to anyone except in compliance with the requirements as described above.

- 49. Withdrawal of this consent by Purchaser shall constitute a material breach of the Agreement of Purchase and Sale entitling Vendor to enforce all of its remedies under the Agreement of Purchase and Sale and at law.

Governing Law

- 50. This Agreement shall be governed by the laws of the Province of Ontario.

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SCHEDULE "B"

Description of Units

Appendix “C”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) FRIDAY, THE 27TH
)
JUSTICE NEWBOULD) DAY OF JANUARY, 2017

**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**

**APPROVAL AND VESTING ORDER
(Residential Condominium Units)**

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an order, among other things, authorizing KSV Kofman Inc., in its capacity as Monitor (the "**Monitor**") of the Applicants and the affiliated entities listed on Schedule "A" hereto (collectively, the "**CCAA Entities**", and each individually a "**CCAA Entity**"), to enter into and effect sale transactions for each of the residential condominium units described in Columns 1 and 2 of Schedule "**B**" hereto (each a "**Transaction**") contemplated by an agreement of purchase and sale (each a "**Sale Agreement**") in a form substantially similar to that appended to the Eleventh Report of the Monitor (the "**Eleventh Report**"), and vesting in the purchaser (the "**Purchaser**") the residential condominium unit, as designated and described in the relevant Sale Agreement and confirmed in

the Monitor's Certificate (as defined below), (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants and the Eleventh Report and on hearing the submissions of respective counsel for the Monitor, the CCAA Entities and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Danny M. Nunes dated January 23, 2017:

1. **THIS COURT ORDERS AND DECLARES** that the execution of any Sale Agreement by the Monitor is hereby authorized and approved, with such minor amendments as the Monitor may deem necessary. The Monitor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of any Transaction and for the conveyance of the particular Purchased Assets to the particular Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the particular Purchaser substantially in the form attached as Schedule "**C**" hereto (the "**Monitor's Certificate**"), the Purchased Assets described and confirmed in the Monitor's Certificate shall vest absolutely in the Purchaser described and confirmed in the Monitor's Certificate, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by any Order made in these proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed in Column 3 of Schedule "**B**" hereto pertaining to the relevant particular Purchased Assets (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed in Column 4 of Schedule "**B**" hereto pertaining to the relevant particular Purchased Assets (the "**Permitted Encumbrances**")) and, for greater certainty, this Court orders that all of the Encumbrances

(other than the Permitted Encumbrances) affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in The Land Registry Office for the Land Titles Division of Toronto (No. 66) (“**LRO**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario), together with the Monitor's Certificate, the LRO is hereby directed to enter the Purchaser as set out in the Monitor's Certificate as the owner of the subject real property identified in the Monitor's Certificate (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Column 3 of Schedule “**B**” hereto pertaining to the Real Property.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the CCAA Entities and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the CCAA Entities;

the vesting of any Purchased Assets in any Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the CCAA Entities and shall not be void or voidable by creditors of any of the CCAA Entities, nor shall it constitute nor be

deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS AND DECLARES** that any Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Monitor and its 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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" – Purchased Assets

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
Condominium Unit/ Suite Number	Legal Description	Claims to be deleted and expunged from title to the Real Property	Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property
Bridge/Toronto Standard Condominium Corporation No. 2302 – 38 Joe Shuster Way, Toronto			
102	76302-0002 (LT) Unit 2, Level 1, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.	1. Instrument No. AT3522532, registered February 18, 2014, being a Charge in favour of CIBC Mortgages Inc. securing the principal amount of \$165,750; 2. Instrument No. AT3522533, registered February 18, 2014, being Notice of Assignment of Rents General in favour of CIBC Mortgages Inc.; and 3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.	See Exhibit "A"

104	76302-0004 (LT) Unit 4, Level 1, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.	1. Instrument No. AT3522536, registered February 18, 2014, being a Charge in favour of CIBC Mortgages Inc. securing the principal amount of \$182,000; 2. Instrument No. AT3522537, registered February 18, 2014, being Notice of Assignment of Rents General in favour of CIBC Mortgages Inc.; and 3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.	See Exhibit "A"
105	76302-0005 (LT) Unit 5, Level 1, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.	1. Instrument No. AT3522538, registered February 18, 2014, being a Charge in favour of CIBC Mortgages Inc. securing the principal amount of \$159,250; 2. Instrument No. AT3522539, registered February 18, 2014, being Notice of Assignment of Rents General in favour of CIBC	See Exhibit "A"

		<p>Mortgages Inc.; and</p> <p>3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.</p>	
201	<p>76302-0009 (LT)</p> <p>Unit 1, Level 2, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.</p>	<p>1. Instrument No. AT3484324, registered December 19, 2013, being a Charge in favour of The Toronto-Dominion Bank securing the principal amount of \$209,993;</p> <p>2. Instrument No. AT3484325, registered December 19, 2013, being Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank; and</p> <p>3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.</p>	See Exhibit "A".
202	<p>76302-0010 (LT)</p> <p>Unit 2, Level 2, Toronto Standard Condominium Plan</p>	<p>1. Instrument No. AT3484327, registered December 19, 2013, being a Charge in favour of</p>	See Exhibit "A"

	<p>No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.</p>	<p>The Toronto-Dominion Bank securing the principal amount of \$247,493;</p> <p>2. Instrument No. AT3484328, registered December 19, 2013, being Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank; and</p> <p>3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.</p>	
<p>416</p>	<p>76302-0181 (LT)</p> <p>Unit 16, Level 4, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.</p>	<p>1. Instrument No. AT3284851, registered April 26, 2013, being Notice of Security Interest in favour of Kareg Leasing Inc.;</p> <p>2. Instrument No. AT3522540, registered February 18, 2014, being a Charge in favour of CIBC Mortgages Inc. securing the principal amount of \$169,000;</p> <p>3. Instrument No. AT3522541, registered February 18, 2014, being Notice of Assignment</p>	<p>See Exhibit "A"</p>

		<p>of Rents General in favour of CIBC Mortgages Inc.; and</p> <p>4. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.</p>	
710	<p>76302-0262 (LT)</p> <p>Unit 10, Level 7, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.</p>	<p>1. Instrument No. AT3522542, registered February 18, 2014 being a Charge granted in favour of CIBC Mortgages Inc. securing the principal amount of \$169,000;</p> <p>2. Instrument No. AT3522543, registered February 18, 2014 is a Notice of Assignment of Rents General in favour of CIBC Mortgages Inc.; and</p> <p>3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.</p>	See Exhibit "A"
1002	<p>76302-0341 (LT)</p> <p>Unit 2, Level 10, Toronto Standard</p>	<p>1. Instrument No. AT3484336, registered December 19, 2013, being a</p>	See Exhibit "A"

	<p>Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.</p>	<p>Charge in favour of The Toronto-Dominion Bank securing the principal amount of \$249,000;</p> <p>2. Instrument No. AT3484337, registered December 19, 2013, being Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank; and</p> <p>3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.</p>	
<p>1323</p>	<p>76302-0449 (LT)</p> <p>Unit 23, Level 13, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.</p>	<p>1. Instrument No. AT3484339, registered December 19, 2013, being a Charge in favour of The Toronto-Dominion Bank securing the principal amount of \$212,242;</p> <p>2. Instrument No. AT3484340, registered December 19, 2013, being Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank; and</p> <p>3. Instrument No.</p>	<p>See Exhibit "A"</p>

		AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.	
1418	76302-0473 (LT) Unit 18, Level 14, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.	1. Instrument No. AT3522544 registered February 18, 2014, being a Charge in favour of CIBC Mortgages Inc. securing the principal amount of \$188,500; 2. Instrument No. AT3522545, registered February 18, 2014, being Notice of Assignment of Rents General in favour of CIBC Mortgages Inc.; and 3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.	See Exhibit "A"
1422	76302-0477 (LT) Unit 22, Level 14, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in	1. Instrument No. AT3484330, registered December 19, 2013, being a Charge in favour of The Toronto-Dominion Bank securing the principal amount of \$235,492;	See Exhibit "A"

	<p>AT3270699.</p>	<p>and</p> <p>2. Instrument No. AT3484331 , registered December 19, 2013, being Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank; and</p> <p>3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.</p>	
<p>1423</p>	<p>76302-0478 (LT)</p> <p>Unit 23, Level 14, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.</p>	<p>1. Instrument No. AT3484333 registered December 19, 2013, being a Charge in favour of The Toronto-Dominion Bank securing the principal amount of \$235,492;</p> <p>2. Instrument No. AT3484334, registered December 19, 2013, being Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank; and</p> <p>3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal</p>	<p>See Exhibit "A"</p>

		amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.	
1909	76302-0596 (LT) Unit 9, Level 19, Toronto Standard Condominium Plan No. 2302, together with its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3270699.	1. Instrument No. AT3522546, registered February 18, 2014, being a Charge in favour of CIBC Mortgages Inc. securing the principal amount of \$143,000; 2. Instrument No. AT3522547, registered February 18, 2014, being Notice of Assignment of Rents General in favour of CIBC Mortgages Inc.; and 3. Instrument No. AT4067287, registered November 16, 2015 is a Charge securing the principal amount of \$2,400,000 in favour of Speedy Electrical Contractors Limited.	See Exhibit "A"
Curve/ Toronto Standard Condominium Corporation No. 2355– 170 Sudbury Street, Toronto			
101	76355-0017 (LT) Unit 17, Level 1, Toronto Standard Condominium Plan No. 2355 and its appurtenant interest, S/T and T/W Easements as set out in Schedule "A" as in AT3505198; City of	1. Instrument No. AT3538408, registered March 14, 2014 is a Charge securing the principal amount of \$1,700,000 in favour of The Toronto-Dominion Bank; and 2. Instrument No.	See Exhibit "B"

	Toronto	AT3538409, registered March 14, 2014 is Notice of Assignment of Rents General in favour of The Toronto- Dominion Bank.	
103	76355-0002 (LT) Unit 2, Level 1, Toronto Standard Condominium Plan No. 2355 and its appurtenant interest, S/T and T/W Easements as set out in Schedule "A" as in AT3505198; City of Toronto	1. Instrument No. AT3538408, registered March 14, 2014 is a Charge securing the principal amount of \$1,700,000 in favour of The Toronto-Dominion Bank; and 2. Instrument No. AT3538409, registered March 14, 2014 is Notice of Assignment of Rents General in favour of The Toronto- Dominion Bank.	See Exhibit "B"
106	76355-0006 (LT) Unit 6, Level 1, Toronto Standard Condominium Plan No. 2355 and its appurtenant interest, S/T and T/W Easements as set out in Schedule "A" as in AT3505198; City of Toronto	1. Instrument No. AT3538408, registered March 14, 2014 is a Charge securing the principal amount of \$1,700,000 in favour of The Toronto-Dominion Bank; and 2. Instrument No. AT3538409, registered March 14, 2014 is Notice of Assignment of Rents General in favour of The Toronto- Dominion Bank.	See Exhibit "B"

<p>107</p>	<p>76355-0007 (LT) Unit 7, Level 1, Toronto Standard Condominium Plan No. 2355 and its appurtenant interest, S/T and T/W Easements as set out in Schedule "A" as in AT3505198; City of Toronto</p>	<p>1. Instrument No. AT3538408, registered March 14, 2014 is a Charge securing the principal amount of \$1,700,000 in favour of The Toronto-Dominion Bank; and 2. Instrument No. AT3538409, registered March 14, 2014 is Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank.</p>	<p>See Exhibit "B"</p>
<p>110</p>	<p>76355-0010 (LT) Unit 10, Level 1, Toronto Standard Condominium Plan No. 2355 and its appurtenant interest, S/T and T/W Easements as set out in Schedule "A" as in AT3505198; City of Toronto</p>	<p>1. Instrument No. AT3538408, registered March 14, 2014 is a Charge securing the principal amount of \$1,700,000 in favour of The Toronto-Dominion Bank; and 2. Instrument No. AT3538409, registered March 14, 2014 is Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank.</p>	<p>See Exhibit "B"</p>
<p>116</p>	<p>76355-0016 (LT) Unit 16, Level 1, Toronto Standard Condominium Plan No. 2355 and its appurtenant interest, S/T and T/W Easements as set out</p>	<p>1. Instrument No. AT3538408, registered March 14, 2014 is a Charge securing the principal amount of \$1,700,000 in favour of The Toronto-Dominion</p>	<p>See Exhibit "B"</p>

	in Schedule "A" as in AT3505198; City of Toronto	Bank; and 2. Instrument No. AT3538409, registered March 14, 2014 is Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank.	
214	76355-0030 (LT) Unit 13, Level 2, Toronto Standard Condominium Plan No. 2355 and its appurtenant interest, S/T and T/W Easements as set out in Schedule "A" as in AT3505198; City of Toronto	1. Instrument No. AT3538408, registered March 14, 2014 is a Charge securing the principal amount of \$1,700,000 in favour of The Toronto-Dominion Bank; and 2. Instrument No. AT3538409, registered March 14, 2014 is Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank.	See Exhibit "B"
316	76355-0045 (LT) Unit 14, Level 3, Toronto Standard Condominium Plan No. 2355 and its appurtenant interest, S/T and T/W Easements as set out in Schedule "A" as in AT3505198; City of Toronto	1. Instrument No. AT3538408, registered March 14, 2014 is a Charge securing the principal amount of \$1,700,000 in favour of The Toronto-Dominion Bank; and 2. Instrument No. AT3538409, registered March 14, 2014 is Notice of Assignment of Rents General in favour of The Toronto-	See Exhibit "B"

		Dominion Bank.	
Westside/ Toronto Standard Condominium Corporation No. 2249 - 150 Sudbury Street, Toronto			
106	76249-0006 (LT) Unit 6, Level 1, Toronto Standard Condominium Plan No. 2249 and its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3073995; City of Toronto	1. Instrument No. AT3301521, registered May 15, 2013 is a Charge in favour of the Toronto-Dominion Bank securing the principal amount of \$225,000; 2. Instrument No. AT3301522, registered May 15, 2013 being Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank.	See Exhibit "C"
430	76249-0045 (LT) Unit 30, Level 4, Toronto Standard Condominium Plan No. 2249 and its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3073995; City of Toronto	1. Instrument No. AT3301681, registered May 15, 2013 is a Charge in favour of the Toronto-Dominion Bank securing the principal amount of \$240,000; 2. Instrument No. AT3301682, registered May 15, 2013 being Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank.	See Exhibit "C"
531	76249-0079 (LT) Unit 31, Level 5, Toronto Standard Condominium Plan No. 2249 and its	1. Instrument No. AT3104603, registered August 17, 2012 is Notice of Security Interest in favour of Kareg	See Exhibit "C"

	<p>appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3073995; City of Toronto</p>	<p>Leasing Inc.;</p> <p>2. Instrument No. AT3194257, registered December 10, 2012 is a Charge in favour of the Toronto-Dominion Bank securing the principal amount of \$237,968.</p>	
1216	<p>76249-0238 (LT)</p> <p>Unit 16, Level 12, Toronto Standard Condominium Plan No. 2249 and its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3073995; City of Toronto</p>	<p>1. Instrument No. AT3301686, registered May 15, 2013 is a Charge securing the principal amount of \$221,250 in favour of The Toronto-Dominion Bank;</p> <p>2. Instrument No. AT3301687, registered May 15, 2013 is Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank.</p>	See Exhibit "C"
1704	<p>76249-0311 (LT)</p> <p>Unit 4, Level 17, Toronto Standard Condominium Plan No. 2249 and its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3073995; City of Toronto</p>	<p>1. Instrument No. AT3301688, registered May 15, 2013 is a Charge securing the principal amount of \$280,500 in favour of The Toronto-Dominion Bank;</p> <p>2. Instrument No. AT3301689, registered May 15, 2013 is Notice of Assignment of Rents General in favour of</p>	See Exhibit "C"

		The Toronto-Dominion Bank.	
1802	76249-0326 (LT) Unit 2, Level 18, Toronto Standard Condominium Plan No. 2249 and its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3073995; City of Toronto	1. Instrument No. AT3214159, registered January 11, 2013 is a Charge securing the principal amount of \$236,250 in favour of The Toronto-Dominion Bank; 2. Instrument No. AT3214160, registered January 11, 2013 is Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank.	See Exhibit "C"
2016	76249-0374 (LT) Unit 16, Level 20, Toronto Standard Condominium Plan No. 2249 and its appurtenant interest; S/T and T/W Easements as set out in Schedule "A" as in AT3073995; City of Toronto	1. Instrument No. AT3301690 registered May 15, 2013 is a Charge securing the principal amount of \$225,000 in favour of The Toronto-Dominion Bank; 2. Instrument No. AT3301691, registered May 15, 2013 is Notice of Assignment of Rents General in favour of The Toronto-Dominion Bank.	See Exhibit "C"

EXHIBIT A

TORONTO STANDARD CONDOMINIUM CORPORATION 2302/ BRIDGE

1. Instrument No. AT503402, registered June 1, 2004 is a Notice of a Restrictive Covenant Agreement between High Res. Inc., Canadian National Railway Company and Greater Toronto Transit Authority;
2. Instrument No. AT694525, registered December 23, 2004 is a Transfer of Easement in favour of Canadian National Railway Company and Greater Toronto Transit Authority;
3. Instrument No. AT745415, registered March 2, 2005 is a Transfer of Easement in favour of Rogers Cable Communications Inc.;
4. Instrument No. AT777131, registered April 15, 2005 is a Notice of Agreement Amending Instrument No. AT503402 made between High Res. Inc., Canadian National Railway Company and Greater Toronto Transit Authority;
5. Instrument No. AT1173594, registered June 21, 2006 is a Notice of Development Agreement in favour of the City of Toronto;
6. Instrument No. AT1182569, registered June 29, 2006 is a Postponement of Instrument No. AT745415 to AT1173594;
7. Instrument No. AT1291149, registered October 27, 2006 is Notice of Shared Facilities Agreement between High Res. Inc., King Towns North Inc., Newtowns at King Towns Inc. and Toronto Standard Condominium Corporation No. 1800;
8. Instrument No. AT1354313, registered January 15, 2007 is a Transfer of Easement in favour of the City of Toronto;
9. Instrument No. AT1355106, registered January 15, 2007 is a Postponement of Instrument No. AT745415 to AT1354313;
10. Instrument No. AT1828759, registered July 9, 2008 is a Transfer of Easement in favour of Rogers Cable Communications Inc.;
11. Instrument No. AT2158659, registered August 26, 2009 is Notice of Section 45(9) Agreement in favour of the City of Toronto;
12. Instrument No. AT2173210, registered September 10, 2009 is a Notice of Site Plan Agreement in favour of the City of Toronto;
13. Instrument No. AT2903002, registered December 21, 2011 is Notice of Encroachment Agreement between the City of Toronto and Urbancorp the Bridge Inc.;
14. Instrument No. AT3243863, registered February 26, 2013 is Notice of Amending Site Plan Agreement in favour of the City of Toronto;

15. Instrument No. TC2302, registered April 5, 2013 is Standard Condominium Plan for Toronto Standard Condominium Plan 2302 (“TSCP 2302”);
16. Instrument No. AT3270699, registered April 5, 2013 is the Condominium Declaration for TSCP 2302;
17. Instrument No. AT3286224, registered April 29, 2013 is TSCP 2302 By-law No. 1;
18. Instrument No. AT3286225, registered April 29, 2013 is TSCP 2302 Condo By-law No. 2;
19. Instrument No. AT3286226, registered April 29, 2013 is TSCP 2302 Condo By-law No. 3;
20. Instrument No. AT3286227, registered April 29, 2013 is TSCP 2302 Condo By-law No. 4;
21. Instrument No. AT3286228, registered April 29, 2013 is TSCP 2302 Condo By-law 5;
22. Instrument No. AT3286229, registered April 29 2013 is a Notice of Geothermal Energy Supply Agreement between Urbancorp Renewable Power Inc. and Urbancorp The Bridge Inc.;
23. Instrument No. AT3286230, registered April 29, 2013 is Notice of Three Way Shared Facilities Agreement between TSCP 2302, Fuzion Downtown Development Inc., and Fuzion Downtown Development Inc.; and
24. All easements in Schedule “A” of Instrument No. AT3270699, registered April 5, 2013 being the Condominium Declaration for TSCP 2302.

EXHIBIT B

TORONTO STANDARD CONDOMINIUM CORPORATION 2355/ CURVE

1. Instrument No. E4939AZ, registered May 14, 1996 is an Application to Annex Restrictive Covenants;
2. Instrument No. E362019, registered October 3, 2000 is a Notice of Section 37 Agreement in favour of the City of Toronto;
3. Instrument No. AT1719790, registered February 27, 2008 is Notice of Restrictive Covenant Agreement between Westside Gallery Lofts Inc., Greater Toronto Transit Authority and Canadian National Railway Company;
4. Instrument No. AT1784893, registered May 22, 2008 is a Transfer of Easement in favour of Rogers Cable Communications Inc.;
5. Instrument No. AT1929991, registered October 22, 2008 is a Transfer of Easement in favour of Greater Toronto Transit Authority and Canadian National Railway Company;
6. Instrument No. AT2198441, registered October 7, 2009 is an Application General by Westside Gallery Lofts Inc. to cause the deletion of easements in WF27767 and CT430478;
7. Instrument No. AT2483854, registered August 23, 2010 is a Notice of Development Agreement in favour of the City of Toronto;
8. Instrument No. AT2483856, registered August 23, 2010 is a Postponement of Instrument No. AT1784893 to AT2483854;
9. Instrument No. AT2497740, registered September 3, 2010 is a Notice of Shared Facilities Agreement between Westside Gallery Lofts Inc. and Toronto Artscape Inc.;
10. Instrument No. AT2497741, registered September 3, 2010 is Notice of Three Way Shared Facilities Agreement between Westside Gallery Lofts Inc., Westside Gallery Lofts Inc. and Toronto Artscape Inc.;
11. Instrument No. AT2675027, registered April 27, 2011 is Notice of Site Plan Agreement in favour of the City of Toronto;
12. Instrument No. AT3070814, registered July 11, 2012 is Notice of Crane/Piling and Tie Back Agreement made between Westside Gallery Lofts Inc. and Edge on Triangle Park Inc.;
13. Instrument No. AT3070815, registered July 11, 2012 is Notice of Crane/Piling and Tie Back Agreement made between Westside Gallery Lofts Inc. and Epic On Triangle Park Inc.;

14. Instrument No. AT3094240, registered August 3, 2012 is Application to Annex Restrictive Covenants by Westside Gallery Lofts Inc;
15. Instrument No. AT3103107, registered August 16, 2012 is Notice of Shared Facilities Agreement made between Toronto Standard Condominium Corporation No. 2249 and Westside Gallery Lofts Inc.;
16. Instrument No. TCP2355, registered January 24, 2014 is Standard Condominium Plan TCP2355;
17. Instrument No. AT3505198, registered January 24, 2014 is the Condo Declaration for Toronto Standard Condominium Plan 2355 (“TSCP 2355”);
18. Instrument No. AT3519988, registered February 13, 2014 is Notice of Shared Facilities Agreement made between TSCP 2249, Westside Gallery Lofts Inc., Epic On Triangle Park Inc., Abell Investments Limited and St. Clare’s Mulifaith Housing Society;
19. Instrument No. AT3520017, registered February 13, 2014 is Notice of Geothermal Energy Supply Agreement made between Westside Gallery Lofts Inc. and Urbancorp Renewable Power Inc.;
20. Instrument No. AT3521955, registered February 19, 2014 is TSCP 2355 Condo By-law No. 1;
21. Instrument No. AT3521969, registered February 18, 2014 is TSCP 2355 Condo By-law No. 2;
22. Instrument No. AT3521980, registered February 18, 2014 is TSCP 2355 Condo By-law No. 3;
23. Instrument No. AT3522562, registered February 18, 2014 is a Transfer Release and Abandonment of Easement WF27767 by Edge on Triangle Park Inc.;
24. Instrument No. AT3522908, registered February 19, 2014 is a Transfer Release and Abandonment of Easement WF27767 by Epic on Triangle Park Inc.; and
25. All easements in Schedule “A” of Instrument No. AT3505198, registered January 24, 2014 being the Condo Declaration for Toronto Standard Condominium Plan 2355.

EXHIBIT C

TORONTO STANDARD CONDOMINIUM CORPORATION 2249/ WESTSIDE

1. Instrument No. R4939AZ, registered May 14, 1996 is Application to Annex Restrictive Covenants;
2. Instrument No. E362019, registered October 3, 2000 is Notice of Section 37 Agreement in favour of the City of Toronto;
3. Instrument No. AT1719790, registered February 27, 2008 is Notice of Restrictive Covenant Agreement between Westside Gallery Lofts Inc., Greater Toronto Transit Authority and Canadian National Railway Company;
4. Instrument No. AT1784893, registered May 22, 2008 is a Transfer of Easement in favour of Rogers Cable Communications Inc.;
5. Instrument No. AT1929991, registered October 22, 2008 is a Transfer of Easement in favour of Greater Toronto Transit Authority and Canadian National Railway Company;
6. Instrument No. AT2198441, registered October 7, 2009 is an Application General by Westside Gallery Lofts Inc. to cause the deletion of easements in WF27767 and CT430478;
7. Instrument No. AT2483854, registered August 23, 2010 is a Notice of Development Agreement in favour of the City of Toronto;
8. Instrument No. AT2483856, registered August 23, 2010 is a Postponement of Instrument No. AT1784893 to AT2483854;
9. Instrument No. AT2497740, registered September 3, 2010 is a Notice of Shared Facilities Agreement made between Westside Gallery Lofts Inc. and Toronto Artscape Inc.;
10. Instrument No. AT2497741, registered September 3, 2010 is a Notice Three Way Shared Facilities Agreement made between Westside Gallery Lofts Inc. and Toronto Artscape Inc. and Westside Gallery Lofts Inc.;
11. Instrument No. AT2498075, registered September 7, 2010 is a Transfer of Easement in favour of Abell Investments Limited and St. Clare's Multifaith Housing Society;
12. Instrument No. AT2498080, registered September 7, 2010 is a Postponement of Instrument No. AT1784893 to AT2498075;
13. Instrument No. AT2498248, registered September 7, 2010 is a Transfer of Easement in favour of Abell Investments Limited and St. Clare's Multifaith Housing Society;
14. Instrument No. AT2500640, registered September 9, 2010 is a Postponement of AT1784893 to AT2498248;

15. Instrument No. AT2675027, registered April 27, 2011 is a Notice of Site Plan Agreement in favour of the City of Toronto;
16. Instrument No. AT3070814, registered July 11, 2012, is a Notice of Crane/Piling and Tie Back Agreement made between Westside Gallery Lofts Inc. and Edge on Triangle Park Inc;
17. Instrument No. AT3070815, registered July 11, 2012 is a Notice of Crane/Piling and Tie Back Agreement made between Westside Gallery Lofts Inc. and Epic on Triangle Park Inc;
18. Instrument No. TCP2249, registered July 16, 2012 is Standard Condominium Plan;
19. Instrument No. AT3073995, registered July 16, 2012 is Condo Declaration for Toronto Standard Condominium Plan 2249 (“TSCP 2249”);
20. Instrument No. AT3094240, registered August 3, 2012 is an Application to Annex Restrictive Covenants;
21. Instrument No. AT3100646, registered August 14, 2012 is TSCP 2249 Condo By-law No. 1;
22. Instrument No. AT3100647, registered August 14, 2012 is TSCP 2249 Condo By-law No. 2.;
23. Instrument No. AT3100648, registered August 14, 2012 is TSCP 2249 Condo By-law No. 3;
24. Instrument No. AT3100649, registered August 14, 2012 is TSCP 2249 Condo By-law No. 4;
25. Instrument No. AT3100650, registered August 14, 2012 is TSCP 2249 Condo By-law No. 5;
26. Instrument No. AT3100651, registered August 14, 2012 is TSCP 2249 Condo By-law No. 6;
27. Instrument No. AT3100722, registered August 14, 2012 is Notice of Shared Facilities Agreement made between Toronto Standard Condominium Corporation No. 2249, Westside Gallery Lofts Inc., Epic On Triangle Park Inc., Abell Investments Limited and St. Clare’s Mulifaith Housing Society;
28. Instrument No. AT3103107, registered August 16, 2012 is Notice of Shared Facilities Agreement made between Toronto Standard Condominium Corporation No. 2249, and Westside Gallery Lofts Inc;
29. Instrument No. AT3104262, registered August 17, 2012 is Notice of Security Interest in favour of Kareg Leasing Inc;

30. Instrument No. AT3106455, registered August 21, 2012 is TSCP 2249 Condo By-law No. 7;
31. Instrument No. AT4047674, registered October 26, 2015 is a Transfer Release and Abandonment of Easement by Epic on Triangle Park Inc; and
32. All easements in Schedule "A" of Instrument No. AT3073995, registered July 16, 2012 being the Declaration for Toronto Standard Condominium Plan 2249.

Schedule "C" – Form of Monitor's Certificate

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**

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Ontario Superior Court of Justice – Commercial List (the "Court") dated May 18, 2016, KSV Kofman Inc. was appointed as the monitor (the "Monitor") of the Applicants and the affiliated entities listed in Schedule "A" (the "Debtor").

B. Pursuant to an Order of the Court dated January 27, 2017, the Court approved the Monitor, on behalf of the Debtor, entering into an agreement of purchase and sale (the "Sale Agreement") between • and • (the "Purchaser") and provided for the vesting in the Purchaser of the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the name of the Purchaser to which title is to be vested; (ii) the legal description of the Purchased Assets to be vested; (iii) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (iv) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by

the Monitor and the Purchaser; and (v) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

The Purchaser to whom title to the Purchased Assets is to be vested is hereby confirmed to be:	The legal description of the Purchased Assets which are to be vested is hereby confirmed to be:
<input type="checkbox"/>	<input type="checkbox"/>

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

KSV KOFMAN INC., in its capacity as Monitor of the Urbancorp CCAA Entities, and not in its personal capacity

Per: _____
Name:
Title:

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

APPROVAL AND VESTING ORDER
(Residential Condominium Units)

WEIRFOULDS LLP

Barristers and Solicitors

The TD Bank Tower, Suite 4100

66 Wellington Street West

Toronto, ON M5K 1B7

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Lawyers for the Urbancorp CCAA Entities

Appendix “D”

Urbancorp Filing Entities Listed on Schedule "A"

Projected Statement of Cash Flow ¹

For the Period Ending April 30, 2017

(Unaudited; \$C)

	Note	Week Ending													Total
		05-Feb-17	12-Feb-17	19-Feb-17	26-Feb-17	05-Mar-17	12-Mar-17	19-Mar-17	26-Mar-17	02-Apr-17	09-Apr-17	16-Apr-17	23-Apr-17	30-Apr-17	
<i>Receipts</i>															
Rental revenue	2	28,769	-	-	-	28,769	-	-	-	28,769	-	-	-	-	86,307
Overhead cost recoveries	3	-	-	-	39,815	-	-	-	39,815	-	-	-	-	39,815	119,445
Total Receipts		28,769	-	-	39,815	28,769	-	-	39,815	28,769	-	-	-	39,815	205,752
<i>Disbursements</i>															
Wages and salaries, including source deductions	4	-	-	25,448	-	25,448	-	25,448	-	25,448	-	25,448	-	25,448	152,691
Head office rent	5	4,500	-	-	-	4,500	-	-	-	4,500	-	-	-	-	13,500
Mortgage payments re: geothermal and rental units	6	40,073	-	-	-	40,073	-	-	-	40,073	-	-	-	-	120,219
Sundry	7	5,758	938	938	3,435	1,116	2,580	938	3,435	2,758	938	938	3,435	938	28,145
Common element fees	8	15,452	-	-	-	13,238	2,214	-	-	15,452	-	-	-	-	46,356
Contingency		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	130,000
Total Operating Disbursements		75,783	10,938	36,386	13,435	94,375	14,794	36,386	13,435	98,231	10,938	36,386	13,435	36,386	490,911
Net Cash Flow Before the Undernoted		(47,014)	(10,938)	(36,386)	26,380	(65,606)	(14,794)	(36,386)	26,380	(69,462)	(10,938)	(36,386)	(13,435)	3,429	(285,159)
<i>Professional fees</i>															
Professional fees	9	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	650,000
Net Cash Flow	10	(97,014)	(60,938)	(86,386)	(23,620)	(115,606)	(64,794)	(86,386)	(23,620)	(119,462)	(60,938)	(86,386)	(63,435)	(46,571)	(935,159)

Notes to Projected Statement of Cash Flow

For the Period Ending April 30, 2017

(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection ("Projection") is to present a forecast of the entities listed on Schedule "A" ("Urbancorp CCAA Entities") for the period February 1, 2017 to April 30, 2017 (the "Period") in respect of its proceedings under the Companies' Creditors Arrangement Act.

As of the date of Projection, the Monitor is selling 28 condominium units (the "Residential Units") held by Urbancorp Residential Inc. and King Residential Inc. Given the uncertainty of (i) the timing of the sale of the Residential Units; and (ii) the expected sales proceeds, the Projection does not reflect the sale of any of the Residential Units.

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

Most Probable Assumptions

2. Represents rental income earned from condominiums owned by the Urbancorp CCAA Entities.
3. Represents recoveries of payroll and other overhead costs from The Fuller Landau Group Inc., the Proposal Trustee of the Edge Companies, in respect of back office services performed by Urbancorp Toronto Management Inc. on behalf of the Edge Companies.
4. Payroll is paid bi-monthly. Payroll includes source deductions, benefits and WSIB.
5. Represents occupancy costs associated with leasing the head office.
6. Represents mortgage payments related to Residential Units and geothermal assets.
7. Represents sundry costs, including office supplies, utilities, postage, office cleaning costs and insurance.
8. Represents common element fees in connection with Residential Units owned by Urbancorp Residential Inc. and King Residential Inc.
9. Represents professional fees of the Monitor, its legal counsel, legal counsel to the Urbancorp CCAA Entities and counsel to the Israeli bondholders of Urbancorp Inc. The amounts reflected are estimated.
10. The cash flow deficiency will be funded from cash on hand.

Schedule "A"

Urbancorp Toronto Management Inc.
Urbancorp (St. Clair Village) Inc.
Urbancorp (Patricia) Inc.
Urbancorp (Mallow) Inc.
Urbancorp Downsview Park Development Inc.
Urbancorp (Lawrence) 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.

Projected Statement of Cash Flow¹
 For the Period Ending April 30, 2017
 (Unaudited; \$C)

	Note	Week Ending												Total	
		05-Feb-17	12-Feb-17	19-Feb-17	26-Feb-17	05-Mar-17	12-Mar-17	19-Mar-17	26-Mar-17	02-Apr-17	09-Apr-17	16-Apr-17	23-Apr-17		30-Apr-17
<i>Total Receipts</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	2	-	175,000	-	-	-	175,000	-	-	-	175,000	-	-	-	525,000
<i>Total Disbursements</i>		-	175,000	-	-	-	175,000	-	-	-	175,000	-	-	-	525,000
<i>Net Cash Flow</i>	3	-	(175,000)	-	-	-	(175,000)	-	-	-	(175,000)	-	-	-	(525,000)

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 April 30, 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 February 1, 2017 to April 30, 2017 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. Represents professional fees of the Monitor, its legal counsel and legal counsel to the Bay LP CCAA Entities. The amounts reflected are estimated.

Most Probable Assumption

3. The cash flow deficiency will be funded from cash on hand.

Schedule "A"

Urbancorp (Woodbine) Inc.

Urbancorp (Bridlepath) Inc.

The Townhouses of Hogg's Hollow Inc.

King Towns Inc.

Newtowns at Kingtowns Inc.

Deaja Partner (Bay) Inc.

TCC Urbancorp (Bay) Limited Partnership

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**

**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 Downsviiew 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 23rd day of January, 2017 for the period February 1, 2017 to April 30, 2017 ("Cash Flow"). All such assumptions are disclosed in Notes 2 to 10.

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 to 10. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 23rd day of January, 2017.



Alan Saskin, Director

The Companies

Schedule "A"

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

**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., 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)**

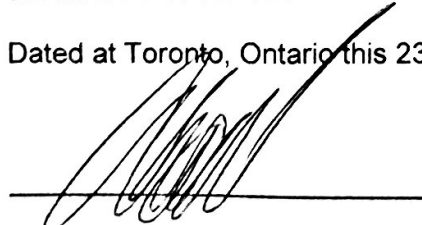
The management of Urbancorp (Woodbine) Inc., Urbancorp (Bridlepath) Inc., The Townhouses of Hogg's Hollow Inc., King Towns Inc., Newtowns at Kingtowns Inc., Deaja Partner (Bay) Inc. and TCC/Urbancorp (Bay) Limited Partnership (collectively, the "Bay LP CCAA Entities") have developed the assumptions and prepared the attached statement of projected cash flow as of the 23rd day January, 2017 for the period February 1, 2017 to April 30, 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 23rd day of January, 2017.



Alan Saskin, Director

Bay LP CCAA Entities

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., 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 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"), as of the 23rd day of January, 2017, consisting of a weekly projected cash flow statement for the period February 1, 2017 to April 30, 2017 ("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 10.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Urbancorp 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 Urbancorp 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 23rd day of January, 2017.

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 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.

**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., 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**

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 23rd day January, 2017, consisting of a weekly projected cash flow statement for the period February 1, 2017 to April 30, 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 and 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 23rd day of January, 2017.

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**