

**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**

**MOTION RECORD
(Returnable January 24, 2018)**

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(Updated January 15, 2018)

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**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**

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3 Stay Extension Order

TAB 1

**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.,
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DEVELOPMENT INC., URBANCORP (952 QUEEN WEST)
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CLAIR INC., HIGH RES. INC., BRIDGE ON KING INC.
(collectively, the "Applicants") AND THE AFFILIATED
ENTITIES LISTED IN SCHEDULE "A" HERETO**

NOTICE OF MOTION

THE APPLICANTS will make a motion before Mr. Justice Myers sitting as a Judge of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), on Wednesday, January 24, 2018 at 10:00 am, or as soon after that time as the motion can be heard, at 130 Queen Street West, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an Order substantially in the form attached at Tab 3 of the Motion Record, *inter alia*:
 - (a) abridging the time for service of this Notice of Motion and the Motion Record so that the motion is properly returnable on January 24, 2018, and dispensing with service on any persons other than those served;
 - (b) extending the Stay Period (as defined in paragraph 17 of the Initial Order (as defined herein)) until and including April 30, 2018;

- (c) approving the twenty-first report of KSV Kofman Inc. (the “**Monitor**”), in its capacity as Court-appointed Monitor, dated January 18, 2018 and the Monitor’s activities described therein (the “**Twenty-First Report**”);
- (d) approving the fees and disbursements of (i) the Monitor, for the period of October 1, 2017 to December 31, 2017; and (ii) the Monitor’s counsel, Davies Ward Phillips & Vineberg LLP, for the period of October 1, 2017 to December 31, 2017; and
- (e) such other and further relief as counsel may request and this Honourable Court may allow.

THE GROUNDS FOR THE MOTION ARE:

- 2. capitalized terms not otherwise defined herein have the meaning given to them in the Initial Order (as defined herein);
- 3. each of the Urbancorp CCAA Entities, other than Urbancorp Toronto Management Inc. (“**UTMI**”), were involved in the management and development of real estate projects across the greater Toronto area while UTMI provided back office administrative and management services to the Urbancorp CCAA Entities;
- 4. the Urbancorp CCAA Entities other than UTMI have no employees and their only assets are certain real estate projects in which they hold an interest as well as certain rental properties and geothermal assets;
- 5. the Urbancorp CCAA Entities were granted protection from their creditors under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), pursuant to the Initial Order of the Honourable Mr. Justice Newbould dated May 18, 2016 (the “**Initial Order**”);

6. KSV Kofman Inc. was appointed in the Initial Order to act as the Monitor (the “**Monitor**”) in these CCAA proceedings;
7. the Initial Order granted, among other things, a stay of proceedings until June 17, 2016, or such later date as this Honourable Court may order;
8. pursuant to the most recent extension Order dated October 30, 2017, the Court extended the Stay Period until January 31, 2018;
9. extending the Stay Period will provide the Monitor with the necessary time to, among other things, consider how best to realize upon the Urbancorp CCAA Entities’ remaining assets and to address any outstanding issues arising from the Court-approved claims process, including but not limited to any additional distributions to creditors;
10. the cash-flow statements prepared by the Monitor indicate that the Applicants will have sufficient cash to fund these proceedings for the proposed extended Stay Period;
11. at all material times, the Urbancorp CCAA Entities have been acting, and continue to act, in good faith and with due diligence in these CCAA proceedings;
12. it is just and convenient and in the interests of the Urbancorp CCAA Entities and their respective stakeholders that the requested Order be granted and the Stay Period be extended;
13. the extension of the Stay Period is supported by the Monitor;
14. taking into account the overall value of the services provided by the Monitor and its counsel to date, the fees and disbursements of the Monitor and its counsel are fair and reasonable in the circumstances;
15. the Monitor has reviewed the bills of its counsel and is of the opinion that the services have been duly authorized and rendered and the charges are reasonable;

16. such further and other grounds as set out in the Twenty-First Report;
17. Section 11.2 of the CCAA and the inherent and equitable jurisdiction of this Honourable Court thereunder; and
18. Rules 1.04, 1.05, 2.01, 2.03, 16 and 37 of the *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended, and section 106 of the Ontario *Courts of Justice Act*, R.S.O 1990, c. C.43, as amended.

AND FURTHER TAKE NOTICE that the following materials will be filed in support of this application, namely:

- (a) the Twenty-First Report; and
- (b) such further and other material as counsel may advise and this Honourable Court may allow.

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- 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.

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

NOTICE OF MOTION
(returnable January 24, 2018)

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TAB 2



**Twenty-First Report to Court of
KSV Kofman Inc. as CCAA Monitor of
Urbancorp Toronto Management Inc.,
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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 18, 2018

and

**Twelfth 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

TWENTY-FIRST 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

TWELFTH REPORT OF KSV KOFMAN INC.

JANUARY 18, 2018

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. Certain Cumberland CCAA Entities¹ are known direct or indirect wholly-owned subsidiaries of Urbancorp Cumberland 1 LP ("Cumberland"). Collectively, Cumberland and its direct and indirect subsidiaries are the "Cumberland Entities" and each individually is a "Cumberland Entity". Each Cumberland Entity is a nominee for Cumberland and, as such, the assets and liabilities of the Cumberland Entities are assets and liabilities of Cumberland. The remaining Cumberland CCAA Entities², other than UTMI, are directly or indirectly wholly owned by Urbancorp Inc. ("UCI") (collectively, the "Non-Cumberland Entities"). The corporate chart for the Cumberland CCAA Entities and the Non-Cumberland Entities is provided in Appendix "A".
4. On April 25, 2016, the District Court in Tel Aviv-Yafo, Israel issued a decision appointing Guy Gissin as the functionary officer and foreign representative (the "Foreign Representative") of UCI and granting him certain powers, authorities and responsibilities over UCI (the "Israeli Proceedings").
5. On May 18, 2016, the Court issued two orders under Part IV of the CCAA which:
 - 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.
6. On April 25, 2016, Urbancorp (Woodbine) Inc. ("Woodbine") and Urbancorp (Bridlepath) Inc. ("Bridlepath") each filed a NOI. KSV was appointed as the Proposal Trustee of each of Bridlepath and Woodbine.

¹ St. Clair, Patricia, Mallow, Lawrence, Urbancorp (952 Queen West) Inc., King Residential Inc., Urbancorp 60 St. Clair Inc., High Res. Inc., Urbancorp Partner (King South) Inc., Urbancorp (North Side) Inc. and Bridge on King Inc.

² Vestaco Homes Inc., Vestaco Investments Inc., Urbancorp Power Holdings Inc., UTMI, Downsview, 228 Queens Quay West Limited, Urbancorp Residential Inc., Urbancorp Realtyco Inc., Urbancorp Cumberland 1 GP Inc.

7. Pursuant to an order made by the Court dated October 18, 2016, TCC/Urbancorp (Bay) Limited Partnership ("Bay LP"), 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.
8. Each Bay CCAA Entity is a wholly owned subsidiary of Bay LP, except Deaja Partner (Bay) Inc. Each of Bay LP's subsidiaries is a nominee for Bay LP and, as such, their assets and liabilities are assets and liabilities of Bay LP. The corporate chart for the Bay CCAA Entities is provided in Appendix "B".
9. On October 30, 2017, the Court issued orders extending the stay of proceedings for the Cumberland CCAA Entities and the Bay CCAA Entities to January 31, 2018.

1.1 Purposes of this Report

1. The purposes of this report ("Report") are to:
 - a) provide an update on the CCAA proceedings;
 - b) summarize a Standstill Amending Agreement (the "Standstill Amending Agreement") among the Monitor, King Liberty North Corporation ("KLNC"), Urbancorp New Kings Inc. ("UNKI") and First Capital (S.C.) Corporation ("FCSCC") (collectively, the "Standstill Parties") in respect of a development located at 1100 King Street West, Toronto (the "Kingsclub Development");
 - c) report on the consolidated cash flow projections of the Cumberland CCAA Entities and of the Bay CCAA Entities for the period February 1, 2018 to April 30, 2018 ("Cash-Flow Statements");
 - d) summarize and seek approval of the fees and expenses of KSV, as Monitor of the CCAA Entities, and the Monitor's counsel, Davies Ward Phillips & Vineberg LLP ("Davies"), for the periods referenced in the attached Fee Affidavits; and
 - e) recommend that the Court issue orders:
 - i. approving the Standstill Amending Agreement;
 - ii. granting an extension of the stay of proceedings for the CCAA Entities to April 30, 2018; and
 - iii. approving the fees and disbursements of the Monitor and Davies, 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. 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 Background

1. The CCAA Entities, together with several affiliates, comprise the Urbancorp Group of Companies (collectively, the "Urbancorp Group"). The Urbancorp Group primarily engaged in the development, construction and sale of residential properties in the Greater Toronto Area. The Urbancorp Group also owns geothermal assets.

2.1 Urbancorp Inc.

1. UCI was incorporated on June 19, 2015 for the purpose of raising debt 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 of NIS180,583,000 (approximately \$64 million based on the exchange rate at the time of the IPO) (the "Debentures").
2. From the monies raised under the IPO, UCI made unsecured loans (the "Shareholder Loans") totalling approximately \$46 million to each of the NOI Entities (other than UTMI) so that these entities could repay loan obligations owing at the time. The loan agreements in respect of the Shareholder Loans set out that repayment of the Shareholder Loans is subordinate to certain other obligations of the NOI Entities (the "Permitted Obligations").

3.0 Update on CCAA Proceedings

3.1 Cumberland Entities – Distributions and Disputed Claims

1. On June 27, 2017, the Court made an order authorizing and directing the Monitor to pay in full the amounts owing to creditors with admitted claims against the Cumberland Entities, other than UCI, which received a partial distribution. On November 22, 2017, the Court made an order authorizing and directing the Monitor to make a further distribution to UCI in the amount of \$750,000. A summary of the distributions to the Cumberland Entities' creditors, including to UCI, the remaining unpaid claims and disputed claims is provided in the table below.

(\$000s; unaudited)	Total Admitted Claims	Distribution	Unpaid Admitted Claims	Total Disputed claims
UCI (Shareholder Loans)	36,968 ³	30,146	6,822	-
Other creditors	13,510	13,510	-	11,994
	50,478	43,656	6,822	11,994

2. As the repayment of the Shareholder Loans is subordinated to the repayment of the Permitted Obligations, UCI was required to assign its distributions to those creditors that have claims for Permitted Obligations until those creditors' claims were repaid in full. Since the remaining admitted unsecured claims were relatively insignificant, the Foreign Representative subordinated repayment of the Shareholder Loans to all currently admitted claims against the Cumberland Entities (but not to any currently disputed claims) such that all currently admitted claims have been repaid in full. Approximately \$6.8 million of UCI's claim against the Cumberland Entities remains unpaid.
3. The Monitor has issued disallowance notices to several claimants of the Cumberland Entities. The Monitor has reserved for the full amount of the disputed claims. Set out below is a summary of the claimants who have disputed the disallowance notices.

(\$000s; unaudited)	Amount
Claimant	
Travelers Insurance Company of Canada ("Travelers")	4,404
Tarion Warranty Corporation ("Tarion")	2,787
Employee Claims	2,456
Speedy Electrical Contractors Ltd. ("Speedy")	2,324
Other	23
	<u>11,994</u>

4. The following is an update on the Cumberland disputed claims:
 - a) Travelers - the majority of this claim relates to a guarantee made by High Res Inc., a Cumberland CCAA Entity, for a bond provided by Travelers to Tarion in respect of a project being developed by Urbancorp (Leslieville) Inc. ("Leslieville"). Leslieville is subject to receivership proceedings in which Alvarez & Marsal Canada Inc. ("A&M") is the Court appointed receiver. The actual exposure under the guarantee, if any, will be determined once the Leslieville project is completed and all residential units are sold. The Monitor corresponded with A&M on January 13, 2018 and A&M advised that all residential units are expected to be sold and ready for occupation by Spring, 2018.

³ UCI also has a claim for Shareholder Loans against Downsview.

- b) Tarion – the Monitor continues to have discussions with Tarion and expects to bring a motion shortly to approve a settlement to resolve the majority of Tarion’s claims. The Monitor and Tarion have been unable to resolve approximately \$1.4 million of Tarion’s claims relating to delayed occupancy compensation. Delayed occupancy compensation is paid by Tarion to home buyers if occupancy of their home is delayed beyond the outside date in their purchase agreements. In the case of the CCAA Entities, the delayed occupancy claims are in respect of projects that were never built or occupied. The Monitor, in consultation with the Foreign Representative, intends to have this portion of Tarion’s claim decided by the Court.
- c) Employee Claims – these claims relate to two former employees of UTMI, who have filed common employer claims against the CCAA Entities.
 - i. Employee 1: this claim is for approximately \$2.1 million. The employee asserts that she is entitled to severance and termination pay against the CCAA Entities, as well as a contractual profit participation claim on the Urbancorp Group’s projects. Until recently, the employee’s legal counsel had advised the Monitor that the employee was ill and unable to advance the claim. The Monitor understands that the employee is now able to move forward to try to resolve its claim. In this regard, the Monitor has commenced discussions with the employee’s legal counsel.
 - ii. Employee 2: this claim is for approximately \$400,000. The employee asserts that she is entitled to, *inter alia*, severance pay, termination pay, unpaid vacation pay and legal fees against the CCAA Entities. The Monitor and counsel for the employee have been working to settle this claim; however, to-date, those discussions have been unsuccessful. A motion has been scheduled to be heard on March 13, 2018 to have this claim determined by the Court. In the meantime, settlement discussions continue.
- d) Speedy Electrical Contractors Inc. (“Speedy”) - Speedy filed a secured claim in the amount of \$2,323,638 against King Residential Inc. (“KRI”), a Cumberland CCAA Entity. The Speedy Claim is based on a guarantee provided by KRI for liabilities owing by Alan Saskin in the amount of \$1,284,727 and Edge on Triangle Parking Inc., an affiliated entity, in the amount of \$1,038,911. The Monitor has been unable to determine if KRI received any consideration for providing the secured guarantee.⁴ The claim was disallowed on the basis that the transaction could be voidable as a transfer at undervalue, and, in addition, voidable as a fraudulent conveyance or preference. The Monitor anticipates that a motion will be required in the near term to have this matter resolved.

⁴ Other than \$2

3.2 Bay Entities – Distributions and Disputed Claims

1. On June 27, 2017, the Court made an order authorizing and directing the Monitor to pay a 33% dividend to creditors with admitted claims against the Bay CCAA Entities. At that time, the Monitor was unable to recommend that it make any additional distributions due to claims filed by Terra Firma Capital Corporation (“TFCC”) and UCI, which the Monitor has disputed.
2. On November 30, 2017, the Court made an order authorizing and directing the Monitor to pay in full all admitted claims, other than intercompany claims. The order was made on the consent of TFCC and UCI.
3. A summary of the distributions to the Bay Entities’ creditors and the remaining unpaid claims is provided in the table below.

(\$000s; unaudited)	Total Admitted Claims	Distribution	Unpaid Admitted Claims	Total Disputed claims
TFCC	716	716	-	10,014
Other third party creditors	7,445	7,445	-	3,172
Other intercompany creditors	1,154	381	773	-
	9,315	8,542	773	13,186

4. The Monitor has issued disallowance notices to several claimants of the Bay CCAA Entities. The Monitor has reserved funds for the disputed claims. Set out below is a summary of the claimants who have disputed the disallowance notices.

(unaudited; \$000)	Amount
Claimant	
Secured Claim	
TFCC (principal, interest and cost reserve)	10,014
Unsecured Claims	
Employee Claims	2,456
Tarion	716
	3,172
Total Disputed Claims	13,186

5. In addition to the disputed claims set out above, the Foreign Representative, on behalf of UCI, has filed a motion to late file a claim of \$8 million on the basis of misrepresentation and negligent misrepresentation in connection with promissory notes totalling \$8 million that were issued by Bay LP; the Court previously issued a decision confirming the Monitor’s disallowance of UCI’s claim for the amounts owing under the promissory notes.

6. TFCC's disputed claim relates to a loan provided by TFCC to Urbancorp Holdco Inc., the parent company of UCI, which was guaranteed by, among others, Bay LP, Woodbine and Bridlepath. As security for the guarantee, Woodbine and Bridlepath granted mortgages to TFCC on real property registered as being owned by Woodbine and Bridlepath. The Monitor has been unable to determine if Bay LP, Bridlepath or Woodbine received any consideration for providing the secured guarantee. The claim was disallowed on the basis that the transaction could be voidable as a transfer at undervalue, and, in addition, voidable as a fraudulent conveyance or preference. A motion to resolve TFCC's claim was originally scheduled to be heard on September 5, 2017. It was adjourned on consent to October 19, 2017. On October 12, 2017, legal counsel to TFCC advised the Monitor that it was seeking an adjournment of the motion *sine die* to provide additional time to finalize a settlement between TFCC and the Foreign Representative which, among other things, could resolve the TFCC disputed claim against Bay LP, Bridlepath and Woodbine. For additional details regarding TFCC's claim, refer to the Tenth Report of the Bay Monitor dated July 25, 2017, which is available on the Monitor's website at: <http://www.ksvadvisory.com/insolvency-cases/urbancorp-group/>.
7. TFCC and the Foreign Representative continue to negotiate a settlement of their claims against Bay LP. The Monitor is not involved in those negotiations. The Monitor has advised the Foreign Representative and TFCC that any settlement of their claims against the Bay CCAA Entities requires Court approval on notice to all affected stakeholders.
8. The Monitor continues to follow up regularly with legal counsel to TFCC and the Foreign Representative regarding the status of their settlement discussions. On January 9, 2018, the Monitor's legal counsel, Davies, corresponded with TFCC's legal counsel which advised that the parties require additional time to continue their negotiations. The Monitor is of the view that this matter should be resolved shortly, failing which it should proceed with a determination of TFCC's claim and UCI's late filed claim.

3.3 Geothermal Assets

1. Certain of the Cumberland CCAA Entities have an interest in geothermal assets located at four condominiums developed by entities in the Urbancorp Group of Companies (collectively, the "Geothermal Assets").
2. Pursuant to energy supply agreements, each condominium corporation (collectively, the "Condo Corporations") is required to pay Urbancorp Renewable Power Inc. ("URPI") for the supply of the geothermal energy (the "Supply Agreements"). URPI is neither a subsidiary of UCI nor is it subject to CCAA proceedings. The Monitor understands that URPI is owned by Alan Saskin. URPI is required to pay the revenue it receives from the Condo Corporations to the Urbancorp entity that holds the geothermal energy system, net of a management fee of approximately 3% payable to URPI and other costs (such as repairs and maintenance costs).

3. The registered owners of the geothermal energy systems appear to be Vestaco Homes Inc. (Bridge Condo), Vestaco Investments Inc. (Curve Condo) and 228 Queen's Quay West Ltd. (Edge Condo), each of which is a Cumberland CCAA Entity.
4. The registered owner of the Fuzion Condo geothermal energy system appears to be Urbancorp New Kings Inc. ("UNKI") and Urbancorp Management Inc., each as to 50% and each of which is not subject to CCAA proceedings.
5. 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 the Edge geothermal system.
6. The Bridge and Fuzion Condo Corporations have failed to make payments to URPI under their supply agreements since March 2016. The Edge Condo Corporation has failed to make payments to URPI under its supply agreement since April 2016.⁵ The receivables owing to URPI from the Bridge, Fuzion and Edge Condo Corporations total approximately \$3.9 million as of December 31, 2017. The Monitor understands that the Condo Corporations have been paying a portion of the receivables into their lawyer's trust accounts.
7. URPI has engaged counsel to litigate against the Condo Corporations for, *inter alia*, failure to pay the amounts owed under the Supply Agreements. The Condo Corporations have filed cross claims alleging, *inter alia*, that certain of the Geothermal Assets require repairs and that the Condo Corporations are paying more for heating and cooling than traditional energy sources. A trial date has not been scheduled.
8. The Monitor has reviewed the expert reports issued by consultants to URPI and the relevant Condo Corporations. In order to establish an independent opinion and potentially assist in settling the geothermal litigation, the Monitor retained a consultant, Beatty Geothermal Inc. ("Beatty"), to review various issues in the litigation. The consultant has provided the Monitor with interim findings in a preliminary report. Beatty has not completed the full scope of its mandate. The consultant's final report is expected by the end of February 2018.
9. The Monitor understands that the Condo Corporation for Curve alleges that it exercised a right to purchase its geothermal system, and, accordingly, is no longer making any payments to URPI. No payment has been received in connection with the alleged purchase. A further Court hearing may be required to deal with URPI's claim against Curve.
10. Once the litigation is resolved, the Monitor intends to work with Fuller Landau and other affected stakeholders to sell the Geothermal Assets.

⁵ On August 30, 2016, the Edge Condo Corporation made a \$260,000 partial payment to URPI in respect of amounts owing.

3.3.1 URPI Loan Facility

1. URPI has no revenue because it has not been receiving payments from the Condo Corporations. URPI filed two claims against the Cumberland Entities totaling \$580,000. Both were admitted. Rather than making a distribution directly to URPI, the Monitor reached an agreement with URPI that it would fund maintenance costs associated with the Geothermal Assets and the costs of the geothermal litigation from URPI's distribution. To date, approximately \$507,000 has been paid from URPI's distribution in respect of these costs.
2. On November 22, 2017, the Court approved a loan facility in the amount of \$500,000 between Cumberland, as lender, and URPI, as borrower. The purpose of the facility is to fund the litigation and potential repairs for the Geothermal Assets after the distributions on URPI's claim have been exhausted. No amounts have been funded under this facility as of the date of this Report.

3.4 Condominium Sale Process

1. On December 14, 2016, the Court issued an order (the "Sale Process Order") approving a sale process for 28 Residential Units held by URI and KRI⁶. Pursuant to the Sale Process Order, Brad J. Lamb Realty Inc. ("Brad Lamb Realty") is marketing the Residential Units for sale.
2. On January 27, 2017, the Court issued an order, as amended and restated on March 14, 2017 and September 13, 2017 (the "Approval and Vesting Order"), which authorized the Monitor to enter into a form of sale agreement for each of the respective Residential Units as each is sold and, upon the delivery of a Monitor's certificate concerning any sale, vested the Residential Unit pertaining to the relevant sale agreement in and to the purchaser free and clear of related scheduled encumbrances.
3. On November 30, 2017, the Court issued an additional vesting order ancillary to the Approval and Vesting Order in order to be able to sell and convey parking units, locker units and bike storage units for which URI or KRI is the registered owner.
4. Since the commencement of the sale process, the Monitor has closed twenty transactions for the Residential Units.⁷ A summary of the net proceeds from the transactions is provided in the table below.

(\$000's; unaudited)	No. of units sold	Gross Proceeds	Mortgages	Costs ⁸	Net Proceeds
KRI	9	3,545	1,823	253	1,469
URI	11	4,437	2,726	314	1,397
	20	7,982	4,549	567	2,866

⁶ URI and KRI are nominee companies for Urbancorp Realty Co. and Urbancorp Cumberland 1 LP, respectively.

⁷ Including five parking spots and four lockers.

⁸ Includes professional fees of \$10,000 per unit and broker fees.

5. All of the Residential Units are vacant. Brad Lamb Realty is presently marketing two Residential Units at a time. The net proceeds from the remaining Residential Units are projected to be approximately \$1.5 million.

3.5 Urbancorp New Kings Inc.

1. The Kingsclub Development is a significant project located in Toronto. It is presently under construction and is to consist of retail space, residential space and parking. The development is scheduled to be completed by the end of 2018.
2. Each of KLNC and UNKI own 50% of the retail component of the development. Pursuant to agreements between KLNC and UNKI, KLNC has the right to purchase UNKI's interest in the retail component. Cumberland is the shareholder of UNKI. UNKI appears to be a nominee for Cumberland. UNKI is not subject to the CCAA proceedings.
3. The residential component of the Kingsclub Development was originally owned by KLNC (50%) and UNKI (50%). On July 28, 2015, KLNC and UNKI sold one-third of the residential component to CAPREIT Limited Partnership ("CAPREIT"), such that KLNC, UNKI and CAPREIT each now have a one-third interest in the residential component of the development.
4. 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").
5. As of November 13, 2017, UNKI and KLNC had borrowed approximately \$191.4 million in connection with the financing of the Kingsclub Development, consisting of an approximately \$69.5 million loan from FCSCC and \$121.9 million from Bank of Nova Scotia. As of the date of this Report, UNKI has also borrowed from KLNC approximately \$13.1 million to fund capital cost increases (the "Capital Contribution Loans").

3.5.1 Standstill Agreement

1. 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, which were required to be funded equally by KLNC and UNKI (the "2016 Cost Increase"). The Cumberland CCAA Entities and/or UNKI were not in a position to fund the 2016 Cost Increase.
2. At the time of the 2016 Cost Increase, options were considered to monetize UNKI's interest in the Kingsclub Development, including a sale process for UNKI's interest in the development. Efforts to commence a sale process, particularly in the context of an insolvency process, could have disrupted the project, with an uncertain result.
3. After consideration, the Monitor determined that it was appropriate to enter into the standstill agreement so that the project could continue to be developed without disruption (the "Standstill Agreement").

4. Pursuant to the terms of the Standstill Agreement, *inter alia*:
 - a) KLNC funded UNKI's portion of the 2016 Cost Increase under the Capital Contribution Loan;⁹
 - b) UNKI agreed not to seek: i) creditor protection; and/or ii) to terminate any material contracts in respect of the Kingsclub Development; and
 - c) The Standstill Agreement would terminate and UNKI could commence formal insolvency proceedings if UNKI was required to make additional capital contributions and KLNC and FCSCC (jointly, the "FCR Lenders") failed to increase the Capital Contribution Loan.
5. A copy of the Standstill Agreement is attached as Appendix "C". A summary of the material terms of the Standstill Agreement is provided in the Monitor's Tenth Report to Court dated December 9, 2016 (the "Tenth Report"). A copy of the Tenth Report is attached as Appendix "D", without appendices.
6. On December 14, 2016, the Court approved the Standstill Agreement.

3.5.2 Standstill Amending Agreement

1. The Kingsclub Development continues to incur cost overruns. Accordingly, on October 30, 2017, the Management Committee authorized an increase in the budget to fund further costs for the Kingsclub Development in the amount of approximately \$43.8 million (the "2017 Cost Increase"), which are also required to be funded equally by KLNC and UNKI. UNKI remains unable to fund its portion of the cost overruns and KLNC and/or FCSCC have agreed to loan UNKI monies sufficient for UNKI to fund this obligation, provided UNKI enters into an amendment of the Standstill Agreement.
2. On November 30 2017, the Standstill Parties executed the Standstill Amending Agreement. Under the Standstill Amending Agreement, KLNC has agreed to advance UNKI's portion of the 2017 Cost Increase; the other material provisions of the Standstill Agreement are unaffected by the Standstill Amending Agreement, including that UNKI can commence formal insolvency proceedings if the FCR Lenders do not increase the Capital Contribution Loan should UNKI be required to make additional capital contributions.
3. The Standstill Amending Agreement is not subject to Court approval, but requires Court approval to be sought. A copy of the Standstill Amending Agreement is attached as Appendix "E".
4. The Monitor recommends that the Court approve the Standstill Amending Agreement. The Standstill Amending Agreement provides a mechanism to permit UNKI to fund the 2017 Cost Increase, which UNKI would otherwise be unable to do. The Standstill Amending Agreement also provides for an orderly completion of the Kingsclub Development, which may provide value for UNKI.

⁹ Pursuant to a loan assignment agreement dated November 22, 2016, KLNC assigned its rights under the Capital Contribution Loan to FCSCC.

3.5.3 UNKI's interest in the Kingsclub Development

1. The Monitor continues to oversee the Kingsclub Development, including to assess the value of UNKI's interest in the project. The Monitor corresponds regularly with Alan Saskin and FCSCC regarding the Kingsclub Development, including attending monthly development meetings and periodic Management Committee meetings. The Monitor has also met with CAPREIT, which also attends the monthly development meetings.
2. Despite the cost overruns associated with the Kingsclub Development, it appears that the value of the Kingsclub Development may have increased in value; however, it remains uncertain at this time whether UNKI's interest has any value.

3.6 Downsview

1. Downsview Homes Inc. ("DHI") owns land located at 2995 Keele Street in Toronto, which is being developed into condominiums and other residences (the "Downsview Project"). The shares of DHI are owned by Downsview (51%) and Mattamy (Downsview) Limited, an affiliate of Mattamy Homes ("Mattamy") (49%).
2. The Downsview Project consists of two phases. The first phase is scheduled to be completed in the first half of 2018, while the second phase is not expected to be completed for several years.
3. The Monitor continues to oversee this project, including reviewing pro-formas and corresponding routinely with Mattamy. There is significant uncertainty at this time as to the value of Downsview's interest in the Downsview Project, although it appears that earlier forecasts of the value of the Downsview interest provided to the Monitor by Mattamy and representatives of the Urbancorp Group were optimistic. The Downsview Project appears to have underperformed the prior projections.
4. In order to review the material variances of the value of the Downsview Project, the Monitor, in consultation with the Foreign Representative, engaged a cost-consultant, Pelican Woodcliff Inc. ("Pelican"), to audit the Downsview Project. The Downsview audit consists of reviewing the Downsview Project's historical financial results as well as determining the reasonableness of earlier pro-formas prepared for the Downsview Project. The terms of Pelican's mandate were finalized on December 11, 2017. The Monitor, Pelican, Mattamy and a representative of the Foreign Representative attended a meeting on December 14, 2017 to determine the framework for the audit and to review an information request prepared by Pelican. Pelican's mandate is significant as total costs of the Downsview Project are estimated to be in excess of \$500 million.¹⁰ The Downsview audit is expected to be completed one month after Pelican receives the documentation in its information request. Several information requests of Mattamy remain unsatisfied.

¹⁰ Based on Mattamy's most recent pro-forma dated October 13, 2017.

3.7 Urbancorp Downtown Developments Inc.

1. In or around June, 2014, UTMI advanced \$750,000 on behalf of Urbancorp Downtown Developments Inc. ("UDDI"), an affiliated entity not subject to insolvency proceedings, to fund a deposit in connection with the purchase of land by UDDI (the "UDDI Deposit"). In December 2014, approximately \$250,000 was returned to UTMI by UDDI, thereby reducing the UDDI Deposit to \$500,000.
2. In addition, the books and records of UTMI reflect an intercompany balance of \$200,000 owing by UDDI to UTMI.
3. The property that was to be purchased by UDDI was expropriated by the Toronto Catholic District School Board ("TCDSB") prior to closing. The TCDSB held back an amount from the price of the expropriated land, including an amount equal to the UDDI Deposit (the "TCDSB Holdback"). The TCDSB Holdback is in respect of potential environmental costs.
4. UDDI has made a claim against TCDSB for: (i) through an agreement with the vendor, a release of the TCDSB Holdback; and (ii) the increase in the value of the expropriated land between the time UDDI entered into the agreement to purchase the expropriated land and the date TCDSB expropriated the land.
5. UDDI is negotiating a settlement with TCDSB. UDDI has acknowledged by email that any proceeds received from TCDSB with respect to its claims, after costs, will first be used to satisfy the amounts UDDI owes to UTMI.

4.0 Cash Flow Forecasts

1. Consolidated cash flow projections have been prepared for the CCAA Entities for the period February 1, 2018 to April 30, 2018 (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 Appendices "F" and "G", respectively.
2. The expenses in the Cash-Flow Statements are primarily comprised of payroll, general and administrative expenses, professional fees and advances to URPI in connection with the Loan Facility. The CCAA Entities have sufficient cash to pay all disbursements during the Period.
3. 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 "H".

5.0 Request for an Extension

1. The CCAA Entities are seeking an extension of the stay of proceedings from January 31, 2018 to April 30, 2018. 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 time to complete the Downsview audit;
 - d) it will allow the Cumberland CCAA Entities and the Monitor further time to deal with the remaining assets owned by the Cumberland CCAA Entities, including the Residential Units, the Geothermal Assets, the Downsview Project and the Kingsclub Development;
 - e) it will allow the Monitor the opportunity to resolve the disputed claims; 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 and Davies for the period are summarized below.

Firm	Period	(\$)		
		Fees	Disbursements	Total
<u>Cumberland CCAA Entities</u>				
KSV	Oct 1/17 – Dec 31/17	223,629.50	172.19	223,801.69
Davies	Oct 1/17 – Dec 31/17	298,958.50	4,899.06	303,857.56
Total		<u>522,588.00</u>	<u>5,071.25</u>	<u>527,659.25</u>
<u>Bay CCAA Entities</u>				
KSV	Oct 1/17 – Dec 31/17	31,965.00	1,373.10	33,338.10
Davies	Oct 1/17 – Dec 31/17	71,136.00	105.60	71,241.60
Total		<u>103,101.00</u>	<u>1,478.70</u>	<u>104,579.70</u>

2. Detailed invoices are provided in appendices to the fee affidavits filed by representatives of KSV and Davies which are provided in Appendices "I" and "J", respectively.

3. The average hourly rates for the Monitor and Davies are as follows:

Firm	Average Hourly Rate (\$)
<u>Cumberland CCAA Entities</u>	
KSV	518.08
Davies	795.95
<u>Bay CCAA Entities</u>	
KSV	463.26
Davies	858.09

4. Since the last fee approval motion, the main matters addressed by Davies include: dealing with the disputed claims, dealing with the sale of the Residential Units, dealing with matters related to the Geothermal Assets and the Downsview audit.
5. The Monitor is of the view that the hourly rates charged by Davies 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(1)(e) of this Report.

* * *

All of which is respectfully submitted,



**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 (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"

The Townhouses of Hogg's Hollow Inc.

King Towns Inc.

Newtowns at Kingtowns Inc.

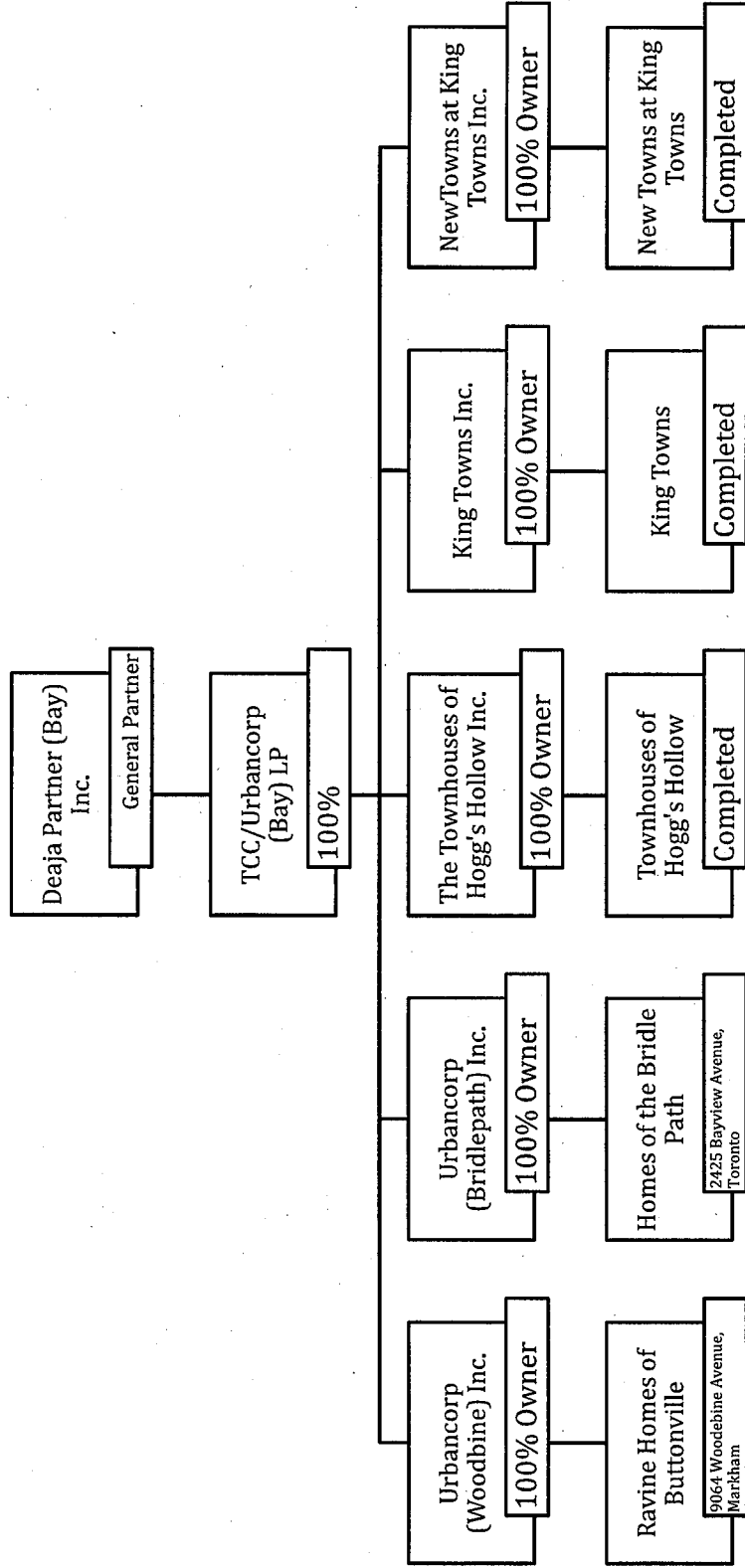
Deaja Partner (Bay) Inc.

TCC Urbancorp (Bay) Limited Partnership

Appendix “A”

Appendix “B”

TCC/URBANCORP (BAY)



Appendix “C”

STANDSTILL AGREEMENT

BETWEEN:

KING LIBERTY NORTH CORPORATION

– and –

URBANCORP NEW KINGS INC.

– and –

**KSV KOFMAN INC., in its role as Monitor of
Urbancorp Cumberland 1 LP,
Urbancorp Cumberland 1 GP Inc. and certain related entities,
and not in its personal capacity**

– and –

FIRST CAPITAL (S.C.) CORPORATION

November 22, 2016

STANDSTILL AGREEMENT

THIS AGREEMENT is made as of the 22nd day of November, 2016, but effective as of November 7, 2016

B E T W E N:

KING LIBERTY NORTH CORPORATION (“KLNC”)

– and –

URBANCORP NEW KINGS INC. (“UNKI”)

– and –

**KSV KOFMAN INC., in its role as Monitor of
Urbancorp Cumberland 1 LP,
Urbancorp Cumberland 1 GP Inc. and certain related entities,
and not in its personal capacity
(the “Monitor”)**

– and –

FIRST CAPITAL (S.C.) CORPORATION (“FCSCC”)

RECITALS:

- A. KLNC and UNKI are co-owners of the lands described in Schedule “A” under the heading “Phase II Lands” (the “**Kingsclub Development**”) and Kingsclub Development Inc. is the registered owner of the Phase II Lands, *inter alia*, as nominee and bare trustee for and on behalf of KLNC and UNKI.
- B. KLNC and UNKI (each a “**Co-Owner**”, and collectively, the “**Co-Owners**”) are parties to an amended and restated Co-Owners Agreement dated February 1, 2012, as amended by amending agreements made as of April 2013, March 28, 2014, July 18, 2014, November 16, 2014 and July 28, 2015 (collectively, the “**Co-Owners Agreement**”).
- C. Each of KLNC and UNKI are borrowers under a credit agreement, originally entered into with FCRI as lender, dated April 19, 2012 and amended on May 15, 2014, November 20, 2014, January 1, 2015, April 30, 2015, June 29, 2015, and July 28, 2015 (the “**Early Works Loan**”).
- D. Pursuant to a loan assignment agreement dated as of May 15, 2014, FCRI assigned its right, title and interest under the Early Works Loan to FCSCC.

- E. UNKI is a borrower pursuant to an amended and restated credit agreement dated as of November 24, 2010 with KLNC as lender (the “**Urbancorp Loan Agreement**”).
- F. KLNC and UNKI, as Vendors, entered into a purchase and sale agreement dated as of July 28, 2015, for the residential component of the Kingsclub Development with CAPREIT Limited Partnership (the “**CAPREIT APS**”). FCRI is a guarantor under the CAPREIT APS.
- G. Further to the CAPREIT APS, each of KLNC, UNKI and CAPREIT GP Inc. have entered into a management agreement dated July 28, 2015 (the “**CAPREIT Management Agreement**”).
- H. KSV was appointed monitor of Urbancorp Cumberland 1 LP, the shareholder of UNKI, and certain related entities, pursuant to an order made under the *Companies’ Creditors Arrangement Act* by the Honourable Mr. Justice Newbould on May 18, 2016 (the “**CCAA Order**”).
- I. Pursuant to paragraph 30 of the CCAA Order, Robert Kofman, or such representative of KSV as Mr. Kofman may designate in writing from time to time, was authorized, directed and empowered to act as the representative of UNKI on the Management Committee (as defined in the Co-Owners Agreement) of the Kingsclub Development.
- J. On September 30, 2016, the Management Committee of the Kingsclub Development authorized additional costs for the project in the amount of \$24.7 million (the “**Cost Increase**”) and it is an obligation of each Co-owner under the Co-Owners Agreement to contribute its respective 50% share of the Cost Increase (the “**Cost Increase Capital Contribution**”) to the project.
- K. Neither UNKI, nor the Monitor, is in a position to advance UNKI’s portion of the Cost Increase.
- L. UNKI has requested that KLNC advance funds on UNKI’s behalf on the basis provided for under Section 9.2(b) of the Co-Owners Agreement with respect to UNKI’s Cost Increase Capital Contribution, with such funds to be used solely to pay costs associated with the Kingsclub Development including, without limitation, the Cost Increase.
- M. The Parties acknowledge and agree that the Material Contracts are an integral part of the development and completion of the Kingsclub Development and that the undertaking by UNKI to honour these agreements to the extent provided herein is the primary inducement for KLNC to provide the credit facilities contemplated herein.
- N. The parties have agreed to enter into this Standstill Agreement to provide for an orderly completion of the Kingsclub Development in a manner that will prevent the commencement of court proceedings or the enforcement of security in order to maximize the value of the project which is in the best interest of each of the Co-Owners.

NOW THEREFORE, in consideration of the mutual covenants and agreements between the Parties contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Interpretation**

(a) **Definitions**

Each capitalized term used and not otherwise defined in this Agreement shall have the meaning given to it in the Co-Owners Agreement.

(b) **Other Definitions**

In this Agreement the following terms have the following meanings:

- (i) **“Approval Order”** has the meaning attributed to such term in Section 7(b).
- (ii) **“BIA”** means the *Bankruptcy and Insolvency Act* (Canada).
- (iii) **“CAPREIT APS”** has the meaning attributed to such term in Recital F.
- (iv) **“CAPREIT Management Agreement”** has the meaning attributed to such term in the Recitals.
- (v) **“CCAA”** means the *Companies’ Creditors Arrangement Act* (Canada).
- (vi) **“CCAA Order”** has the meaning attributed to such term in Recital H.
- (vii) **“Completion”** means the later to occur of the day immediately following the date on which:
 - (A) the option to purchase in favour of KLNC pursuant to Section 10.8(b) of the Co-owners Agreement (the **“Phase 2 Retail Option”**) has expired without KLNC having exercised its option to purchase;
 - (B) KLNC (or an Affiliate thereof) has acquired Urbancorp’s Co-ownership Interest in the Phase 2 Retail Component (each as defined in the Co-owners Agreement) pursuant to the Phase 2 Retail Option;
 - (C) the CAPREIT APS has been terminated and the purchase rights/obligations and/or transfers described in Section 2.2(6) and/or 2.2(7), as applicable, of the CAPREIT APS have been completed; and
 - (D) CapREIT Limited Partnership (or a successor or permitted assign) has purchased all of the Purchased Property (as defined in the CAPREIT APS) pursuant to the terms of the CAPREIT APS.
- (viii) **“Co-Owners”** has the meaning attributed to such term in the Recitals.

- (ix) **“Co-Owners Agreement”** has the meaning attributed to such term in Recital B.
- (x) **“Cost Increase”** has the meaning attributed to such term in Recital J.
- (xi) **“Cost Increase Capital Contribution”** has the meaning attributed to such term in Recital J.
- (xii) **“Early Works Loan”** has the meaning attributed to such term in Recital C.
- (xiii) **“Effective Date”** means the date of this Agreement.
- (xiv) **“FCR Lenders”** means, collectively, KLNC and FCSCC.
- (xv) **“FCRI”** means First Capital Realty Inc.
- (xvi) **“FCSCC”** has the meaning attributed to such term in the pre-amble.
- (xvii) **“Fuzion Geothermal Assets”** means the geothermal utility assets, including any geothermal room units located in the residential condominium building constructed at 20 Joe Shuster Way, Toronto and more particularly described in Schedule “B” attached hereto;
- (xviii) **“Geothermal Loan”** means the agreement pursuant to which KLNC agreed to loan Urbancorp Management Inc. and UNKI the sum of \$2,000,000 on the terms contained in: (i) the purchase agreement between KLNC, as vendor, and Urbancorp Management Inc., as purchaser, in respect of KLNC’s interest in the Fuzion Geothermal Assets dated March 7, 2016, and (ii) the vendor take-back mortgage registered against title to the Fuzion Geothermal Assets on March 7, 2016;
- (xix) **“KLNC”** has the meaning attributed to such term in the pre-amble.
- (xx) **“Kingsclub Development”** has the meaning attributed to such term in Recital A.
- (xxi) **“Loan Agreements”** means, collectively, the Urbancorp Loan Agreement and the Early Works Loan Agreement and all security with respect thereto.
- (xxii) **“Material Contracts”** means the Co-Owners Agreement, the CAPREIT APS, the CAPREIT Management Agreement and this Agreement.
- (xxiii) **“Parties”** means KLNC, FCSCC, the Monitor and UNKI, and **“Party”** means any one of them.
- (xxiv) **“Relief Period”** means the period of time starting on the Effective Date and ending on the Termination Date.

- (xxv) **“Termination Date”** has the meaning attributed to such term in Section 3(a).
- (xxvi) **“Urbancorp CCAA Entities”** means 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., 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. and Urbancorp Realtyco Inc.
- (xxvii) **“Urbancorp Cumberland 1”** means, collectively, Urbancorp Cumberland 1 LP and Urbancorp Cumberland 1 GP Inc.
- (xxviii) **“Urbancorp Loan Agreement”** has the meaning attributed to such term in Recital E.
- (xxix) **“UNKI”** has the meaning attributed to such term in the pre-amble.
- (xxx) **“UNKI Co-Owners Cross Charge”** means, collectively, (i) a charge in the principal amount of \$75,000,000 by UNKI in favour of KLNC which was registered on October 8, 2009 as Instrument No. AT2199344; and (ii) a charge in the principal amount of \$75,000,000 by UNKI in favour of KLNC which was registered on November 24, 2010 as Instrument No. AT2559562, as such Charges were amended and assigned by UNKI to Kingsclub Development Inc. pursuant to a mortgage and other security assumption and confirmation agreement made as of April 19, 2012 between Kingsclub Development Inc., KLNC, UNKI and Fuzion Downtown Developments Inc.

(c) **Rules of Interpretation**

- (A) Number and Gender. In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”.
- (B) Headings. Headings, subheadings and any table of contents or index contained in this Agreement are inserted for convenience of reference only, and will not affect the construction or interpretation of the Agreement.
- (C) Subdivisions. Unless otherwise expressly stated, reference herein to a Schedule or to an Article, Section, paragraph or other subdivision

is a reference to such Schedule to this Agreement, or such Article, Section, paragraph or other subdivision of this Agreement.

- (D) Time. Time is and will be of the essence of this Agreement. Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of the time period is not a Banking Day, the time period will end on the next Business Day.
- (E) Statutes, Regulations and Rules. Unless otherwise expressly stated, any reference in this Agreement to any applicable Law is and will be a reference to that applicable Law as amended, supplemented, re-enacted or replaced from time to time, and, in the case of a statute, shall include all regulations and rules in force and effect in respect of such statute.
- (F) Monetary References. Whenever an amount of money is referred to herein, such amount will, unless otherwise expressly stated, be in Canadian Dollars.

(d) **Schedules**

The following is a list of the Schedules to this Agreement:

- Schedule "A" - Phase II Lands
- Schedule "B" - Geothermal Assets

2. **Acknowledgments**

(a) **Acknowledgments of UNKI**

UNKI acknowledges that:

- (i) jointly with KLNC as of September 30, 2016, it is indebted to FCSCC in the amount of \$69,279,302.44 (including accrued interest) with respect to the Early Works Loan;
- (ii) as of September 30, 2016, it is indebted to KLNC in the amount of \$2,851,434.90 (including accrued interest) with respect to the Urbancorp Loan Agreement;

- (iii) jointly with KLNC, as of October 3, 2016, it is indebted to Bank of Nova Scotia in the amount of \$81,739,390.00 with respect to the BNS Credit Facility;
- (iv) jointly with Urbancorp Management Inc., as of September 30, 2016, it is indebted to KLNC in the amount of \$2,060,000.00 (including accrued interest) with respect to the Geothermal Loan;
- (v) each of the Early Works Loan, the Urbancorp Loan Agreement and the BNS Credit Facility are secured against UNKI's interest in the Kingsclub Development;
- (vi) UNKI is unable to make the Cost Increase Capital Contribution and, at UNKI's request, KLNC is agreeing herein to make a loan to UNKI under the terms of the Co-Owners Agreement to fund UNKI's Cost Increase Capital Contribution; and
- (vii) it is currently in the best interests of the Kingsclub Development and UNKI that construction continue in the normal course and that no steps are taken to place UNKI into any form of Debtor Relief Law including, without limitation, the existing CCAA Proceedings for the Urbancorp CCAA Entities.

(b) **Acknowledgements of KSV**

KSV acknowledges that, until the Termination Date:

- (i) as Monitor of Urbancorp Cumberland 1, the shareholder of UNKI, it has an interest in the Kingsclub Development; and
- (ii) it is in the best interests of the Kingsclub Development, UNKI and Urbancorp Cumberland 1 that construction continue in the normal course and that no steps are taken to place UNKI into any form of Debtor Relief Law including, without limitation, the existing CCAA Proceedings for the Urbancorp CCAA Entities.

(c) **Acknowledgements of UNKI and KSV**

UNKI and KSV acknowledge that upon and after the Termination Date:

- (i) if the Termination Date occurs as a result of any insolvency, bankruptcy, restructuring or similar proceedings, including under any Debtor Relief Law, being commenced by the FCR Lenders or BNS against UNKI, in Canada or elsewhere, then steps may be taken to place UNKI into any form of Debtor Relief Law including, without limitation, the existing CCAA Proceedings for the Urbancorp CCAA Entities and, in such proceedings, UNKI reserves the right to seek to disclaim any one or more of the Material Contracts (and the FCR Lenders reserve all rights with respect thereto);

- (ii) if the Termination Date occurs as a result of the FCR Lenders failing to increase to the amounts available pursuant to Section 5 of this Agreement upon a request being made pursuant to Section 2(d)(iii) of this Agreement, then steps may be taken to place UNKI into any form of Debtor Relief Law including, without limitation, the existing CCAA Proceedings for the Urbancorp CCAA Entities and, in such proceedings, UNKI reserves the right to seek to disclaim any one or more of the Material Contracts (and the FCR Lenders reserve all rights with respect thereto); and
- (iii) if the Termination Date occurs for any other reasons other than (i) or (ii) above, then steps may be taken to place UNKI into any form of Debtor Relief Law including, without limitation, the existing CCAA Proceedings for the Urbancorp CCAA Entities 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 this Agreement, UNKI shall not seek to disclaim any one or more of the Material Contracts, and each of UNKI and KSV shall oppose any steps taken by any other party seeking to disclaim such contracts.

(d) **Acknowledgments of the FCR Lenders**

Each of the FCR Lenders acknowledge that:

- (i) it is in the best interests of the Kingsclub Development and the FCR Lenders that construction continue in the normal course and that no steps are taken to place UNKI into any form of Debtor Relief Law including, without limitation, the existing CCAA Proceedings for the Urbancorp CCAA Entities;
- (ii) KLNC, or an affiliate thereof, should advance funds to UNKI, secured against UNKI's interest in the Kingsclub Development, in order to fund UNKI's Cost Increase Capital Contribution; and
- (iii) in the event that the Management Committee of the Kingsclub Development authorizes further additional costs, and UNKI is not able to contribute its share of such additional costs, the FCR Lenders will consider in good faith the request for an increase to the amounts available pursuant to Section 5 of this Agreement.

(e) **Acknowledgments of UNKI and KLNC**

- (i) UNKI and KLNC acknowledge that the Cost Increase has been approved by the Management Committee, that funds are not otherwise available and must be funded by way of a capital call, and deem this agreement to satisfy any requirement in the Co-Owners Agreement for the Management Committee to issue in writing a call for capital from the Co-Owners with respect to the Cost Increase or any part thereof.

3. **Relief**

(a) **Forbearance of Enforcement Action**

Each of the FCR Lenders, in reliance upon the acknowledgements, confirmations, representations, warranties, covenants and agreements of UNKI and KSV contained in this agreement, and subject to the terms and conditions of this agreement and any documents or instruments executed in connection herewith, agree to forbear from exercising their rights and remedies under the Loan Documents and the Co-Owners Agreement commencing on the Effective Date and ending on the earlier of:

- (i) Each of the following occurring: (x) Completion of the Kingsclub Development project; and (y) indefeasible repayment in full, in cash of the obligations outstanding under each of the BNS Credit Agreement, the Loan Documents, the Geothermal Loan and this Agreement; and
- (ii) the occurrence or existence of an Additional Event of Default,

(such earlier date being the "**Termination Date**").

Effective upon the Termination Date, the agreement of the FCR Lenders to forbear from exercising their rights and remedies as set forth herein shall automatically and without further notice, demand or other requirement expire and be of no further force and effect, it being expressly agreed that the effect of such expiration will be to permit the FCR Lenders to exercise, without further notice or demand, their rights and remedies immediately. For greater certainty, nothing in this Agreement (including Section 3(d) hereof): (i) restricts, alters or limits any rights that the FCR Lenders have to receive any amounts payable to UNKI under the CAPREIT APS or section 10.8 of the Co-Owners Agreement and all rights and remedies with respect to such payments are preserved; and (ii) restricts KLNC's right and entitlement to receive payments under the Geothermal Loans from any proceeds received from the use of the Geothermal Assets; (iii) restricts, alters or limits KLNC's rights to receive payments pursuant to section 8.1(a)(iv) of the Co-Owners Agreement; and (iv) restricts, alters or limits any rights that First Capital (King Liberty-Retail) Corporation has under a lease agreement with Urbancorp Toronto Management Inc. dated September 21, 2011, as amended on March 2, 2016, with respect to the premises located at 120 Lynn Williams Street, Toronto, Ontario.

(b) **No Other Waivers and Reservation of Rights**

No waiver or indulgence by the FCR Lenders of any of their rights and remedies hereunder or under the Loan Agreements or the Co-Owners Agreement shall be construed as a waiver of any other or subsequent right or remedy and no delay or omission in the exercise or enforcement of their rights and remedies hereunder shall be construed as a waiver of any right or remedy of such parties and they reserve all rights, claims and remedies that they have or may have against UNKI hereunder or under the Loan Agreements, the Co-Owners Agreement or under applicable law:

- (i) except as expressly set out herein, the FCR Lenders have not waived, and are not by this Agreement waiving, and have no intention of waiving, any

Default or Event of Default (as such terms are defined in the Early Works Loan and the Urbancorp Loan Agreement) that exists or may be continuing on the Effective Date or any Additional Event of Default; and

- (ii) subject to Section 3(a) of this Agreement, the FCR Lenders reserve the right, in their sole discretion, to exercise any or all of their rights or remedies under any of the Loan Agreements, the Geothermal Loan, the Co-Owners Agreement or applicable Law as a result of any Additional Events of Default, and the FCR Lenders have not waived any such rights or remedies.

(c) **Additional Agreements**

UNKI agrees to the following:

- (i) Adherence to Agreements. Subject to Section 3(d), UNKI shall strictly adhere to all of the terms, conditions and covenants of this Agreement, the Material Contracts, the Geothermal Loan, and the Loan Agreements.
- (ii) Corporate Status. UNKI shall maintain its existence as a valid and subsisting corporation.
- (iii) Operation of Business. Notwithstanding anything else in the Loan Documents, UNKI shall not, other than in the ordinary course of business and consistent with past practice, incur or enter into any new material liability or obligation, of any nature or kind, during the Relief Period, without the prior written consent of KLNC.
- (iv) Continuation of Business without Interruption. Subject to section 2(c) hereof: (a) UNKI shall not seek any form of protection from its creditors, whether pursuant to any Debtor Relief Law or any similar legislation, without the prior written consent of KLNC; and (b) UNKI shall oppose any application brought by any other party to commence any similar proceeding on an involuntary basis.
- (v) No Interference with Material Contracts. Subject to section 2(c) hereof, UNKI agrees that it shall take no steps to terminate, disclaim or resiliate the Material Contracts and agrees to oppose any attempt to terminate, disclaim or resiliate any Material Contract.
- (vi) Geothermal Assets. UNKI agrees that payments received for the use of the Geothermal Assets shall be applied against the Geothermal Loan in accordance with its terms. In the event that UNKI's interest in the Geothermal Assets are sold, UNKI agrees to maintain any proceeds, after repayment of the Geothermal Loan, in an account in UNKI's name.

As Monitor of Urbancorp Cumberland 1 LP, the shareholder of UNKI, KSV agrees that it shall not take any action or steps that would result in UNKI breaching its obligations herein,

and it shall oppose any steps taken by UNKI or any other party which could result in UNKI breaching such obligations.

(d) **Reservation**

Notwithstanding any other provision of this Agreement, the FCR Lenders acknowledge and agree that any failure of UNKI to make a payment of principal, interest, fees and any other amounts when due under any of the Material Contracts, Loan Agreements and Geothermal Loan, or any breach of any representation, warranty or covenant under any of the Material Contracts Loan Agreements and Geothermal Loan (together with any and all related security agreements) arising as a result of such failure, shall not constitute a breach of any terms, representations or warranties of this Agreement and, specifically without limiting the generality of the foregoing, shall not constitute or otherwise be maintained as grounds for an Additional Event of Default hereunder.

4. Representations and Warranties

(a) **Representations and Warranties of UNKI**

UNKI hereby represents and warrants to each of KLNC and FCSCC as follows:

- (i) each of the Recitals set out above is true and correct in all material respects and that such Recitals form an essential part of this Agreement;
- (ii) this Agreement, the Loan Agreements, the Geothermal Loan and any other agreements or documents entered into by it pursuant to this Agreement have been duly authorized, executed and delivered, are in full force and effect, as modified hereby, and constitute legal, valid and binding obligations enforceable against it in accordance with their terms;
- (iii) each of the representations and warranties made by UNKI in any of the Loan Agreements and the Geothermal Loan was true and correct when made, and in all material respects, or in all respects to the extent such representations and warranties are already qualified by materiality, remains, subject to Section 3(d) of this Agreement, true and correct on the Effective Date (except to the extent stated to be made only as of a specified date), with the same full force and effect as if each of those representations and warranties had been made by UNKI on the date of, and within, this Agreement;
- (iv) there is no matter, fact or event that is known to it that has not been disclosed to the FCR Lenders that is likely to have a material adverse effect on the performance of their obligations under this Agreement, and it has conducted such investigations as it considers reasonably necessary to make this representation and warranty; and
- (v) the authorization, execution and delivery and performance of this Agreement by it will not violate any applicable Law or any order, declaration or judgment binding on it, any consent, license, permit or

approval to which it is party or beneficiary, or any agreement to which it is a party and will not result in, or require, the creation or imposition of any lien on any of its assets, property or undertaking.

(b) **Representations and Warranties of KSV**

KSV hereby represents and warrants to the FCR Lenders that:

- (i) pursuant to the CCAA Order, it is the Monitor and sole decision-maker for Urbancorp Cumberland 1; and
- (ii) subject to obtaining the Approval Order, this Agreement, and any other agreements or documents entered into pursuant to this Agreement have been duly authorized, executed and delivered by, as applicable to the extent it is a party thereto, are in full force and effect and constitute legal, valid and binding obligations enforceable against it in accordance with their terms.

(c) **Representations and Warranties of KLNC and FCSCC**

Each of KLNC and FCSCC hereby represents and warrants to UNKI as follows:

- (i) each of the Recitals set out above is true and correct in all material respect and that such Recitals form an essential part of this Agreement; and
- (ii) this Agreement, and any other agreements or documents entered into pursuant to this Agreement have been duly authorized, executed and delivered by them, as applicable to the extent the party thereto, are in full force and effect, and constitute legal, valid and binding obligations enforceable against it in accordance with their terms.

5. Interim Borrowing

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, and as consideration for the undertakings and agreements set out herein, the Parties have agreed as follows: (i) KLNC has agreed to make secured advances to UNKI as permitted by section 9.2(b) of the Co-Owners Agreement up to the maximum amount of \$15 million (the "**Capital Contribution Loan**"), and in accordance with the terms and conditions set out in section 9.2(b) of the Co-Owners Agreement; (ii) interest shall accrue on the Capital Contribution Loan from the date of the first advance thereunder in accordance with the provisions of the Co-Owners Agreement; (iii) UNKI agrees and acknowledges that the advances contemplated by this section shall be secured by the UNKI Co-Owners Cross Charge; (iv) KLNC and UNKI hereby agree to increase the principal amount of the UNKI Co-Owners Charge to \$90 million and register such amended charge on title to the Kingsclub Development; (v) UNKI, as beneficial owner, agrees to enter into a beneficial owner's direction in favour of Kingsclub Development Inc. to authorize and direct Kingsclub Development Inc. to enter into the amended charge referenced in (iv), and to confirm that it remains liable for the debts, covenants under such amended charge; and (vi) KLNC

and UNKI will work co-operatively to obtain any necessary consent from BNS to the loan and security contemplated by this provision.

The Capital Contribution Loan shall be used solely for the following permitted purposes:

- (i) to fund UNKI's Cost Increase Capital Contribution; and
- (ii) to fund payments to creditors that have provided goods or services to the Kingsclub Development where funds are not available under the BNS Facility until the Cost Increase is fully funded by the Co-Owners.

6. Conditions to Effectiveness

(a) **Conditions to Effectiveness**

This Agreement, including, without limitation, the agreement of the FCR Lenders to forbear enforcement contained herein, shall not be effective unless and until:

- (i) The FCR Lenders have received a copy of this Agreement, duly authorized, executed and delivered by UNKI and KSV;
- (ii) The principal amount of the UNKI Co-Owners Charge shall have been increased to \$90 million and such amended charge shall have been registered as contemplated by Section 5;
- (iii) Subject to Section 3(d) hereof, no Event of Default has occurred under the Co-Owners Agreement (except for any default related to payment of UNKI's Cost Increase Capital Contribution);
- (iv) Subject to Section 3(d) hereof, no Default or Event of Default (as such terms are defined and used in each of the Loan Agreements) has occurred under the Loan Agreements; and
- (v) BNS shall have provided its consent to this Agreement and to each of the documents contemplated by this Agreement.

(b) **Post-Closing Best Efforts Requirement for Court Approval**

Each of the parties hereto agree that they shall use commercially reasonable efforts as soon as practicable to obtain an order in the CCAA proceedings approving this Agreement and declaring that the obligations of UNKI and KSV under this Agreement, including those set out in Section 3 hereof, are approved, such order to be in a form that is satisfactory to each of KSV and the FCR Lenders (the "**Approval Order**").

7. Events of Default under the Agreement

(a) **Events of Default**

Subject to Section 7(b), the following shall each be and be considered to be an “**Additional Event of Default**” under this Agreement (without limiting any event, action or occurrence that constitutes a Default or Event of Default under the Loan Agreements):

- (i) subject to Section 3(d), any Event of Default under the Co-Owners Agreement, the Loan Agreements 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;
- (ii) any insolvency, bankruptcy, restructuring or similar proceedings, including under any Debtor Relief Law, are commenced against UNKI, in Canada or elsewhere, or any action is taken by UNKI in response to any such proceedings;
- (iii) UNKI or KSV, as the case may be, 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 this Agreement;
- (iv) 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 (other than as contemplated by Section 3(d) hereof);
- (v) an Event of Default occurs under the BNS Credit Agreement; and
- (vi) the FCR Lenders fail to increase to the amounts available pursuant to Section 5 of this Agreement upon a request being made pursuant to Section 2(d)(iii) of this Agreement within 30 days of such request being made.

(b) **Notice Required**

Notwithstanding Section (a) hereof, the occurrence of the events set out in Sections (a)(i), (a)(iii) and (a)(iv) shall only become an Additional Event of Default hereunder upon the FCR Lenders declaring such event to be an Additional Event of Default in writing.

(c) **Reservation of Rights**

Nothing in this Agreement shall prejudice any of the FCR Lenders’ respective rights to pursue any of their remedies including, without limitation, enforcing the Loan Agreements or the Co-Owners Agreement upon the Termination Date (whether arising from the expiration or termination of the Relief Period or otherwise). Upon the occurrence of an Additional Event of Default, KLNC shall not be obligated to provide further advances pursuant to Section 5 of this Agreement.

8. General Provisions

(a) **Entire Agreement**

This Agreement, together with the other Loan Documents and the agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the FCR Lenders on the one hand, and UNKI or KSV on the other hand, pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties, waivers or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement, the Loan Documents or any other agreements and documents delivered pursuant to this Agreement.

(b) Severability

If the whole or any portion of this Agreement or application thereof to any circumstance will be held invalid or unenforceable to an extent that does not affect the operation of this Agreement in a fundamental way, the remainder of this Agreement or its application to any circumstance other than to which it has been held invalid or unenforceable, will not be affected thereby and will be valid and enforceable to the fullest extent permitted by applicable Law.

(c) Loan Agreements

In all respects, other than as expressly set out herein, the provisions of the Loan Agreements shall remain in full force and effect, and all such Loan Agreements are hereby specifically ratified, restated, and confirmed by all Parties that are a party thereto as of the Effective Date.

(d) Governing Law

This Agreement will be governed by and construed in accordance with the law in force in the Province of Ontario and the federal laws of Canada applicable therein, from time to time.

(e) Attornment

The Parties hereto do hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or relating to this Agreement or any of the transactions contemplated thereby and to the extent legally permitted, waive any right they may have to, or to apply for, trial by jury in connection with any matter, action, proceeding, claim or counterclaim arising out of or relating to the Agreement or any of the transactions contemplated hereby.

(f) Conflicts

To the extent that there is any inconsistency or ambiguity between the provisions of this Agreement, and any of the Loan Agreements, the Material Contracts or the Geothermal Loan Agreement, the provisions of this Agreement will govern to the extent necessary to eliminate such conflict, inconsistency or ambiguity.

(g) Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable to give effect to the provisions and purposes of this Agreement, all at the expense of UNKI.

(h) **Enurement**

This Agreement shall be binding upon and enure to the benefit of each of the Parties and its respective successors and permitted assigns.

(i) **Costs and Expenses**

UNKI hereby absolutely and unconditionally agrees to pay to and fully indemnify the FCR Lenders, whether or not all or any of the transactions contemplated by this Agreement are consummated, all reasonable fees and disbursements of any counsel to the FCR Lenders, any other consultant (financial, appraiser, technical, or otherwise, including any FCR Lender advisor) or agent and all other expenses incurred by the FCR Lenders in connection with this Agreement or the Loan Agreements, including, without limitation: (a) reasonable legal expenses in connection with the preparation, negotiation and interpretation of this Agreement, the other agreements or documents contemplated by this Agreement or the Loan Agreements; (b) all reasonable expenses of advisors and consultants to the FCR Lenders (including, for certainty, (i) legal expenses on a full indemnity basis and (ii) all costs and expenses of any advisor or consultant incurred in connection with the protection and enforcement of this Agreement or the Loan Agreements.

UNKI agrees that the legal fees incurred by the FCR Lenders and their affiliates with respect to protection and enforcement of the Loan Agreements are for the account of UNKI and shall be added to the indebtedness of UNKI owing to KLNC under the Urbancorp Loan Agreement. As of September 30, 2016, the amount of such legal fees that had been invoiced was \$266,019.55.

(j) **Survival of Representations and Warranties**

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document, and no investigation by the FCR Lenders or any closing shall affect the representations and warranties or the rights of the FCR Lenders to rely upon such representations and warranties.

(k) **Assignment**

UNKI and KSV shall not be entitled to assign their respective rights and/or obligations hereunder or any interest herein without the prior written consent of the FCR Lenders.

(l) **Limited Liability of KSV**

The Parties acknowledge that KSV is executing this document solely in its capacity as Monitor of the Urbancorp CCAA Entities and not in its personal capacity.


(m) **Execution**

This Agreement may be executed in any number of counterparts (including by facsimile transmission or other electronic transmission) and by different Parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

**KING LIBERTY NORTH
CORPORATION**

Per: 
Name: ROGER CHOUINARD

Title:

Per: _____
Name:

Title:

URBANCORP NEW KINGS INC.

Per:

Name:

Title:

Per:

Name:

Title: *President*

KSV KOFMAN INC., in its role as
Monitor of Urbancorp Cumberland 1 LP,
Urbancorp Cumberland 1 GP Inc. and
certain related entities, and not in its
personal capacity

Per: 

Name: ROBERT KOFMAN

Title: PRESIDENT

Per:

Name:

Title:

**FIRST CAPITAL (S.C.)
CORPORATION**

Per:



Name: ROGER CHAUVIN

Title: VICE PRESIDENT & SECRETARY

Per:

Name: _____

Title:

Schedule "A"

Phase II Lands

PIN 21298-0366(LT)

Part of Block 6, Plan Ordnance Reserve, Designated as Part 1, Plan 66R-22678;
Together with an easement over Part of Block 6, Plan Ordnance Reserve, designated as Part 4,
Plan 66R-22678 for the purposes as set out in AT702144;
Together with a right-of-way over Part of Block 6, Plan Ordnance Reserve, designated as Part 3,
Plan 66R-22678 for ingress and egress of pedestrians and motor vehicles until such time as the
said Part 3, Plan 66R-22678 is dedicated as a public roadway as described in AT1276608; City Of
Toronto.

PIN 21298-0473

Part of Block 6, Plan Ordnance Reserve, designated as Part 1 on Plan 66R-21448;
Together with an easement as in CT712270; City Of Toronto.

Schedule "B"

Geothermal Assets

PIN 26348-0287

UNIT 39, LEVEL A, TORONTO STANDARD CONDOMINIUM PLAN NO. 2348 AND ITS APPURTENANT INTEREST; SUBJECT TO AN EASEMENT AS IN AT3508399; CITY OF TORONTO

PIN 76348-0637

UNIT 117, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2348 AND ITS APPURTENANT INTEREST; SUBJECT TO AN EASEMENT AS IN AT3508399; CITY OF TORONTO

PIN 76348-0638

UNIT 118, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2348 AND ITS APPURTENANT INTEREST; SUBJECT TO AN EASEMENT AS IN AT3508399; CITY OF TORONTO

PIN 76348-0639

UNIT 119, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2348 AND ITS APPURTENANT INTEREST; SUBJECT TO AN EASEMENT AS IN AT3508399; CITY OF TORONTO

PIN 76348-0640(LT)

UNIT 120, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2348 AND ITS APPURTENANT INTEREST; SUBJECT TO AN EASEMENT AS IN AT3508399; CITY OF TORONTO

PIN 76348-0641(LT)

UNIT 121, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2348 AND ITS APPURTENANT INTEREST; SUBJECT TO AN EASEMENT AS IN AT3508399; CITY OF TORONTO

PIN 76348-0642(LT)

UNIT 122, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2348 AND ITS APPURTENANT INTEREST; SUBJECT TO AN EASEMENT AS IN AT3508399; CITY OF TORONTO

PIN 76348-0643(LT)

UNIT 123, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2348 AND ITS APPURTENANT INTEREST; SUBJECT TO AN EASEMENT AS IN AT3508399; CITY OF TORONTO

PIN 76348-0644(LT)

UNIT 124, LEVEL D, TORONTO STANDARD CONDOMINIUM PLAN NO. 2348 AND ITS APPURTENANT INTEREST; SUBJECT TO AN EASEMENT AS IN AT3508399; CITY OF TORONTO

Appendix “D”



**Tenth 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**

December 9, 2016

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Schedules and Appendices

Schedules

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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

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**

Appendix “E”

STANDSTILL AMENDING AGREEMENT NO. 1

BETWEEN:

KING LIBERTY NORTH CORPORATION

– and –

URBANCORP NEW KINGS INC.

– and –

**KSV KOFMAN INC., in its role as Monitor of
Urbancorp Cumberland 1 LP,
Urbancorp Cumberland 1 GP Inc. and certain related entities,
and not in its personal capacity**

– and –

FIRST CAPITAL (S.C.) CORPORATION

November 30, 2017

STANDSTILL AMENDING AGREEMENT NO. 1

THIS AGREEMENT is made as of the 30th day of November, 2017

BETWEEN:

KING LIBERTY NORTH CORPORATION (“KLNC”)

– and –

URBANCORP NEW KINGS INC. (“UNKI”)

– and –

**KSV KOFMAN INC., in its role as Monitor of
Urbancorp Cumberland 1 LP,
Urbancorp Cumberland 1 GP Inc. and certain related entities,
and not in its personal capacity
(the “Monitor”)**

– and –

FIRST CAPITAL (S.C.) CORPORATION (“FCSCC”)

RECITALS:

- A. KLNC and UNKI are co-owners of the lands described in Schedule “A” under the heading “Phase II Lands” (the “**Kingsclub Development**”) and Kingsclub Development Inc. is the registered owner of the Phase II Lands, *inter alia*, as nominee and bare trustee for and on behalf of KLNC and UNKI.
- B. KLNC and UNKI (each a “**Co-Owner**”, and collectively, the “**Co-Owners**”) are parties to an amended and restated Co-Owners Agreement dated February 1, 2012, as amended by amending agreements made as of April 2013, March 28, 2014, July 18, 2014, November 16, 2014 and July 28, 2015 (collectively, the “**Co-Owners Agreement**”).
- C. Each of KLNC and UNKI are borrowers under a credit agreement, originally entered into with FCRI as lender, dated April 19, 2012 and amended on May 15, 2014, November 20, 2014, January 1, 2015, April 30, 2015, June 29, 2015, and July 28, 2015 (the “**Early Works Loan**”).
- D. Pursuant to a loan assignment agreement dated as of May 15, 2014, FCRI assigned its right, title and interest under the Early Works Loan to FCSCC.

- E. UNKI is a borrower pursuant to an amended and restated credit agreement dated as of November 24, 2010 with KLNC as lender (the “**Urbancorp Loan Agreement**”).
- F. KLNC and UNKI, as Vendors, entered into a purchase and sale agreement dated as of July 28, 2015, for the residential component of the Kingsclub Development with CAPREIT Limited Partnership (the “**CAPREIT APS**”). FCRI is a guarantor under the CAPREIT APS.
- G. Further to the CAPREIT APS, each of KLNC, UNKI and CAPREIT GP Inc. have entered into a management agreement dated July 28, 2015 (the “**CAPREIT Management Agreement**”).
- H. KSV Kofman Inc. (“**KSV**”) was appointed monitor of Urbancorp Cumberland 1 LP, the shareholder of UNKI, and certain related entities, pursuant to an order made under the *Companies’ Creditors Arrangement Act* by the Honourable Mr. Justice Newbould on May 18, 2016 (the “**CCAA Order**”).
- I. Pursuant to paragraph 30 of the CCAA Order, Robert Kofman, or such representative of KSV as Mr. Kofman may designate in writing from time to time, was authorized, directed and empowered to act as the representative of UNKI on the Management Committee (as defined in the Co-Owners Agreement) of the Kingsclub Development.
- J. On September 30, 2016, the Management Committee of the Kingsclub Development authorized additional costs for the project in the amount of \$24.7 million (the “**Cost Increase**”) and it is an obligation of each Co-Owner under the Co-Owners Agreement to contribute its respective 50% share of the Cost Increase (the “**Cost Increase Capital Contribution**”) to the project.
- K. On November 22, 2016, the parties hereto entered into a Standstill Agreement (the “**Standstill**”) pursuant to which KLNC agreed to advance up to \$15 million in accordance with the terms of the Co-Owners Agreement in order to permit UNKI to fund its portion of the Cost Increase Capital Contribution (the “**Standstill Loan**”).
- L. Pursuant to a loan assignment agreement dated November 22, 2016, KLNC assigned its rights under the Standstill Loan to FCSCC.
- M. On October 30, 2017, the Management Committee of the Kingsclub Development authorized additional costs for the project in the amount of \$43,779,287 (the “**2017 Cost Increase**”) and it is an obligation of each Co-Owner under the Co-Owners Agreement to contribute its respective 50% share of the 2017 Cost Increase (the “**2017 Cost Increase Capital Contribution**”).
- N. Neither UNKI, nor the Monitor, is in a position to advance UNKI’s portion of the 2017 Cost Increase.
- O. UNKI has requested that KLNC advance funds on UNKI’s behalf on the basis provided for under Section 9.2(b) of the Co-Owners Agreement with respect to UNKI’s 2017 Cost Increase Capital Contribution, with such funds to be used solely to pay costs associated

with the Kingsclub Development including, without limitation, the 2017 Cost Increase. The Monitor and UNKI acknowledge that KLNC shall be assigning its rights hereunder to FCSCC.

- P. The parties have agreed to enter into this Standstill Amending Agreement No. 1 to provide for an orderly completion of the Kingsclub Development in a manner that will prevent the commencement of court proceedings or the enforcement of security in order to maximize the value of the project.

NOW THEREFORE, in consideration of the mutual covenants and agreements between the Parties contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Interpretation

(a) Definitions

Each capitalized term used and not otherwise defined in this Agreement shall have the meaning given to it in the Standstill.

(b) Other Definitions

In this Agreement the following terms have the following meanings:

- (i) “**2017 Approval Order**” has the meaning attributed to such term in Section 5(b).
- (ii) “**2017 Cost Increase**” has the meaning attributed to such term in the Recitals;
- (iii) “**2017 Cost Increase Capital Contribution**” has the meaning attributed to such term in the Recitals; and
- (iv) “**Standstill Loan**” has the meaning attributed to such term in the Recitals.

(c) Rules of Interpretation

- (A) Number and Gender. In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”.
- (B) Headings. Headings, subheadings and any table of contents or index contained in this Agreement are inserted for convenience of reference only, and will not affect the construction or interpretation of the Agreement.

- (C) Subdivisions. Unless otherwise expressly stated, reference herein to a Schedule or to an Article, Section, paragraph or other subdivision is a reference to such Schedule to this Agreement, or such Article, Section, paragraph of other subdivision of this Agreement.
- (D) Time. Time is and will be of the essence of this Agreement. Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of the time period is not a Banking Day, the time period will end on the next Business Day.
- (E) Statutes, Regulations and Rules. Unless otherwise expressly stated, any reference in this Agreement to any applicable Law is and will be a reference to that applicable Law as amended, supplemented, re-enacted or replaced from time to time, and, in the case of a statute, shall include all regulations and rules in force and effect in respect of such statute.
- (F) Monetary References. Whenever an amount of money is referred to herein, such amount will, unless otherwise expressly stated, be in Canadian Dollars.

2. Acknowledgments

(a) Acknowledgments of UNKI

UNKI acknowledges that:

- (i) jointly with KLNC as of November 13, 2017, it is indebted to FCSCC in the amount of \$69,466,504.00 (including accrued interest) with respect to the Early Works Loan;
- (ii) as of November 13, 2017, it is indebted to KLNC in the amount of \$3,148,332.00 (including accrued interest) with respect to the Urbancorp Loan Agreement;
- (iii) jointly with KLNC, as of November 13, 2017, it is indebted to Bank of Nova Scotia in the amount of \$121,905,417.00 with respect to the BNS Credit Facility;
- (iv) jointly with Urbancorp Management Inc., as of November 13, 2017, it is indebted to KLNC in the amount of \$2,194,383.00 (including accrued interest) with respect to the Geothermal Loan;

- (v) as of November 8, it is indebted to FCSCC in the amount of \$13,051,784.00 with respect to the Standstill Loan;
- (vi) each of the Early Works Loan, the Urbancorp Loan Agreement, the BNS Credit Facility and the Standstill Loan are secured against UNKI's interest in the Kingsclub Development; and
- (vii) UNKI is unable to make the 2017 Cost Increase Capital Contribution and, at UNKI's request, KLNC and/or FCSCC is agreeing herein to make a loan to UNKI under the terms of the Co-Owners Agreement to fund UNKI's 2017 Cost Increase Capital Contribution.

(b) Acknowledgements of the Monitor

The Monitor acknowledges that, until the Termination Date:

- (i) as Monitor of Urbancorp Cumberland 1, the shareholder of UNKI, it has an interest in the Kingsclub Development; and
- (ii) it is in the best interests of the Kingsclub Development that construction continue in the normal course and that no steps are taken to place UNKI into any form of Debtor Relief Law including, without limitation, the existing CCAA Proceedings for the Urbancorp CCAA Entities.

(c) Acknowledgments of the FCR Lenders

Each of the FCR Lenders acknowledge that:

- (i) it is in the best interests of the Kingsclub Development and the FCR Lenders that construction continue in the normal course and that no steps are taken to place UNKI into any form of Debtor Relief Law including, without limitation, the existing CCAA Proceedings for the Urbancorp CCAA Entities;
- (ii) KLNC, or an affiliate thereof, should advance funds to UNKI, secured against UNKI's interest in the Kingsclub Development, in order to fund UNKI's 2017 Cost Increase Capital Contribution and KLNC shall assign such loan to FCSCC; and
- (iii) in the event that the Management Committee of the Kingsclub Development authorizes further additional costs, and UNKI is not able to contribute its share of such additional costs, the FCR Lenders will consider in good faith the request for an increase to the amounts available pursuant to Section 4 of this Standstill.

(d) **Acknowledgments of UNKI and KLNC**

- (i) UNKI and KLNC acknowledge that the 2017 Cost Increase has been approved by the Management Committee, that funds are not otherwise available and must be funded by way of a capital call, and deem this agreement to satisfy any requirement in the Co-Owners Agreement for the Management Committee to issue in writing a call for capital from the Co-Owners with respect to the 2017 Cost Increase or any part thereof.

3. **Representations and Warranties**

(a) **Representations and Warranties of UNKI**

UNKI hereby represents and warrants to each of KLNC and FCSCC as follows:

- (i) each of the Recitals set out above is true and correct in all material respects and that such Recitals form an essential part of this Agreement;
- (ii) this Agreement, the Loan Agreements, the Geothermal Loan, the Standstill and any other agreements or documents entered into by it pursuant to this Agreement have been duly authorized, executed and delivered, are in full force and effect, as modified hereby, and constitute legal, valid and binding obligations enforceable against it in accordance with their terms;
- (iii) each of the representations and warranties made by UNKI in any of the Loan Agreements, the Standstill and the Geothermal Loan was true and correct when made, and in all material respects, or in all respects to the extent such representations and warranties are already qualified by materiality, remains, subject to Section 3(d) of the Standstill, true and correct on the Effective Date (except to the extent stated to be made only as of a specified date), with the same full force and effect as if each of those representations and warranties had been made by UNKI on the date of, and within, this Agreement;
- (iv) there is no matter, fact or event that is known to it that has not been disclosed to the FCR Lenders that is likely to have a material adverse effect on the performance of their obligations under this Agreement, and it has conducted such investigations as it considers reasonably necessary to make this representation and warranty; and
- (v) the authorization, execution and delivery and performance of this Agreement by it will not violate any applicable Law or any order, declaration or judgment binding on it, any consent, license, permit or approval to which it is party or beneficiary, or any agreement to which it is a party and will not result in, or require, the creation or imposition of any lien on any of its assets, property or undertaking.

(b) Representations and Warranties of KSV

KSV hereby represents and warrants to the FCR Lenders that:

- (i) pursuant to the CCAA Order, it is the Monitor and sole decision-maker for Urbancorp Cumberland 1; and
- (ii) subject to obtaining the 2017 Approval Order, this Agreement, and any other agreements or documents entered into pursuant to this Agreement have been duly authorized, executed and delivered by, as applicable to the extent it is a party thereto, are in full force and effect and constitute legal, valid and binding obligations enforceable against it in accordance with their terms.

(c) Representations and Warranties of KLNC and FCSCC

Each of KLNC and FCSCC hereby represents and warrants to UNKI as follows:

- (i) each of the Recitals set out above is true and correct in all material respect and that such Recitals form an essential part of this Agreement; and
- (ii) this Agreement, and any other agreements or documents entered into pursuant to this Agreement have been duly authorized, executed and delivered by them, as applicable to the extent the party thereto, are in full force and effect, and constitute legal, valid and binding obligations enforceable against it in accordance with their terms.

4. Amendments to the Standstill

In order to permit UNKI to fund its 2017 Cost Increase Capital Contribution and its portion of any additional cost increases approved in accordance with the terms of the Co-Owners Agreement, the Standstill is amended as follows:

- (a) Section 5(i) of the Standstill is amended to increase the maximum principal amount of the Capital Contribution Loan to \$40 million;
- (b) Section 5(iv) is deleted in its entirety and replaced with the following:
 - “(iv) KLNC and UNKI hereby agree to increase the principal amount of the UNKI Co-Owners Charge to \$115 million and register such amended charge on title to the Kingsclub Development.”
- (c) The final paragraph of Section 8(i) is deleted in its entirety and replace with the following:
 - “UNKI agrees that the legal fees incurred by the FCR Lenders and their affiliates with respect to protection and enforcement of the

Loan Agreements are for the account of UNKI and shall be added to the indebtedness of UNKI owing to KLNC under the Urbancorp Loan Agreement. As of November 13, 2017, the amount of such legal fees that had been invoiced was \$318,410.15.”

5. Conditions to Effectiveness

(a) Conditions to Effectiveness

This Agreement, including, without limitation, the agreement of the FCR Lenders to forbear enforcement contained herein, shall not be effective unless and until:

- (i) The FCR Lenders have received a copy of this Agreement, duly authorized, executed and delivered by UNKI and the Monitor;
- (ii) The principal amount of the UNKI Co-Owners Charge shall have been increased to \$115 million and such amended charge shall have been registered as contemplated by Section 4;
- (iii) Subject to Section 3(d) of the Standstill, no Event of Default has occurred under the Co-Owners Agreement;
- (iv) Subject to Section 3(d) of the Standstill, no Default or Event of Default (as such terms are defined and used in each of the Loan Agreements) has occurred under the Loan Agreements;
- (v) No Additional Event of Default (as such term is defined in the Standstill) has occurred under the Standstill; and
- (vi) BNS shall have provided its consent to this Agreement and to each of the documents contemplated by this Agreement.

(b) Post-Closing Best Efforts Requirement for Court Approval

Each of the parties hereto agree that they shall use commercially reasonable efforts as soon as practicable to obtain an order in the CCAA proceedings approving this Agreement and declaring that the obligations of UNKI and the Monitor under this Agreement are approved, such order to be in a form that is satisfactory to each of the Monitor and the FCR Lenders (the “2017 Approval Order”).

6. General Provisions

(a) Continuing Effect

Each of the parties acknowledges and agrees that the Standstill, as amended by this Standstill Amending Agreement No. 1, will be and continues in full force and effect and is hereby confirmed and the rights and obligations of all parties thereunder will not be effected or prejudiced in any manner except as specifically provided herein. Nothing contained in this

Agreement shall be deemed to be a waiver by the FCR Lenders of compliance by either UNKI or the Monitor with any covenant or agreement contained in the Standstill, or a waiver of any Event of Default or Additional Event of Default under the Loan Agreements, the Geothermal Loan or the Standstill.

(b) Entire Agreement

This Agreement, together with the Standstill, the other Loan Documents and the agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the FCR Lenders on the one hand, and UNKI or the Monitor on the other hand, pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties, waivers or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement, the Standstill, the Loan Documents or any other agreements and documents delivered pursuant to this Agreement.

(c) Severability

If the whole or any portion of this Agreement or application thereof to any circumstance will be held invalid or unenforceable to an extent that does not affect the operation of this Agreement in a fundamental way, the remainder of this Agreement or its application to any circumstance other than to which it has been held invalid or unenforceable, will not be affected thereby and will be valid and enforceable to the fullest extent permitted by applicable Law.

(d) Loan Agreements

In all respects, other than as expressly set out herein, the provisions of the Loan Agreements shall remain in full force and effect, and all such Loan Agreements are hereby specifically ratified, restated, and confirmed by all Parties that are a party thereto as of the Effective Date.

(e) Governing Law

This Agreement will be governed by and construed in accordance with the law in force in the Province of Ontario and the federal laws of Canada applicable therein, from time to time.

(f) Attornment

The Parties hereto do hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or relating to this Agreement or any of the transactions contemplated thereby and to the extent legally permitted, waive any right they may have to, or to apply for, trial by jury in connection with any matter, action, proceeding, claim or counterclaim arising out of or relating to the Agreement or any of the transactions contemplated hereby.

(g) Conflicts

To the extent that there is any inconsistency or ambiguity between the provisions of this Agreement, and any of the Loan Agreements, the Material Contracts or the Geothermal Loan Agreement, the provisions of this Agreement will govern to the extent necessary to eliminate such conflict, inconsistency or ambiguity.

(h) Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable to give effect to the provisions and purposes of this Agreement, all at the expense of UNKI.

(i) Enurement

This Agreement shall be binding upon and enure to the benefit of each of the Parties and its respective successors and permitted assigns.

(j) Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document, and no investigation by the FCR Lenders or any closing shall affect the representations and warranties or the rights of the FCR Lenders to rely upon such representations and warranties.

(k) Assignment

UNKI and the Monitor shall not be entitled to assign their respective rights and/or obligations hereunder or any interest herein without the prior written consent of the FCR Lenders.

(l) Limited Liability of KSV

The Parties acknowledge that KSV is executing this document solely in its capacity as Monitor of the Urbancorp CCAA Entities and not in its personal capacity.

(m) Execution

This Agreement may be executed in any number of counterparts (including by facsimile transmission or other electronic transmission) and by different Parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

**KING LIBERTY NORTH
CORPORATION**

Per:


Name: Jordan Robins

Title: Director & Vice President

Per:

Name:

Title:

URBANCORP NEW KINGS INC.

Per:

Name:

Title:


ALAN SISKIN

Per:

Name:

Title:

Standstill Agreement – King Liberty North Corporation

KSV KOFMAN INC., in its role as
Monitor of Urbancorp Cumberland 1 LP,
Urbancorp Cumberland 1 GP Inc. and
certain related entities, and not in its
personal capacity

Per: 

Name: Casey Hoffman

Title: RESIDENT

Per: _____

Name: _____

Title: _____

**FIRST CAPITAL (S.C.)
CORPORATION**

Per:



Name: Jordan Robbins

Title: Director & Vice President

Per:

Name: _____

Title: _____

Appendix “F”

Urbancorp Filing Entities Listed on Schedule "A"
Notes to Projected Statement of Cash Flow
For the Period Ending April 30, 2018
(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of the entities listed on Schedule "A" ("Bay CCAA Entities") for the period February 1, 2018 to April 30, 2018 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 CCAA Entities.

Hypothetical Assumption

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

Most Probable Assumption

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

Schedule A

Urbancorp Filing Entities

1. Urbancorp (Woodbine) Inc.
2. Urbancorp (Bridlepath) Inc
3. The Townhouses of Hogg's Hollow Inc.
4. King Towns Inc
5. Newtowns at Kingtowns Inc.
6. Deaja Partner (Bay) Inc.
7. TCC/Urbancorp (Bay) Limited Partnership

Urbancorp Filing Entities Listed on Schedule "A"
Projected Statement of Cash Flow¹
For the Period Ending April 30, 2018
(Unaudited; \$C)

Receipts	Week Ending													5 Day Period Ending		Total	
	Note	07-Feb-18	14-Feb-18	21-Feb-18	28-Feb-18	07-Mar-18	14-Mar-18	21-Mar-18	28-Mar-18	04-Apr-18	11-Apr-18	18-Apr-18	25-Apr-18	30-Apr-18	17,032		17,032
Overhead cost recoveries	2	17,032	-	-	-	17,032	-	-	-	17,032	-	-	-	-	-	-	68,130
<i>Disbursements</i>																	
Advances to URPI	3	-	-	100,000	-	-	-	-	-	-	-	100,000	-	-	-	-	200,000
Wages and salaries	5	-	19,852	-	14,522	-	-	-	-	-	19,852	-	-	-	-	14,522	103,121
Occupancy costs	6	4,500	-	-	-	4,500	-	-	4,500	-	-	-	-	-	-	4,500	18,000
Mortgage payments	7	3,070	-	3,355	18,167	3,070	-	3,355	21,237	-	3,355	-	-	-	-	21,237	76,847
Consulting fees	8	50,000	-	-	-	50,000	-	-	50,000	-	-	-	-	-	-	-	150,000
Sundry		9,244	3,235	810	810	9,244	3,235	810	9,244	1,961	2,084	810	9,244	5,000	5,000	51,540	
Contingency		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	65,000	
<i>Total Operating Disbursements</i>		71,814	28,087	109,165	38,498	71,814	28,087	9,165	89,981	106,961	30,291	5,810	54,503	(37,470)	(596,377)	664,507	
<i>Net Cash Flow Before the Undernoted</i>		(54,782)	(28,087)	(109,165)	(38,498)	(54,782)	(28,087)	(9,165)	(72,949)	(106,961)	(30,291)	(5,810)	(37,470)	(37,470)	(596,377)	664,507	
Professional fees	4	160,000	-	-	-	160,000	-	-	160,000	-	-	-	-	-	-	-	480,000
<i>Net Cash Flow</i>	9	(214,782)	(28,087)	(109,165)	(38,498)	(214,782)	(28,087)	(9,165)	(232,949)	(106,961)	(30,291)	(5,810)	(37,470)	(37,470)	(1,076,377)	(1,076,377)	

Urbancorp Filing Entities Listed on Schedule "A"
Notes to Projected Statement of Cash Flow
For the Period Ending April 30, 2018
(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection ("Projection") is to present a cash flow forecast of the entities listed on Schedule "A" ("Urbancorp CCAA Entities") for the period February 1, 2018 to April 30, 2018 (the "Period") in respect of their proceedings under the *Companies' Creditors Arrangement Act*.

As of the date of Projection, the Monitor is selling eight condominium units (the "Residential Units") held by Urbancorp Residential Inc. and King Residential Inc. 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.

Hypothetical Assumptions

2. Represents recoveries of payroll and other overhead costs from The Fuller Landau Group Inc., the Proposal Trustee of Edge on Triangle Park Inc. and Edge Residential Inc. (jointly, the "Edge Companies"), in respect of back office services performed by Urbancorp Toronto Management Inc. on behalf of the Edge Companies.
3. Represents advances to Urbancorp Renewable Power Inc., in connection with a loan facility provided by Urbancorp Cumberland 1 LP.
4. The professional fees are in respect of the Monitor, its legal counsel, legal counsel to the Urbancorp CCAA Entities. The amounts reflected are estimates only.

Most Probable Assumptions

5. Payroll is paid bi-monthly. Payroll includes source deductions, benefits and WSIB.
6. Represents occupancy costs associated with the head office lease.
7. Represents mortgage payments related to rental units and geothermal assets owned by the Urbancorp CCAA Entities.
8. Represents consulting fees in connection with the Downsview audit and the geothermal litigation.
9. The cash flow deficiency will be funded from cash on hand.

Schedule A

Urbancorp Filing Entities

1. Urbancorp Toronto Management Inc.
2. Urbancorp Downsview Park Development Inc.
3. Urbancorp (St. Clair Village) Inc.
4. Urbancorp (Patricia) Inc.
5. Urbancorp (Mallow) Inc.
6. Urbancorp (Lawrence) Inc.
7. Urbancorp (952 Queen West) Inc.
8. King Residential Inc.
9. Urbancorp New Kings Inc.
10. Urbancorp 60 St. Clair Inc.
11. High Res. Inc.
12. Bridge on King Inc.
13. Urbancorp Power Holdings Inc.
14. Vestaco Homes Inc.
15. Vestaco Investments Inc.
16. 228 Queen's Quay West Limited
17. Urbancorp Cumberland 1 LP
18. Urbancorp Cumberland 1 GP Inc.
19. Urbancorp Partner (King South) Inc.
20. Urbancorp (North Side) Inc.
21. Urbancorp Residential Inc.
22. Urbancorp Realtyco Inc.

Appendix “G”

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 17th day January, 2018 for the period February 1, 2018 to April 30, 2018 ("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 17th day of January, 2018.



Alan Saskin, Director

Bay LP CCAA Entities

**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)**

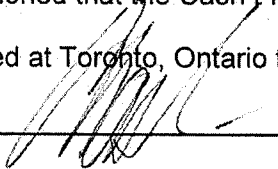
The management of Urbancorp Toronto Management Inc. Urbancorp (St. Clair Village) Inc., Urbancorp (Patricia) Inc., Urbancorp (Mallow) Inc., Urbancorp (Lawrence) Inc., Urbancorp Downsview Park Development Inc., Urbancorp (952 Queen West) Inc., King Residential Inc., Urbancorp 60 St. Clair Inc., Hi Res. Inc. Bridge on King Inc. and the affiliated entities listed in Schedule "A" Hereto (collectively, the "Companies"), have developed the assumptions and prepared the attached statement of projected cash flow as of the 17th day of January, 2018 for the period February 1, 2018 to April 30, 2018 ("Cash Flow"). All such assumptions are disclosed in Notes 2 to 9.

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

Dated at Toronto, Ontario this 17th day of January, 2018.



Alan Saskin, Director

The Companies

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 “H”

**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 as of the 17th day of January, 2018 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") consisting of a weekly projected cash flow statement for the period February 1, 2018 to April 30, 2018 ("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 18th day of January, 2018.

KSV Kofman Inc

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

**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 as of the 17th day of January, 2018 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") consisting of a weekly projected cash flow statement for the period February 1, 2018 to April 30, 2018 ("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 9.

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 18th day of January, 2018.

A handwritten signature in cursive script that reads "KSV Kofman Inc.".

**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.

Appendix “I”

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

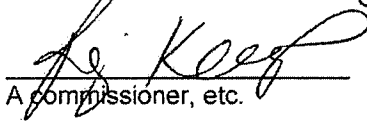
AFFIDAVIT OF ROBERT KOFMAN
(sworn January 18, 2018)

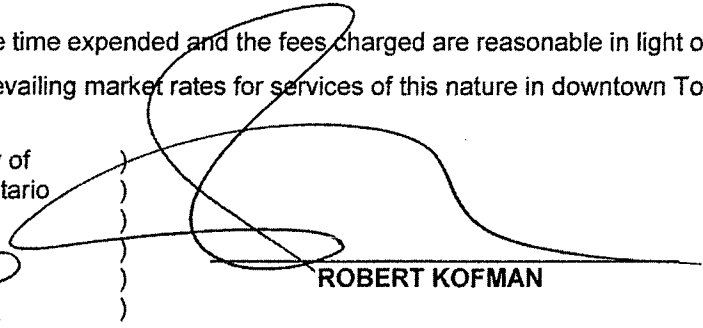
I, **ROBERT KOFMAN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**
AS FOLLOWS:

1. I am the President of KSV Kofman Inc. ("KSV"), the Court-appointed monitor (the "Monitor") of the Applicants and the entities listed on Schedule "A" attached (collectively, the "Bay CCAA Entities"), and as such I have knowledge of the matters deposed to herein.
2. Pursuant to an order of the Ontario Superior Court of Justice ("Court") made on October 18, 2016, the Bay CCAA Entities were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV was appointed as the Monitor in these proceedings.
3. This Affidavit is sworn in support of a motion seeking, among other things, approval of the Monitor's fees and disbursements for the period October 1, 2017 to December 31, 2017 (the "Period").
4. The Monitor's invoices for the Period disclose in detail: a) the nature of the services rendered; b) the time expended by each person and their hourly rates; and c) the total charges for the services rendered; and disbursements charged. Copies of the Monitor's invoices are attached as Exhibit "A" and the billing summary is attached as Exhibit "B".
5. The Monitor spent a total of 69 hours on this matter during the Period, resulting in fees totalling \$31,965 excluding disbursements and HST, as summarized in Exhibit "B".
6. As reflected on Exhibit "B", the Monitor's average hourly rate for the Period was \$463.26.

7. I verily believe that the time expended and the fees charged are reasonable in light of the services performed and the prevailing market rates for services of this nature in downtown Toronto.

SWORN before me at the City of
Toronto, in the Province of Ontario
this 18th day of January, 2018


A commissioner, etc.


ROBERT KOFMAN

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.,
Trustee in Bankruptcy.
Expires April 11, 2018.

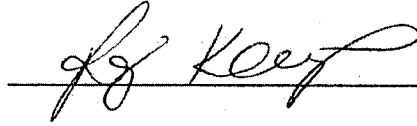
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ROBERT KOFMAN

Sworn before me

this 18th day of January, 2018

A handwritten signature in black ink, appearing to read "Rajinder Kashyap", is written over a horizontal line.

Commissioner for taking Affidavits, etc

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.,
Trustee in Bankruptcy.
Expires April 11, 2018.**



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INVOICE

The Urbancorp Group
32 Lisgar Street, Suite 201A
Toronto, ON M6J 0C9

November 7 2017

Invoice No: 714
HST #: 818808768 RT0001

**Re: TCC/Urbancorp (Bay) Limited Partnership ("Bay"),
Urbancorp (Bridlepath) Inc. ("Bridlepath"),
Urbancorp (Woodbine) Inc. ("Woodbine") and related entities
(collectively, the "Companies")**

To professional services rendered for the period ending October 31, 2017 by KSV Kofman Inc. in its capacity as Monitor (the "Monitor") in the Companies' proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), including:

General

- Corresponding with Alan Saskin, Ted Saskin, Davies Ward Phillips & Vineberg LLP ("Davies"), the Monitor's legal counsel, and WeirFoulds LLP ("WeirFoulds"), the Companies' legal counsel, regarding matters in the Companies' CCAA proceedings;
- Speaking regularly with home buyers on the Companies' former projects concerning the return of their deposits;
- Reviewing draft *Minutes of Settlement* in connection with claims filed by Tarion Warranty Corporation ("Tarion") and discussing same with Davies and Torys LLP, counsel to Tarion;
- Dealing with MNP LLP, the Companies' accountants, regarding the Companies' 2016 tax returns;
- Responding to Canada Revenue Agency regarding missing information for DS (Bay) Holdings Inc., a limited partner of Bay and communicating with the Companies, its counsel and its accountants;
- Dealing with Davies regarding claims filed by Terra Firma Capital Corporation ("TFCC") against Bridlepath, Woodbine and Bay (the "TFCC Claims");
- Dealing with Davies regarding a claim filed by Urbancorp Inc. ("UCI") against Bridlepath and Woodbine (the "UCI Claim");

- Reviewing a Factum prepared by counsel to TFCC dated October 6, 2017 concerning the TFCC Claims;
- Corresponding with Davies regarding TFCC's and UCI's request to adjourn a motion scheduled to be heard on October 19, 2017 to deal with TFCC's Claims;
- Reviewing and commenting on a letter prepared by Davies dated October 16, 2017 requesting UCI's and TFCC's acknowledgment that they have agreed to authorize the Monitor to repay in full admitted third party claims against the Companies ("Acknowledgement Letter");
- Attending several calls with Davies on October 13 and 16, 2017 regarding the Acknowledgement Letter;
- Corresponding internally regarding the TFCC Claim and UCI Claim;
- Reviewing and commenting on Court materials prepared by WeirFoulds and Davies in respect of a motion returnable October 30, 2017 (the "October 30 Motion"), seeking, *inter alia*, an extension of the stay of proceedings to January 31, 2018 and the approval to make a distribution to third party creditors;
- Assisting the Companies to prepare a cash flow projection for the period ending January 31, 2018 ("Cash Flow Projection") in the context of the October 30 Motion;
- Reviewing financial information upon which the Cash Flow Projection was based, primarily expense assumptions;
- Preparing Management's Report on Cash Flow Statement and the Monitor's Report on Cash Flow Statement in connection with the Cash Flow Projection;
- Preparing the Nineteenth Report of the Monitor dated October 24, 2017 in connection with the October 30 Motion;
- Attending at Court on October 30, 2017 in connection with the October 30 Motion; and
- Dealing with all other matters not otherwise referred to herein.

* * *

Total fees and disbursements per attached time summary	\$ 21,307.50
HST	<u>2,769.98</u>
Total Due	<u>\$ 24,077.48</u>

KSV Kofman Inc.
The Urbancorp Group
Time Summary

For the period ending October 31, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	11.00	7,645.00
Robert Harlang	625	7.50	4,687.50
Noah Goldstein	500	16.75	8,375.00
Other Staff and Administration		4.00	600.00
Total Fees			<u>21,307.50</u>



ksv advisory inc.

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F +1 416 932 6266

ksvadvisory.com

INVOICE

The Urbancorp Group
32 Lisgar Street, Suite 201A
Toronto, ON M6J 0C9

December 6, 2017

Invoice No: 738
HST #: 818808768 RT0001

**Re: TCC/Urbancorp (Bay) Limited Partnership ("Bay"),
Urbancorp (Bridlepath) Inc. ("Bridlepath"),
Urbancorp (Woodbine) Inc. ("Woodbine") and related entities
(collectively, the "Companies")**

To professional services rendered for November, 2017 by KSV Kofman Inc. in its capacity as Monitor (the "Monitor") in the Companies' proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), including:

General

- Corresponding with Alan Saskin, Ted Saskin, Davies Ward Phillips & Vineberg LLP ("Davies"), the Monitor's legal counsel, and WeirFoulds LLP, the Companies' legal counsel, regarding matters in the Companies' CCAA proceedings;
- Reviewing draft *Minutes of Settlement* in connection with claims filed by Tarion Warranty Corporation and discussing same with Davies;
- Dealing with MNP LLP, the Companies' accountants, regarding the Companies' 2016 tax returns and the preparation of HST returns;
- Speaking regularly with home buyers on the Companies' former projects concerning the return of their deposits;
- Paying a distribution to creditors of certain of the Companies in connection with a Court order made on October 30, 2017;
- Corresponding with several creditors regarding the status of the distribution, including home buyers and trade creditors;
- Dealing with Dickinson Wright LLP, representative counsel to certain home buyers, regarding matters related to the distribution;

- Dealing with all other matters not otherwise referred to herein.

* * *

Total fees and disbursements per attached time summary	\$	8,582.66
HST		<u>1,115.75</u>
Total Due	\$	<u>9,698.41</u>

KSV Kofman Inc.
The Urbancorp Group
Time Summary

For the period ending November 30, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	1.00	695.00
Robert Harlang	625	2.00	1,250.00
Noah Goldstein	500	9.00	4,500.00
Other Staff and Administration		9.50	1,325.00
Total Fees		21.50	7,770.00
Disbursements			812.66
Total Fees and Disbursements			8,582.66



ksv advisory inc.

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ksvadvisory.com

INVOICE

The Urbancorp Group
32 Lisgar Street, Suite 201A
Toronto, ON M6J 0C9

January 17, 2018

Invoice No: 791
HST #: 818808768 RT0001

Re: TCC/Urbancorp (Bay) Limited Partnership ("Bay"), Urbancorp (Bridlepath) Inc. ("Bridlepath"), Urbancorp (Woodbine) Inc. ("Woodbine") and related entities (collectively, the "Companies")

For professional services rendered for December, 2017 by KSV Kofman Inc. in its capacity as Monitor (the "Monitor") in the Companies' proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), including:

General

- Corresponding with Alan Saskin, Ted Saskin, Davies Ward Phillips & Vineberg LLP ("Davies"), the Monitor's legal counsel, and WeirFoulds LLP, the Companies' legal counsel, regarding matters in the Companies' CCAA proceedings;
- Corresponding with Guy Gissin, the Israeli Functionary Officer of Urbancorp Inc. (the "Foreign Representative"), appointed pursuant to an order of the District Court in Tel Aviv-Yafo, as well as representatives of the Foreign Representative, including its financial and legal advisors; Reviewing draft *Minutes of Settlement* in connection with claims filed by Tarion Warranty Corporation and discussing same with Davies;
- Corresponding with Davies regarding claims filed by two former employees of UTMI;
- Dealing with Davies regarding a potential settlement between Terra Firma Capital Corporation and the Foreign Representative;
- Attending a call on December 4, 2017 with Davies to discuss a claim filed by one of the former employees;
- Attending a meeting on December 4, 2017 at Davies with counsel to one of the former employees to discuss her claim;

- Corresponding with several creditors regarding the status of the distribution, including home buyers and trade creditors; and
- Dealing with all other matters not otherwise referred to herein.

* * *

Total fees and disbursements per attached time summary	\$	3,447.94
HST		<u>448.23</u>
Total Due	\$	<u><u>3,896.17</u></u>

KSV Kofman Inc.
The Urbancorp Group
Time Summary

For the period ending December 31, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Harlang	625	1.00	625.00
Noah Goldstein	500	3.50	1,750.00
Other Staff and Administration		3.75	512.50
Total Fees		8.25	2,887.50
Disbursements			560.44
Total Fees and Disbursements			3,447.94

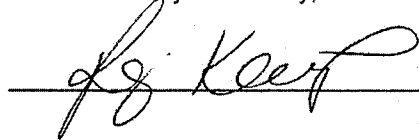
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF ROBERT KOFMAN

Sworn before me

this 18th day of January, 2018

A handwritten signature in black ink, appearing to read "Rajinder Kashyap", is written over a horizontal line.

Commissioner for taking Affidavits, etc

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.,
Trustee in Bankruptcy.
Expires April 11, 2018.**

Bay CCAA Entities

Schedule of Professionals' Time and Rates

For the Period from October 1, 2017 to December 31, 2017

Personnel	Title	Duties	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	Managing Director	Overall responsibility	12.00	695	8,340.00
Robert Harlang	Managing Director	Terra Firma claim, promissory note issue	10.50	625	6,562.50
Noah Goldstein	Sr. Manager	All aspects of mandate	29.25	500	14,625.00
Other staff and administrative	Various		17.25	100 - 450	2,437.50
Total fees					<u>31,965.00</u>
Total hours					69.00
Average hourly rate					\$ 463.26

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**


AFFIDAVIT OF ROBERT KOFMAN
(sworn January 18, 2017)

I, **ROBERT KOFMAN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY
AS FOLLOWS:**

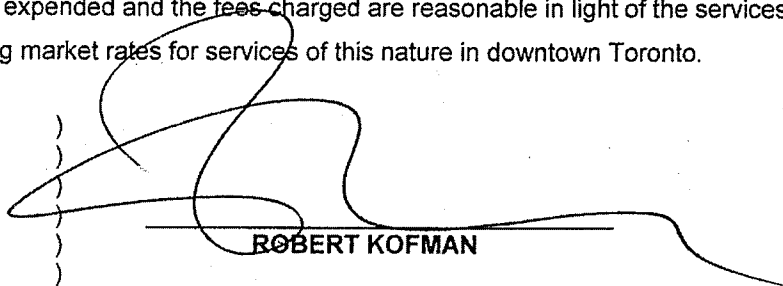
1. I am the President of KSV Kofman Inc. ("KSV"), the Court-appointed monitor (the "Monitor") of the Applicants and the entities listed on Schedule "A" attached (collectively, the "Cumberland CCAA Entities"), and as such I have knowledge of the matters deposed to herein.
2. Pursuant to an order of the Ontario Superior Court of Justice ("Court") made on May 18, 2016, the Cumberland CCAA Entities were granted protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and KSV was appointed as the Monitor in these proceedings.
3. This Affidavit is sworn in support of a motion seeking, among other things, approval of the Monitor's fees and disbursements for the period October 1, 2017 to December 31, 2017 (the "Period").
4. The Monitor's invoices for the Period disclose in detail: a) the nature of the services rendered; b) the time expended by each person and their hourly rates; and c) the total charges for the services rendered; and disbursements charged. Copies of the Monitor's invoices are attached hereto as Exhibit "A" and the billing summary is attached hereto as Exhibit "B".
5. The Monitor spent a total of 431.65 hours on this matter during the Period, resulting in fees totalling \$223,629.50, excluding disbursements and HST, as summarized in Exhibit "B".

6. As reflected on Exhibit "B", the Monitor's average hourly rate for the Period was \$518.08.
7. I verily believe that the time expended and the fees charged are reasonable in light of the services performed and the prevailing market rates for services of this nature in downtown Toronto.

SWORN before me at the City of
Toronto, in the Province of Ontario
this 18th day of January, 2018



A Commissioner, etc.



ROBERT KOFMAN

**Rajinder Kashyap, a Commissioner, etc.
Province of Ontario, for KSV Kofman Inc.
Trustee in Bankruptcy.
Expires April 11, 2018.**

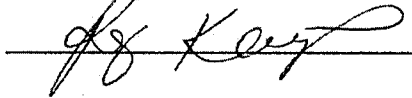
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ROBERT KOFMAN

Sworn before me

this 18th day of January, 2018

A handwritten signature in black ink, appearing to read "Rajinder Kashyap", is written over a horizontal line.

Commissioner for taking Affidavits, etc

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Trustee in Bankruptcy.
Expires April 11, 2018.**



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INVOICE

The Urbancorp Group
Suite 2A - 120 Lynn Williams Street
Toronto, ON M6K 3P6

November 6, 2017

Invoice No: 712
HST #: 818808768 RT0001

Re: The entities listed on Schedule "A" attached (collectively, the "Companies")

To professional services rendered during October, 2017 by KSV Kofman Inc. in its capacity as Monitor ("Monitor") in the Companies' proceedings under the *Companies' Creditors Arrangement Act*, including:

General

- Corresponding with Alan Saskin, Ted Saskin, Davies Ward Phillips & Vineberg LLP ("Davies"), the Monitor's legal counsel, and WeirFoulds LLP ("WeirFoulds"), the Companies' legal counsel;
- Attending to banking activity, including reviewing the Companies' disbursements and signing all cheques;
- Corresponding with Guy Gissin, the Israeli Functionary Officer of Urbancorp Inc. (the "Foreign Representative"), appointed pursuant to an order of the District Court in Tel Aviv-Yafo;
- Corresponding with Dentons LLP ("Dentons"), legal counsel to the Foreign Representative;
- Corresponding with Farber Financial Group ("Farber"), the financial advisor to the Foreign Representative;
- Reviewing translations of the Court materials filed by the Foreign Representative in the Israeli Court and dealing with Israeli counsel regarding same;
- Corresponding with Bennett Jones LLP, counsel to Alan Saskin;
- Dealing with MNP LLP, the Companies' accountants, regarding filing tax returns for Urbancorp 60 St. Clair Inc. and Urbancorp (Downsview Park Developments) Inc. ("Downsview"), including email and phone correspondence throughout the month;

- Reviewing materials filed by The Fuller Landau Group Inc. ("Fuller Landau") in the CCAA proceedings of Edge Residential Inc., Bosvest Inc. and Edge on Triangle Park Inc. (collectively, the "Edge Entities");
- Corresponding with Fuller Landau regarding the reimbursement of certain expenses incurred by Urbancorp Toronto Management Inc. on behalf of the Edge Entities;
- Reviewing a motion filed on October 20, 2017 by Alvarez & Marsal Canada Inc. in its capacity as Court appointed receiver of Urbancorp (Leslieville) Inc.;
- Corresponding with Ted Saskin regarding a deposit funded by Urbancorp Toronto Management Inc. to Urbancorp (Downtown) Developments Inc. and reviewing related documentation;

Kingsclub Project

- Reviewing a monthly financial report prepared by Finnegan Marshall Inc. ("Finnegan") regarding the Kingsclub project;
- Attending a Kingsclub project management meeting on October 7, 2017 at First Capital Realty Inc. ("First Capital") (the "October 7 Meeting");
- Preparing an internal memorandum regarding the October 7 Meeting;
- Reviewing a Drawdown Notice in connection with a loan provided by Bank of Nova Scotia;
- Attending a Co-Owners' Meeting on October 30, 2017 with First Capital, Finnegan, Alan Saskin and Davies (the "October 30 Meeting");
- Corresponding with Alan Saskin regarding the October 30 Meeting;

Geothermal Assets

- Dealing with Ted Saskin in order to remain apprised of the status of the litigation surrounding the Companies' geothermal systems (the "Litigation");
- Dealing with Ted Saskin regarding expenses of Urbancorp Renewable Power Inc. ("URPI");
- Paying certain of URPI's expenses;
- Drafting an engagement letter to retain Beatty Geothermal Consulting ("Beatty"), a geothermal expert, to assist the Monitor with the Litigation;
- Reviewing an information request list prepared by Beatty and compiling the information requested;
- Attending a meeting on October 26, 2017 with Beatty and Davies to discuss the Litigation;
- Corresponding with Ted Saskin regarding settlement discussions regarding the Litigation;
- Reviewing and commenting on a Term Sheet between Urbancorp Cumberland 1 LP, as lender, and Urbancorp Renewable Power Inc., as borrower, to fund Litigation expenses and geothermal maintenance and repair expenses (the "Term Sheet");

- Corresponding with Ted Saskin regarding the Term Sheet;
- Corresponding with Fuller Landau, which has indicated it may have an ownership interest in the geothermal assets, regarding the Litigation;

Downsview

- Corresponding with Mattamy Homes Inc. ("Mattamy") regarding a joint venture project between Downsview and Mattamy (the "Downsview Project"), including several emails throughout the month to obtain an update on the status of the project;
- Reviewing information provided by Mattamy in connection with the Downsview Project and providing same to the Foreign Representative;
- Participating on a call on October 2, 2017 with Davies, Dentons and Farber regarding the Downsview Project;
- Reviewing and commenting on an e-mail dated October 2, 2017 prepared by Davies to Cassels Brock & Blackwell LLP, counsel to Mattamy, regarding the Downsview Project;
- Reviewing a revised pro-forma received on October 13, 2017 prepared by Mattamy for the Downsview Project (the "Pro-forma");
- Preparing questions regarding the Pro-forma and sending same to Mattamy;
- Attending a call on October 17, 2017 with Mattamy to discuss the Pro-forma;
- Reviewing an email sent by Dentons on October 20, 2017 to Cassels requesting certain information and discussing same with Davies;
- Reviewing an e-mail from the Foreign Representative dated October 26, 2017 regarding the Downsview Project (the "October 26 E-mail")
- Preparing a response to the October 26 E-mail;
- Considering next steps regarding the Downsview Project;

Court Materials

- Reviewing and commenting on Court materials prepared by WeirFoulds and Davies in respect of a motion returnable October 30, 2017 (the "October 30 Motion"), seeking, *inter alia*, an extension of the stay of proceedings to January 31, 2017 and the approval the Term Sheet;
- Assisting the Companies to prepare a cash flow projection for the period ending January 31, 2018 ("Cash Flow Projection") in the context of the October 30 Motion;
- Reviewing financial information upon which the Cash Flow Projection was based, primarily expense assumptions;
- Preparing Management's Report on Cash Flow Statement and the Monitor's Report on Cash Flow Statement in connection with the Cash Flow Projection;

- Preparing the Nineteenth Report of the Monitor dated October 24, 2017 in connection with the October 30 Motion;
- Attending at Court on October 30, 2017 in connection with the October 30 Motion;

Disputed Claims

- Dealing with Davies regarding a claim filed by Speedy Electrical Contractors Ltd. against King Residential Inc. (the "Speedy Claim");
- Continuing to prepare the Monitor's Report to Court (not finalized) in connection with the Speedy Claim;
- Corresponding with Davies regarding claims filed by two former employees of UTMI;
- Reviewing a memorandum prepared by Davies regarding the employee claims;
- Reviewing and commenting on draft Minutes of Settlement in connection with claims filed by Tarion Warranty Corporation ("Tarion") and discussing same with Davies;
- Corresponding with Torys LLP, counsel to Tarion, regarding the Tarion claims;
- Reviewing an email prepared by Davies dated November 10, 2017 regarding the claim of Dolvin Mechanical Contractors Ltd.;
- Corresponding with Fasken Martineau DuMoulin LLP, counsel to Travelers Warranty Corporation, regarding the status of its claim against Bridge on King Inc.

Condominium Units

- Corresponding with representatives of Brad Lamb Realty Inc. regarding the sale of the condominium units ("Condos") held by King Residential Inc. and Urbancorp Residential Inc., including pricing and marketing issues, as well as negotiating sales of units;
- Corresponding with a representative from TD Bank, a mortgagee on several of the Condos, to provide updates on the Condo sale process;
- Reviewing an offer submitted on October 3, 2017 for 170 Sudbury Street, Toronto, Unit 106 ("Unit 106");
- Negotiating the offer for Unit 106;
- Executing an Agreement of Purchase and Sale ("APS") for Unit 106 on October 11, 2017
- Executing an amendment on October 10, 2017 to the APS for a transaction for Unit #430 at 150 Sudbury Street, Toronto ("Unit 430");
- Executing closing documents in connection with the sale of Unit 430;
- Closing the transaction on October 27, 2017 for Unit 430;
- Attending a call on October 29, 2017 with Brad Lamb Realty to receive an update on the sale process; and

- Dealing with all other matters not otherwise referred to herein.

* * *

Total fees and disbursements per attached time summary	\$	67,210.94
HST		<u>8,737.42</u>
Total Due	\$	<u>75,948.36</u>

Schedule "A"

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.
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.

KSV Kofman Inc.
The Urbancorp Group
Time Summary
For the period ending October 31, 2017

Personnel	Role	Rate (\$)	Hours	Amount (\$)
Robert Kofman	Overall file management	695	34.25	23,803.75
Robert Harlang	Tax returns, Claims review	625	8.00	5,000.00
Noah Goldstein	All aspects of mandate	500	69.00	34,500.00
Other staff and administration			17.90	3,735.00
Total Fees			129.15	67,038.75
Disbursements				172.19
Total Fees and Disbursements			129.15	67,210.94



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INVOICE

The Urbancorp Group
Suite 2A - 120 Lynn Williams Street
Toronto, ON M6K 3P6

December 7, 2017

Invoice No: 737
HST #: 818808768 RT0001

Re: The entities listed on Schedule "A" attached (collectively, the "Companies")

To professional services rendered during November, 2017 by KSV Kofman Inc. in its capacity as Monitor ("Monitor") in the Companies' proceedings under the *Companies' Creditors Arrangement Act*, including:

General

- Corresponding with Alan Saskin, Ted Saskin, Davies Ward Phillips & Vineberg LLP ("Davies"), the Monitor's legal counsel, and WeirFoulds LLP, the Companies' legal counsel;
- Attending to banking activity, including reviewing the Companies' disbursements and signing all cheques;
- Corresponding with Guy Gissin, the Israeli Functionary Officer of Urbancorp Inc. (the "Foreign Representative"), appointed pursuant to an order of the District Court in Tel Aviv-Yafo (the "Israeli Court");
- Corresponding with Dentons LLP ("Dentons"), legal counsel to the Foreign Representative;
- Corresponding with Farber Financial Group ("Farber"), the financial advisor to the Foreign Representative;
- Reviewing translations of the Court materials filed by the Foreign Representative in the Israeli Court and dealing with Israeli counsel regarding same;
- Dealing with MNP LLP ("MNP"), the Companies' accountants, regarding filing tax returns for Urbancorp 60 St. Clair Inc. and Urbancorp (Downsview Park Developments) Inc. ("Downsview"), including email and phone correspondence throughout the month;
- Reviewing materials filed by The Fuller Landau Group Inc. ("Fuller Landau") in the CCAA proceedings of Edge Residential Inc., Bosvest Inc. and Edge on Triangle Park Inc.;

- Reviewing and commenting on Court materials prepared by Davies in respect of a motion returnable November 3, 2017 (the "November 3rd Motion"), declaring, *inter alia*, that a motion filed by the Foreign Representative in the Israeli Court is in violation of the Court approved protocol between the Monitor and the Foreign Representative (the "November 3rd Motion");
- Preparing the Twentieth Report of the Monitor dated November 2, 2017 in connection with the November 3rd Motion;
- Reviewing motion materials filed by the Foreign Representative on November 3, 2017 in connection with the November 3rd Motion;
- Attending at Court on November 3, 2017 in connection with the November 3rd Motion;
- Reviewing the Endorsement of Justice Myers dated November 6, 2017 in connection with the November 3rd Motion;
- Attending a meeting on November 13, 2017 at Davies' office with Dentons, Farber and the Foreign Representative (by video conference) to discuss the status of the CCAA proceedings;
- Attending a meeting on November 20, 2017 at Davies' office with Dentons, Farber and the Foreign Representative to further discuss the status of the CCAA proceedings;
- Preparing an updated "waterfall analysis";
- Preparing a summary of the uses of Urbancorp Inc.'s debtor-in-possession facility and sending same to Dentons;
- Dealing with an HST audit for Urbancorp Cumberland 1 LP;
- Attending a meeting on November 28, 2017 with MNP to review HST issues;

Kingsclub Project

- Reviewing a monthly financial report prepared by Finnegan Marshall Inc. regarding the Kingsclub project;
- Attending a Kingsclub project management meeting on November 3, 2017 at First Capital Realty Inc. ("First Capital") (the "November 3rd Meeting");
- Preparing an internal memorandum regarding the November 3rd Meeting;
- Reviewing a Drawdown Notice in connection with the loan provided by Bank of Nova Scotia;
- Reviewing and commenting on an Amendment to the Standstill Agreement (the "Standstill Amendment") between Urbancorp New Kings Inc. ("UNKI") and First Capital (and related entities);
- Corresponding with Dentons and Farber regarding UNKI and the Standstill Amendment;
- Preparing financial analyses regarding the Kingsclub project, including a waterfall analysis;

- Attending a meeting on November 21, 2017 (the "November 21st Meeting") with First Capital at CAPREIT LP, an owner of one-third of the residential component of the Kingsclub project, to discuss residential rental rates;
- Corresponding with Alan Saskin and James Greff regarding the November 21st Meeting;
- Preparing the Twenty First Report of the Monitor (to be finalized) to seek approval of the Amended Standstill;

Geothermal Assets

- Corresponding with Ted Saskin in order to remain apprised of the litigation surrounding the Companies' geothermal systems (the "Litigation");
- Dealing with Ted Saskin regarding Urbancorp Renewable Power Inc. ("URPI") expenses;
- Paying URPI expenses;
- Corresponding with Beatty Geothermal Consulting ("Beatty"), a geothermal expert engaged by the Monitor to assist with the Litigation, including attending calls on November 21, 24, 29 and 30, 2017;
- Reviewing an information request list prepared by Beatty and compiling the information requested;
- Reviewing and commenting on a draft Court order to approve a term sheet (the "Term Sheet") between Urbancorp Cumberland 1 LP, as lender, and Urbancorp Renewable Power Inc., as borrower, to fund Litigation expenses and geothermal maintenance and repair expenses;
- Corresponding with Ted Saskin and the Foreign Representative regarding the Term Sheet;
- Corresponding with Fuller Landau, which has indicated it may have an ownership interest in the geothermal assets, regarding the Litigation;
- Attending at Court on November 22, 2017 regarding approval of the Term Sheet;

Downsview

- Corresponding with Mattamy Homes Inc. ("Mattamy") regarding a joint venture project between Downsview and Mattamy (the "Downsview Project"), including several emails throughout the month to obtain status updates concerning the project;
- Reviewing information provided by Mattamy regarding the Downsview Project and providing same to the Foreign Representative;
- Attending a call on November 10, 2017 with Mattamy to discuss the Downsview Project;
- Attending a meeting on November 16, 2017 (the "November 16th Meeting") with Farber at Mattamy's office to discuss the Downsview Project and discussing same internally;

- Attending a call on November 17, 2017 with Dentons to discuss the November 16th Meeting and to discuss retaining a cost consultant to conduct a financial audit of the Downsview Project (the "Audit");
- Reviewing and commenting on a Non-Disclosure Agreement between Pelican Woodcliffe ("Pelican"), a cost consultant, and the Monitor;
- Reviewing and commenting on an engagement letter to retain Pelican to perform the Audit;
- Attending several calls with Pelican, including on November 21, 22, 23 and 25, 2017;
- Corresponding with Cassels Brock & Blackwell LLP, counsel to Mattamy, regarding the Audit;
- Attending a call on November 30, 2017 with Mattamy regarding the Audit;
- Considering next steps regarding the Downsview Project;

Disputed Claims

- Dealing with Davies regarding a claim filed by Speedy Electrical Contractors Ltd. against King Residential Inc.;
- Corresponding with Davies regarding claims filed by two former employees of UTMI;
- Attending a call on November 2, 2017 with Davies and legal counsel to one of the former employees;
- Reviewing and commenting on draft Minutes of Settlement in connection with claims filed by Taron Warranty Corporation and discussing same with Davies;
- Corresponding with Fasken Martineau DuMoulin LLP, counsel to Travelers Warranty Corporation ("Travelers"), regarding the status of its claim against High Res Inc.;
- Attending a call on November 29, 2017 with Alvarez & Marsal Canada Inc., the Court appointed Receiver of Urbancorp (Leslieville) Inc., regarding the Travelers' claim;
- Preparing an email on November 29, 2017 to Dentons regarding the status of the Travelers claim;

Condominium Units

- Corresponding with representatives of Brad Lamb Realty Inc. regarding the sale of the condominium units ("Condos") held by King Residential Inc. and Urbancorp Residential Inc., including pricing and marketing issues, as well as negotiating sales of units;
- Corresponding with a representative from TD Bank, a mortgagee on several of the Condos, to provide updates on the Condo sale process;
- Reviewing and negotiating offers for unit #201 at 38 Joe Shuster Way, Toronto ("Unit 201");
- Reviewing and executing documents related to the sale of Unit 201;
- Reviewing and negotiating offers for unit #316 at 170 Sudbury Street, Toronto ("Unit 316");

- Reviewing and executing documents related to the sale of Unit 316;
- Reviewing and negotiating offers for unit #1802 at 150 Sudbury Street, Toronto ("Unit 1802");
- Reviewing and executing documents related to the sale of Unit 1802;
- Closing the transaction for Unit 1802 on November 24, 2017; and
- Dealing with all other matters not otherwise referred to herein.

* * *

Total fees and disbursements per attached time summary	\$	98,514.50
HST		<u>12,806.88</u>
Total Due	\$	<u>111,321.38</u>

Schedule "A"

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.
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.

KSV Kofman Inc.
The Urbancorp Group
Time Summary

For the period ending November 30, 2017

Personnel	Role	Rate (\$)	Hours	Amount (\$)
Robert Kofman	Overall file management	695	54.10	37,599.50
Robert Harlang	Tax returns, Claims review	625	7.50	4,687.50
Noah Goldstein	All aspects of mandate	500	92.25	46,125.00
Other staff and administration			36.20	10,102.50
Total Fees			<u>190.05</u>	<u>98,514.50</u>



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INVOICE

The Urbancorp Group
Suite 2A - 120 Lynn Williams Street
Toronto, ON M6K 3P6

January 10, 2018

Invoice No: 777
HST #: 818808768 RT0001

Re: The entities listed on Schedule "A" attached (collectively, the "Companies")

To professional services rendered during December, 2017 by KSV Kofman Inc. in its capacity as Monitor ("Monitor") in the Companies' proceedings under the *Companies' Creditors Arrangement Act*, including:

General

- Corresponding with Alan Saskin, Ted Saskin, Davies Ward Phillips & Vineberg LLP ("Davies"), the Monitor's legal counsel, and WeirFoulds LLP, the Companies' legal counsel;
- Attending to banking activity, including reviewing the Companies' disbursements and signing all cheques;
- Corresponding with Guy Gissin, the Israeli Functionary Officer of Urbancorp Inc. (the "Foreign Representative"), appointed pursuant to an order of the District Court in Tel Aviv-Yafo (the "Israeli Court");
- Corresponding with Dentons LLP ("Dentons"), legal counsel to the Foreign Representative;
- Corresponding with Farber Financial Group ("Farber"), the financial advisor to the Foreign Representative;
- Reviewing translations of the Court materials filed by the Foreign Representative in the Israeli Court and dealing with Israeli counsel regarding same;
- Dealing with MNP LLP, the Companies' accountants, regarding preparing financial statements and tax returns for Urbancorp 60 St. Clair Inc. and Urbancorp (Downsview Park Developments) Inc. ("Downsview");
- Dealing with an HST audit for Urbancorp Cumberland 1 LP;

Kingsclub Project

- Reviewing a monthly financial report prepared by Finnegan Marshall Inc. regarding the Kingsclub project;
- Attending a Kingsclub project management meeting on December 1, 2017 at First Capital Realty Inc. ("First Capital") (the "December 1st Meeting");
- Preparing an internal memorandum regarding the December 1st Meeting;
- Attending a call on December 1, 2017 with Farber regarding the Kingsclub project;
- Preparing a Report to Court (to be finalized) to seek approval Amendment to the Standstill Agreement between Urbancorp New Kings Inc. and First Capital (and related entities);

Geothermal Assets

- Corresponding with Ted Saskin in order to remain apprised of the litigation surrounding the Companies' geothermal systems (the "Litigation");
- Attending a meeting on December 5, 2017 at Davies with The Fuller Landau Group Inc., the Court appointed Monitor of several entities in the Urbancorp Group, Ted Saskin and Alan Saskin to discuss the Litigation;
- Dealing with Ted Saskin regarding Urbancorp Renewable Power Inc. ("URPI") expenses and paying same;
- Corresponding with Beatty Geothermal Consulting ("Beatty"), a geothermal expert engaged by the Monitor to assist with the Litigation, including attending calls on December 1, 6, 9, 14, 18 and 19, 2018;
- Compiling documentation requested by Beatty;
- Arranging the installation of equipment required to monitor and track the temperature of the geothermal systems;
- Reviewing update reports from Beatty for each of the geothermal assets and corresponding with Beatty regarding same;

Downsview

- Corresponding with Mattamy Homes Inc. ("Mattamy") regarding a joint venture project between Downsview and Mattamy (the "Downsview Project");
- Corresponding with the Foreign Representative and its advisors regarding the Downsview Project;
- Attending calls on December 7, 13, and 14, 2017 with Farber regarding the Downsview Project;
- Attending a call on December 7, 2017 with Dentons regarding the Downsview project;

- Corresponding with Pelican Woodcliffe ("Pelican"), a cost consultant, regarding a financial audit to be performed by Pelican on the Downsview Project (the "Audit"), including attending calls on December 8, 11, 12, 13 and 15, 2017;
- Reviewing information provided by Mattamy regarding the Downsview Project and providing same to Farber;
- Reviewing and commenting on an engagement letter to retain Pelican to perform the Audit;
- Reviewing and commenting on an information request list prepared by Pelican in connection with the Audit;
- Corresponding with Cassels Brock & Blackwell LLP, counsel to Mattamy, regarding the Audit;
- Considering next steps regarding the Downsview Project;
- Attending a meeting on December 14, 2017 at Mattamy's office with Farber and Pelican;

Disputed Claims

- Dealing with Davies regarding a claim filed by Speedy Electrical Contractors Ltd. against King Residential Inc.;
- Corresponding with Davies regarding claims filed by two former employees of UTMI;
- Attending a call on December 4, 2017 with Davies to discuss a claim filed by one of the former employees;
- Attending a meeting on December 4, 2017 at Davies with counsel to one of the former employees to discuss her claim;
- Reviewing and commenting on draft Minutes of Settlement in connection with claims filed by Taron Warranty Corporation and discussing same with Davies;

Condominium Units

- Corresponding with representatives of Brad Lamb Realty Inc. regarding the sale of the condominium units ("Condos") held by King Residential Inc. and Urbancorp Residential Inc., including pricing and marketing issues, as well as negotiating sales of units;
- Corresponding with a representative from TD Bank, a mortgagee on several of the Condos, to provide updates on the status of the Condo sales;
- Executing closing documents in connection with the sale of Unit #316 at 170 Sudbury Street, Toronto ("Unit 316");
- Closing the transaction on December 7, 2017 for Unit 316;
- Executing closing documents in connection with the sale of Unit #2016 at 150 Sudbury Street, Toronto ("Unit 2016");
- Closing the transaction on December 15, 2017 for Unit 2016;

- Executing closing documents in connection with the sale of Unit #201 at 38 Joe Shuster Way, Toronto ("Unit 201");
- Closing the transaction on December 15, 2017 for Unit 201;
- Executing a mutual release dated December 6, 2017 for unit #202 at 38 Joe Shuster Way, Toronto ("Unit 202");
- Executing an Agreement of Purchase and Sale dated December 8, 2017 for Unit 202;
- Executing closing documents in connection with the sale of Unit 202;
- Closing the transaction on December 22, 2017 for Unit 202;
- Reviewing and negotiating eleven offers for unit #105 at 38 Joe Shuster Way, Toronto ("Unit 105");
- Executing an Agreement of Purchase and Sale dated December 18, 2017 for Unit 105; and
- Dealing with all other matters not otherwise referred to herein.

* * *

Total fees and disbursements per attached time summary	\$	58,076.25
HST		<u>7,549.91</u>
Total Due	\$	<u>65,626.16</u>

Schedule "A"

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.
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.

KSV Kofman Inc.
The Urbancorp Group
Time Summary

For the period ending December 31, 2017

Personnel	Role	Rate (\$)	Hours	Amount (\$)
Robert Kofman	Overall file management	695	28.25	19,633.75
Robert Harlang	Tax returns, Claims review	625	7.50	4,687.50
Noah Goldstein	All aspects of mandate	500	55.05	27,525.00
Other staff and administration			21.65	6,230.00
Total Fees			<u>112.45</u>	<u>58,076.25</u>

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF ROBERT KOFMAN

Sworn before me

this 18th day of January, 2018

A handwritten signature in black ink, appearing to read "Rajinder Kashyap", is written over a horizontal line.

Commissioner for taking Affidavits, etc

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.,
Trustee in Bankruptcy.
Expires April 11, 2018.**

Cumberland CCAA Entities
Schedule of Professionals' Time and Rates
For the Period from October 1, 2017 to December 31, 2017

Personnel	Title	Duties	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	Managing Director	Overall responsibility	116.60	695	81,037.00
Robert Harlang	Managing Director	Tax returns and claims process	23.00	625	14,375.00
Noah Goldstein	Sr. Manager	All aspects of mandate	216.30	500	108,150.00
Simon Thean	Accounting Manager	Banking activities	27.25	200	5,450.00
Raj Kashyap	Administrative Assistant	Interim distribution	22.75	150	3,412.50
Other staff and administrative	Various		25.75	100-450	11,205.00
Total fees					<u>223,629.50</u>
Total hours					431.65
Average hourly rate					\$ 518.08

Appendix “J”

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

**AFFIDAVIT OF
JAY A. SWARTZ**
(sworn January 18, 2018)

I, Jay A. Swartz, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am counsel with Davies Ward Phillips & Vineberg LLP ("**Davies**"), solicitors for KSV Kofman Inc. in its capacity as the court-appointed CCAA monitor (the "**Monitor**") of the Applicants and TCC/Urbancorp (Bay) Limited Partnership. As such, I have knowledge of the matters deposed to herein.


2. This affidavit is sworn in support of a motion to be made in these proceedings seeking, among other things, approval of the fees and disbursements of Davies for the period from October 1, 2017 to December 31, 2017 (the "**Period**"). There may be additional time for this Period which has been accrued but not yet billed.

3. During the Period, Davies has provided services and incurred disbursements in the amounts of \$71,136.00 and \$105.60, respectively (each excluding harmonized sales tax ("HST")).

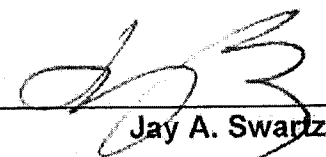
4. A billing summary of all invoices rendered by Davies during the Period is attached hereto as Exhibit "A". A summary of the hourly rates of each person who rendered services, the total time expended by such person and the aggregate blended rate of all professionals at Davies who rendered services on this matter is attached hereto as Exhibit "B". Copies of the actual invoices are attached hereto as Exhibit "C". The invoices disclose in detail: (i) the names of each person who rendered services on this matter during the Period; (ii) the dates on which the services were rendered; (iii) the time expended each day; and (iv) the total charges for each of the categories of services rendered during the Period.

5. I have reviewed the Davies invoices and believe that the time expended and the legal fees charged are reasonable in light of the services performed and the prevailing market rates for legal services of this nature in downtown Toronto.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario
on January 18, 2018.



Commissioner for taking affidavits
Robin B. Schwill



Jay A. Swartz

This is Exhibit "A"
referred to in the Affidavit of
Jay A. Swartz sworn before me
this 18th day of January, 2018.

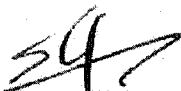


Commissioner for Taking Affidavits

EXHIBIT A
BILLING SUMMARY

Invoice Date	Invoice Period	Fees	Disbursements	HST	Total
November 6, 2017	October 2, 2017 – October 31, 2017	\$68,194.50	\$62.70	\$8,873.44	\$77,130.64
December 6, 2017	November 10, 2017 – November 30, 2017	\$2,700.00	\$39.00	\$356.07	\$3,095.07
January 9, 2018	December 19, 2017 – December 31, 2017	\$241.50	\$3.90	\$31.91	\$ 277.31
TOTALS		\$71,136.00	\$105.60	\$9,261.42	\$80,503.02

This is Exhibit "B"
referred to in the Affidavit of
Jay A. Swartz sworn before me
this 18th day of January, 2018.



Commissioner for Taking Affidavits

EXHIBIT B

SUMMARY OF BILLING RATES AND HOURS EXPENDED

Individual	Rate (\$/hr)	Total Hours	Year of Call
Robin Schwill	\$950.00	25.90	Ontario, 1996
James Doris	\$900.00	6.80	Ontario, 1992
Anthony Alexander	\$805.00	50.20	Ontario, 1994
Total Hours	82.90		
Blended Hourly Rate	\$858.09		

This is Exhibit "C"
referred to in the Affidavit of
Jay A. Swartz sworn before me
this 18th day of January, 2018.



Commissioner for Taking Affidavits



155 Wellington Street West
Toronto ON M5V 3J7
dwpv.com

November 6, 2017

Bill No. 596004

File No. 257340

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

Attention: Robert Kofman

Urbancorp (Bridlepath) Inc. and Urbancorp (Woodbine) Inc.

Period: October 2, 2017 to October 31, 2017

FOR PROFESSIONAL SERVICES rendered during the above-noted period in connection with the above-noted matter as set out in the attached account summary.

OUR FEE	\$ 68,194.50
DISBURSEMENTS (TAXABLE)	62.70
SUBTOTAL	<u>68,257.20</u>
HST @ 13%	8,873.44
TOTAL	<u><u>\$ 77,130.64</u></u>

In accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

Any disbursements incurred on your behalf and not charged to your account on the date of this statement will be billed later.

Payment can be wired as follows:

Canadian Dollars	US Dollars Pay by SWIFT MT 103
BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9 BANK # TRANSIT # ACCOUNT # CIBC SWIFT CODE 010 00002 29-09219 CIBCCATT BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP Canadian General Account	REMIT TO AGENT BANK - INTERMEDIARY BANK Wells Fargo Bank, N.A., 375 Park Avenue, New York, NY 4080 BIC/SWIFT ABA/ROUTING # CHIPS CIBC's CHIPS UID PNBPU33NNYC 026 005 092 0509 015035 BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9 BANK # TRANSIT # ACCOUNT # CIBC SWIFT CODE 010 00002 02-10714 CIBCCATT BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP US General Account
<i>As wire fees may be charged by the source bank, it may be advisable to instruct your bank to debit your account for these additional charges.</i>	

Please include file number as reference on transfer documents.

If you require further information, please contact David Neal, Collections Supervisor at 416.367.6950 or by e-mail at DNeal@dwpv.com.

Please see important terms of client service, including file retention and disposal policy, on our website, <http://www.dwpv.com/ServiceTerms>.

URBANCORP (BRIDLEPATH) INC. AND URBANCORP (WOODBINE) INC.

TIME DETAIL			
Date	Timekeeper	Description	Hours
02/Oct/17	Anthony Alexander	Exchange of communications with R. Schwill regarding preparation of written materials for pending motion; confer with J. Doris regarding same; receive and review fact-based submissions prepared by J. Doris; construct legal arguments, based on the BIA, the FCA, the OBCA and possibly the APA, for inclusion in factum.	2.70
03/Oct/17	Robin Schwill	Reading case law on "good consideration" under Fraudulent Conveyances Act; e-mail exchanges with Tony Alexander regarding same and as to factum; reviewing 10th Report.	2.70
03/Oct/17	Anthony Alexander	Meet with R. Schwill to discuss Monitor's position rebutting arguments predicted to be made by TFCC at pending motion; exchange of substantive communications with R. Schwill and J. Doris identifying and assessing positive and negative authorities regarding same; formulate legal arguments, identify and collect optimal supportive authorities, and draft written submissions regarding same.	9.40
04/Oct/17	Anthony Alexander	Continue to refine arguments to be made at pending motion; draft, review and revise written materials regarding same.	3.40
05/Oct/17	Robin Schwill	Conference call with counsel to the Israeli Functionary and TFCC regarding possible settlement of claims; related e-mail exchanges.	1.00
05/Oct/17	Anthony Alexander	Continue to draft, review and revise motion materials defending Monitor's disallowance of TFCC claims (based on the OBCA, the BIA, the FCA and possibly the APA) in upcoming proceeding.	6.90
06/Oct/17	Robin Schwill	E-mail exchanges regarding TFCC settlement issues; e-mails regarding factum.	1.20
06/Oct/17	Anthony Alexander	Receive and review motion materials filed by TFCC; exchange of communications with R. Schwill regarding same; continue to draft responding submissions addressing the BIA, FCA and OBCA for inclusion in motion factum.	6.10
07/Oct/17	Robin Schwill	Reviewing TFCC's factum.	0.40
08/Oct/17	Anthony Alexander	Exchange of communications with J. Doris regarding finalization of motion materials; continue to revise and restructure factum.	2.10
08/Oct/17	James Doris	Emails to and from R. Schwill and A. Alexander regarding disallowance motion.	0.30
09/Oct/17	Robin Schwill	E-mails regarding TFCC factum questions and arguments.	0.50
09/Oct/17	Anthony Alexander	Exchange of multiple substantive communications with R. Schwill regarding issues to be addressed in factum; continue to expand and refine legal analysis and to draft and revise written submissions regarding same.	7.70
10/Oct/17	Anthony Alexander	Finalize factum, in draft form, and circulate to R. Schwill and J. Doris for their review; work with J. Doris to integrate factual and legal submissions regarding same, and to shorten factum; exchange of communications with J. Doris and with R. Schwill regarding same.	6.30
10/Oct/17	James Doris	Review draft law section of factum; emails to and from A. Alexander regarding comments.	0.50

TIME DETAIL

Date	Timekeeper	Description	Hours
11/Oct/17	Robin Schwill	Discussions with Jim Doris and Tony Alexander regarding TFCC motion factum; reviewing and revising same; telephone conversation with counsel to TFCC regarding possible adjournment request; telephone conversation with counsel to Israeli Functionary regarding same; drafting reporting e-mail regarding same; drafting reply e-mail to Alan Saskin regarding adjournment request; related e-mail exchanges.	6.90
11/Oct/17	Anthony Alexander	Continue to review and revise factum to reduce it to permitted length; exchange of communications with, and meeting with, R. Schwill and J. Doris to discuss a refined version of factum and legal submissions; revise and restructure legal arguments, and circulate to R. Schwill and J. Doris for their review; receive and review factual submissions redrafted by J. Doris; annotate same with proposed changes, and circulate to R. Schwill and J. Doris for their review; brief meeting with J. Doris and exchange of communications with R. Schwill regarding potential settlement of motion.	3.90
11/Oct/17	James Doris	Meet with R. Schwill and A. Alexander regarding factum; revise first half of factum; emails to and from A Alexander regarding factum.	3.00
12/Oct/17	Robin Schwill	Reviewing and revising draft factum; telephone conversation with counsel to TFCC and Israeli Functionary regarding settlement and adjournment; drafting letter agreement regarding same; related e-mail exchanges.	6.20
12/Oct/17	Anthony Alexander	Receive, review and provide substantive comments on redrafted and restructured version of factual submissions prepared by R. Schwill for incorporation into factum; confer with J. Doris and continue to revise factum; receive and review communication from R. Schwill announcing adjournment of pending motion.	1.40
13/Oct/17	Robin Schwill	Drafting adjournment letter agreement; multiple e-mails regarding same; drafting note to judge regarding adjournment; e-mail exchanges regarding same; telephone conversation with counsel to Israeli Functionary regarding letter agreement; drafting revised adjournment letter agreement.	3.00
16/Oct/17	Robin Schwill	Finalizing adjournment letter agreement; telephone conversation with counsel to the Israeli Functionary regarding same; drafting e-mail to judge regarding same; related e-mail exchanges.	0.70
24/Oct/17	Robin Schwill	Finalizing motion records and court report; serving same; finalizing affidavits of service; coordinating filing of materials with the Court; related e-mail exchanges; finalizing draft orders.	3.30
TOTAL HOURS			79.60
FEES:			\$68,194.50

TIMEKEEPER SUMMARY

Timekeeper	Rate	Hours	Amount
James Doris	900.00	3.80	3,420.00
Robin Schwill	950.00	25.90	24,605.00
Anthony Alexander	805.00	49.90	40,169.50
TOTAL		79.60	68,194.50

DISBURSEMENT SUMMARY

	Amount
Taxable	
Photocopy - Internal	19.80
Lasercopy	42.90
TOTAL	62.70

Tot#: 3698819.1



155 Wellington Street West
Toronto ON M5V 3J7
dwpv.com

December 6, 2017

Bill No. 598060

File No. 257340

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

Attention: Robert Kofman

Urbancorp (Bridlepath) Inc. and Urbancorp (Woodbine) Inc.

Period: November 10, 2017 to November 30, 2017

FOR PROFESSIONAL SERVICES rendered during the above-noted period in connection with the above-noted matter as set out in the attached account summary.

OUR FEE	\$ 2,700.00
DISBURSEMENTS (TAXABLE)	39.00
SUBTOTAL	<u>2,739.00</u>
HST @ 13%	356.07
TOTAL	<u><u>\$ 3,095.07</u></u>

GST/HST No. R118882927

PER 
DAVIES WARD PHILLIPS & VINEBERG LLP

In accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

Any disbursements incurred on your behalf and not charged to your account on the date of this statement will be billed later.

Payment can be wired as follows:

Canadian Dollars				US Dollars Pay by SWIFT MT 103			
BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9				REMIT TO AGENT BANK - INTERMEDIARY BANK Wells Fargo Bank, N.A., 375 Park Avenue, New York, NY 4080			
BANK # 010	TRANSIT # 00002	ACCOUNT # 29-09219	CIBC SWIFT CODE CIBCCATT	BIC/SWIFT PNBPUS3N NYC	ABA/ROUTING # 026 005 092	CHIPS 0509	CIBC's CHIPS UID 015035
BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP Canadian General Account				BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9			
BANK # 010	TRANSIT # 00002	ACCOUNT # 02-10714	CIBC SWIFT CODE CIBCCATT	BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP US General Account			
As wire fees may be charged by the source bank, it may be advisable to instruct your bank to debit your account for these additional charges.							

Please include file number as reference on transfer documents.

If you require further information, please contact David Neal, Collections Supervisor at 416.367.6950 or by e-mail at DNeal@dwpv.com.

Please see important terms of client service, including file retention and disposal policy, on our website, <http://www.dwpv.com/ServiceTerms>.

URBANCORP (BRIDLEPATH) INC. AND URBANCORP (WOODBINE) INC.

TIME DETAIL

Date	Timekeeper	Description	Hours
10/Nov/17	James Doris	Meet with R Schwill and A Alexander re factum; revise overview and facts section of factum.	3.00
TOTAL HOURS			3.00
FEES:			\$2,700.00

TIMEKEEPER SUMMARY

Timekeeper	Rate	Hours	Amount
James Doris	900.00	3.00	2,700.00
TOTAL		3.00	2,700.00

DISBURSEMENT SUMMARY

	Amount
Taxable Lasercopy	39.00
TOTAL	39.00



155 Wellington Street West
Toronto ON M5V 3J7
dwpv.com

January 9, 2018

Bill No. 599982
File No. 257340

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

Attention: Robert Kofman

Urbancorp (Bridlepath) Inc. and Urbancorp (Woodbine) Inc.

Period: December 19, 2017 to December 31, 2017

FOR PROFESSIONAL SERVICES rendered during the above-noted period in connection with the above-noted matter as set out in the attached account summary.

OUR FEE	\$ 241.50
DISBURSEMENTS (TAXABLE)	3.90
SUBTOTAL	<u>245.40</u>
HST @ 13%	31.91
TOTAL	<u><u>\$ 277.31</u></u>

In accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

Any disbursements incurred on your behalf and not charged to your account on the date of this statement will be billed later.

Payment can be wired as follows:

Canadian Dollars				US Dollars Pay by SWIFT MT 103			
BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9				REMIT TO AGENT BANK - INTERMEDIARY BANK Wells Fargo Bank, N.A., 375 Park Avenue, New York, NY 4080			
BANK # 010	TRANSIT # 00002	ACCOUNT # 29-08219	CIBC SWIFT CODE CIBCCATT	BIC/SWIFT PNBPUS3NYYC	ABA/ROUTING # 026 005 092	CHIPS 0509	CIBC's CHIPS UID 015035
BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP Canadian General Account				BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9			
BANK # 010	TRANSIT # 00002	ACCOUNT # 02-10714	CIBC SWIFT CODE CIBCCATT	BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP US General Account			
As wire fees may be charged by the source bank, it may be advisable to instruct your bank to debit your account for these additional charges.							

Please include file number as reference on transfer documents.

If you require further information, please contact David Neal, Collections Supervisor at 416.367.6950 or by e-mail at DNeal@dwpv.com.

Please see important terms of client service, including file retention and disposal policy, on our website, <http://www.dwpv.com/ServiceTerms>.

URBANCORP (BRIDLEPATH) INC. AND URBANCORP (WOODBINE) INC.

TIME DETAIL

Date	Timekeeper	Description	Hours
19/Dec/17	Anthony Alexander	Exchange of communications with R. Schwill and J. Doris regarding the revival of motion challenging rejection of Terra Firma claim; review previously prepared draft factum regarding same.	0.30
TOTAL HOURS			0.30
FEES:			\$241.50

TIMEKEEPER SUMMARY

Timekeeper	Rate	Hours	Amount
Anthony Alexander	805.00	0.30	241.50
TOTAL		0.30	241.50

DISBURSEMENT SUMMARY

	Amount
Taxable	
Lasercopy	3.90
TOTAL	3.90

Tor#: 3744363.1

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY
(PROCEEDING COMMENCED AT TORONTO)

AFFIDAVIT OF JAY A. SWARTZ

DAVIES WARD PHILLIPS & VINEBERG LLP
155 WELLINGTON STREET WEST
TORONTO, ON M5V 3J7

Robin B. Schwill (LSUC #384521)
Jay A. Swartz (LSUC #: 15417L)
Tel: 416.863.0900
Fax: 416.863.0871

Lawyers for the Monitor

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 DEVELOPMENTS INC., URBANCORP (952 QUEEN WEST) INC., KING RESIDENTIAL INC., URBANCORP NEW KINGS INC., URBANCORP 60 ST. CLAIR INC., HIGH RES.INC., BRIDGE ON KING INC. (THE "APPLICANTS") AND THE AFFILIATED ENTITIES LISTED IN SCHEDULE "A" HERETO

**AFFIDAVIT OF
JAY A. SWARTZ**
(sworn January 18, 2018)

I, Jay A. Swartz, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am counsel with Davies Ward Phillips & Vineberg LLP ("**Davies**"), solicitors for KSV Kofman Inc. in its capacity as the court-appointed CCAA monitor (the "**Monitor**") of Urbancorp Toronto Management Inc., Urbancorp (St. Clair Village) Inc., Urbancorp (Patricia) Inc., Urbancorp (Mallow) Inc., Urbancorp (Lawrence) Inc., Urbancorp Downsview Park Developments Inc., Urbancorp (952 Queen West) Inc., King Residential Inc., Urbancorp New Kings Inc., Urbancorp 60 St. Clair Inc., High Res. Inc., Bridge On King Inc. and their affiliates listed in Schedule A hereto. As such, I have knowledge of the matters deposed to herein.

2. This affidavit is sworn in support of a motion to be made in these proceedings seeking, among other things, approval of the fees and disbursements of Davies for the period from October 1, 2017 to December 31, 2017 (the "**Period**"). There may be additional time for this Period which has been accrued but not yet billed. These accounts include some time from a prior period not referred to in our prior accounts.

3. During the Period, Davies has provided services and incurred disbursements in the amounts of \$298,958.50 and \$4,899 .06, respectively (each excluding harmonized sales tax ("**HST**")).

4. A billing summary of all invoices rendered by Davies during the Period is attached hereto as Exhibit "A". A summary of the hourly rates of each person who rendered services, the total time expended by such person and the aggregate blended rate of all professionals at Davies who rendered services on this matter is attached hereto as Exhibit "B". Copies of the actual invoices are attached hereto as Exhibit "C". The invoices disclose in detail: (i) the names of each person who rendered services on this matter during the Period; (ii) the dates on which the services were rendered; (iii) the time expended each day; and (iv) the total charges for each of the categories of services rendered during the Period.

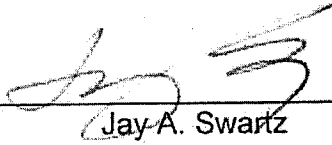
5. I have reviewed the Davies invoices and believe that the time expended and the legal fees charged are reasonable in light of the services performed and the prevailing market rates for legal services of this nature in downtown Toronto.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario
on January 18, 2018.



Commissioner for taking affidavits

Robin B. Schwill



Jay A. Swartz

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.

This is Exhibit "A"
referred to in the Affidavit of
Jay A. Swartz sworn before me
this 18th day of January, 2018.



Commissioner for Taking Affidavits

EXHIBIT A
BILLING SUMMARY

Invoice Date	Invoice Period	Fees	Disbursements	HST	Total
November 6, 2017	October 2, 2017 – October 31, 2017	\$91,699.50	\$1,316.17	\$12,050.44	\$105,066.11
December 6, 2017	November 1, 2017 – November 30, 2017	\$119,247.00	\$2,327.14	\$15,783.83	\$137,357.97
January 9, 2018	December 1, 2017 – December 31, 2017	\$88,012.00	\$1,255.75	\$11,604.81	\$100,872.56
TOTALS		\$298,958.50	\$4,899.06	\$39,439.08	\$343,296.64

This is Exhibit "B"
referred to in the Affidavit of
Jay A. Swartz sworn before me
this 18th day of January, 2018.



Commissioner for Taking Affidavits

EXHIBIT B

SUMMARY OF BILLING RATES AND HOURS EXPENDED

Individual	Rate (\$/hr)	Total Hours	Year of Call
Jay Swartz	\$1,025.00	1.80	Ontario, 1973
Robin Schwill	\$950.00	197.10	Ontario, 1996
Natasha MacParland	\$880.00	52.70	Ontario, 1999
Steven Willard	\$805.00	13.00	Ontario, 1999
Matthew Milne-Smith	\$900.00	0.30	Ontario, 2001
Stephanie Ben-Ishai	\$680.00	16.50	Ontario, 2002
Paul Lamarre	\$900.00	3.90	Ontario, 2003
David Reiner	\$735.00	0.80	Ontario, 2008
Jesse Mighton	\$605.00	22.70	Ontario, 2012
Suraj Rammohan	\$475.00	4.40	Ontario, 2015
Jerry O'Young	\$295.00	9.00	Articling Student
Ruth Oseida	\$350.00	52.70	Law Clerk
Lisa Hughes	\$390.00	0.20	Law Clerk
Eric Leduc	\$195.00	0.50	Staff
Total Hours	375.60		
Blended Hourly Rate	\$795.95		

This is Exhibit "C"
referred to in the Affidavit of
Jay A. Swartz sworn before me
this 18th day of January, 2018.



Commissioner for Taking Affidavits



155 Wellington Street West
Toronto ON M5V 3J7
dwpv.com

November 6, 2017

Bill No. 596002

File No. 256201

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9


Attention: Robert Kofman

URBANCORP

Period: October 2, 2017 to October 31, 2017

FOR PROFESSIONAL SERVICES rendered during the above-noted period in connection with the above-noted matter as set out in the attached account summary.

OUR FEE	\$ 91,699.50
DISBURSEMENTS (TAXABLE)	996.17
DISBURSEMENTS (NON-TAXABLE)	320.00
SUBTOTAL	<u>93,015.67</u>
HST @ 13%	12,050.44
TOTAL	<u><u>\$ 105,066.11</u></u>

PER 
DAVIES WARD PHILLIPS & VINEBERG LLP

In accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

Any disbursements incurred on your behalf and not charged to your account on the date of this statement will be billed later.

Payment can be wired as follows:

Canadian Dollars				US Dollars Pay by SWIFT MT 103			
BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9				REMIT TO AGENT BANK - INTERMEDIARY BANK Wells Fargo Bank, N.A., 375 Park Avenue, New York, NY 4080			
BANK #	TRANSIT #	ACCOUNT #	CIBC SWIFT CODE	BIC/SWIFT	ABA/ROUTING #	CHIPS	CIBC's CHIPS UID
D10	00002	29-09219	CIBCCATT	PNBPUS3N NYC	026 005 092	0509	015035
BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP Canadian General Account				BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9			
BANK #	TRANSIT #	ACCOUNT #	CIBC SWIFT CODE	BANK #	TRANSIT #	ACCOUNT #	CIBC SWIFT CODE
D10	00002	02-10714	CIBCCATT	010	00002	02-10714	CIBCCATT
BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP US General Account				BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP US General Account			
As wire fees may be charged by the source bank, it may be advisable to instruct your bank to debit your account for these additional charges.							

Please include file number as reference on transfer documents.

If you require further information, please contact David Neal, Collections Supervisor at 416.367.6950 or by e-mail at DNeal@dwpv.com.

Please see important terms of client service, including file retention and disposal policy, on our website, <http://www.dwpv.com/ServiceTerms>.

URBANCORP

TIME DETAIL			Hours
Date	Timekeeper	Description	
02/Oct/17	Robin Schwill	Drafting revisions to Taron settlement agreements; related e-mail exchanges; attending on conference call with counsel to Israeli Functionary regarding Downsview; drafting e-mail to counsel to Mattamy regarding same; related e-mail exchanges; e-mails regarding TFCC motion.	3.90
03/Oct/17	Robin Schwill	Reviewing geothermal litigation materials; reviewing Israeli orders and motions regarding Israeli plan approval; booking stay extension court time; related e-mail exchanges.	2.30
04/Oct/17	Ruth Oseida	Re: Suite 106-170 Sudbury Street; receipt of e-mail from client and agent about adding parking and locker unit to this purchase agreement; revisit vesting order; prepare response to client advising parking unit and locker unit have individual parcel identifier numbers neither of which are currently included in the current version of the vesting order cc S. Willard; conduct search on city website and determine residential unit is assessed with parking and locker units; advise S. Willard; pull parking and locker unit and provide to S. Willard; request for all PINS for Urbancorp Residential Inc. and King Residential Inc.; regarding search e-mails to find September 15, 2017 e-mail to R. Schwill and S. Willard providing copies in zip folders of all PINS and charts identifying all encumbrances from all PINS; seek further instructions; review of vesting order as against units sold; prepare further e-mail to R. Schwill to confirm which units have been sold by KSV.	1.00
04/Oct/17	Robin Schwill	Reviewing e-mails regarding parking and locker units for King Residential Inc. and Urbancorp Residential Inc.	0.20
04/Oct/17	Steven Willard	Reviewing and replying to various emails; office conference with Ruth Oseida.	1.10
05/Oct/17	Robin Schwill	Reviewing geothermal litigation material.	4.40
05/Oct/17	Steven Willard	Reviewing amendments to purchaser's agreement; contacting purchaser's lawyer.	0.80
05/Oct/17	Ruth Oseida	Re: Suite 1002-38 Joe Shuster Way; assembling materials for sale documents; prepare email to client to provide all sale documents.	0.30
05/Oct/17	Ruth Oseida	Re: Suite 101-170 Sudbury Street; assemble materials for sale documents; prepare email to client to provide complete package of sale documents.	0.30
09/Oct/17	Robin Schwill	Reviewing geothermal litigation materials.	1.00
10/Oct/17	Robin Schwill	Reviewing geothermal litigation material; drafting reporting e-mail regarding same; e-mail exchange regarding Taron settlement documents and interest claim.	3.80
10/Oct/17	Jesse Mighton	Email correspondence regarding Dolvin claim.	0.40
12/Oct/17	Ruth Oseida	Re: Suite 430-150 Sudbury Street; receipt and review of purchase agreement; prepare email to agent to inquire as to name of purchaser's counsel; prepare email to agent to inquire as to status certificate; request tax certificate online City of Toronto; receipt and review of status certificate; prepare email to purchaser's counsel to provide amended and restated vesting order; receipt and review of status certificate and note arrears; prepare email to client to inquire as to arrears; instructions to assistant to prepare standard form of sale documents for this unit.	1.20

TIME DETAIL			
Date	Timekeeper	Description	Hours
13/Oct/17	Ruth Oseida	Re: Suite 430-150 Sudbury; receipt of email from client and responding to same.	0.20
15/Oct/17	Robin Schwill	Reviewing Israeli motion documents; related e-mail exchange.	0.40
16/Oct/17	Robin Schwill	Reviewing e-mail regarding Mattamy waterfall; related e-mail exchanges; drafting engagement letter for geothermal consulting expert; related e-mail exchanges; e-mails regarding parking and locker units; telephone conversation with Noah Goldstein regarding same.	2.40
16/Oct/17	Ruth Oseida	Re Suite 430-150 Sudbury Street; receipt of email from client to confirm instructions for tax arrears; complete adjustments; instructions to assistant to scan in materials; prepare email to purchaser's counsel to provide draft sale documentation; receipt of email from purchaser's solicitor regarding application for vesting order; message application for vesting order to purchaser's counsel; confirm by email to purchaser's counsel.	0.80
16/Oct/17	Ruth Oseida	Receipt of email from R. Schwill regarding King Residential Inc. PINS and encumbrance chart; responding to R. Schwill and provide further copy of September 15, 2017 email and request further instructions.	0.30
16/Oct/17	Jay Swartz	Review email regarding Downsview and related report of Functionary.	0.30
17/Oct/17	Ruth Oseida	Telephone call from client regarding chart of parking and locker units for King Residential Inc.	0.20
17/Oct/17	Robin Schwill	Telephone conversation with Noah Goldstein regarding Mattamy waterfall; e-mail exchanges regarding geothermal assets; reviewing Mattamy waterfall agreements.	1.20
17/Oct/17	Natasha MacParland	Engaged regarding Han claim; discussions with counsel to Han; discussions with Richter.	1.20
18/Oct/17	Robin Schwill	E-mail exchanges regarding geothermal expert; e-mail exchanges regarding Downsview waterfall; reviewing parking and locker unit schedules to vesting order; drafting vesting order; related e-mail exchanges.	0.80
18/Oct/17	Ruth Oseida	Re: Suite 430-150 Sudbury; receipt of e-mail from purchaser's counsel regarding title instructions and date of birth; insertion of date of birth into application for vesting order and message to purchaser's counsel.	0.20
19/Oct/17	Robin Schwill	Drafting parking/locker units vesting order and related schedule; related e-mail exchanges; telephone conversation with Noah Goldstein regarding draft report; reviewing and commenting on Dolvin claim e-mail; engaged regarding fee affidavits.	3.00
19/Oct/17	Jesse Mighton	Draft email summary of Dolvin claim; email correspondence regarding same.	1.40
19/Oct/17	Ruth Oseida	Request for revisions to parking/locker/bike unit charts; revisions to charts to add schedules for encumbrances to be expunged; instructions to assistant to reformat and check numbering and indentation; further requests assistant to make revisions; review of revisions; assemble charts and prepare e-mail to R. Schwill and S. Willard to provide updated charts and commentary.	1.80
19/Oct/17	Natasha MacParland	Engaged regarding outstanding claims; discussions with Robin Schwill and Jesse Mighton; engaged regarding Dolvin.	2.20

TIME DETAIL

Date	Timekeeper	Description	Hours
19/Oct/17	Suraj Rammohan	Reviewed term sheet and drafted General Security Agreement between Urbancorp Cumberland I LP and Urbancorp Renewal Power Inc.; revised draft Promissory Note based on term sheet.	4.20
20/Oct/17	Robin Schwill	Drafting Additional Vesting Order; drafting Ancillary Matters Order; drafting motion records and notices of motion; reviewing and commenting on URPI term sheet; telephone conversation with Noah Goldstein regarding Monitor's Report; e-mail exchanges regarding Dolvin claim; drafting e-mail to counsel to Israeli Functionary regarding meeting with Mattamy; related e-mail exchanges.	5.90
20/Oct/17	Natasha MacParland	Engaged regarding disputed claims; discussions with Jesse Mighton; discussions with Robin Schwill.	1.00
20/Oct/17	Suraj Rammohan	Revised draft GSA between Urbancorp Renewal Power Inc. and Urbancorp Cumberland I LP.	0.20
21/Oct/17	Robin Schwill	Reviewing and commenting on Monitor's report; drafting motion materials and drafting orders; related e-mail exchanges.	3.80
22/Oct/17	Robin Schwill	Reviewing and revising motion materials and court report; e-mail exchanges regarding URPI term sheet.	1.00
23/Oct/17	Robin Schwill	Drafting and revising motion record materials; reviewing and commenting on draft court reports; related e-mail exchanges; telephone conversation with counsel to Israeli Functionary regarding fee request and Downsview project; telephone conversation with counsel to Mattamy regarding Downsview Project; telephone conversation with Bobby Kofman regarding same.	5.50
23/Oct/17	Ruth Oseida	Suite 430-150 Sudbury Street; receipt of e-mail from purchaser's counsel regarding purchaser documentation; respond to same; assemble sale documents; prepare e-mail to client to provide sale documents to be signed;	0.50
23/Oct/17	Ruth Oseida	Re: Suite 416-38 Joe Shuster Way - Closed: August 22, 2017; receipt of e-mail from purchaser's counsel providing a form of undertaking and requesting we sign; instructions to assistant to find file and scan in registered application for vesting order; revisit vesting order; draft response to purchaser's counsel reminding them they acquired title by vesting order and all encumbrances they have noted on their undertaking were expunged by virtue of said vesting order.	0.50
23/Oct/17	Steven Willard	Review and reply to various emails.	0.30
24/Oct/17	Jay Swartz	Review court materials and discussion with R. Schwill.	0.50
24/Oct/17	Robin Schwill	Finalizing motion records and court report; serving same; finalizing affidavits of service; coordinating filing of materials with the Court; related e-mail exchanges; finalizing draft orders.	3.30
24/Oct/17	Natasha MacParland	Engaged regarding disputed claims; discussions with Robin Schwill.	1.00
25/Oct/17	Ruth Oseida	RE: Suite 430-150 Sudbury Street; receipt of signed PDF documents from client; prepare e-mail to purchaser's counsel to provide sale documents in escrow and provide commentary regarding closing.	0.20

TIME DETAIL

Date	Timekeeper	Description	Hours
25/Oct/17	Robin Schwill	Reviewing Israeli Functionary motion materials; telephone calls with counsel to Israeli Functionary regarding same; discussion with Jay Swartz regarding fee relief requested; related e-mail exchanges; telephone conversation with Bobby Kofman regarding fee relief issues and considerations in Cumberland 1 estate; reviewing fee reserve analysis and related e-mail exchanges; reviewing motion records for stay extension.	6.40
25/Oct/17	Lisa Hughes	Review email request received and respond with relevant information as required.	0.20
25/Oct/17	Steven Willard	Review and reply to various emails.	0.40
25/Oct/17	Jesse Mighton	Review term sheet regarding URPI secured loan; draft promissory note and general security agreement regarding same; internal meetings regarding same.	2.10
26/Oct/17	Robin Schwill	Meeting with geothermal expert; telephone conversation with Bobby Kofman and Noah Goldstein regarding reply to Israeli Functionary e-mail; drafting reply; reviewing revisions to same; preparations for stay extension motions and related relief.	5.00
26/Oct/17	Ruth Oseida	Re: Suite 430-150 Sudbury; receipt of e-mail from purchaser's counsel regarding common expense arrears; review of statement of adjustments and respond to purchaser's counsel that credit has been provided for same and they should pay.	0.20
27/Oct/17	Steven Willard	Attend to closing issues.	0.40
27/Oct/17	Robin Schwill	Drafting e-mail to Mr. Justice Myers regarding materials; multiple telephone calls and e-mails regarding URPI Loan, Fee Payment Motion and Downsview and as to organizing Monday's hearing; reviewing responding Motion Record of the Israeli Functionary; telephone conversation with Bobby Kofman regarding same; reviewing draft supplemental report; related e-mail exchanges; finalizing order for Monday's hearing.	4.80
27/Oct/17	Ruth Oseida	Re: Suite 430-150 Sudbury Street; prepare e-mail to purchaser's counsel to inquire as to status of funds and documents; receipt of e-mail with copy of cheque - incorrect cheque; prepare e-mail to purchaser's counsel to inquire as to missing document and erroneous cheque; receipt of further e-mail with copy of correct certified cheque and missing document; receipt of package of documents and review of same; scan signed Monitor's Certificate and Amended and Restated Vesting Order; prepare e-mail to purchaser's counsel to provide; upload signed Monitor's Certificate and Amended and Restated Vesting Order to Application for Vesting Order and provide instructions to purchaser's counsel to register; inquire as to status of registration; receipt of registered Application for Vesting Order; prepare e-mail to real estate agent to release keys; draft letter to client regarding funds and closing.	1.70
27/Oct/17	Jesse Mighton	Receive and review draft URPI GSA.	0.60
27/Oct/17	Natasha MacParland	Numerous emails.	0.60
29/Oct/17	Robin Schwill	Reviewing court materials and drafting notes for oral submissions for Oct. 30 hearing.	4.00
30/Oct/17	Ruth Oseida	Re: Suite 430-150 Sudbury; internal follow up to confirm client funds delivered; drafting letter to Tax Department regarding change of ownership.	0.30

TIME DETAIL

Date	Timekeeper	Description	Hours
30/Oct/17	Robin Schwill	Preparing for and attending at court for stay extension and ancillary matters hearing; attending to having orders issued and entered and distributed to service list; telephone conversation with counsel to Mattamy regarding Downsview potential motion; reviewing Kings Club Standstill Agreement and Co-ownership Agreement; telephone conversation with Bobby Kofman regarding same; attending meeting at First Capital regarding Kings Club and cost increase review.	7.30
30/Oct/17	Jay Swartz	Review orders and discussions with R. Schwill.	0.20
30/Oct/17	Steven Willard	Reviewing revised order.	0.50
30/Oct/17	Natasha MacParland	Engaged regarding Speedy Electric claim; engaged regarding Han claim; numerous telephone calls and emails with counsel.	1.30
31/Oct/17	Robin Schwill	Drafting supplemental report regarding URPI loan, Downsview and Israeli Functionary professional fee payment issue; related e-mail exchanges; draft factum regarding same.	5.60
31/Oct/17	Natasha MacParland	Engaged regarding Han claim; discussions with Derek Ketelaars.	1.00
TOTAL HOURS			107.60
FEES:			\$91,699.50

TIMEKEEPER SUMMARY

Timekeeper	Rate	Hours	Amount
Jay Swartz	1,025.00	1.00	1,025.00
Natasha MacParland	880.00	8.30	7,304.00
Robin Schwill	950.00	76.00	72,200.00
Steven Willard	805.00	3.50	2,817.50
Jesse Mighton	620.00	4.50	2,790.00
Suraj Rammohan	475.00	4.40	2,090.00
Lisa Hughes	390.00	0.20	78.00
Ruth Oseida	350.00	9.70	3,395.00
TOTAL		107.60	91,699.50

DISBURSEMENT SUMMARY

	Amount
Non-Taxable	320.00
Notice of Motion	
Taxable	143.25
Photocopy - Internal	415.35
Lasercopy	16.00
Mailroom Deliveries	1.64
Postage	174.15
Scancopy	

DISBURSEMENT SUMMARY

	11.50
Binding & Stationery - In House	103.30
Teraview Searches	65.00
Process Servers	65.98
Tax Certificate	
TOTAL	1,316.17

Tor#: 3698817.1



155 Wellington Street West
Toronto ON M5V 3J7
dwpv.com

December 6, 2017

Bill No. 598046

File No. 256201

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

Attention: Robert Kofman


URBANCORP

Period: November 1, 2017 to November 30, 2017

FOR PROFESSIONAL SERVICES rendered during the above-noted period in connection with the above-noted matter as set out in the attached account summary.

OUR FEE	\$ 119,247.00
DISBURSEMENTS (TAXABLE)	2,167.14
DISBURSEMENTS (NON-TAXABLE)	160.00
SUBTOTAL	<u>121,574.14</u>
HST @ 13%	15,783.83
TOTAL	<u><u>\$ 137,357.97</u></u>

GST/HST No. R118882927

PER 
DAVIES WARD PHILLIPS & VINEBERG LLP

In accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

Any disbursements incurred on your behalf and not charged to your account on the date of this statement will be billed later.

Payment can be wired as follows:

Canadian Dollars				US Dollars Pay by SWIFT MT 103			
BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9				REMIT TO AGENT BANK - INTERMEDIARY BANK Wells Fargo Bank, N.A., 375 Park Avenue, New York, NY 4080			
BANK # 010	TRANSIT # 00002	ACCOUNT # 29-09219	CIBC SWIFT CODE CIBCCATT	BIC/SWIFT PNBPUS3N NYC	ABA/ROUTING # 026 005 092	CHIPS 0509	CIBC's CHIPs UID 015035
BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP Canadian General Account				BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9			
BANK # 010	TRANSIT # 00002	ACCOUNT # 02-10714	CIBC SWIFT CODE CIBCCATT	BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP US General Account			
As wire fees may be charged by the source bank, it may be advisable to instruct your bank to debit your account for these additional charges.							

Please include file number as reference on transfer documents.

If you require further information, please contact David Neal, Collections Supervisor at 416.367.6950 or by e-mail at DNeal@dwpv.com.

Please see important terms of client service, including file retention and disposal policy, on our website, <http://www.dwpv.com/ServiceTerms>.

URBANCORP

TIME DETAIL

Date	Timekeeper	Description	Hours
01/Nov/17	Robin Schwill	Telephone conversation with Bobby Kofman and Noah Goldstein regarding e-mail from counsel to Israeli Functionary regarding fee reserves and related matters; drafting reply e-mail; reviewing Israeli Motion material regarding Mattamy and Downsview; related e-mail exchanges; Telephone conversation with counsel to Mattamy regarding same; coordinating court time; drafting e-mail notice to counsel to the Israeli Functionary; Telephone conversation with Bobby Kofman regarding motion; drafting notice of motion, drafting order; drafting 20th Report; related e-mail exchanges and reviewing underlying documentation; reviewing revisions to court materials.	8.90
01/Nov/17	Natasha MacParland	Engaged re Susanna Han; discussions with Noah Goldstein; discussions with Jesse Mighton.	1.50
02/Nov/17	Ruth Oseida	Advised original Monitor certificates required for court for all sale transactions; search for same.	1.00
02/Nov/17	Robin Schwill	Finalizing motion materials in respect of the Israeli Motion regarding Downsview; arranging for service and filing of same; related e-mail exchanges; preparing oral submissions and review record in connection with same; drafting reply e-mail regarding outstanding matters update request.	9.10
02/Nov/17	Jesse Mighton	Reviewing materials re: unresolved claims; phone conference with KSV and claimant counsel re: same; prepare materials re: URPI security registration; research re: claims matters.	2.10
02/Nov/17	Natasha MacParland	Preparation for a call; pre-call with Richter; call with Han's counsel; numerous emails.	3.00
03/Nov/17	Robin Schwill	Preparing for and attending at court on Israeli Motion regarding Downsview; conference call regarding HST issues with Robert Harlang and Neal Armstrong.	6.70
03/Nov/17	Jay Swartz	Review motion record re Mattamy interrogation and discuss with R. Schwill.	0.30
03/Nov/17	Steven Willard	Review and reply to various emails.	0.30
05/Nov/17	Robin Schwill	Reviewing and commenting on draft URPI loan and security documentation; reviewing e-mail from Stephanie Ben-Ishai regarding factum.	1.00
06/Nov/17	Jay Swartz	Review Myers' decision re Mattamy.	0.20
06/Nov/17	Steven Willard	Reviewing s.37 agreement; office conference with David Reiner.	0.40
06/Nov/17	Eric Leduc	Ben Ishai, Stephanie - search for cases and text books, re clean court copies.	0.50
06/Nov/17	Robin Schwill	Reviewing reasons on Israeli Functionary motion; related e-mail exchanges; Telephone conversation with counsel to Mattamy regarding same; reviewing and commenting on transcription of reasons; related e-mail exchanges; Telephone conversation with Rick Orzy regarding Israeli Functionary motion.	4.50
06/Nov/17	David Reiner	Providing comments on A&D for postponement of Charge to Section 37 Agreement; discussing Section 37 Agreement with S. Willard; corresponding with R. Harlang.	0.40
07/Nov/17	Robin Schwill	E-mails regarding geothermal expert review; e-mails regarding Mattamy information requests.	0.50

TIME DETAIL

Date	Timekeeper	Description	Hours
07/Nov/17	Ruth Oseida	Receipt of e-mail from client requiring further copy of all parking/locker and bike unit PINS; search for initial e-mail and resend to client; receipt of e-mail from agent and client concerning sale of one parking unit and one locker unit at 150 Sudbury Street; responding to e-mail with copy of chart and new vesting order to confirm units are included in vesting order.	0.30
07/Nov/17	Ruth Oseida	Re: Suite 430-150 Sudbury Street; prepare scan of sale documents to provide to client; prepare e-mail to client to provide.	0.20
07/Nov/17	Natasha MacParland	Engaged re Han claim; numerous emails.	1.30
08/Nov/17	Robin Schwill	E-mails regarding scope of review of geothermal expert.	0.30
08/Nov/17	Jerry O'Young	Conducted research for Jesse Mighton regarding whether statutory limitation period of 2 years is extended in the case of Susanne v. Urbancorp.	3.00
08/Nov/17	Jerry O'Young	Drafted summary of findings to Jesse Mighton. Correspondence with Jesse regarding this question of interest. Noted up case and further reviewed cases citing a case of interest. Correspondence with Jesse Mighton regarding additional case law research.	1.40
08/Nov/17	Natasha MacParland	Engaged re transcripts and pleadings and other material provided by counsel.	2.00
09/Nov/17	Robin Schwill	Telephone conversation with Bobby Kofman regarding meeting with Israeli Functionary and its counsel; Telephone conversation with counsel to Israeli Functionary regarding same; related e-mail exchanges; Telephone conversation with Noah Goldstein regarding outstanding file matters and information requests; reviewing redacted version of Israeli Functionary's motion record; related e-mail exchanges.	3.20
09/Nov/17	Jesse Mighton	Research re: limitations act considerations and review of Han claim re: same; draft summary of applicable law and facts.	1.80
09/Nov/17	Jerry O'Young	Conducted research re topic of interest under the BIA regime. Assemble binder of cases and mark them up. Draft email of summary of findings.	4.30
09/Nov/17	Natasha MacParland	Engaged re Han claim; discussions with Jesse Mighton re limitations argument.	0.70
10/Nov/17	Robin Schwill	Drafting order compliance letter; drafting meeting agenda; multiple telephone calls with counsel to Israeli Functionary regarding same; multiple telephone calls with Bobby Kofman and Noah Goldstein regarding same; related e-mail exchanges; reviewing Downsview documentation.	5.10
10/Nov/17	Steven Willard	Review and reply to various emails.	0.30
10/Nov/17	Jerry O'Young	Correspondence with Jesse Mighton regarding research. Assemble research materials for Jesse.	0.30
11/Nov/17	Robin Schwill	Reviewing Downsview agreements for information rights and transfer restrictions; drafting reporting e-mail regarding same.	3.00
12/Nov/17	Robin Schwill	Reviewing and commenting on draft UNKI Standstill Amending Agreement; related e-mail exchanges; e-mails regarding meeting with Israeli Functionary and its counsel; drafting factum for URPI loan approval and Foreign Representative fee payment motions; related e-mails.	3.90

TIME DETAIL

Date	Timekeeper	Description	Hours
13/Nov/17	Robin Schwill	Preparing for and attending videoconference meeting with Israeli Functionary and its counsel and advisors; Telephone conversation with counsel to Mattamy regarding meeting with Mattamy and confidentiality concerns; Telephone conversation with counsel to Israeli Functionary regarding same; reviewing e-mails regarding Tarion delayed occupancy claim; reviewing e-mails regarding geothermal litigation issues; Telephone conversation with counsel to Israeli Functionary regarding same; reviewing draft factum regarding URPI loan and Fee Payment motion.	7.80
13/Nov/17	Jay Swartz	Review factum of Fuller Landau re HST payments.	0.20
14/Nov/17	Ruth Oseida	Receipt and review of agreement of purchase and sale for Suite 1802-150 Sudbury Street; prepare e-mail to agent to request status certificate; request online tax certificate with the City of Toronto; review of PINS for residential unit, locker unit and parking unit in contrast to each vesting order to ensure encumbrances will be vested out.	0.80
14/Nov/17	Robin Schwill	Drafting revisions to factum for URPI loan approval and Israeli Functionary fee payment motion; conference call with counsel to Israeli Functionary and Mattamy regarding NDA issues; Telephone conversation with counsel to the Israeli Functionary regarding UNKI considerations; related e-mail exchanges.	3.80
14/Nov/17	David Reiner	Reviewing draft registration package of documents for amendment of co-owners cross-charges re: Kingsclub.	0.40
15/Nov/17	Robin Schwill	Telephone conversation with counsel to Israeli Functionary regarding URPI loan and fee payment motions and meeting with Mattamy; drafting order compliance letter; related e-mails; Telephone conversation with Bobby Kofman regarding Mattamy meeting and audit rights enforcement.	1.70
15/Nov/17	Steven Willard	Reviewing closing documents.	0.70
15/Nov/17	Ruth Oseida	Receipt of e-mail from D. Reiner re inactive PIN 21298-0473 (LT) and history of INACTIVE PIN; pulling INACTIVE PIN to determine previous INACTIVE PINS and reporting to D. Reiner.	0.30
15/Nov/17	Ruth Oseida	Suite 1802-150 Sudbury - receipt of status certificate for suite and review of same; update adjustments to include common expense adjustment.	0.30
16/Nov/17	Robin Schwill	Telephone conversation with counsel to the Israeli Functionary regarding URPI Loan and Fee Payment motion and Mattamy issues; revising order compliance letter and related e-mails; Telephone conversation with Noah Goldstein regarding meeting with Mattamy and engagement of cost consultant.	0.80
16/Nov/17	Steven Willard	Reviewing and replying to various emails.	0.30
16/Nov/17	Ruth Oseida	Re: Suite 1802-150 Sudbury Street; receipt of requisition letter and review of same; drafting response to requisition letter; completion of application for vesting order and message to purchaser's counsel; receipt of tax certificate and confirm arrears; obtain instructions from client to credit purchaser with tax arrears on the statement of adjustments; completion of adjustments and finalize same to be sent to purchaser's counsel; internal discussions regarding requisition letter; prepare e-mail to purchaser's counsel to provide all draft documentation.	2.50

TIME DETAIL

Date	Timekeeper	Description	Hours
17/Nov/17	Robin Schwill	Conference call with counsel to Israeli Functionary regarding Mattamy update; related e-mail exchanges; Telephone conversation with counsel to Mattamy regarding debrief on meeting yesterday; related e-mail exchanges; e-mails regarding meeting with Israeli Functionary and his counsel on Monday.	2.60
17/Nov/17	Jesse Mighton	Review records re: Dolvin claim; meeting with N. MacParland, R. Schwill re: same; research re: Construction Lien Act.	1.00
17/Nov/17	Ruth Oseida	Re: Suite 201-38 Joe Shuster Way; telephone call from purchaser's counsel re new agreement of purchase and sale; prepare e-mail to agent to inquire; receipt and review of purchase agreement.	0.30
17/Nov/17	Ruth Oseida	Re: Suite 1802-150 Sudbury Street; prepare e-mail to purchaser's counsel to provide response to requisition letter.	0.20
17/Nov/17	Natasha MacParland	Engaged re Dolvin claim; discussions with Robin Schwill; telephone call to Noah Goldstein.	1.00
20/Nov/17	Jesse Mighton	Email correspondence re: unresolved claims; research re: Construction Liens Act.	0.70
20/Nov/17	Robin Schwill	Preparing Mattamy waterfall contractual analysis; discussion with Bobby Kofman and Noah Goldstein regarding same; preparing for and attending meeting with Israeli Functionary and his advisors regarding numerous issues including Downsvie; drafting order for URPI Loan Approval and UCI Distribution; related e-mail exchanges; drafting e-mail to Commercial List regarding materials for Wednesday's motion.	8.50
20/Nov/17	Ruth Oseida	Re: Suite 1802-150 Sudbury Street; assemble sale documentation; prepare e-mail to client to forward sale documentation for execution and return.	0.30
20/Nov/17	Natasha MacParland	Engaged re Han claim; engaged re Dolvin claim.	1.30
21/Nov/17	Robin Schwill	Drafting revisions to URPI loan approval and UCI distribution order; multiple e-mails and telephone calls regarding same; reviewing real property registrations against geothermal units; reviewing Personal Property Security Act registrations against geothermal entities; preparing for motion regarding same; Telephone conversation with counsel to Mattamy regarding impending audit request; drafting audit request letter; related e-mails.	5.10
21/Nov/17	Ruth Oseida	Re: Suite 1802-150 Sudbury Street; receipt of e-mail from client regarding documents to be signed; revisit steps to close transaction for Friday, November 24, 2017.	0.30
21/Nov/17	Ruth Oseida	Conducting sub-search to pull Geo Thermal PINS to update; review of same to determine if any intervening registrations; insert into zip folder; prepare e-mail to R. Schwill to provide PINS and commentary.	1.20
21/Nov/17	Steven Willard	Office conference with Ruth Oseida; preparing for closing.	0.50
21/Nov/17	Natasha MacParland	Numerous emails.	0.70
22/Nov/17	Robin Schwill	Preparing for and attending at court regarding URPI Loan and UCI distribution motion; related service e-mails; corporate search and e-mails regarding Urbancorp Equity Inc.; finalizing audit request letter to Mattamy and related e-mails.	3.90

TIME DETAIL

Date	Timekeeper	Description	Hours
22/Nov/17	Ruth Oseida	Re: Suite 201-38 Joe Shuster Way; receipt and review of status certificate; prepare e-mail to client regarding heat pump being leased from Kareg Leasing.	0.30
22/Nov/17	Steven Willard	Review and reply to various emails; office conference with Ruth Oseida.	0.50
22/Nov/17	Natasha MacParland	Numerous emails with Han's counsel.	0.50
23/Nov/17	Ruth Oseida	Re: Suite 316-170 Sudbury Receipt of e-mail from client re proposed sale of Suite 316-170 Sudbury and to clarify unit and level number for Suite 316; revisit parcel identifier number and revisit and review Schedule D of the Declaration for TSCP 2355; prepare response to client to confirm Suite 316 is legally identified as Unit 14, Level 3, TSCP 2355 and provide back up.	0.50
23/Nov/17	Ruth Oseida	Re: Suite 1802-150 Sudbury Street; receipt of signed documents - note missing Monitor's certificate; prepare email to client to provide additional copy of parking and locker unit Monitor's Certificate for signing; scan signed documents; prepare email to purchaser's counsel to provide signed documents for closing November 24, 2017; telephone call from purchaser's counsel regarding no tax adjustment and refer to paragraph in agreement of purchase and sale; receipt of email from client advising further signed Monitor's certificate will be provided.	1.00
23/Nov/17	Robin Schwill	Reviewing Downview Shareholder Agreements and related material; related e-mail exchanges.	0.60
23/Nov/17	Natasha MacParland	Numerous emails with client.	0.40
24/Nov/17	Steven Willard	Attending to closing.	1.30
24/Nov/17	Robin Schwill	E-mails regarding report on Standstill Agreement and BNS consent.	0.10
27/Nov/17	Robin Schwill	Reviewing BNS Credit Agreement regarding funding of cost overrun provisions; Telephone conversation with Noah Goldstein regarding Downview shareholder agreement; reviewing and commenting on Standstill Amendment draft report; related e-mail exchanges.	2.10
27/Nov/17	Steven Willard	Follow up on closing issues.	0.30
27/Nov/17	Natasha MacParland	Engaged re Han claim; engaged re Speedy claim.	1.00
28/Nov/17	Robin Schwill	Reviewing and commenting on revised Standstill Amendment report; reviewing and reporting on provisions in co-owners agreement regarding same; related e-mail exchanges; Telephone conversation with counsel to Israeli Functionary regarding document request; related e-mail exchanges; Telephone conversation with Noah Goldstein regarding co-owners agreement provisions and BNS credit agreement provisions on cost overruns.	4.20
28/Nov/17	Natasha MacParland	Engaged re outstanding claims (Honrade, Han, Speedy).	1.00
29/Nov/17	Robin Schwill	Telephone conversation with Bobby Kofman and Noah Goldstein to review outstanding items list; Telephone conversation with counsel to Tarion regarding litigating delayed occupancy claim issue; e-mail to counsel to Fuller Landau regarding URPI Loan allocation to Edge estate; related e-mail exchanges; e-mails regarding Standstill Amendment.	1.70
29/Nov/17	Natasha MacParland	Engaged re Speedy claim; engaged re Han claim; conference call with Noah Goldstein; discussions with Jesse Mighton.	1.90

TIME DETAIL

Date	Timekeeper	Description	Hours
29/Nov/17	Jesse Mighton	Phone conference with N. Goldstein re: claims issues; review materials re: unresolved claims.	1.10
29/Nov/17	Steven Willard	Review and reply to various emails.	0.40
30/Nov/17	Natasha MacParland	Preparation for meeting with counsel; meeting with Jesse Mighton; review of transcript.	1.90
30/Nov/17	Robin Schwill	E-mail to counsel to Israeli Functionary regarding geothermal asset and litigation questions; reviewing litigation materials regarding same; e-mail exchanges regarding Downsview audit; reading CRA preference decision in Edge estate.	1.80
30/Nov/17	Jesse Mighton	Review materials re: Han claim; meeting with N. MacParland re: same; phone conference with N. Goldstein re: same.	1.60
30/Nov/17	Steven Willard	Office conference with Ruth Oseida; review and reply to various emails.	0.40
TOTAL HOURS			143.30
FEES:			\$119,247.00

TIMEKEEPER SUMMARY

Timekeeper	Rate	Hours	Amount
Jay Swartz	1,025.00	0.70	717.50
Natasha MacParland	880.00	18.20	16,016.00
Robin Schwill	950.00	90.90	86,355.00
David Reiner	735.00	0.80	588.00
Eric Leduc	195.00	0.50	97.50
Steven Willard	805.00	5.40	4,347.00
Jesse Mighton	620.00	8.30	5,146.00
Jerry O'Young	295.00	9.00	2,655.00
Ruth Oseida	350.00	9.50	3,325.00
TOTAL		143.30	119,247.00

DISBURSEMENT SUMMARY

	Amount
Non-Taxable	
Notice of Motion	160.00
Taxable	
Cyberbahn/Online Corp. (Searches)	22.00
Photocopy - Internal	67.05
Lasercopy	775.80
Mailroom Deliveries	8.00
Postage	1.76
Scancopy	94.35
Binding & Stationery - In House	9.60
Teraview Searches	510.90

DISBURSEMENT SUMMARY

Boardroom Meals	167.70
Process Servers	444.00
Tax Certificate	65.98
TOTAL	2,327.14

Tor#: 3725258.1



155 Wellington Street West
 Toronto ON M5V 3J7
 dwpv.com

January 9, 2018

Bill No. 599980

File No. 256201

REPLACEMENT ACCOUNT

KSV Kofman Inc.
 150 King Street West
 Suite 2308
 Toronto, ON M5H 1J9

Attention: Robert Kofman

URBANCORP

Period: December 1, 2017 to December 31, 2017

FOR PROFESSIONAL SERVICES rendered during the above-noted period in connection with the above-noted matter as set out in the attached account summary.

OUR FEE	\$ 88,012.00
DISBURSEMENTS (TAXABLE)	1,255.75
SUBTOTAL	<u>89,267.75</u>
HST @ 13%	11,604.81
TOTAL	<u><u>\$ 100,872.56</u></u>

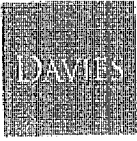
GST/HST No. R118882927

PER

PLEASE REMIT WITH PAYMENT

This account is not in addition to our account dated January 9, 2018, but instead corrects period of the account and otherwise makes no amendments to such previous account.

DAVIES WARD PHILLIPS & VINEBERG LLP



155 Wellington Street West
Toronto ON M5V 3J7
dwpv.com

January 9, 2018

Bill No. 599980

File No. 256201

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GST/HST No. R118882927

PER 

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DAVIES WARD PHILLIPS & VINEBERG LLP

In accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

Any disbursements incurred on your behalf and not charged to your account on the date of this statement will be billed later.

Payment can be wired as follows:

Canadian Dollars				US Dollars Pay by SWIFT MT 103			
BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9				REMIT TO AGENT BANK - INTERMEDIARY BANK Wells Fargo Bank, N.A., 375 Park Avenue, New York, NY 4080			
BANK # 010	TRANSIT # 00002	ACCOUNT # 29-09219	CIBC SWIFT CODE CIBCCATT	BIC/SWIFT PNBPUS3NYYC	ABA/ROUTING # 026 005 092	CHIPS 0509	CIBC's CHIPS UID 015035
BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP Canadian General Account				BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9			
				BANK # 010	TRANSIT # 00002	ACCOUNT # 02-10714	CIBC SWIFT CODE CIBCCATT
				BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP US General Account			
As wire fees may be charged by the source bank, it may be advisable to instruct your bank to debit your account for these additional charges.							

Please include file number as reference on transfer documents.

If you require further information, please contact David Neal, Collections Supervisor at 416.367.6950 or by e-mail at DNeal@dwpv.com.

Please see important terms of client service, including file retention and disposal policy, on our website, <http://www.dwpv.com/ServiceTerms>.

URBANCORP

TIME DETAIL

Date	Timekeeper	Description	Hours
01/Nov/17	Stephanie Ben-Ishai	Factum research.	3.50
04/Nov/17	Stephanie Ben-Ishai	Factum research.	3.00
05/Nov/17	Stephanie Ben-Ishai	Factum research.	3.50
06/Nov/17	Stephanie Ben-Ishai	Factum research.	1.00
10/Nov/17	Stephanie Ben-Ishai	Drafting Factum.	2.50
12/Nov/17	Stephanie Ben-Ishai	Drafting factum.	3.00
01/Dec/17	Robin Schwill	E-mail exchanges regarding Honrade claim; reviewing Geothermal Energy Supply Agreements and condominium declarations regarding purchase option upon termination; e-mail exchanges with counsel to Israeli Functionary regarding same and as to other document requests; reviewing geothermal litigation materials regarding same; reviewing URPI GSA and Promissory Notes; discussion with Jesse Mighton regarding same.	3.10
01/Dec/17	Steven Willard	Reviewing and replying to various emails.	0.40
01/Dec/17	Ruth Oseida	Re: Suite 2016-150 Sudbury; prepare e-mail to client regarding common expense arrears; receipt of purchase agreement; drafting sale documents.	2.20
01/Dec/17	Jesse Mighton	Revise URPI security agreements; correspondence with R. Schwill regarding same; correspondence with N. Goldstein regarding same.	0.50
01/Dec/17	Natasha MacParland	Engaged regarding outstanding claims; numerous emails; engaged regarding Honrade claim; discussions with Robin Schwill.	1.80
04/Dec/17	Robin Schwill	Reviewing Home Buyer Purchase Agreements and Tarion Addendum regarding delayed occupancy claim and considering arguments regarding same; reviewing provisions of Ontario New Home Warranty Plan Act regarding same; e-mails regarding Tarion draft minutes of settlement; discussions with Natasha MacParland and Jesse Mighton regarding Han claim; telephone conversation with Bobby Kofman regarding same; conference call with Bobby Kofman and Jesse Mighton regarding same.	5.60
04/Dec/17	Ruth Oseida	Re: Suite 202-38 Joe Shuster Way; receipt of title direction and agreement of purchase and sale; review of same; pull PINS; drafting sale documents.	2.00
04/Dec/17	Jesse Mighton	Review materials regarding Han claim; phone conferences with B. Kofman regarding same; meeting with D. Ketelaars, M. Youngman regarding same; review factum filed in Edge proceedings regarding oppression claims and transfers at undervalue.	3.40
04/Dec/17	Natasha MacParland	Numerous discussions with Noah Goldstein and Bobby Kofman regarding Han claim; meeting with counsel on the Han claim; numerous emails and telephone calls; review of claim material; discussion with R. Schwill and J. Mighton.	4.50
05/Dec/17	Ruth Oseida	Suite 202-38 Joe Shuster Way; revisions to sale documents; request tax certificate; request status certificate; receipt of status certificate and note heat pump leased; query client as purchase agreement provides for owned heat pump; receipt and review of requisition letter; drafting response to requisition letter.	1.80

TIME DETAIL

Date	Timekeeper	Description	Hours
05/Dec/17	Ruth Oseida	Re: Suite 2016-150 Sudbury Street; receipt and review of tax certificate; prepare e-mail to client to inquire as to tax arrears; receipt and review of status certificate; prepare e-mail to client regarding November and December 2017 payments outstanding; confirmation from client he will pay; drafting sale documents; revisions to same; receipt and review of requisition letter; drafting response to same; prepare e-mail to purchaser's counsel to provide draft documents.	2.50
05/Dec/17	Ruth Oseida	Re: Suite 316-170 Sudbury Street; receipt of further new closing December 7, 2017; request tax certificate; request status certificate; request name of purchaser lawyer; prepare e-mail to purchaser lawyer to obtain title instructions; receipt of status certificate and review of same; drafting sale documents.	1.70
05/Dec/17	Ruth Oseida	Re: Suite 201-38 Joe Shuster Way; receipt of new agreement and review of same; request tax certificate; request status certificate; receipt and review of status certificate; drafting sale documents; request purchaser lawyer name; prepare e-mail to purchaser lawyer to provide vesting orders pending sale documents.	1.50
05/Dec/17	Robin Schwill	Attending meeting with Alan Saskin, Ted Saskin, Gary Abrahamson, James Greff, Bobby Kofman and Noah Goldstein regarding geothermal litigation; telephone conversation with counsel to Israeli Functionary regarding Tarion settlement and delayed occupancy claims; reviewing outstanding items e-mails and related e-mail exchanges; telephone conversation with Noah Goldstein regarding Tarion settlement.	3.60
05/Dec/17	Steven Willard	Reviewing and replying to various emails.	0.30
05/Dec/17	Natasha MacParland	Engaged regarding Han claim; discussions with Jesse Mighton.	1.00
06/Dec/17	Robin Schwill	Reviewing case law in context of enforceability of Geothermal Energy Supply Agreements; conference call with Bobby Kofman and Noah Goldstein regarding e-mails and delayed occupancy claim; reviewing e-mails; telephone conversation with counsel to Israeli Functionary regarding TFCC Claim, Valermo and related claim issues; related e-mail exchanges; reviewing geothermal report; reviewing condo corp arbitration correspondence and related e-mail exchanges.	5.80
06/Dec/17	Steven Willard	Reviewing and replying to various emails.	0.30
06/Dec/17	Paul Lamarre	Meeting to discuss HST considerations; review emails and materials regarding same including report regarding Urbancorp and Robert Harlang email queries; review HST legislation and relevant CRA and judicial guidance.	1.50
06/Dec/17	Ruth Oseida	Re: Suite 2016-150 Sudbury; assemble sale documents; prepare e-mail to client to provide documents.	0.30
06/Dec/17	Ruth Oseida	Re: Suite 202-38 Joe Shuster Way; receipt and review of tax certificate; prepare e-mail to client to inquire as to tax arrears; confirmation to credit to purchaser on statement of adjustments; finalize adjustments; scan documents and send drafts out to purchaser counsel.	1.50
06/Dec/17	Ruth Oseida	Re: Suite 201-38 Joe Shuster Way; scan sale documents; prepare e-mail to purchaser's counsel to provide pending finalization of statement of adjustments.	1.00

TIME DETAIL

Date	Timekeeper	Description	Hours
06/Dec/17	Ruth Oseida	Suite 316-170 Sudbury Street; receipt and review of tax certificate; prepare e-mail to client regarding tax arrears; receive confirmation from client to credit to purchaser on statement of adjustments; finalize adjustments; prepare e-mail to purchaser's counsel to provide; discussions regarding deposit monies; revise adjustments and provide to all parties; prepare e-mail to client to provide documents for signature for purposes of closing; receipt of signed documents; prepare e-mail to purchaser's counsel to provide signed documents for closing December 8, 2017; message application for vesting order to purchaser's counsel.	1.80
07/Dec/17	Robin Schwill	Drafting outstanding issues tracker; related e-mail exchanges; e-mails regarding Downsvie audit; reviewing e-mails for delivery to Israeli Functionary given outstanding document request; telephone conversation with Noah Goldstein regarding same.	2.60
07/Dec/17	Steven Willard	Reviewing requisition letter and documents for sale of Suite 202-38 Joe Shuster.	1.10
07/Dec/17	Jesse Mighton	Email correspondence regarding URPI GSA; amending same.	0.80
07/Dec/17	Ruth Oseida	Re: Suite 316-170 Sudbury Street; prepare follow up e-mail to purchaser's lawyer regarding closing today; receipt of e-mail confirming funds and documents to arrive early afternoon; advise mail room; further follow up regarding funds and documents; receipt and review of same; attending to dating monitor's certificates and scan in monitor's certificates and vesting orders and upload to application for vesting order; prepare e-mail to purchaser's lawyer to provide signed monitor's certificates and advise all documents have been uploaded to Teraview and to proceed to registration; confirmation from purchaser's solicitor he has attended to registration; prepare e-mail to agent to release keys; scan in certified cheque and prepare e-mail to client to confirm closing and advise funds to be delivered tomorrow morning; drafting letter to client regarding funds.	1.50
07/Dec/17	Natasha MacParland	Engaged regarding Han claim; discussions with Noah Goldstein and Jesse Mighton regarding Han claim.	1.00
08/Dec/17	Jesse Mighton	Email correspondence regarding Han claim; internal meetings regarding same.	0.80
08/Dec/17	Paul Lamarre	Call with R Schwill and KSV regarding tax matters; consider deductibility issues.	1.00
08/Dec/17	Robin Schwill	Reviewing and revising draft Issues Tracker; related e-mail exchanges; telephone conversation with Robert Harlang and Paul Lamarre regarding HST input tax credit issue; related e-mail exchanges; e-mails regarding geothermal litigation; e-mails regarding URPI GSA and promissory note; e-mails regarding Pelican and Mattamy audit considerations.	3.10
08/Dec/17	Ruth Oseida	Re: Suite 202-38 Joe Shuster Way; receipt and review of requisition letter; drafting response to same; review of sale documents; prepare e-mail to purchaser's counsel to provide response to requisitions and draft documents.	0.40

TIME DETAIL			Hours
Date	Timekeeper	Description	
08/Dec/17	Ruth Oseida	Re: Suite 201-38 Joe Shuster Way; assembling of documents for client signature; scan; prepare e-mail to client to deliver documents; Re: Suite 2016-150 Sudbury; assembling of documents for signature; scan; prepare e-mail to client to deliver documents both for upcoming closings.	1.00
08/Dec/17	Ruth Oseida	Re: Suite 202-38 Joe Shuster Way; receipt of confirmation from purchaser's counsel transaction has been aborted; prepare e-mail to client and agent to inquire; receive confirmation transaction has been aborted.	0.20
08/Dec/17	Natasha MacParland	Engaged regarding Han claim; numerous emails; settlement discussion; discussions with Jesse Mighton; engaged regarding Speedy claim; discussions with Jeremy Sacks.	2.10
11/Dec/17	Robin Schwill	E-mails regarding URPI security and Tarion settlement issues.	0.70
11/Dec/17	Paul Lamarre	Review memo from KSV; Consider tax matters regarding same and reply email regarding same.	1.20
11/Dec/17	Jesse Mighton	Phone conference with N. Goldstein regarding disputed claims; revise URPI security documents; internal correspondence regarding same.	1.10
11/Dec/17	Ruth Oseida	Re: Suite 201-38 Joe Shuster Way; assemble sale documents; prepare e-mail to client to send documents.	0.30
11/Dec/17	Natasha MacParland	Engaged regarding Speedy claim; call with client; discussions with Jesse Mighton; numerous emails; discussions with Robin Schwill; engaged regarding Honrade; discussion with Noah Goldstein regarding profit sharing; review of claims; telephone call to Honrade's counsel.	3.00
12/Dec/17	Robin Schwill	E-mails regarding Tarion claims; discussion with Natasha MacParland regarding Speedy Electric claim.	0.30
12/Dec/17	Paul Lamarre	Review draft email from R Harlang.	0.20
12/Dec/17	Jesse Mighton	Finalize URPI security documents; email correspondence with N. Rabinovitch regarding same.	1.20
13/Dec/17	Robin Schwill	Reviewing and revising Tarion settlement agreement; telephone conversation with Noah Goldstein regarding same; related e-mail exchanges.	2.00
13/Dec/17	Natasha MacParland	Engaged regarding Han claim; discussions with Jesse Mighton; discussions with Noah Goldstein; engaged regarding discussions with counsel to Honrade.	1.50
14/Dec/17	Robin Schwill	Reviewing Fuzion geothermal sale and transfer documentation.	1.20
14/Dec/17	Ruth Oseida	Re: Suite 201-38 Joe Shuster Way; scan in signed documents; prepare e-mail to purchaser's counsel to provide signed documents for closing December 15, 2017; receipt of e-mail from purchaser's counsel regarding status certificate; review purchase agreement and respond that vendor has no obligation to provide; receipt of further e-mail from purchaser's counsel on this issue; internal discussions with S. Willard; prepare response to purchaser.	0.80
14/Dec/17	Ruth Oseida	Re: Suite 2016-150 Sudbury Street; scan signed documents; prepare e-mail to purchaser's counsel to deliver signed documents for closing December 15, 2017.	0.30
14/Dec/17	Steven Willard	Review and reply to various emails on closings.	0.70
14/Dec/17	Natasha MacParland	Numerous emails with Han's counsel; discussions with Jesse Mighton.	0.60

TIME DETAIL

Date	Timekeeper	Description	Hours
15/Dec/17	Robin Schwill	E-mails regarding Tarion claims and geothermal assets.	0.30
15/Dec/17	Ruth Oseida	Re: Suite 2016-150 Sudbury; prepare e-mail to purchaser's counsel regarding closing; receipt of e-mail from purchaser's counsel regarding requirement for direction regarding funds; advise purchaser's counsel funds are not being directed; further e-mail demanding direction regarding funds; receipt of confirmation from D. Reiner to prepare; drafting direction regarding funds to KSV; prepare e-mail to N. Goldstein to determine if signing officer available; prepare e-mail to N. Goldstein with direction regarding funds; receipt of same; prepare e-mail to purchaser's counsel regarding same; request by purchaser's counsel to date; date and resend; receipt of purchaser's counsel funds and documentation and examination of same; scan and upload signed Monitors Certificates and Vesting Order into Application for Vesting Order and message to H. Hong, purchaser's counsel; follow up with H. Hong regarding registration of Application for Vesting Order; receipt and review of registered application for vesting order; prepare e-mail to agent to release keys; advise client funds to follow Monday morning; telephone call from purchaser's lawyer regarding keys and advise to contact agent;	2.80
15/Dec/17	Ruth Oseida	Re: Suite 201-38 Joe Shuster Way; prepare e-mail to purchaser's counsel regarding closing; receipt of e-mail advising purchaser wishes to direct deposit; prepare response advising our firm does not accept direct deposits and to deliver funds and documents; advised funds and documents will arrive late; seek instructions; follow up regarding funds; receipt of funds and documentation and review of same; scanning signed Monitor's Certificates and Vesting Orders and upload into Application for Vesting Order; prepare e-mail to purchaser's agent to provide and advise to register; receipt of confirmation of registered document; prepare e-mail to agent to release keys; advise client of closing and funds shall follow Monday morning;	1.50
15/Dec/17	Ruth Oseida	Suite 202-38 Joe Shuster Way; receipt of replacement new purchase agreement and review of same;	0.40
15/Dec/17	Steven Willard	Attend to closing of transfers.	0.70
15/Dec/17	Natasha MacParland	Engaged regarding Han claim; discussions with R. Schwill & J. Mighton.	1.70
18/Dec/17	Robin Schwill	E-mails regarding distributions; telephone conversation with Noah Goldstein regarding same; reviewing account material for redaction regarding same.	0.80
18/Dec/17	Ruth Oseida	Re: Suite 202-38 Joe Shuster Way; drafting sale documents; drafting response to letter of requisitions; prepare email to purchaser's counsel to provide; prepare email to client to determine signing officer.	2.20
18/Dec/17	Ruth Oseida	Re: Suite 2016-150 Sudbury Street; and Suite 201-38 Joe Shuster Way; drafting letters to client to provide balance due on closing funds and arrange delivery to client; receipt of e-mail from agent regarding closing.	0.60
18/Dec/17	Natasha MacParland	Engaged regarding scheduling on claim; discussions with Jesse Mighton and Derek Ketelaars; numerous emails.	1.50

TIME DETAIL

Date	Timekeeper	Description	Hours
19/Dec/17	Jesse Mighton	Preparing for and attending at 330 University Ave. regarding Han claim scheduling hearing.	1.60
19/Dec/17	Ruth Oseida	Re: Suite 202-38 Joe Shuster Way; receipt of e-mail from client regarding signatory; completion of sale documents; prepare e-mail to client to provide sale documents for execution; receipt of signed documents; receipt of e-mail from purchaser counsel regarding closing matters and responding to same.	0.50
19/Dec/17	Jay Swartz	Review Functionary's report to Israeli court regarding Mattamy.	0.10
19/Dec/17	Robin Schwill	E-mails regarding Han claims; discussion with Natasha MacParland regarding same.	0.50
19/Dec/17	Natasha MacParland	Engaged regarding Honrade claim and Han claim; discussions with Neil Rabinovitch, numerous emails.	1.90
20/Dec/17	Robin Schwill	Reviewing geothermal system review report; reviewing Israeli Functionary's report.	0.60
20/Dec/17	Jesse Mighton	Meeting with N. MacParland regarding case update and outstanding items.	0.50
20/Dec/17	Ruth Oseida	Re: Suite 202-38 Joe Shuster Way; prepare e-mail to purchaser's counsel to deliver signed documents for the closing on December 22, 2017.	0.20
20/Dec/17	Natasha MacParland	Engaged regarding Han and Honrade claims; discussions with N. Goldstein; numerous discussions with N. Rabinovitch; numerous emails; discussions with Honrade's counsel.	2.50
20/Dec/17	Matthew Milne-Smith	Telephone conversation with Jesse Mighton and Natasha MacParland regarding discovery transcript issues.	0.30
21/Dec/17	Natasha MacParland	Engaged regarding Han report and factual; emails and discussion with N. Rabinovitch.	2.50
22/Dec/17	Ruth Oseida	Re: Suite 202-38 Joe Shuster Way; prepare email to purchaser's counsel to inquire as to timing for receipt of funds and documents; follow up with purchaser's counsel throughout the day relating to receipt of funds and documents; discussions regarding extension of deal due to no funds; further discussions with purchaser's counsel regarding same; confirmation at 4:00 pm that purchaser's counsel is driving down for closing today; meeting with purchaser's counsel at 4:45 pm to obtain funds; date and scan Monitor's certificate and upload Monitor's Certificate and Vesting Order into Application for Vesting Order for him to proceed to registration; confirmation time has elapsed for registration; internal discussions regarding release of keys and funds; prepare email to agent to release keys; advise client and S. Willard transaction is closed and funds are to be released.	4.50
22/Dec/17	Steven Willard	Reviewing and replying to various emails on closing issues.	0.60
22/Dec/17	Natasha MacParland	Emails with N. Rabinovitch.	0.60
TOTAL HOURS			124.70
FEES:			\$88,012.00

TIMEKEEPER SUMMARY

Timekeeper	Rate	Hours	Amount
Jay Swartz	1,025.00	0.10	102.50
Matthew Milne-Smith	900.00	0.30	270.00
Paul Lamarre	900.00	3.90	3,510.00
Natasha MacParland	880.00	26.20	23,056.00
Robin Schwill	950.00	30.20	28,690.00
Stephanie Ben-Ishai	680.00	16.50	11,220.00
Steven Willard	805.00	4.10	3,300.50
Jesse Mighton	620.00	9.90	6,138.00
Ruth Oscida	350.00	33.50	11,725.00
TOTAL		124.70	88,012.00

DISBURSEMENT SUMMARY

	Amount
Taxable	77.10
Photocopy - Internal	276.15
Lasercopy	6.20
Telephone Calls - External	16.00
Mailroom Deliveries	26.75
Courier & Taxi	3.65
Postage	166.35
Scancopy	5.00
Binding & Stationery - In House	152.45
Teraview Searches	137.68
Searches - Library	124.50
Process Servers	263.92
Tax Certificate	
TOTAL	1,255.75

Tor#: 3748998.1

IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT, R.S.C.1985, c. C-36, AS AMENDED

Court File No. CV-16-11389-00CL

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 DEVELOPMENTS INC., URBANCORP (952 QUEEN WEST) INC., KING RESIDENTIAL INC., URBANCORP NEW KINGS 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)**

Proceeding commenced at Toronto

AFFIDAVIT OF JAY A. SWARTZ

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Lawyers for the Monitor

TAB 3

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

THE HONOURABLE MR.)
)
JUSTICE MYERS) WEDNESDAY, THE 24TH
)
) DAY OF JANUARY, 2018

**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**

**ORDER
(Stay Extension)**

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, *inter alia*, extending the Stay Period (as defined in paragraph 17 of the Initial Order of the Honourable Justice Newbould dated May 18, 2016 (the "Initial Order")) until and including April 30, 2018, was heard this day at 130 Queen Street West, Toronto, Ontario.

ON READING the Motion Record of the Applicants, the twenty-first report of KSV Kofman Inc., in its capacity as Monitor (the "Monitor") dated January 18, 2018 (the "Twenty-First Report") and the appendices thereto, and on hearing the submissions of counsel for the

Urbancorp CCAA Entities (as defined in the Initial Order), the Monitor, counsel for the Monitor, and those other parties listed on the counsel slip, no one else appearing for any other person although duly served as appears from the Affidavit of Service of Danny M. Nunes sworn January ♦, 2018, filed.

SERVICE

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

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 17 of the Initial Order) is hereby extended until and including April 30, 2018.

APPROVAL OF ACTIVITIES AND FEES

3. **THIS COURT ORDERS** that the Twenty-First Report and the activities of the Monitor set out therein are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and the Monitor's counsel, as set out in the Twenty-First Report, are hereby approved.

GENERAL

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or Israel to give effect to this Order and to assist the Urbancorp CCAA Entities, the Monitor and their respective 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 Urbancorp CCAA Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Urbancorp CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

6. **THIS COURT ORDERS** that each of the Urbancorp CCAA Entities and the Monitor shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance 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.

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

ORDER
(STAY EXTENSION)

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Lawyers for the Urbancorp CCAA Entities

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

MOTION RECORD

(Returnable January 24, 2018)

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Lawyers for the Urbancorp CCAA Entities