



**Third Supplement to the Sixth 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**

April 26, 2017

| Contents | | Page |
|-----------------|--|-------------|
| 1.0 | Introduction..... | 1 |
| | 1.1 Purpose of this Third Supplemental Report..... | 1 |
| 2.0 | Supplementary Information | 2 |
| 3.0 | Conclusion..... | 2 |

Appendices

Appendix

| | |
|--|---|
| Resolutions of the Sole Director | A |
| Memorandum of Agreement..... | B |
| Declaration of Trust and Acknowledgement..... | C |
| Corporate Profile Search – DS (Bay) Holdings | D |



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 SUPPLEMENT TO THE SIXTH REPORT OF KSV KOFMAN INC. AS CCAA
MONITOR**

APRIL 26, 2017

1.0 Introduction

1. This report (the "Third Supplemental Report") supplements the Sixth Report of the Monitor dated March 21, 2017 filed in the Bay Entities' CCAA proceedings. The Monitor's First Supplement to the Sixth Report is dated April 4, 2017 and the Monitor's Second Supplement ("Second Supplemental Report") is dated April 24, 2017.
2. Defined terms in this Third Supplemental Report have the meanings provided to them in the Sixth Report, unless otherwise defined herein.
3. This Third Supplemental Report is subject to the restrictions in the Sixth Report.

1.1 Purpose of this Third Supplemental Report

1. The Second Supplemental Report indicated that the partnership interest ("Partnership Interest") of Vestaco in Bay LP had been assigned to DS (Bay) Holdings ("DS (Bay)") and that the Monitor had requested documentation relating thereto. This Third Supplemental Report provides additional information regarding the aforesaid assignment by Vestaco.

2.0 Supplementary Information

1. The Monitor stated in the Second Supplemental Report that Vestaco assigned its Partnership Interest in Bay LP to DS (Bay) in December 2016 and that the Monitor requested documentation relating to the assignment of the Partnership Interest.
2. On April 25, 2017, Legal Counsel provided the Monitor with the following documentation regarding the assignment of the Partnership Interest to DS (Bay):
 - Resolutions of the sole director of DS (Bay) dated December 9, 2016 (“Resolutions”) authorizing DS (Bay) to purchase the Partnership Interest from Doreen Saskin as the beneficial owner thereof. A copy of the Resolutions is attached as Appendix “A”.
 - Memorandum of Agreement dated December 9, 2016 (“Purchase Agreement”), wherein DS (Bay) purchased the Partnership Interest from Doreen Saskin. A copy of the Purchase Agreement is attached as Appendix “B”.
 - Declaration of Trust and Acknowledgement dated December 9, 2016 (“Trust Declaration”), wherein Vestaco declares that it holds the Partnership Interest as nominee for DS (Bay). A copy of the Trust Declaration is attached as Appendix “C”.
3. A copy of the corporate profile search for DS (Bay) is attached as Appendix "D". It lists Doreen Saskin as its sole officer and director.
4. The Monitor has been advised by the Accountants that Vestaco has not received any distributions from Bay LP since May 15, 2008, the date of the agreement which provided Vestaco with the Priority Return; however, certain of the income and losses have been allocated to Vestaco.
5. The Monitor has requested and is awaiting documentation evidencing that Vestaco had initially held the Partnership Interest as nominee for Doreen Saskin.

3.0 Conclusion

1. The Monitor’s conclusions and recommendations set out in the Sixth Report remain unchanged.

* * *

All of which is respectfully submitted,



KSV KOFMAN INC.

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

Appendix “A”

RESOLUTIONS OF THE SOLE DIRECTOR

OF

**DS (BAY) HOLDINGS INC.
(the "Corporation")**

Rollover Agreement

WHEREAS the Corporation has agreed to purchase the beneficial ownership of the partnership interest of Doreen Saskin (the "Vendor") in TCC/Urbancorp (Bay) Limited Partnership (the "Partnership Interest") pursuant to the provisions of an agreement dated December 9, 2016 (the "Agreement");

AND WHEREAS the Corporation and the Vendor acknowledge and agree that the purchase and sale of the Partnership Interest shall be carried out in accordance with subsection 85(1) of the Income Tax Act (Canada);

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and it is hereby authorized to enter into, execute and deliver the Agreement, a copy of which is annexed hereto as Schedule "A".
2. Any officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute under its corporate seal or otherwise, and deliver the Agreement, with such alterations, additions, amendments and deletions as may be approved by such person executing the same whose signature shall be conclusive evidence of such approval.
3. Pursuant to the terms of the Agreement, the Corporation is authorized to issue 100 Common Shares in its capital stock to the Vendor (collectively, the "Issued Shares"). The director has determined that:
 - (a) the amount of money the Corporation would have received if the Issued Shares had been issued for money is set out in Schedule "A" to the Agreement; and
 - (b) that the Partnership Interest has a fair market value of not less than the amount specified in (a) above.
4. The Corporation having received the Partnership Interest, the Issued Shares are hereby allotted and issued to the Vendor as fully paid and non-assessable shares in the capital stock of the Corporation.

5. In accordance with Section 24(3) of the *Business Corporations Act* (Ontario), the Corporation shall add to its stated capital account maintained in respect of its Common Shares the amount equal to the tax cost to the Vendor of the Partnership Interest.

6. Any officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute under its corporate seal or otherwise, and deliver all such other documents and do all such other acts and things as may be required to give full force and effect to the Agreement.

The foregoing resolutions are hereby passed by the sole of director of the Corporation pursuant to the *Business Corporations Act* (Ontario) by the consent of such director as evidenced by her signature hereto.

DATED the 9th day of December, 2016.



Doreen Saskin

Appendix “B”

THIS MEMORANDUM OF AGREEMENT made the 9th day of December, 2016.

B E T W E E N:

DOREEN SASKIN, of the Province of Ontario

(hereinafter called the "Vendor")

- and -

DS (BAY) HOLDINGS INC., a corporation incorporated under the laws of the Province of Ontario

(hereinafter called the "Purchaser")

WHEREAS the Vendor is the beneficial owner of a partnership interest (the "Subject Interest") in TCC/Urbancorp (Bay) Limited Partnership (the "Partnership");

AND WHEREAS legal title to the Subject Interest is held by Vestaco Investments Inc. ("Vestaco") as nominee for the Vendor;

AND WHEREAS the Vendor desires to sell and the Purchaser desires to purchase the Subject Interest upon the terms and conditions herein set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby covenant and agree as follows:

ARTICLE 1.00 - PURCHASE AND SALE

1.01 Subject to the terms and conditions hereof, the Vendor hereby sells, assigns and transfers to the Purchaser and the Purchaser hereby purchases from the Vendor, the Subject Interest effective at the commencement of business on the date first above written (the "Closing Date"). The Subject Interest shall continue to be registered in the name of Vestaco.

ARTICLE 2.00 - CALCULATION OF THE PURCHASE PRICE

2.01 Subject to Article 6.00 hereof, the purchase price for the Subject Interest is equal to the amount set out in Schedule "A", being the fair market value thereof (the "Purchase Price"), as determined in accordance with Section 2.02 hereof.

2.02 The fair market value of the Subject Interest has been determined by applying generally accepted accounting and valuation principles, with a view to determining the highest price available in an open and unrestricted market between prudent parties acting at arm's length and under no compulsion to act and expressed in terms of money or money's worth, which statement shall be final and binding on the parties hereto for the purposes of this agreement, save as to clerical errors and adjustment in accordance with Article 6.00 hereof.

2.03 The parties hereto covenant and agree that notwithstanding Section 2.01 hereof, for income and corporation tax purposes, the Vendor's proceeds of disposition with respect to the Subject Interest and the amount for which the Purchaser shall be deemed to have acquired the Subject Interest shall be an amount equal to the cost amount of the Subject Interest to the Vendor, as determined in accordance with the provisions of the Income Tax Act (Canada) (the "Cost Amount"). The parties hereto agree jointly to make, execute and file with the appropriate bodies the election required under Subsection 85(1) of the Income Tax Act (Canada) in the prescribed form and within the prescribed time and manner to give effect to the provisions of this Section 2.03.

ARTICLE 3.00 - PAYMENT OF THE PURCHASE PRICE

3.01 The Purchase Price for the Subject Interest shall be paid and satisfied by the Purchaser issuing and allotting to the Vendor as fully paid and non-assessable 100 Common Shares in its capital.

3.02 The Purchaser shall, in respect of the Common Shares issued pursuant to Section 3.01 hereof, add to the stated capital account maintained by it for its Common Shares the amount equal to the Cost Amount to the Vendor of the Subject Interest.

ARTICLE 4.00 - REPRESENTATIONS AND WARRANTIES

The Vendor hereby represents and warrants to the Purchaser as follows and hereby acknowledges and confirms that the Purchaser is relying on such representations and warranties:

4.01 The Vendor beneficially owns the Subject Interest free and clear of any and all liens, encumbrances, actions and/or demands whatsoever.

4.02 No person, firm or corporation has any written or oral agreement, option, undertaking or commitment or any right or privilege capable of becoming an agreement or option for the purchase from the Vendor of the Subject Interest, or any part thereof.

4.03 The Vendor is not a "non-resident" within the meaning of the Income Tax Act (Canada).

ARTICLE 5.00 - CLOSING DATE

5.01 This agreement shall, upon execution, but subject to compliance with the terms and conditions hereof, operate without further act or formality as an actual transfer of the Subject Interest from the Vendor to the Purchaser as at the commencement of business on the Closing Date.

ARTICLE 6.00 - PRICE ADJUSTMENT

6.01 Notwithstanding anything hereinbefore contained, in the event that at any time in the future the Canada Revenue Agency or any duly authorized official thereof, any provincial taxing authority or any competent court shall make a determination at any time after the Closing Date to which the parties acquiesce or from which there is no further right to object or appeal or if the parties hereto shall at any time in good faith determine that the actual fair market value of the Subject Interest as at the Closing Date is greater or less than the fair market value so determined for the purposes of this Agreement (the "Revised Fair Market Value"), the Revised Fair Market Value shall automatically be substituted for the fair market value hereunder retroactive to the Closing Date to conform with the said adjustment.

ARTICLE 7.00 - GENERAL PROVISIONS

7.01 The parties hereto covenant and agree to do, execute, acknowledge, deliver and cause to be done, executed, acknowledged and delivered, such further acts, transfers and assurances for the better accomplishing and effectuating of the intention of this agreement. Without limiting the foregoing, the parties will notify the Partnership of the change in beneficial ownership of the Subject Interest.

7.02 Time shall be of the essence of this agreement and of every part hereof.

7.03 This agreement shall be made and construed in accordance with the laws of the Province of Ontario.

7.04 This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

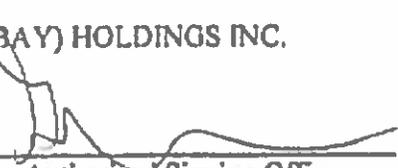
IN WITNESS WHEREOF the parties have duly executed these presents.

SIGNED, SEALED AND DELIVERED)
IN THE PRESENCE OF)



DOREEN SASKIN

DS (BAY) HOLDINGS INC.

Per: 

Authorized Signing Officer

SCHEDULE "A"

Fair Market Value/Cost Amount

\$

Appendix “C”

DECLARATION OF TRUST

KNOW ALL PERSONS BY THESE PRESENTS that in consideration of the sum of One Dollar (\$1.00) now paid to the undersigned (the receipt and sufficiency of which is hereby acknowledged) and for other good and valuable consideration, the undersigned hereby declares that effective the date hereof the partnership interest in TCC/Urbancorp (Bay) Limited Partnership more particularly described in Schedule "A" hereto and all beneficial rights, title and interest thereto are held by the undersigned as the bare trustee or nominee for DS (BAY) Holdings Inc. (the "Beneficial Owner") and that the undersigned will convey, transfer and deal with all rights, title and interests in the said partnership interest in such manner as the Beneficial Owner may from time to time direct.

DATED this 9th day of December, 2016.

VESTACO INVESTMENTS INC.

Per: _____

Doreen Saskin - President

ACKNOWLEDGEMENT

The undersigned hereby acknowledges the foregoing declaration of trust and agrees to indemnify and save harmless VESTACO INVESTMENTS INC. from and against all costs, liabilities or damages which it may incur on account of being the nominee/trustee of the said partnership interest as noted above.

DATED this 9th day of December, 2016.

DS (BAY) HOLDINGS INC.

Per: _____

Doreen Saskin - President

Appendix “D”

Request ID: 020181200
Transaction ID: 64254372
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/04/25
Time Report Produced: 10:05:04
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

| | | |
|----------------------------------|----------------------------|-----------------------------|
| Ontario Corp Number | Corporation Name | Incorporation Date |
| 2550676 | DS (BAY) HOLDINGS INC. | 2016/12/09 |
| | | Jurisdiction |
| | | ONTARIO |
| Corporation Type | Corporation Status | Former Jurisdiction |
| ONTARIO BUSINESS CORP. | ACTIVE | NOT APPLICABLE |
| Registered Office Address | | Date Amalgamated |
| 155 CUMBERLAND STREET | | NOT APPLICABLE |
| Suite # 1202 | | New Amal. Number |
| TORONTO | | NOT APPLICABLE |
| ONTARIO | | Notice Date |
| CANADA M5R 1A2 | | NOT APPLICABLE |
| Mailing Address | | Letter Date |
| NOT AVAILABLE | | NOT APPLICABLE |
| | | Revival Date |
| | | NOT APPLICABLE |
| | | Transferred Out Date |
| | | NOT APPLICABLE |
| | | EP Licence Eff.Date |
| | | NOT APPLICABLE |
| | | EP Licence Term.Date |
| | | NOT APPLICABLE |
| | Number of Directors | Date Commenced |
| | Minimum | in Ontario |
| | Maximum | Date Ceased |
| | 00001 | in Ontario |
| | 00010 | NOT APPLICABLE |
| Activity Classification | | NOT APPLICABLE |
| NOT AVAILABLE | | |

Request ID: 020181200
Transaction ID: 64254372
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/04/25
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Page: 2

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2550676

Corporation Name

DS (BAY) HOLDINGS INC.

Corporate Name History

DS (BAY) HOLDINGS INC.

Effective Date

2016/12/09

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

DOREEN
SASKIN

Address

155 CUMBERLAND STREET
Suite # 1202
TORONTO
ONTARIO
CANADA M5R 1A2

Date Began

2016/12/09

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 020181200
Transaction ID: 64254372
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/04/25
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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2550676

DS (BAY) HOLDINGS INC.

Last Document Recorded

Act/Code Description

Form

Date

BCA ARTICLES OF INCORPORATION

1

2016/12/09 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.