

Estate No.: 31-2693094
Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**FIFTH REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

June 8, 2021

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- Appendix “A” A copy of First Report to the Court Submitted by MNP Ltd., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)
- Appendix “B” A copy of Second Report to the Court Submitted by MNP Ltd., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated February 9, 2021 (without appendices)
- Appendix “C” A copy of Third Report to the Court Submitted by MNP Ltd., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated March 23, 2021 (without appendices)
- Appendix “D” A copy of the Stay Lifting Order dated March 26, 2021
- Appendix “E” A copy of Fourth Report to the Court Submitted by MNP Ltd., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated May 10, 2021 (without appendices)
- Appendix “F” Copy of the Statement of Revised Projected Cash Flows, dated May 28, 2021 (on a consolidated basis), for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
- Appendix “G” Affidavit of Sheldon Title, sworn June 8, 2021
- Appendix “H” Affidavit of Levi Rivers, sworn June 8, 2021

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). The 33 Laird Group’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. Notice of the NOIs (the “**NOI Notices**”) as prescribed by the BIA was sent on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies.
3. Copies of the certificates of filing for each of the NOIs filed and NOI Notices were attached as Appendix “A” and Appendix “B”, respectively, to the First Report and Second Report (as such terms are later defined).
4. On December 10, 2020, the Companies filed a Notice of Motion and a Motion Record returnable December 16, 2020 with the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), seeking, among other things, a Court Order:
 - a. procedurally consolidating the NOI Proceedings and authorizing and directing the Proposal Trustee to administer the NOI Proceedings on a consolidated basis henceforth;

- b. extending the time for the Companies to file a proposal to February 11, 2021;
 - c. approving the interim financing of up to \$250,000 (the “**DIP Loan**”) and granting a priority charge ranking behind the security interests of DUCA Financial Services Credit Union Ltd. (“**DUCA**”) and Centurion Mortgage Capital Corporation (hereinafter collectively referred to as the “**Secured Lenders**”), on the 33 Laird Group’s current and future assets, undertakings and properties; and
 - d. authorizing and directing the payment of the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Companies, Goldman Sloan Nash & Haber LLP (“**GSNH**”).
5. On December 11, 2020, the Proposal Trustee served its first report, dated December 11, 2020 (the “**First Report**”). A copy of the First Report, without appendices, is attached hereto and marked as **Appendix “A”**.
6. On December 16, 2020, the Court granted an Order (the “**Consolidation and Stay Extension Order**”) approving the relief sought by the Companies as noted in paragraph 3 above. A copy of the Consolidation and Stay Extension Order is attached and marked as Exhibit “B” to the June 4th Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
7. On February 8, 2021, the Companies filed a Notice of Motion and a Motion Record returnable February 10, 2021, seeking, among other things, a Court Order extending the time within which the Companies had to file a proposal. The Proposal Trustee served its second report, dated February 9, 2021 (the “**Second Report**”) on same date. A copy of the Second Report, without appendices, is attached hereto and marked as **Appendix “B”**.

8. On February 10, 2021, the Court issued an Order (the “**Second Extension Order**”) and Endorsement that, *inter alia*:
- a. Extended the time for filing a proposal to and including March 29, 2021 (the “**Second Extension Deadline**”);
 - b. Approved the activities of the Proposal Trustee as set out in the Second Report;
 - c. Approved the fees and disbursements of the Proposal Trustee and its legal counsel as set out in the Second Report;
 - d. Authorized the Companies to enter into and perform the listing agreement with Jones Lang LaSalle (“**JLL**”) and approved the sales process set out in Schedule “A” to the Second Extension Order (the “**Sale Process**”); and
 - e. Sealing the confidential appendices as identified in the February 6th Affidavit (as such term is later defined).
9. A copy of the Second Extension Order issued on February 10, 2021 is attached and marked as Exhibit “D” to the June 4th Affidavit included in the Companies’ materials filed in connection with this Motion.
10. On March 20, 2021, the Companies filed a Notice of Motion and a Motion Record returnable March 26, 2021, seeking, among other things, a Court Order extending the time within which the Companies had to file a proposal. The Proposal Trustee served its third report, dated March 23, 2021 (the “**Third Report**”) on same date. A copy of the Third Report, without appendices, is attached hereto and marked as **Appendix “C”**.

11. On March 26, 2021, the Court issued an Order (the “**Third Extension Order**”) and Endorsement that, *inter alia*:
- a. Extended the time for filing a proposal to and including May 13, 2021 (the “**Third Extension Deadline**”);
 - b. Approved the activities of the Proposal Trustee as set out in the Third Report;
 - c. Approved the fees and disbursements of the Proposal Trustee and its legal counsel as set out in the Third Report; and
 - d. Sealing the confidential appendices as identified in the March 20th Affidavit (as such term is later defined).
12. A Copy of the Third Extension Order issued on March 26, 2021 is attached and marked as Exhibit “F” to the June 4th Affidavit included in the Companies’ materials filed in connection with this Motion.
13. In addition, on March 26, 2021 on a motion made by Maxxwel & Co. Inc. (“**Maxxwel**”) and on the consent of the parties, an Order was issued by the Court granting leave, *nunc pro tunc*, to temporarily lift the stay of proceedings imposed by the NOI filing with respect to INC for the purposes of permitting Maxxwel to commence its lien action to enforce its construction lien and to serve the Statement of Claim, but thereafter to have such lien action stayed as against INC pending further Order of the Court (the “**Stay Lifting Order**”). A copy of the Stay Lifting Order is attached hereto as **Appendix “D”**.

14. On May 7, 2021, the Companies filed a Notice of Motion and a Motion Record returnable May 12, 2021, seeking, among other things, a Court Order extending the time within which the Companies had to file a proposal. The Proposal Trustee served its fourth report, dated May 10, 2021 (the “**Fourth Report**”) on same date. A copy of the Fourth Report, without appendices, is attached hereto and marked as **Appendix “E”**.
15. On May 12, 2021, the Court issued an Order (the “**Final Extension Order**”) and Endorsement that, *inter alia*:
- a. Extended the time for filing a proposal to and including May 28, 2021 (the “**Final Extension Deadline**”);
 - b. Approved and granted a charge (the “**Restructuring Professionals’ Charge**”) on the Property (as such term is defined Final Extension Order) in favour of GSNH, counsel for the Companies, the Proposal Trustee and Weisz Fell Kour LLP (“**WFK**”), the Proposal Trustee’s counsel (hereinafter collectively referred to as the “**Restructuring Professionals**”) for any unpaid fees and disbursements up to a maximum aggregate amount of \$150,000;
 - c. Sealing the confidential appendices as identified in the May 7th Affidavit (as such term is later defined).
16. A Copy of the Final Extension Order issued on May 12, 2021 is attached and marked as Exhibit “H” to the June 4th Affidavit included in the Companies’ materials filed in connection with this Motion.

17. Information regarding the NOI Proceedings has been posted to the Proposal Trustee's case website at www.mnpdebt.ca/33laird (the "**Website**").
18. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process for all of the 33 Laird Group's assets in order to repay its creditors, including the Secured Lenders.

II. RESTRICTIONS

19. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the "**December 10th Affidavit**"), the affidavit of Jason L. S. Birnboim, sworn February 6, 2021 (the "**February 6th Affidavit**"), the affidavit of Jason L. S. Birnboim, sworn March 20, 2021 (the "**March 20th Affidavit**"), the affidavit of Jason L. S. Birnboim, sworn May 7, 2021 (the "**May 7th Affidavit**") the affidavit of Jason L. S. Birnboim, sworn May 7, 2021 (the "**June 4th Affidavit**" and together with the December 10th Affidavit, February 6th Affidavit, the March 20th Affidavit and the May 7th Affidavit, hereinafter collectively referred to as the "**Birnboim Affidavits**"), the Companies' books and records, discussions with management of the 33 Laird Group ("**Management**") and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

20. The Proposal Trustee also bases its Report on the Companies' cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial, and municipal actions regarding the COVID-19 pandemic on the Companies' businesses and the economy in general has yet to be determined. In developing the Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

21. The purpose of this Report is, *inter alia*, to:

- a. update the Court with respect to:
 - i. the activities of the Companies and the Proposal Trustee since the Fourth Report;
 - ii. the status of the Sale Process;
 - iii. report on the Companies' actual cash flows for the period May 2, 2021 to May 28, 2021 as compared to Statement of Revised Projected Cash Flows, dated February 9, 2021 (the "**Revised Cash Flow Projections**");
 - iv. comments on Statement of Revised Projected Cash Flows, dated May 28, 2021 (the "**Extended Cash Flow Projections**") filed by the Companies in accordance with the section 50(6) of the BIA;
- b. provide the Court with the Proposal Trustee's recommendation for an Order, *inter alia*:
 - i. approving the agreement of purchase and sale dated May 11, 2021 (the "**APS**") entered into between INC and the 33 Laird Development Inc., in its capacity as general partner of 33 Laird Development Limited Partnership (the "**Purchaser**"), and authorizing the Companies to take all steps necessary to complete the transaction (the "**Transaction**") contemplated under the APS;
 - ii. vesting title in and to the Purchased Assets (as such term is defined in the APS) in the Purchaser or as it may direct, free and clear of any

encumbrances, including the Site Plan Agreement (as such term is defined below) and save and except as otherwise contemplated by the APS;

- iii. sealing Confidential Exhibit “1” to the June 4th Affidavit pending the closing of the Transaction;
- iv. approving the fees and disbursements of the Proposal Trustee and WFK as set-out in the Fee Affidavits (as such term is later defined); and
- v. approving the activities of the Proposal Trustee as set out in the Fourth Report and this Fifth Report.

IV. BACKGROUND INFORMATION

22. As described in greater detail in the Birnboim Affidavits, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the “**Project**”). The Project forms part of the Property, which comprises substantially all of the Companies’ property, assets, and undertakings.
23. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. (“**BPII**”), 2344011 Ontario Inc. and Sealink JV Ltd (“**Sealink**”), in Trust (collectively, the “**LP Partners**”) are the limited partners.
24. The Project is still in the early stages of construction and will require additional capital or financing to complete.

25. Based on, and as described in greater detail in the Birnboim Affidavits, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
26. Additional information in respect of the Companies is set out in the Birnboim Affidavits, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.
27. Weisz Fell Kour LLP (“**WFK**”) has been engaged by the Proposal Trustee as its independent legal counsel.

V. ACTIVITIES OF THE COMPANIES AND THE PROPOSAL TRUSTEE

28. The Companies activities are outlined in greater detail in June 4th Affidavit and have focused primarily around the entering to the APS (as to discussed in greater detail later in this Report) and preparing and lodging with the Proposal Trustee three (3) proposals, dated May 28, 2021 for each of the Companies (collectively, the “**Proposals**”), together with such ancillary statutory documents, including a sworn statement of affairs (the “**SOA**”), and the Extended Cash Flow Projections.
29. Since the Fourth Report, the Proposal Trustee has undertaken the following activities, *inter alia*:
- a. updated the Website as necessary;

- b. responded to enquiries directed towards the Proposal Trustee from creditors and other stakeholders;
- c. discussed with GSNH, together with the Proposal Trustee's counsel regarding the APS, including the disclaimer of the Site Plan Agreement, and completing the contemplated Transaction;
- d. monitored the Companies' actual cash flows in comparison with Revised Cash Flow Projections;
- e. assisted in the preparation of the Extended Cash Flow Projections and the review of same;
- f. prepared the statutory reports (Forms 29 and 30) that accompany the Extended Cash Flow Projections (the "**Cash Flow Reports**");
- g. discussed with GSNH, together with the Proposal Trustee's counsel, the Proposals and other matters concerning these proceedings. Details of the Proposals and the reporting of same to the Court will be provided if and when the Companies' creditors vote to accept the Proposals; the meeting to consider the Proposals is scheduled for June 18, 2021;
- h. e-filed the Proposals, the SOAs, the Extended Cash Flow Projections and Cash Flow Reports with the Office of Superintendent of Bankruptcy Canada for each of the Companies; and
- i. drafted this Fifth Report and reviewing all Court materials filed in connection with the Companies' motion.

VI. CASH FLOW PROJECTIONS

30. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

31. As noted and attached as Appendix “D” to the Second Report, the Revised Cash Flow Projections cover the period starting on January 30, 2021 and ending on May 29, 2021 and were prepared on a consolidated basis for the 33 Laird Group to extend and update the projections for the most current information.

32. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that operations continue in accordance with the Revised Cash Flow Projections. A summary of the Proposal Trustee’s comments based on its monitoring of the Companies’ cash flows is below.

Revised Cash Flow Projections – Actual to Projected

33. A summary of the Companies’ actual receipts and disbursements as compared to those presented in the Revised Cash Flow Projections up to the period ended May 29, 2021 are as follows (“**Monitored Period**”):

	Projected	Actual	Variance
Opening Cash Balance	\$ 68,897	\$ 68,897	
Receipts			
DIP Loan Advances	233,779	98,000	(135,779)
HST Refunds	33,326	22,952	(10,374)
Other Receipts	-	34	34
Total Receipts	<u>267,105</u>	<u>120,986</u>	<u>(146,119)</u>
Disbursements			
Banking and Financing Fees	201	121	80
Insurance - Property, Liability, Construction	11,781	-	11,781
Utilities	2,484	730	1,754
Property Tax	-	-	-
Security and Safety	14,115	6,091	8,024
Storage Costs - Construction Materials	11,402	-	11,402
Restructuring Professional Fees - Companies' Counsel	146,900	58,150	88,750
Restructuring Professional Fees - Trustee and its Counsel	132,080	65,462	66,618
Contingency	16,039	35,381	(19,342)
Total Disbursements	<u>335,002</u>	<u>165,935</u>	<u>169,067</u>
Receipts over Disbursements	<u>(67,897)</u>	<u>(44,949)</u>	<u>22,948</u>
Closing Cash Balance	<u>\$ 1,000</u>	<u>\$ 23,948</u>	

34. Overall, the 33 Laird Group realized a positive net cash flow variance of \$22,948 during the Monitored Period. The key components of the variance are as follows.

Receipts

- a. DIP Loan Advances – the negative variance of \$135,779 can be attributed to there being sufficient funds in the account to fund the disbursements expended in the Monitored Period, as well as deferred professional fees of the Companies (culminating in the need for the Restructuring Professionals Charge), which reduced the quantum of DIP Loan Advances being made. The DIP Loan is intended to fund operating shortfalls and thus the negative variance in this item is, as detailed below, offset by a favourable variance on the disbursement side.

- b. HST Refunds - the negative variance of \$10,375 relates to higher HST refunds expected associated primarily with the payment of professional fees; these professional fees arrears were not paid (deferred) in the Monitored Period or have only been recently been paid, and as such the associated HST input tax credits have not yet been claimed.

Disbursements

- c. Insurance - the positive variance of \$11,781 is a timing difference and is associated with the payment of the insurance premiums for the upcoming year. The Companies are endeavoring to secure and extend coverage until the completion of the Transaction.
- d. Security and Safety – the positive variance of \$8,024 is a timing as the fencing and edge protection rental fees that have been accruing since December 2020 have not been paid. The Companies intend to pay such amounts out of the net proceeds from the contemplated Transaction.
- e. Storage Costs –the positive variance of \$11,402 is a timing difference (same as later reported) as the storage fees for the HVAC equipment that have been accruing since December 2020, have also not yet been paid, as well as the associated moving costs for such HVAC equipment. The Companies intend to pay such accrued costs out of the net proceeds from the contemplated Transaction. As previously noted in the Third Report and Fourth Report, the elevators have yet to be relocated and as such this cost (projected to be \$2,983) has not yet been incurred.

- f. Restructuring Professional Fees (Companies' Counsel) – the variance of \$88,750 is primarily a result of the Companies' counsel having agreed to deferring payment of \$58,150.00 of its fees, to be paid from the proceeds contemplated Transaction (secured by the Administration Charge granted under the Final Extension Order). The balance of the variance represents estimated and still to be billed fees incurred since the last account was rendered.
- g. Restructuring Professional Fees (Trustee and its Counsel) – the positive variance of \$66,618 is in part a timing difference associated with the outstanding accounts that have only just been rendered, as detailed below in the PROFESSIONAL FEES section (approximately \$45,840, inclusive of HST, outstanding to the Proposal Trustee and its legal counsel, WFK) with the balance representing lower professional fees than had been projected.
- h. Contingency - the negative variance of \$19,342 is as, as previously noted in the Fourth Report, a result of a payment of \$35,000 to Beaux Properties to reimburse it for the initial retainers it provided to the Proposal Trustee and GSNH in November 2020 as this payment was not part of the Revised Cash Flow Projections.

Extended Cash Flow Projections

35. In accordance with the section 50(6) of the BIA, the Companies have, with the assistance of the Proposal Trustee, prepared and filed the Extended Cash Flow Projections, which cover the projected period starting on May 30, 2021 and ending on July 17, 2021 (the “**Projected Period**”). The Extended Cash Flow Projections were prepared on a consolidated basis for the 33 Laird Group using the probable and hypothetical assumptions

as set out in the notes attached thereto, updated for the most current information and were extended to cover to such potential date that the motion for the approval of the Proposals could be heard by the Court. A copy of the Extended Cash Flow Projections is attached hereto as **Appendix “F”**.

36. The Proposal Trustee’s review of the Extended Cash Flow Projections consisted of enquiries, analytical procedures and discussions related to information supplied to the Proposal Trustee by the Companies. Since hypothetical assumptions need not be supported, the procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the projections. The Proposal Trustee has also reviewed the support for the probable assumptions and the preparation and presentation of the projections, which are consistent with the assumptions used in the Revised Cash Flow Projections.
37. The activities in the Projected Period are generally limited to paying on-going holding costs and restructuring professional fees until the APS is completed, as well as \$10,677 to be paid Colliers International in connection an application for property tax relief for 2019. Due to the commercially sensitive nature of the sale price, the contemplated Transaction is not reflected in the Extended Cash Flow Projections.
38. Based on our review, nothing has come to the attention of the Proposal Trustee that causes the Proposal Trustee to believe that, in all material respects:
 - a. the hypothetical assumptions are not consistent with the purpose of the projections;
 - b. as at the date of this Fifth Report, the probable assumptions used in developing the Extended Cash Flow Projections are not suitably supported and consistent with the

Companies' plans, or do not provide a reasonable basis for the projections, given the hypothetical assumptions; and

- c. the Extended Cash Flow Projections does not reflect the probable and hypothetical assumptions.

VII. STATUS OF SALE PROCESS

39. As described in greater detail in the May 7th Affidavit and the Fourth Report, the Sale Process attracted significant interest and a number of offers in the form of letters of intent for the Property were received by first bid deadline. Following consultations with the Proposal Trustee, DUCA, their respective counsel and approval of this Court, a second bid deadline was set for April 21, 2021 and JLL returned to first round bidders to submit their best and final bid. On April 22, 2021 the Companies, in consultation with its counsel, the Proposal Trustee and DUCA, selected one of bidders, who has become the Purchaser.

40. Subsequent to such selection of one of the bidders, the Companies through its counsel have been negotiating the terms of an agreement of purchase and sale. On May 11, 2021, INC entered into the APS with the Purchaser.

VIII. THE APS AND SALE APPROVAL

41. A redacted copy of the signed APS is attached Exhibit "I" to the June 4th Affidavit, with a unredacted copy of page 5 of the signed APS is attached as Confidential Exhibit "1" to the June 4th Affidavit.

42. The key terms of the APS are as follows:

- a. it is conditional only on the Companies obtaining an Order approving the sale and vesting title to the Purchased Assets in and to the Purchaser, free and clear of any and all encumbrances (“**Approval and Vesting Order**”) within forty (40) days;
 - b. the Purchaser has the option to take title to the Property (as such term is defined in the APS) subject a site plan agreement, dated July 23, 2019 and registered on title to the real property as Instrument No. AT5243555 (the “**Site Plan Agreement**”) or have it removed from title through the Approval and Vesting Order (see SITE PLAN AGREEMENT DISCLAIMER section below). A copy of the Site Plan Agreement is attached and marked as Exhibit “J” to the June 4th Affidavit;
 - c. the Purchaser has provided a deposit of \$1,500,000 which is being held by JLL, with the balance of the of the Purchase Price (as such term is defined in the APS) due on closing; and
 - d. closing is scheduled to occur on the eleventh (11th) business day following the Approval and Vesting Order being granted by the Court.
43. The Proposal Trustee is of the view that the Transaction, as detailed in the APS, should be approved for the following reasons:
- a. the Companies have carried out the court approved Sale Process and made reasonable and good faith efforts to sell the Purchased Assets;
 - b. a broad marketing of the Purchased Assets was conducted by JLL, as agent to the Companies, in consultation with the Proposal Trustee, in accordance with the Sale Process approved by the Court. Furthermore, the Property had been fully exposed to the market having been listed by the Companies for sale through JLL.

Accordingly, the market has dictated that the APS negotiated with the Purchaser represents a commercially reasonable result in the circumstances; and

- c. the Secured Lenders, as first and second secured creditors and as the largest stakeholders, have been consulted, been provided with notice of the request for the issuance of an approval and vesting order and are supportive of the Transaction. It is also expected that will be sufficient proceeds from the Transaction to also pay other priority creditors, including registered lienholders and trust claimants (the “**Priority Creditors**”), as well as it contemplated that the unsecured creditors will receive some monied under the Proposals. Accordingly, completing the Transaction under this proceeding would be more beneficial to the creditors, generally, as compared with a liquidation through a bankruptcy or a receivership proceeding commenced by the Secured Lenders should this sale not be approved.
44. Overall, the contemplated sale appears to be in the best interest of all the stakeholders, as it allows for the payment in full of the Secured Lenders and the Priority Creditors, as well as forms the basis for funds to be made available to unsecured creditors under the Proposals.
45. Based on the foregoing, the Transaction meets the test for approval set out in Section 65.13 of the BIA. As the Companies have no employees there is no liability that would require compliance with Subsection 65.13(8) of the BIA.
46. As note above and as a condition of the APS, the Purchaser requires an Approval and Vesting Order as a condition of the transaction.

47. Given the commercially sensitive nature of certain information, including the proposed sale price, in the event that the transaction does not close, the Proposal Trustee is supportive of the Companies seeking that page 5 of the APS identified as a Confidential Exhibits “1” to the June 4th Affidavit be sealed pending the completion of the APS, the closing of the transaction and the Proposal Trustee filing of the Proposal Trustee’s Certificate or further order of this Court.

IX. SITE PLAN AGREEMENT DISCLAIMER

48. As noted in paragraph 42 b, the Purchaser had the option to take title to the real property subject to the Site Plan Agreement or have the site plan vested out pursuant to an approval and vesting order. The Purchaser have advised the Companies that it will require the site plan be removed from title through the Approval and Vesting Order or otherwise.

49. In addition to seeking the vesting out of the Site Plan Agreement under the proposed draft Approval and Vesting Order, on June 4, 2021, INC has issued a Notice by Debtor to Disclaim or Resiliate an Agreement – Form 44.1 pursuant to Section 65.11 of the BIA (the “**Disclaimer**”) disclaiming the Site Plan Agreement. A copy of the Disclaimer is attached and marked as Tab “6” to the Motion Record filed by the 33 Laird Group in connection with this Motion.

50. The Proposal Trustee approved the issuance of the Disclaimer on the basis that:

- a. the APS required that the Site Plan Agreement be removed from title at the purchaser’s option;
- b. the completion of the contemplated sale transaction under the APS is necessary as the Proposals require the completion of the transaction; and

- c. without the completion of the contemplated sale transaction, the Proposals are not viable.

51. As at the date of this Report, the City has not delivered any materials opposing the disclaimer or proposed approval and vesting order vesting out the site plan and removing it from title.

X. PROFESSIONAL FEES

52. Pursuant to paragraph 19 of the Consolidation and Stay Extension Order, the Proposal Trustee and WFK are to be

- a. paid their reasonable fees and disbursements by the Companies, and
- b. authorized to immediately apply any such payments made by the Companies to their fees and disbursements and such amounts shall constitute advances against their remuneration and disbursements when and as approved by this Court.

53. The Proposal Trustee's accounts for the period from February 28, 2021 to May 29, 2021 total \$30,844.40 (exclusive of HST). The affidavit of Sheldon Title, sworn June 8th, 2021 as to the fees of the Proposal Trustee is attached hereto as **Appendix "G"**.

54. WFK's accounts for the period from March 19, 2021 to May 31, 2021 total \$9,720.00 (exclusive of HST). The affidavit of Levi Rivers, sworn June 8, 2021 as to the fees and disbursements of WKZ in its capacity as legal counsel to the Proposal Trustee is attached hereto as **Appendix "H"**.

55. The Proposal Trustee is of the view that WFK's accounts are reasonable in the circumstances and respectfully requests this Court approve its fees and disbursements and

those of its legal counsel as set-out in the Proposal Trustee's and WFK's fee affidavits (collectively, the "Fee Affidavits"). These professional fees and disbursements have or will be drawn from the funds received from the Companies.

XI. CONCLUSION AND RECOMMENDATION

56. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 21 b of this Report.

All of which is respectfully submitted on this 8th day of June 2021.

MNP LTD.,
in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

"APPENDIX A"

Estate No.: 31-2693094, 31-2693092, 31-2693095
Court No.: 31-2693094, 31-2693092, 31-2693095

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC, OF
THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD GP INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD LIMITED
PARTNERSHIP, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

DECEMBER 11, 2020

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Appendices

Appendix “A”	Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal, dated November 20, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership issued by the Industry Canada – Office of the Superintendent of Bankruptcy Canada
Appendix “B”	Copies of the Notices to Creditors of the Notice of Intention to Make a Proposal Filing, dated December 3, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “C”	Copy of the Statement of Projected Cash Flows, dated December 8, 2020 (on a consolidated basis), together with the statutory reports of the debtor and the proposal trustee (BIA Forms 29 and 30), dated December 8, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). Copies of the certificates of filing for each of the NOIs filed are attached hereto and marked as **Appendix “A”**.
2. Notice of the NOIs as prescribed by the BIA was sent mailed on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies. Copies of such notices are attached hereto and marked as **Appendix “B”**.
3. Information regarding the proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird.
4. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process (the “**Sale Process**”) for all of the 33 Laird Group’s assets, while simultaneously seeking further financing options to replace the secured loans provided by DUCA Financial Services Credit Union Ltd. (“**DUCA**”) and Centurion Mortgage Capital Corporation (“**Centurion**” and together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”) and to continue on the business, if possible, on or before the conclusion of the Sale Process.

II. RESTRICTIONS

5. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**Birnboim Affidavit**”), the Companies’ books and records, discussions with management

of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

6. The Proposal Trustee also bases its Report on the Companies’ cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies’ businesses and the economy in general has yet to be determined. In developing the Cash Flow Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

7. The purpose of this Report is to:
 - a. Provide information to the Court with respect to the administration of the 33 Laird Group's proposal proceedings, including:
 - i. background information regarding the Companies' operations and the circumstances leading to the filing of the NOIs;
 - ii. comments on the Statement of Projected Cash Flows, dated December 8, 2020 (the "**Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA; and
 - b. Provide the Court with the Proposal Trustee's support for, and observations in respect of the Companies' request that the Court grant an Order, *inter alia*:
 - i. ordering and declaring that the proposal proceedings of the 33 Laird Group be administratively consolidated;
 - ii. approving interim financing up to a maximum of \$250M (the "**DIP Loan**") from BP Capital Inc. (the "**DIP Lender**") for the purpose of funding the costs of the restructuring, including but not limited to the cost of securing the Property (as defined below), the fees and disbursements of the Restructuring Professionals (as defined below) up to the end of the NOI stay period and granting a second-ranking DIP Charge (as defined below) over all of the Companies' property, assets and undertakings (collectively, the "**Property**");
 - iii. Authorizing and directing the Company to pay the accounts of the Restructuring Professionals (as defined below) rendered in these proposal proceedings, and authorizing the Proposal Trustee and its counsel to apply such amounts to their accounts, which shall constitute an advance against their remuneration that is subject to taxation by the Court; and

- iv. approving an extension of the time for the Companies to make a proposal to its creditors to February 11, 2021.

IV. BACKGROUND INFORMATION

8. As described in greater detail in the Birnboim Affidavit, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the “**Project**”).
9. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. (“**BPII**”), 2344011 Ontario Inc. and Sealink JV Ltd (“**Sealink**”), in Trust (collectively, the “**LP Partners**”) are the limited partners.
10. The Project is still in the early stages of construction and will require additional capital or financing to complete.
11. Based on, and as described in greater detail in the Birnboim Affidavit, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
12. A summary of the Companies’ historical financial results¹ are set out below:

¹ Based on draft unaudited financial statements of 33 Laird Limited Partnership.

	For the Years Ended December 31,	
	2019	2018
Commercial Rents	\$ -	\$ 4,300
Non Recoverable Expenses		
Brokers Fees	55,725	99,012
Construction Soft Costs	40,145	96,862
Professional Fees	12,001	28,658
Office and General	-	3,885
Total Non Recoveable Expenses	<u>107,871</u>	<u>228,417</u>
Net Loss for the Year	<u>\$ (107,871)</u>	<u>\$ (224,117)</u>

13. Additional information in respect of the Companies is set out in the Birnboim Affidavit, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.

14. Goldman Sloan Nash & Haber LLP (“**GSNH**”) has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP (“**WFK**” and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the “**Restructuring Professionals**”) has been engaged by the Proposal Trustee as its independent legal counsel.

V. ASSETS

15. The principal assets of the Companies are the building structures under construction and the land, which had an aggregate net book value of approximately of \$13MM as at December 31, 2019. As noted above, title to the real property underlying the Project is held by INC as bare trustee for and on behalf of the partnership. The Project is currently on hold with work being suspended pending the outcome of these proposal proceedings.

VI. CREDITORS

Secured Creditors

16. The Project was principally financed through secured loans from DUCA. The Proposal Trustee understands that a portion of such loans was syndicated out to Centurion. The Proposal Trustee understands that the current indebtedness to DUCA and Centurion are in the amounts of \$9.789MM and \$3.214MM, respectively.
17. As described in greater detail in the Birnboim Affidavit, a search of the Ontario *Personal Property Security Act* registry, file currency date of December 8, 2020, a Parcel Register, dated December 8, 2020 (the "Parcel Register") and the Companies' records, indicate that DUCA holds
 - a. a mortgage charge on the real property underlying the Project in the amount of \$22MM;
 - b. a personal property charge over all of INC's chattels, except consumer goods; and
 - c. a personal property charge over all of LP's accounts and other.
18. As described in greater detail in the Birnboim Affidavit and reflected on the Parcel Register, BPII and Sealink hold together a second ranking mortgage on the real property underlying the Project in the amount of \$5.2MM, however, the amounts claimed by BPII and Sealink as mortgagees, are not accepted by all partners and have therefore not been accepted by the 33 Laird Group at this time
19. WFK has not yet provided an opinion to the Proposal Trustee on the validity and enforceability of the security held by the Secured Lenders, BPII and Sealink over the Property and the Proposal Trustee has yet to determine the extent to which these claims are valid. The Proposal Trustee anticipates that such work to determine the validity and amount of the BPII and Sealink claims will be undertaken later in these proceedings, if appropriate.

Other Potential Priority Creditors

20. On the NOI lists of creditors there are potential priority claims shown for the City of Toronto related unpaid 2020 municipal property taxes, as well amounts for suppliers to the Project, who retain rights under the Ontario *Construction Act*. Maxxwel & Co. Inc. has registered a construction lien on the real property underlying the Project in the amount of \$113,336.

Other Creditors

21. In addition to the above-noted creditors, there are amounts shown related to tenant deposits received, broker commissions, real estate transaction legal fees and other trade creditors.

VII. CASH FLOW PROJECTIONS

22. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

23. The Cash Projections have been assembled and prepared on a consolidated basis for the 33 Laird Group.

24. In accordance with the provisions of the BIA, the Companies prepared and filed with the Official Receiver the Cash Flow Projections, which were reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Companies. The Cash Flow Projections cover the period starting on November 29, 2020 and ending on March 6, 2021 (the “**Projection Period**”). A copy of the Cash Flow Projections, and related reports, are attached as hereto and marked as **Appendix “C”**.

25. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that the operations are continuing in accordance with the Cash Flow Projections. Given the date of this Report and the start of the

Projection Period, no review of cash flow variances has been completed as of date of this Report.

26. The principal assumptions of the Cash Flow Projections are that:

- a. Construction work remains suspended pending the outcome of the Sale Process and refinancing efforts;
- b. During these NOI proceedings, the 33 Laird Group will seek Court approval for a Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process;
- c. the Court will grant an Order authorizing, *inter alia*, a DIP Loan to fund the limited costs and fees and disbursements of the Restructuring Professionals;
- d. the collection of HST refunds is based on Management's best estimates and historical collection trends;
- e. disbursements are based on Management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- f. the Secured Lenders will defer all principal and interest payments pending the outcome of the Sale Process and concurrent pursuit of refinancing; and
- g. the Restructuring Professional's fees are based on estimates provided by the respective professionals to Management assuming work done to develop and seek approval for a Sale Process while also assisting the Companies to concurrently seek refinancing options during the NOI proceeding.

27. Based on the Proposal Trustee's review of the Cash Flow Projections, there are no material assumptions which seem unreasonable or implausible in the 33 Laird Group's circumstances. Based on the Cash Flow Projections and the assumption that the DIP Loan will be available, the Companies will have sufficient funding through to the end of the requested extension of the NOI.

VIII. INTERIM FINANCING

The DIP Loan

28. As set out in the Cash Flow Projections, absent additional financing, the Companies do not have the ability to continue to fund operations and the cost of these proceedings beyond the initial few weeks of the Projection Period. DIP financing is needed to permit the Companies to undertake a Sale Process or complete a refinancing transaction.

29. The DIP Lender is related to BPIL, one of the LP Partners.

30. In light of the contemplated Sale Process, and in order to preserve the value of the Project and the Companies' business, the DIP Lender agreed to advance a DIP Loan to fund the fees and disbursements of the limited holding costs and the Restructuring Professionals pursuant to a Term Sheet, issued December 10, 2020 (the "**Term Sheet**"). A summary of the DIP Loan's key terms are as follows:

- a. **Principal Amount:** \$250M on a non-revolving basis;
- b. **Purpose:** DIP financing to fund the holding costs of the Property and the costs, fees and disbursements of the Restructuring Professionals.
- c. **Term:** 6 months, interest only, with the loan open for prepayment. The commencement of any enforcement on the DIP Loan is however subject to further Court order.
- d. **Security and Priority:** The DIP Loan is conditional on the Court approving a second ranking security charge that is subordinate only to the secured interests of the

Secured Lenders on the Property (the “**DIP Charge**”) in favour of the DIP Lender over all other security interests and encumbrances;

- e. **Interest:** shall accrue at the annual rate of 10% per annum; and
- f. **Advance:** The DIP Loan shall be available by multiple advances, made on or after December 15, 2020.

A copy of the Term Sheet is attached as Exhibit “P” to the Birnboim Affidavit.

Interim Financing Recommendation

31. The Proposal Trustee has considered the factors set out in Subsection 50.6(5) of the BIA with respect to the granting of a Court order for interim financing and the DIP Charge. The Proposal Trustee respectfully recommends that the Court make the order sought by the Companies for the following reasons:

- a. The Companies will require funding in order to pay the Restructuring Professionals and allow the Companies to conduct the Sale Process and seek refinancing options as contemplated;
- b. No creditor of the Companies appears to be materially prejudiced by the borrowings under the DIP Loan, and the DIP Approval Order; and
- c. The terms of the borrowings appear to be reasonable in the circumstances and consistent with the terms of debtor-in-possession financing facilities in similar proceedings.

IX. CONTEMPLATED SALE PROCESS

- d. As noted earlier in this Report, it is contemplated that the 33 Laird Group will seek Court approval for the Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process. However, due to the approaching holidays and limited Court dates available, as at the date of this motion, the Companies have not yet had sufficient time to fully formulate the Sale Process it would like to present to the Court

for approval. It is expected that the Companies will in the coming weeks be able to finalize the Sale Process and will then seek to have the Sale Process approved *nunc pro tunc*, if appropriate and necessary, in early January 2021.

X. PROFESSIONAL FEES – DRAW AUTHORIZATION

32. Pursuant to subsection 25(1.3) of the BIA, Proposal Trustee cannot withdraw monies from the estate trust account to pay any disbursements, including the professional fees, without the written permission of the inspectors or an order of the Court.
33. As there will be no inspectors appointed until a proposal is filed, which will not occur until after the completion of the Sale Process or refinancing search, in order to avoid the additional cost and expense to the estate, the Proposal Trustee supports the relief being sought by the Companies to authorize the Proposal Trustee and its counsel to apply such amounts paid to it by the Company as advances on account that are subject to taxation by the Court.

XI. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

34. The time for filing a proposal expires on December 28, 2020. Due to the upcoming holidays and the Court's limited available motion dates, the extension of time to file a proposal is being sought earlier than usual in this proceeding.
35. In order to allow the 33 Laird Group sufficient time to fully formulate the Sale Process and then execute upon same, the Companies seeks a forty-five (45) day extension of the time for filing of a proposal to February 11, 2021.
36. In view of the foregoing, the Proposal Trustee supports the 33 Laird Group's request for an extension of time for filing a proposal for the following reasons:
- a. that the 33 Laird Group is acting in good faith and with due diligence;
 - b. that the extension should not adversely affect or prejudice creditors as the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and

supplies in the amounts contemplated in the Cash Flow Projections due to the availability of the proposed DIP Loan from the DIP Lender;

- c. that pursuit of the contemplated Sale Process could generate offers before the end of the requested extension period and allow the Companies to be in a position to make a viable proposal for the general benefit of its creditors; and
- d. that creditors would not be prejudiced by an extension of time for the 33 Laird Group to file its proposal.

XII. ADMINISTRATIVE CONSOLIDATION

37. The Companies are seeking an order to administratively consolidate these proposal proceedings and to continue under a joint title of proceedings. The relief being sought by the Companies is to avoid the cost and duplication associated with a multiplicity of proceedings and filing of three (3) set of motion materials in connection with future motions, filings and notices to be brought and served in these proposal proceedings.

38. The Proposal Trustee supports this relief being sought as it will improve efficiency of the proceeding and no creditors will be prejudiced given the commonality of the creditors.

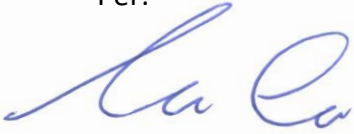
XIII. CONCLUSION AND RECOMMENDATION

39. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 7.

All of which is respectfully submitted on this 11th day of December 2020.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

APPENDIX “D”

33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP
Statement of Revised Projected Cash Flows
For the period January 30, 2021 to May 29, 2021

	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26
7 day period ending:	6-Feb-21 (actual)	13-Feb-21 (projected)	20-Feb-21 (projected)	27-Feb-21 (projected)	6-Mar-21 (projected)	13-Mar-21 (projected)	20-Mar-21 (projected)	27-Mar-21 (projected)	3-Apr-21 (projected)	10-Apr-21 (projected)	17-Apr-21 (projected)	24-Apr-21 (projected)	1-May-21 (projected)	8-May-21 (projected)	15-May-21 (projected)	22-May-21 (projected)	29-May-21 (projected)
Opening Cash Balance	\$ 68,897	\$ 36,946	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 12,692	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Receipts																	
DIP Loan Advances	-	29,286	11,492	1,700	44,917	-	31,343	-	23,258	-	31,343	-	23,052	-	2,096	30,247	5,045
HST Refunds	-	-	-	-	-	-	-	12,692	-	-	-	-	12,898	-	-	-	7,736
Total Receipts	-	29,286	11,492	1,700	44,917	-	31,343	12,692	23,258	-	31,343	-	35,950	-	2,096	30,247	12,781
Disbursements																	
Banking and Financing Fees	3	48	-	-	50	-	-	-	50	-	-	-	50	-	-	-	-
Insurance - Property, Liability, Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,781
Utilities	-	-	96	700	-	-	-	96	700	-	96	-	700	-	96	-	-
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and Safety	-	-	-	-	6,475	-	-	-	3,820	-	-	-	3,820	-	-	-	-
Storage Costs - Construction Materials	-	-	-	-	9,142	-	-	-	1,130	-	-	-	1,130	-	-	-	-
Restructuring Professional Fees - Company Counsel	-	62,150	-	-	28,250	-	-	-	28,250	-	-	-	28,250	-	-	-	-
Restructuring Professional Fees - Trustee and Ins Counsel	31,909	2,034	10,396	-	-	-	29,247	-	-	-	29,247	-	-	-	-	29,247	-
Contingency	39	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Disbursements	31,951	65,232	11,492	1,700	44,917	1,000	30,343	1,000	34,950	1,000	30,343	1,000	34,950	1,000	1,096	30,247	12,781
Receipts over Disbursements	(31,951)	(35,946)	-	-	-	(1,000)	1,000	11,692	(11,692)	(1,000)	1,000	(1,000)	1,000	(1,000)	1,000	-	-
Closing Cash Balance	\$ 36,946	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 12,692	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ 1,000

The Statement of Projected Cash Flows includes the Hypothetical and/or Probable Assumptions attached to this projected cash flow. This statement of projected cash flow should be read in conjunction with The Notes and Assumptions to the Statement of Projected Cash Flows attached.

This statement of projected cash flow is prepared by the debtors in accordance with s. 50.4(2)(a) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

MNP LTD., Trustee acting *in re* the Proposal of
 33 Laird Inc., 33 Laird GP Inc. & 33 Laird Limited Partnership

33 LAIRD INC.


33 LAIRD GP INC.

33 LAIRD LIMITED PARTNERSHIP

Per: 
 Matthew Lem, Licensed Insolvency Trustee

Per: 
 Jason Birnboim

Per: 
 Jason Birnboim

Per: 
 Jason Birnboim

Dated: February 9, 2021

33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP
The Notes and Assumptions to the Statement of Revised Projected Cash Flows
For the period January 30, 2021 to May 29, 2021

A summary of the hypothetical and/or probable assumptions to the Statement of Projected Cash Flows are as follows:

- It is contemplated that during these Notice of Intention to Make a Proposal (NOI) proceedings, the 33 Laird Group will seek Court approval to implement a sale and marketing process contemplated with Jones Lang LaSalle Real Estate Services, Inc. or complete a transaction with a possible purchaser referred to in the Affidavit of Jason L.S. Birnboim sworn February 6, 2021 .
- The debtor in possession (DIP) loan to fund the operating shortfalls incurred in these proceedings. The DIP loan is subordinate to the security interests held by the secured creditors, DUCA Financial Services Credit Union Ltd. and Centurion Mortgage Capital Corporation.
- The collection of HST refunds are based on management's best estimates and historical collection trends.
- The insurance has previously been paid in full with coverage extending to May 31, 2021.
- No municipal property tax payments are contemplated to be made until a sale transaction is completed. Any property refunds owing is assumed to be offset against the outstanding property taxes due and/or payable.
- The disbursements are based on management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended.
- The 33 Laird Group's lenders, DUCA Financial Services Credit Union Ltd. and Centurion Mortgage Capital Corporation, will defer all principal and interest payments pending the outcome of the contemplated sale process.
- The restructuring professional fees are based on estimates provided by the respective professionals to management assuming a public sale and marketing process while also concurrently seeking refinancing options during the NOI proceeding. The restructuring professional fees are contemplated to be funds through the DIP loan noted above.
- Pursuant to Section 69(1) of the *Bankruptcy and Insolvency Act* , all creditor's claims are subject to a stay of proceedings.

"APPENDIX B"

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**SECOND REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

FEBRUARY 9, 2021

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Appendices

Appendix “A”	Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal, dated November 20, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership issued by the Industry Canada – Office of the Superintendent of Bankruptcy Canada
Appendix “B”	Copies of the Notices to Creditors of the Notice of Intention to Make a Proposal Filing, dated December 3, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “C”	A Copy of First Report to the Court Submitted by MNP LTD., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)
Appendix “D”	Copy of the Statement of Revised Projected Cash Flows, dated February 9, 2021 (on a consolidated basis), dated February 9, 2021 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “E”	Affidavit of Sheldon Title, sworn February 8, 2021
Appendix “F”	Affidavit of Connie Deng, sworn February 8, 2021

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). Copies of the certificates of filing for each of the NOIs filed are attached hereto and marked as **Appendix “A”**. The 33 Laird Group’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. Notice of the NOIs as prescribed by the BIA was sent on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies. Copies of such notices are attached hereto and marked as **Appendix “B”**.
3. On December 10, 2020, the Companies filed a Notice of Motion and a Motion Record returnable December 16, 2020, seeking, among other things, a Court Order:
 - a. procedurally consolidating the NOI Proceedings and authorizing and directing the Proposal Trustee to administer the NOI Proceedings on a consolidated basis henceforth;
 - b. extending the time for the Companies to file a proposal to February 11, 2021;
 - c. approving the interim financing of up to \$250,000 (the “**DIP Loan**”) and granting a priority charge, but subordinate to the security interests of DUCA Financial Services Credit Union Ltd. (“**DUCA**”), on the 33 Laird Group’s current and future assets, undertakings and properties; and
 - d. authorizing and directing the payment of the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Companies, Goldman Sloan Nash & Haber LLP (“**GSNH**”).

4. On December 11, 2020, the Proposal Trustee served its first report, dated December 11, 2020 (the “**First Report**”). A copy of the First Report, without appendices, is attached hereto and marked as **Appendix “C”**.
5. On December 16, 2020, the Court granted an Order (the “**Consolidation and Stay Extension Order**”) approving the relief sought by the Companies as noted in paragraph 3 above. A copy of the Consolidation and Stay Extension Order is attached and marked as Exhibit “B” to the February 6 Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
6. Information regarding the NOI Proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird (the “**Website**”).
7. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process (the “**Sale Process**”) for all of the 33 Laird Group’s assets, while simultaneously seeking further financing options to replace the secured loans provided by DUCA and Centurion Mortgage Capital Corporation (together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”) and to continue on the business, if possible, on or before the conclusion of the Sale Process.

II. RESTRICTIONS

8. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**December 10th Affidavit**”) the affidavit of Jason L. S. Birnboim, sworn February 6, 2021 (the “**February 6 Affidavit**” and together with the December 10th Affidavit, hereinafter collectively referred to as the “**Birnboim Affidavits**”), the Companies’ books and records, discussions with management of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to

verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

9. The Proposal Trustee also bases its Report on the Companies' cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies' businesses and the economy in general has yet to be determined. In developing the Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

10. The purpose of this Report is, *inter alia*, to:
 - a. Update the Court with respect to:

- i. the activities of the Companies and the Proposal Trustee since the First Report;
 - ii. the status of the Sale Process;
 - iii. report on the Company's actual cash flows for the period November 29, 2020 to January 30, 2021;
 - iv. comments on Statement of Revised Projected Cash Flows, dated February 9, 2021 (the "**Revised Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA;
- b. provide the Court with the Proposal Trustee's recommendation for an Order, *inter alia*:
- i. approving an extension of the time for the Companies to make a proposal to its creditors to March 29, 2021 (the "**Extended Period**");
 - ii. approving and authorizing the Companies' engagement of Jones Lang LaSalle Real Estate Services, Inc. ("**JLL**") to market and sell the Project (as such term is defined later), the building structures under construction and the land (collectively, the "**Property**").
 - iii. approving the fees and disbursements of the Proposal Trustee and WFK as set-out in the Fee Affidavits (as such term is later defined); and
 - iv. approving the activities of the Proposal Trustee as set out in the First Report and this Report

IV. BACKGROUND INFORMATION

11. As described in greater detail in the Birnboim Affidavits, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the "**Project**"). The Project forms part of the

Property, which comprises substantially all of the Companies' property, assets and undertakings.

12. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. ("**BPII**"), 2344011 Ontario Inc. and Sealink JV Ltd ("**Sealink**"), in Trust (collectively, the "**LP Partners**") are the limited partners.
13. The Project is still in the early stages of construction and will require additional capital or financing to complete.
14. Based on, and as described in greater detail in the Birnboim Affidavits, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
15. Additional information in respect of the Companies is set out in the Birnboim Affidavits, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.
16. GSNH has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP ("**WFK**" and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the "**Restructuring Professionals**") has been engaged by the Proposal Trustee as its independent legal counsel.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE

17. Since the Filing Date, the Proposal Trustee has undertaken the following activities, *inter alia*:
 - a. updated the Website as necessary;

- b. prepared and sent notice under Subsection 50.4(6) of BIA to all known creditors;
- c. responded to enquiries directed towards the Proposal Trustee from creditors and other stakeholders;
- d. responded to enquiries directed towards the Proposal Trustee from parties interested in acquiring the Project;
- e. monitored the Companies' actual cash flows in comparison with the Statement of Projected Cash Flows, dated December 8, 2020 (the "**Initial Cash Flow Projections**");
- f. assisted the Companies with the preparation and filing with the Office of the Superintendent of Bankruptcy Canada of the Revised Cash Flow Projections and related statutory reports;
- g. discussed with the Companies and the Companies' counsel regarding alternate refinancing sources and provide introductions;
- h. discussed with the Companies and the Companies' counsel regarding the Sale Process, including the soliciting of listing proposals, its discussions with a possible purchaser about a transaction for the Project (the "**Possible Transaction**") and the Companies' contemplated engagement of JLL to list and conduct a marketing process for the Project;
- i. reviewed and provided comments on the proposed listing agreement to be entered into between the Companies and JLL (the "**Listing Agreement**"); and
- j. drafted this Report and reviewing all Court materials filed in connection with the Companies' motion.

VI. SALE PROCESS

The Possible Transaction

18. The Companies have been exploring for the last several weeks the Possible Transaction; it has however not solidified into a formal binding offer as of the date of this Report.

However, the Proposal Trustee has been advised by the GSNH, that the Companies may execute an agreement of purchase and sale with respect to the Possible Transaction on or before February 19, 2021, subject to being approved by this Court.

JLL Listing Agreement

19. Concurrent to the forgoing activities concerning the Possible Transaction, the Companies have solicited and have received listing proposals from JLL and Cushman & Wakefield ULC (“C&W”) in the case of this eventuality. Copies of JLL’s and C&W listing proposals are attached as Confidential Appendices “1” and “2” to the February 6 Affidavit.

20. The Companies are of the view that the listing proposal submitted by JLL provides the best opportunity to maximize realization on the Property for the Companies ‘stakeholders, based on the more favourable commission rate, proposed marketing strategy, and the team’s experience. JLL’s proposed marketing process (the “Marketing Process”) is described in greater in JLL’s listing proposal and has been further outlined in Schedule “A” of the amended draft Order filed on February 9, 2021 in connection with this Motion. Accordingly, the Marketing Process contemplates the Companies engaging JLL, subject to this Court’s approval, to conduct such marketing process, as outlined below.

21. The Marketing Process contemplated by JLL and the Companies is summarized as follows:

Proposed Activities	
<p>Pre-Marketing Stage</p> <p>To be completed within three (3) weeks¹ of Court approval of the Listing Agreement</p>	<ul style="list-style-type: none"> • Assemble due diligence materials and set-up on-line data room, including undertaking an urban planning analysis. • Preparation of marketing materials, including confidential information memorandum, flyers, etc. • Execution of a listing agreement.

¹ As per the Listing Agreement. JLL’s listing proposal had originally indicated approximately two (2) weeks.

	Proposed Activities
<p>Marketing and Due Diligence Stage</p> <p>To be commenced with three (3) weeks of Court approval of the Listing Agreement</p>	<ul style="list-style-type: none"> • Email blast and mailing to network. • Social media advertising • Site tours and follow-up virtual and socially-distanced in-person presentations. • Commence MLS listing • Advertisement of sale in Globe & Mail and Sing Tao newspapers
<p>First Bid Deadline</p> <p>six (6) Week following the commencement of the Marketing and Due Diligence Stage</p>	<ul style="list-style-type: none"> • In consultation with the Proposal Trustee and DUCA, review bids received, assess the merits of each bid, the potential risks of some of the bidders, and strategize about next steps.
<p>Second Bid Deadline</p> <p>Within one (1) Week following the First Bid Deadline</p>	<ul style="list-style-type: none"> • Invite a select number of bidders from first round of bidding and request re-submission of competitive bids, as appropriate. • Provide form of agreement of purchase and sale for submission of bid. • Following selection of bid, refine pricing and deal terms, as appropriate, and execute agreement of purchase and sale. • If two (2) or more of the best second-round bids are substantially equal, proceed to Final Bid Deadline
<p><u>If Necessary</u></p> <p>Final Bid Deadline</p> <p>Within five (5) days following the Second Bid Deadline</p>	<ul style="list-style-type: none"> • In consultation with the Proposal Trustee and DUCA, review bids received from second round of bidding, and if two (2) or more of the best bids remain substantially equal, request re-submission of such competitive bids • Following selection of bid, refine pricing, deal terms and execute agreement of purchase and sale

22. The Proposal Trustee is of the view that the Marketing Process will adequately target the prospective purchaser groups, including retail developers, industrial developers and private capital firms.

23. An unredacted copy of the Listing Agreement is attached as Confidential Appendix "3" to the February 6 Affidavit and sets out among other things, the commission rates to be paid (with or without the involvement of a co-operating broker), the impact of the Possible Transaction, and the agreement being subject to Court approval.
24. With respect to the Possible Transaction vis-à-vis the Listing Agreement, it is contemplated that the possible purchaser associated therewith will have twenty-one (21) days from the date the Listing Agreement is approved by the Court to enter into a binding agreement of purchase sale with the Companies, otherwise the possible purchaser will need to participate in the Marketing Process with all other prospective purchasers.
25. It is contemplated that the Companies would offer the Property for sale with a minimum list price of \$1 using the Multiple Listing Service to ensure all offers are brought to the attention of the Companies and the Proposal Trustee.
26. The Companies, with JLL's assistance and the Proposal Trustee, will review and assess the bids received during the Marketing Process.
27. The Companies will then look to enter into a binding agreement of purchase and sale for the Property, which it will present to this Court for approval, along with a reporting of the results of the Marketing Process.
28. Given the sensitive nature of the information in the Confidential Appendices, the Proposal Trustee respectfully recommends that this material be sealed pending completion of a sale transaction for the Property.

VII. CASH FLOW PROJECTIONS

General

29. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

30. The Initial Cash Flow Projections covered the period starting on November 29, 2020 and ending on March 6, 2021. The Revised Cash Flow Projections cover the period starting on January 30, 2021 and ending on May 26, 2021 (the “**Projection Period**”). A copy of the Revised Cash Flow Projections, and related reports, are attached as hereto and marked as **Appendix “D”**.
31. The Initial Cash Flow Projections and the Revised Cash Flow Projections (collectively, the “**Projections**”) have been assembled and prepared on a consolidated basis for the 33 Laird Group.
32. In accordance with the provisions of the BIA, the Companies prepared and filed with the Official Receiver the Projections, which were reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Companies.
33. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that the operations are continuing in accordance with the Projections.

Initial Cash Flow Projections – Actual to Projected

34. A summary of the Company’s actual receipts and disbursements as compared to those presented in the Initial Cash Flow Projections for the nine-weeks ended January 30, 2021 are as follows (“**Monitored Period**”):

	Projected	Actual	Variance
Opening Cash Balance	\$ 17,446	\$ 17,706	
Receipts			
DIP Loan Advances	188,867	-	(188,867)
HST Refunds	50,771	52,045	1,274
Total Receipts	<u>239,638</u>	<u>52,045</u>	<u>(187,593)</u>
Disbursements			
Banking and Financing Fees	100	3	97
Insurance - Property, Liability, Construction	-	-	-
Utilities	1,212	851	361
Property Tax	-	-	-
Security and Safety	8,001	-	8,001
Storage Costs - Construction Materials	16,950	-	16,950
Restructuring Professional Fees - Companyies' Counsel	72,640	-	72,640
Restructuring Professional Fees - Trustee and its Counsel	116,227	33,943	82,284
Contingency	27,000	39	26,961
Total Disbursements	<u>242,130</u>	<u>34,836</u>	<u>207,294</u>
Receipts over Disbursements	<u>(2,492)</u>	<u>17,209</u>	<u>19,701</u>
Closing Cash Balance	<u>\$ 14,954</u>	<u>\$ 34,915</u>	

35. There was small error in the opening cash balance figure, which translates to the opening cash position being actually \$260 higher than what was shown in the projections.

36. Overall, the 33 Laird Group's realized a positive net cash flow variance of \$19,701 during the Monitored Period. The key components of the variance are as follows.

Receipts

- a. DIP Loan Advances – the negative variance of \$188,867 can be attributed to there being sufficient funds in the account to fund the disbursements expended in the Monitored Period and therefore not requiring DIP Loan Advances. The DIP Loan is to fund operating shortfalls and thus any negative variance in this item is offset by a favourable variance on the disbursement side. This is principally a timing difference, as the expected draw on the DIP Loan was largely in anticipation of greater professional fees being paid in the Monitored Period.

- b. HST Refunds - the positive variance of \$1,274 relates to the November 2020 HST refund received which was not included in the Initial Cash Flow Projections.

Disbursements

- c. Security and Safety – the positive variance of \$8,001 is in part a timing difference as there is approximately \$3,200 in fencing and edge protection rental fees that have accrued for December 2020 and January 2021 that have not yet been paid. The balance is primarily related to projected security monitoring costs, which were not incurred, but are expected to start in February 2021.
- d. Storage Costs – this projected figure of \$8,475/month was an estimated figure when the Initial Cash Flow Projections were prepared. Notwithstanding, the positive variance of \$16,950 is in part a timing difference as there is approximately \$2,260 in storage fees for the HVAC equipment that have accrued for December 2020 and January 2021 that have not yet been paid. In addition, it was originally anticipated that storage and moving costs associated with the elevators would be incurred but have not as of the date of this Report.
- e. Restructuring Professional Fees – the combined positive variance of \$154,924 is a result of the lower than projected fees of the Companies’ counsel up to January 30, 2020 (approximately \$55,000 plus HST), which have also not yet been rendered for payment, and the significantly lower actual fees (paid \$33,943 plus accrued/unpaid fees of approximately \$10,000 plus HST) for the Proposal Trustee and its counsel than had been projected for the period.
- f. Contingency - the positive variance of \$26,961 is result of minimal other costs that were not already specifically identified being incurred in the Monitored Period.

37. As noted below, the Companies seek an extension of time within which to file a Proposal. The Initial Cash Flow Projections do not cover the Extended Period, and accordingly the Revised Cash Flow Projections have been prepared.

Revised Cash Flow Projections

38. The Revised Cash Flow Projections revises certain figures that had previously been presented in the Initial Cash Flow Projections based on the current information available, as well as extends past the Extended Period to cover the contemplated period of the Sales Process.

39. The principal assumptions of the Cash Flow Projections are that:

- a. Construction work remains suspended pending the outcome of the Sale Process;
- b. During the NOI Proceedings, the 33 Laird Group will implement the Sale Process contemplated with JLL or complete the Possible Transaction;
- c. The previously Court approved interim financing up to a maximum of \$250M (the “**DIP Loan**”) will be sufficient to cover operating shortfalls;
- d. the collection of HST refunds is based on Management's best estimates and historical collection trends;
- e. disbursements are based on Management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- f. the Secured Lenders will defer all principal and interest payments pending the outcome of the Sale Process; and
- g. the Restructuring Professional's fees are based on estimates provided by the respective professionals to Management in connection with the implementation of the Sale Process contemplated.

40. Based on the Proposal Trustee's review of the Revised Cash Flow Projections, there are no material assumptions which seem unreasonable or implausible in the 33 Laird Group's circumstances

41. Provided funds are available pursuant to the DIP Loan, it appears that the Companies have sufficient funds available to carry on its operations through the Extended Period based on the Revised Cash Flow Projections.

VIII. PROFESSIONAL FEES

42. Pursuant to subsection 25(1.3) of the BIA, Proposal Trustee cannot withdraw monies from the estate trust account to pay any disbursements, including the professional fees, without the written permission of the inspectors or an order of the Court.

43. Pursuant to paragraph 19 of the Consolidation and Stay Extension Order, the Proposal Trustee and WFK are to be

- a. paid their reasonable fees and disbursements by the Companies, and
- b. authorized to immediately apply any such payments made by the Companies to their fees and disbursements and such amounts shall constitute advances against their remuneration and disbursements when and as approved by this Court.

44. The Proposal Trustee's accounts for the period from November 26, 2020 to January 30, 2021 total \$35,262.40 (exclusive of HST). The affidavit of Sheldon Title sworn February 8, 2021 as to the fees of the Proposal Trustee is attached hereto as **Appendix "E"**.

45. WFK's accounts for the period from December 2, 2020 to January 29, 2021 total \$2,520.00 (exclusive of HST). The affidavit of Connie Deng virtually sworn February 8, 2021 as to the fees and disbursements of WKZ in its capacity as legal counsel to the Proposal Trustee is attached hereto as **Appendix "F"**.

46. The Proposal Trustee is of the view that WFK's accounts are reasonable in the circumstances and respectfully requests this Court approve its fees and disbursements

and those of its legal counsel as set-out in the Proposal Trustee's and WFK's fee affidavits (collectively, the "**Fee Affidavits**"). These professional fees and disbursements have or will be drawn from the funds received from the Companies.

IX. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

47. The time for filing a proposal expires on February 11, 2021.

48. The Companies remains of the view that carrying out the Sale Process will maximize value for its stakeholders.

49. In order to allow the 33 Laird Group to implement the Sale Process contemplated and being sought to be approved as part of this Motion, the Companies are seeking a forty-five (45) day extension of the time for filing of a proposal.

50. It is contemplated that the Companies will require a further extension of time after the Extended Period to complete the Sale Process.

51. In view of the foregoing, the Proposal Trustee supports the Companies' request for an extension to provide it with additional time to implement the contemplated Sale Process. The Proposal Trustee has also considered that:

- a. the 33 Laird Group is acting in good faith and with due diligence;
- b. the extension should not adversely affect or prejudice creditors as the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and supplies in the amounts contemplated in the Revised Cash Flow Projections due to the availability of the DIP Loan;
- c. creditors would not be prejudiced by an extension of time for the 33 Laird Group to file its proposal;
- d. the contemplated Sale Process could generate offers at the First Bid Deadline before the end of the requested extension period; and

- e. if offers are received by the First Bid Deadline, it is reasonably expected that binding offers will be received by the Final Bid Deadline to allow the Companies to be in position to consider formulating and presenting a viable proposal.

X. CONCLUSION AND RECOMMENDATION

52. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 10.

All of which is respectfully submitted on this 9th day of February 2021.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

COURT NO.: 31-2693094
ESTATE NO.: 31-2693094

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC. AND 33 LAIRD GP INC., CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*, AND 33 LAIRD LIMITED PARTNERSHIP, A LIMITED PARTNERSHIP FORMED UNDER THE ONTARIO *LIMITED PARTNERSHIPS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

SECOND REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

Matthew Lem
Tel: (416) 515-3882
Fax: (416) 323-5242
Email: matthew.lem@mnp.ca

APPENDIX “C”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

AFFIDAVIT OF SHELDON TITLE
(Sworn March 23rd, 2021)

I, Sheldon Title, of the City of Richmond Hill, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

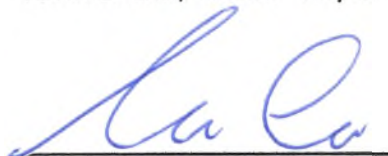
1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd. ("**MNP**") the proposal trustee (the "**Proposal Trustee**") in each of the Notice of Intention to Make a Proposal ("**NOI**") proceedings filed by 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (collectively, the "**Companies**") and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. On November 28, 2020, the each of the Companies filed a NOI and MNP was appointed as proposal trustee in the NOI proceedings.

3. The Proposal Trustee has prepared Statements of Account in connection with its appointment as proposal trustee of the Companies detailing its services rendered and disbursements incurred for the period January 31, 2021 to February 27, 2021. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a summary of the Statements of Account. The average hourly rate in respect of the accounts is \$486.22.
4. Attached hereto and marked as **Exhibit "B"** are copies of the Statements of Account.
5. The particulars of the professionals who performed the work, the time spent, and fees associated with such work are contained in the attached Statement of Account.
6. I hereby confirm that the information detailed herein and attached accurately reflects the services provided by the Proposal Trustee in this proceeding and the fees and disbursements claimed by it.
7. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and an interim taxation of the Proposal Trustee's accounts and for no other or improper purpose.

SWORN before me via videoconference)
 From the Town of Richmond Hill to the)
 Town of Erin, this 23rd day of March 2021.)
)



 SHELDON TITLE



 A Commissioner, etc.

Matthew Eric Lem, a Commissioner, etc.,
 Province of Ontario, for MNP Ltd. and MNP LLP.
 Expires February 21, 2023.

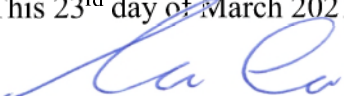
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me

This 23rd day of March 2021



Commissioner for taking Affidavits, etc

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
LIMITED PARTNERSHIPS ACT

SUMMARY OF STATEMENTS OF ACCOUNT

Invoice Date	Invoice Number	Invoice Period	Hours	Amount	HST	Total
23 March 2021	9690649	January 31, 2021 to February 27, 2021	30.7	\$ 14,927.10	\$ 1,940.52	\$ 16,867.62
TOTAL			30.7	\$ 14,927.10	\$ 1,940.52	\$ 16,867.62

Average Hourly Rate \$ 486.22

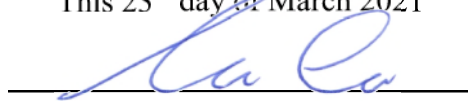
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me

This 23rd day of March 2021

A handwritten signature in blue ink is written over a solid horizontal line. The signature is cursive and appears to be "K. E.".

Commissioner for taking Affidavits, etc

Invoice



Invoice Number : 9690649

Client Number : 0846991

Invoice Date : Mar 23 2021

Invoice Terms : Due Upon Receipt

33 Laird Inc., 33 Laird GP Inc. & 33 Laird Limited Partnershi
p2323 Yonge Street, Suite 605
Toronto ON M4P 2C9

For Professional Services Rendered :

For the period from 31 January 2021 to 27 February 2021, in connection with us acting as Licensed Insolvency Trustee in the Notices of Intention to Make a Proposal/Proposals of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (detailed time description attached)

OUR FEE in all	16,968.10
LESS: Rate Adjustment Allowance	-2,041.00
Sub Total :	<u>14,927.10</u>
Harmonized Sales Tax :	<u>1,940.52</u>
Total (CAD) :	<u><u>16,867.62</u></u>

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
31-Jan-2021	Matthew Lem	1.70	Preparation of draft Second Report to Court.
01-Feb-2021	Matthew Lem	3.20	Preparation of draft Second Report to Court; follow-up with Innovia and B. Godfrey re cash flow projections reporting and insurance coverage; update template for revised projections; update discussion with S. Title; review of correspondence from B. Godfrey re information requested.
02-Feb-2021	Matthew Lem	.60	Attend to update revised projections; correspondence with B. Godfrey re same; review of correspondence re same.
03-Feb-2021	Matthew Lem	.90	Respond to correspondence from WFK re Organic Garage; review and provide comments on listing agreement.
03-Feb-2021	Sheldon Title	.30	Review of emails on listing agreement and email to S. Kour and M. Lem on same.
04-Feb-2021	Matthew Lem	.90	Discussion with S. Kour re listing agreement and other; follow-up on cash flow issues; correspondence with B. Godfrey re same.; update revised projections.
04-Feb-2021	Sheldon Title	.40	Call with B. Bissell on potential transaction; finalizing emails on JLL on listing agreement.
05-Feb-2021	Matthew Lem	2.10	Review and respond to correspondence re security and storage costs; review of correspondence received; discussion with S. Kour re court report and motion materials; review and adjust draft affidavit; discussion with S. Title re same; preparation of report to court.
05-Feb-2021	Sheldon Title	.30	Emails/call with M. Lem and review of draft affidavit.
07-Feb-2021	Matthew Lem	2.90	Preparation of draft Second Report to Court; review comments from S. Title; review and provide comments on motion materials/draft order; discussion with S, Tile re same.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
07-Feb-2021	Sheldon Title	1.30	Review of draft Second Report and provide comments; request' arrange for posting the service list to website; review of case law on filing extension beyond 45 days; email to S. Kour on same;
08-Feb-2021	Jessie Hue	.20	Attend to update case website.
08-Feb-2021	Matthew Lem	5.20	Attend to update and adjust draft Second Report to the Court; follow-up on cash flow projections; various discussions with S, Title and S. Kour re draft report and motion materials;
08-Feb-2021	Sheldon Title	.70	call with Brendan Bissell on potential transaction APS/March 29th extension and review of same; call with Lem to update; request posting of the motion record on the website
08-Feb-2021	Trina Burningham	.50	Attend to update case website.
09-Feb-2021	Jessie Hue	.80	Efiled the cash flow projections, Form 29 and Form 30 for the three estates with the OSB.
09-Feb-2021	Matthew Lem	3.90	Attend to review and update report to court; review of correspondence from GSNH re revised draft order; discussions with S. Title and S. Kour re same; provide comments on draft order; follow-up on revised cash flow projections; further correspondence with GSNH re draft order; update revised cash flow projections and discussion with P. Perschini re same; prepare reports and update rep letter; assemble and forward revised projections and report for signature; discussion with J. Turgeon of GSNH re same; update discussion with S. Kour. review and assemble signed cash flow documents and reports for filing with the OSB and the report.
09-Feb-2021	Sheldon Title	1.10	Discussion with S. Kour and M. Lem on potential transaction APS; emails from B. Bissell on APS; review/respond to S. Kour email; call with S. Kour on B. Bissell's email on opposition to relief.
10-Feb-2021	Sheldon Title	.60	Attendance at court hearing for extension/sale process approval motion; call with S. Kour.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
10-Feb-2021	Trina Burningham	.70	Attend to update case website.
11-Feb-2021	Matthew Lem	.60	Attend to Order filing with OSB; forward revised cash flow projections to Innovia; attend to correspondence and discussion with S. Title re HST query from R. Breda; forward revised projections to R. Breda
11-Feb-2021	Sheldon Title	.20	Call with S. Kour to follow up on court motion hearing; discussion with Lem on HST and WFK.
12-Feb-2021	Sheldon Title	.10	Call from S. Leung on client's interest in the property; call to S. Leung and forward contact info to partnership
18-Feb-2021	Sheldon Title	.10	Call with B. Bissell on status of potential transaction.
25-Feb-2021	Sheldon Title	.70	call with Brendan on Oren's email/JLL reporting; call with Kour/Bissell on DUCA's email on receivership application
26-Feb-2021	Matthew Lem	.60	Review and provide comment on offering brochure; discussion with S. Title re same; attend to additional adjustments; attend to call from E. Medoff.
26-Feb-2021	Sheldon Title	.10	Review of investment offering package, email to B. Bissell.

SUMMARY OF TIME CHARGES

Professional	Average Hourly Rate	Hours	Amount
Sheldon Title, Partner and Senior Vice President	\$ 645.00	5.90	\$ 3,805.50
Matthew Lem, Partner and Senior Vice President	\$ 565.00	22.60	\$ 12,769.00
Jessie Hue, Senior Estate Administrator	\$ 222.00	1.00	\$ 222.00
Trina Burningham, Estate Administrator	\$ 143.00	1.20	171.60
TOTAL		30.70	\$ 16,968.10

APPENDIX “D”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 33 LAIRD INC. A CORPORATION INCORPORATED
UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT***

AFFIDAVIT OF CONNIE DENG

I, **CONNIE DENG**, of the Town of Georgina, in the Province of Ontario, **MAKE OATH**
AND SAY:

1. I am a Legal Assistant with the law firm Weisz Fell Kour LLP (“**WFK**”) and, as such, I have knowledge of the following matters. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
2. On November 28, 2020, MNP LTD. was appointed as the Proposal Trustee in the Notice of Intention to Make a Proposal of 33 Laird GP Inc. (the “**the Proposal Trustee**”).
3. The Proposal Trustee retained WFK to advise with regards to matters related to MNP’s appointment and the performance of its duties and powers.
4. WFK’s fees and disbursements for the period of February 3, 2021 to February 25, 2021 are summarized in the invoices rendered to the Proposal Trustee (the “**Invoices**”).

5. The Invoices are a fair and accurate description of the services provided, the disbursements incurred, and the amounts charged by WFK, and are based on its standard rates and charges.

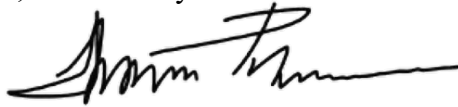
6. The Invoices contain information and advice over which lawyer and client privilege is asserted. As a result, redacted copies of the Invoices are attached hereto and marked as **Exhibit “A”**. Copies of the complete Invoices have been provided to the Proposal Trustee and I am advised by the Proposal Trustee that they have been reviewed and consider the fees and disbursements fair and reasonable.

7. Attached hereto and marked as **Exhibit “B”** is a summary of the timekeepers whose services are reflected on the Invoices, including year of call and hourly rate, and the total fees and hours billed. The Billing Summary indicates an average hourly rate of \$600.

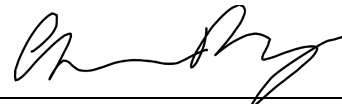
8. The total amount being claimed for the work performed by WFK for the period of February 3, 2021 to February 25, 2021, for which approval is being sought at this court is \$5,220.00, exclusive of HST.

9. This affidavit is sworn in support of the Proposal Trustee’s motion for approval of its fees and disbursements, as well as those of its legal representatives, and for no other improper purpose.

SWORN BEFORE ME *by video conference*
at the City of Toronto, in the Province of
Ontario, this 23rd day of March 2021.

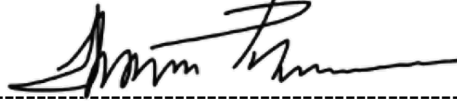


Commissioner for Taking Affidavits
(or as may be)



CONNIE DENG

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF CONNIE DENG SWORN BEFORE ME,
THIS 23RD DAY OF MARCH, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS



INVOICE

Invoice # 493922
 Date: 03/08/2021
 Due On: 04/07/2021

100 King Street West, Suite 5600
 Toronto, ON
 M5X 1C9
 T: 416.613.8280
 F: 416.613.8290

MNP Ltd.
 MNP Ltd., 111 Richmond Street West, Suite 300
 Toronto, ON M5H 2G4

00112-MNP Ltd.

NOI Proceeding of 33 Laird

Date	Description	Hours	Rate	Total	LP
02/03/2021	Review and comment on listing agreement; communications with MNP regarding same.	0.40	\$600.00	\$240.00	SK
02/04/2021	Call from Matt Lem regarding listing agreement; correspondence with B. Bissell regarding same.	0.20	\$600.00	\$120.00	SK
02/05/2021	Call with M. Lem regarding motion for listing approval and update on status of matter; review and provide comments on affidavit.	1.20	\$600.00	\$720.00	SK
02/07/2021	Email to debtor's counsel regarding calculation of time for extension; review and comment on Monitor's report; email to M. Lem regarding same.	1.00	\$600.00	\$600.00	SK
02/09/2021	Review motion materials; comments on Proposal Trustee's report; discussion with S. Title and M. Lem regarding upcoming motion; review and comment on APA; email to B. Bissel regarding APA; finalizing and serving report.	3.50	\$600.00	\$2,100.00	SK
02/10/2021	Preparation for motion; attendance at motion; call with S. Title regarding next steps.	1.90	\$600.00	\$1,140.00	SK
02/25/2021	Call with B. Bissell and S. Title regarding DUCA application for receivership.	0.50	\$600.00	\$300.00	SK

Quantity Subtotal 8.7

Time Keeper	Hours	Rate	Total
Sharon Kour	8.7	\$600.00	\$5,220.00

Quantity Total	8.7
Subtotal	\$5,220.00
Tax (13.0%)	\$678.60
Total	\$5,898.60

Detailed Statement of Account

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
493922	04/07/2021	\$5,898.60	\$0.00	\$5,898.60
Outstanding Balance				\$5,898.60
Total Amount Outstanding				\$5,898.60

Please make all amounts payable to: Weisz Fell Kour LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

Remittance Advice

Wire Transfer Information

Bank Name/Address: Royal Bank of Canada
Main Branch - Toronto
Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2J5

Account Number: 1570431
Transit Number: 00002
Bank Number: 003

Name/Account #: Weisz Fell Kour LLP

SWIFT: ROYCCAT2

Payment by e-transfer: trust@wfklaw.ca

Payment by Credit Card: 3% surcharge added to all Credit Card payments. Please call 416.613.8280 to make a payment.

Please include the invoice number 493922 as an additional reference so we may accurately identify and apply your payment.
Please provide adequate payment to cover the wire fees assessed by your financial institution.

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF CONNIE DENG SWORN BEFORE ME,
THIS 23RD DAY OF MARCH, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

Summary of Timekeepers		
Legal Professional	Year of Call	Hourly Rate
Sharon Kour, Partner	2010	\$600.00

Billing Summary		
December 2, 2020 – January 29, 2021		
	Total Hours for Sharon Kour:	8.7
	Total Professional Fees for Sharon Kour:	\$5220.00
	Total Hours:	8.7
	Average Hourly Rate:	\$600.00
	Total Professional Fees	\$5220.00
	Disbursements	\$0
	Subtotal	\$5220.00
	HST	\$678.66
	TOTAL	\$5898.60

COURT NO.: 31-2693094
ESTATE NO.: 31-2693094

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC. AND 33 LAIRD GP INC., CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*, AND 33 LAIRD LIMITED PARTNERSHIP, A LIMITED PARTNERSHIP FORMED UNDER THE ONTARIO *LIMITED PARTNERSHIPS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

THIRD REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

Matthew Lem
Tel: (416) 515-3882
Fax: (416) 323-5242
Email: matthew.lem@mnp.ca

"APPENDIX C"

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**THIRD REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

March 23, 2021

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XI. CONCLUSION AND RECOMMENDATION13

Appendices

- Appendix “A” A copy of First Report to the Court Submitted by MNP LTD., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)

- Appendix “B” A copy of Second Report to the Court Submitted by MNP LTD., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)

- Appendix “C” Affidavit of Sheldon Title, sworn March 23, 2021

- Appendix “D” Affidavit of Connie Deng, sworn March 23, 2021

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). The 33 Laird Group’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. Notice of the NOIs (the “**NOI Notices**”) as prescribed by the BIA was sent on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies.
3. Copies of the certificates of filing for each of the NOIs filed and NOI Notices were attached as Appendix “A” and Appendix “B”, respectively, to the First Report and Second Report (as such terms are later defined).
4. On December 10, 2020, the Companies filed a Notice of Motion and a Motion Record returnable December 16, 2020, seeking, among other things, a Court Order:
 - a. procedurally consolidating the NOI Proceedings and authorizing and directing the Proposal Trustee to administer the NOI Proceedings on a consolidated basis henceforth;
 - b. extending the time for the Companies to file a proposal to February 11, 2021;
 - c. approving the interim financing of up to \$250,000 (the “**DIP Loan**”) and granting a priority charge, but subordinate to the security interests of DUCA Financial Services Credit Union Ltd. (“**DUCA**”), on the 33 Laird Group’s current and future assets, undertakings and properties; and

- d. authorizing and directing the payment of the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Companies, Goldman Sloan Nash & Haber LLP (“**GSNH**”).
5. On December 11, 2020, the Proposal Trustee served its first report, dated December 11, 2020 (the “**First Report**”). A copy of the First Report, without appendices, is attached hereto and marked as **Appendix “A”**.
6. On December 16, 2020, the Court granted an Order (the “**Consolidation and Stay Extension Order**”) approving the relief sought by the Companies as noted in paragraph 3 above. A copy of the Consolidation and Stay Extension Order is attached and marked as Exhibit “B” to the March 20th Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
7. On February 8, 2021, the Companies filed a Notice of Motion and a Motion Record returnable February 10, 2021, seeking, among other things, a Court Order extending the time within which the Companies had to file a proposal. The Proposal Trustee served its second report, dated February 9, 2021 (the “**Second Report**”) on same date. A copy of the Second Report, without exhibits, is attached hereto and marked as **Appendix “B”**.
8. On February 10, 2021, the Court issued an Order (the “**Second Extension Order**”) and Endorsement that, *inter alia*:
 - a. Extended the time for filing a proposal to and including March 29, 2021 (the “**Second Extension Deadline**”);
 - b. Approved the activities of the Proposal Trustee as set out in the Second Report;
 - c. Approved the fees and disbursements of the Proposal Trustee and its legal counsel as set out in the Second Report;
 - d. Authorized the Companies to enter into and perform the listing agreement (the “**Listing Agreement**”) with Jones Lang LaSalle (“**JLL**”) and approved the sales

process set-out in Schedule “A” to the Second Extension Order (the “**Sale Process**”); and

- e. Sealing the confidential appendices as identified in the February 6th Affidavit (as such term is later defined).
- 9. Copies of the Second Extension Order issued on February 10, 2021 is attached and marked as Exhibit “D” to the March 20th Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
- 10. Information regarding the NOI Proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird (the “**Website**”).
- 11. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process for all of the 33 Laird Group’s assets in order to repay its creditors, including DUCA and Centurion Mortgage Capital Corporation (together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”).

II. **RESTRICTIONS**

- 12. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**December 10th Affidavit**”), the affidavit of Jason L. S. Birnboim, sworn February 6, 2021 (the “**February 6th Affidavit**”), the affidavit of Jason L. S. Birnboim, sworn March 20, 2021 (the “**March 20th Affidavit**” and together with the December 10th Affidavit and February 6th Affidavit, hereinafter collectively referred to as the “**Birnboim Affidavits**”), the Companies’ books and records, discussions with management of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the

Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

13. The Proposal Trustee also bases its Report on the Companies' cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies' businesses and the economy in general has yet to be determined. In developing the Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

14. The purpose of this Report is, *inter alia*, to:

- a. update the Court with respect to:

- i. the activities of the Companies and the Proposal Trustee since the Second Report;
 - ii. the status of the Sale Process;
 - iii. report on the Companies' actual cash flows for the period January 31, 2021 to March 13, 2021 as compared to Statement of Revised Projected Cash Flows, dated February 9, 2021 (the "**Revised Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA;
- b. provide the Court with the Proposal Trustee's recommendation for an Order, *inter alia*:
 - i. approving an extension of the time for the Companies to make a proposal to its creditors by forty-five (45) days (the "**Extended Period**");
 - ii. Sealing Confidential Exhibit "1" to the March 20th Affidavit pending the conclusion of a transaction with respect to the Companies' assets, or further Court Order;
 - iii. approving the fees and disbursements of the Proposal Trustee and WFK as set-out in the Fee Affidavits (as such term is later defined); and
 - iv. approving the activities of the Proposal Trustee as set out in the First Report and this Report

IV. BACKGROUND INFORMATION

15. As described in greater detail in the Birnboim Affidavits, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the "**Project**"). The Project forms part of the Property, which comprises substantially all of the Companies' property, assets and undertakings.

16. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. (“**BPII**”), 2344011 Ontario Inc. and Sealink JV Ltd (“**Sealink**”), in Trust (collectively, the “**LP Partners**”) are the limited partners.
17. The Project is still in the early stages of construction and will require additional capital or financing to complete.
18. Based on, and as described in greater detail in the Birnboim Affidavits, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
19. Additional information in respect of the Companies is set out in the Birnboim Affidavits, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.
20. GSNH has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP (“**WFK**” and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the “**Restructuring Professionals**”) has been engaged by the Proposal Trustee as its independent legal counsel.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE

21. Since the Second Report, the Proposal Trustee has undertaken the following activities, *inter alia*:
 - a. updated the Website as necessary;
 - b. responded to enquiries directed towards the Proposal Trustee from creditors and other stakeholders;

- c. responded to enquiries directed towards the Proposal Trustee from parties interested in acquiring the Project;
- d. Provided input to the Companies and JLL with respect to the marketing materials prepared for the Sale Process;
- e. monitored the Companies' actual cash flows in comparison with Revised Cash Flow Projections; and
- f. reviewed reporting from JLL on the status of the Sale Process;
- g. drafted this Report and reviewing all Court materials filed in connection with the Companies' motion.

VI. SALE PROCESS

The Possible Transaction

22. As noted in the Second Report, the Companies previously sought to execute a binding agreement of purchase and sale with an interested party seeking to purchase the Property. As noted in the March 20th Affidavit, it does not appear the Companies and interested party were able to execute a binding agreement. Accordingly, the Companies will undertake the Sale Process through the Listing Agreement with JLL.

JLL Listing Agreement

23. As described in greater detail in the March 20th Affidavit, the listing agreement with JLL was executed on February 12, 2021 (the "**Listing Date**"). Following the Listing Date, JLL has completed marketing materials, including a confidentiality agreement (the "**CA**") and a data room.

24. The Sale Process approved by this Court established that the marketing of the Property would commence within three (3) weeks of Court approval of the Listing Agreement. Accordingly, and on March 4, 2021 JLL launched its marketing efforts by sending an introductory flyer and the CA to a list of national and local parties, including REITs,

institutions, advisors, and private investors, developers, and potential owner-occupiers. In addition, the flyer was posted on JLL's team LinkedIn page.

25. On March 8, 2021, the Property was posted to the MLS system, including Realtor.ca, to provide maximum exposure to the public and approximately 40,000 active real estate agents.
26. The Proposal Trustee understands that the Property has garnered substantial interest and twenty-one (21) parties have executed the CA. In the coming weeks, JLL is planning to re-launch the Property to its client database and will run advertisements in the Globe & Mail.
27. Offers in the form of a letter of intent for the Property are due no later April 14, 2021 (the **"First Bid Deadline"**).
28. As noted in the March 20th Affidavit, JLL has provided to the 33 Laird Group, as well as the Proposal Trustee, a marketing update memorandum dated March 15, 2021 (the **"First Marketing Update"**), which the Companies are seeking to have sealed from public record until the closing of a transaction for the Property is completed. Given that the First Marketing Update includes information concerning the parties participating in the Sale Process, which could impact the integrity of the process, the Proposal Trustee supports the relief being sought by the Companies.

VII. CASH FLOW PROJECTIONS

29. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.
30. As noted and attached as Appendix "D" to the Second Report, the Revised Cash Flow Projections cover the period starting on January 30, 2021 and ending on May 26, 2021 were prepared on a consolidated basis for the 33 Laird Group to extend and update the projections for the most current information.

31. As noted later in this Report, the Companies are seeking an extension of time within which to file a Proposal. The Revised Cash Flow Projections cover the Extended Period, and accordingly no extended and updated cash flow projections have been prepared by the Companies.

32. The Proposal Trustee has implemented procedures for monitoring the Companies' receipts and disbursements to ensure that operations continue in accordance with the Revised Cash Flow Projections. A summary of the Proposal Trustee's comments based on its monitoring of the Companies' cash flows is below.

Revised Cash Flow Projections – Actual to Projected

33. A summary of the Company's actual receipts and disbursements as compared to those presented in the Revised Cash Flow Projections for the six-weeks ended March 13, 2021 are as follows (“Monitored Period”):

	Projected	Actual	Variance
Opening Cash Balance	\$ 68,897	\$ 68,897	
Receipts			
DIP Loan Advances	87,395	-	(87,395)
HST Refunds	-	4,289	4,289
Total Receipts	<u>87,395</u>	<u>4,289</u>	<u>(83,106)</u>
Disbursements			
Banking and Financing Fees	101	6	95
Insurance - Property, Liability, Construction	-	-	-
Utilities	796	75	721
Property Tax	-	-	-
Security and Safety	6,475	-	6,475
Storage Costs - Construction Materials	9,142	-	9,142
Restructuring Professional Fees - Company Counsel	90,400	-	90,400
Restructuring Professional Fees - Trustee and its Counsel	44,339	33,943	10,396
Contingency	5,039	79	4,960
Total Disbursements	<u>156,292</u>	<u>34,103</u>	<u>122,189</u>
Receipts over Disbursements	<u>(68,897)</u>	<u>(29,814)</u>	<u>39,083</u>
Closing Cash Balance	<u>\$ -</u>	<u>\$ 39,083</u>	

34. Overall, the 33 Laird Group realized a positive net cash flow variance of \$39,083 during the Monitored Period. The key components of the variance are as follows.

Receipts

- a. DIP Loan Advances – the negative variance of \$87,395 can be attributed to there being sufficient funds in the account to fund the disbursements expended in the Monitored Period and therefore no DIP Loan Advances being made. The DIP Loan is intended to fund operating shortfalls and thus any negative variance in this item is offset by a favourable variance on the disbursement side. This is principally a timing difference, as the expected draw on the DIP Loan was largely in anticipation of greater professional fees being paid in the Monitored Period.
- b. HST Refunds - the positive variance of \$4,289 relates to the December 2020 HST refund received which was not included in the Revised Cash Flow Projections.

Disbursements

- c. Security and Safety – the positive variance of \$6,475 is a timing difference as the fencing and edge protection rental fees that have accrued for December 2020, January 2021 and February 2021 have not yet been paid, as well as security monitoring costs, which were to start in February 2021.
- d. Storage Costs –the positive variance of \$9,142 is a timing difference as the storage fees for the HVAC equipment that have accrued for December 2020, January 2021 and February 2021 and have not yet been paid, as well as the associated moving costs for such HVAC equipment. In addition, the elevators have yet to be relocated and as such this cost (projected to be \$2,983) has not yet been incurred.
- e. Restructuring Professional Fees (Companies' Counsel) – the variance of \$90,400 is a result of the Companies' counsel having still not rendering an account for payment.

- f. Restructuring Professional Fees (Trustee and its Counsel)¹ – the positive variance of \$10,396 is primarily a timing difference associated with payments totaling \$8,751.28 issued to the Proposal Trustee and its counsel than had not yet cleared the bank account (\$7,937.68 and \$813.60 cleared on March 15, 2021 and March 17, 2021, respectively).
- g. Contingency - the positive variance of \$4,960 is result of minimal other costs that were not already specifically identified being incurred in the Monitored Period.

VIII. PROFESSIONAL FEES

35. Pursuant to paragraph 19 of the Consolidation and Stay Extension Order, the Proposal Trustee and WFK are to be

- a. paid their reasonable fees and disbursements by the Companies, and
- b. authorized to immediately apply any such payments made by the Companies to their fees and disbursements and such amounts shall constitute advances against their remuneration and disbursements when and as approved by this Court.

36. The Proposal Trustee's accounts for the period from January 31, 2021 to February 27, 2021 total \$14,927.10 (exclusive of HST). The affidavit of Sheldon Title, sworn March 23, 2021 as to the fees of the Proposal Trustee is attached hereto as **Appendix "C"**.

37. WFK's accounts for the period from February 3, 2021 to February 25, 2021 total \$5,220.00 (exclusive of HST). The affidavit of Connie Deng, sworn March 23, 2021 as to the fees and disbursements of WKZ in its capacity as legal counsel to the Proposal Trustee is attached hereto as **Appendix "D"**.

¹ In the Second Report, the actual to projected analysis reflected disbursements when issued by the Companies. In this Report, disbursements are being reflected only once cleared the bank account. As a consequence of this change in presentation, the professional fees of the Proposal Trustee and its counsel totaling \$33,943 appear in the actual column of the actual to projected analysis in both the Second Report and this Report and should not be construed as a duplication of the payment.

38. The Proposal Trustee is of the view that WFK's accounts are reasonable in the circumstances and respectfully requests this Court approve its fees and disbursements and those of its legal counsel as set-out in the Proposal Trustee's and WFK's fee affidavits (collectively, the "**Fee Affidavits**"). These professional fees and disbursements have or will be drawn from the funds received from the Companies.

IX. DUCA'S OPPOSITION TO AN EXTENSION OF TIME TO FILE A PROPOSAL

39. As reported in the March 20th Affidavit, the Proposal Trustee understands that DUCA may oppose the motion to extend the time to file a proposal.

40. At the time of writing this Report, DUCA has not filed a motion for relief, engaged in any discussions with the Proposal Trustee, nor articulated the basis for its opposition of the stay extension. Accordingly, the Proposal Trustee cannot comment on the substance of any relief that DUCA may seek.

X. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

41. The time for filing a proposal expires on March 29, 2021.

42. The Companies are of the view that the Sale Process will maximize value for its stakeholders if the property is sold.

43. In order to allow the 33 Laird Group to complete the Sale Process commenced with JLL, the Companies are seeking a forty-five (45) day extension of the time for filing of a proposal.

44. As noted in paragraph 47 of this Report, the Proposal Trustee has not yet been served by DUCA with any materials.

45. In view of the foregoing, the Proposal Trustee supports the Companies' request for an extension to provide it with additional time to complete the Sale Process. The Proposal Trustee has also considered that:

- a. the 33 Laird Group is acting in good faith and with due diligence;

- b. the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and supplies in the amounts contemplated in the Revised Cash Flow Projections due to the availability of the DIP Loan;
- c. creditors are not materially prejudiced by an extension of time for the 33 Laird Group to file its proposal, or if any material prejudice exists it is outweighed by the benefits of bringing the Sale Process to a close;
- d. the Sale Process is expected to generate offers at the First Bid Deadline before the end of the requested extension period; and
- e. if offers are received by the First Bid Deadline, it is reasonably expected that binding offers will be received by the Final Bid Deadline to allow the Companies to be in position to consider formulating and presenting a viable proposal.

XI. CONCLUSION AND RECOMMENDATION

46. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 14.

All of which is respectfully submitted on this 23rd day of March 2021.

MNP LTD.,
in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

APPENDIX "A"

Estate No.: 31-2693094, 31-2693092, 31-2693095
Court No.: 31-2693094, 31-2693092, 31-2693095

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC, OF
THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD GP INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD LIMITED
PARTNERSHIP, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

DECEMBER 11, 2020

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Appendices

Appendix “A”	Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal, dated November 20, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership issued by the Industry Canada – Office of the Superintendent of Bankruptcy Canada
Appendix “B”	Copies of the Notices to Creditors of the Notice of Intention to Make a Proposal Filing, dated December 3, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “C”	Copy of the Statement of Projected Cash Flows, dated December 8, 2020 (on a consolidated basis), together with the statutory reports of the debtor and the proposal trustee (BIA Forms 29 and 30), dated December 8, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). Copies of the certificates of filing for each of the NOIs filed are attached hereto and marked as **Appendix “A”**.
2. Notice of the NOIs as prescribed by the BIA was sent mailed on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies. Copies of such notices are attached hereto and marked as **Appendix “B”**.
3. Information regarding the proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird.
4. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process (the “**Sale Process**”) for all of the 33 Laird Group’s assets, while simultaneously seeking further financing options to replace the secured loans provided by DUCA Financial Services Credit Union Ltd. (“**DUCA**”) and Centurion Mortgage Capital Corporation (“**Centurion**” and together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”) and to continue on the business, if possible, on or before the conclusion of the Sale Process.

II. RESTRICTIONS

5. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**Birnboim Affidavit**”), the Companies’ books and records, discussions with management

of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

6. The Proposal Trustee also bases its Report on the Companies’ cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies’ businesses and the economy in general has yet to be determined. In developing the Cash Flow Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

7. The purpose of this Report is to:
 - a. Provide information to the Court with respect to the administration of the 33 Laird Group's proposal proceedings, including:
 - i. background information regarding the Companies' operations and the circumstances leading to the filing of the NOIs;
 - ii. comments on the Statement of Projected Cash Flows, dated December 8, 2020 (the "**Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA; and
 - b. Provide the Court with the Proposal Trustee's support for, and observations in respect of the Companies' request that the Court grant an Order, *inter alia*:
 - i. ordering and declaring that the proposal proceedings of the 33 Laird Group be administratively consolidated;
 - ii. approving interim financing up to a maximum of \$250M (the "**DIP Loan**") from BP Capital Inc. (the "**DIP Lender**") for the purpose of funding the costs of the restructuring, including but not limited to the cost of securing the Property (as defined below), the fees and disbursements of the Restructuring Professionals (as defined below) up to the end of the NOI stay period and granting a second-ranking DIP Charge (as defined below) over all of the Companies' property, assets and undertakings (collectively, the "**Property**");
 - iii. Authorizing and directing the Company to pay the accounts of the Restructuring Professionals (as defined below) rendered in these proposal proceedings, and authorizing the Proposal Trustee and its counsel to apply such amounts to their accounts, which shall constitute an advance against their remuneration that is subject to taxation by the Court; and

- iv. approving an extension of the time for the Companies to make a proposal to its creditors to February 11, 2021.

IV. BACKGROUND INFORMATION

8. As described in greater detail in the Birnboim Affidavit, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the “**Project**”).
9. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. (“**BPII**”), 2344011 Ontario Inc. and Sealink JV Ltd (“**Sealink**”), in Trust (collectively, the “**LP Partners**”) are the limited partners.
10. The Project is still in the early stages of construction and will require additional capital or financing to complete.
11. Based on, and as described in greater detail in the Birnboim Affidavit, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
12. A summary of the Companies’ historical financial results¹ are set out below:

¹ Based on draft unaudited financial statements of 33 Laird Limited Partnership.

	For the Years Ended December 31,	
	2019	2018
Commercial Rents	\$ -	\$ 4,300
Non Recoverable Expenses		
Brokers Fees	55,725	99,012
Construction Soft Costs	40,145	96,862
Professional Fees	12,001	28,658
Office and General	-	3,885
Total Non Recoveable Expenses	<u>107,871</u>	<u>228,417</u>
Net Loss for the Year	<u>\$ (107,871)</u>	<u>\$ (224,117)</u>

13. Additional information in respect of the Companies is set out in the Birnboim Affidavit, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.

14. Goldman Sloan Nash & Haber LLP (“**GSNH**”) has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP (“**WFK**” and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the “**Restructuring Professionals**”) has been engaged by the Proposal Trustee as its independent legal counsel.

V. ASSETS

15. The principal assets of the Companies are the building structures under construction and the land, which had an aggregate net book value of approximately of \$13MM as at December 31, 2019. As noted above, title to the real property underlying the Project is held by INC as bare trustee for and on behalf of the partnership. The Project is currently on hold with work being suspended pending the outcome of these proposal proceedings.

VI. CREDITORS

Secured Creditors

16. The Project was principally financed through secured loans from DUCA. The Proposal Trustee understands that a portion of such loans was syndicated out to Centurion. The Proposal Trustee understands that the current indebtedness to DUCA and Centurion are in the amounts of \$9.789MM and \$3.214MM, respectively.
17. As described in greater detail in the Birnboim Affidavit, a search of the Ontario *Personal Property Security Act* registry, file currency date of December 8, 2020, a Parcel Register, dated December 8, 2020 (the "Parcel Register") and the Companies' records, indicate that DUCA holds
- a. a mortgage charge on the real property underlying the Project in the amount of \$22MM;
 - b. a personal property charge over all of INC's chattels, except consumer goods; and
 - c. a personal property charge over all of LP's accounts and other.
18. As described in greater detail in the Birnboim Affidavit and reflected on the Parcel Register, BPII and Sealink hold together a second ranking mortgage on the real property underlying the Project in the amount of \$5.2MM, however, the amounts claimed by BPII and Sealink as mortgagees, are not accepted by all partners and have therefore not been accepted by the 33 Laird Group at this time
19. WFK has not yet provided an opinion to the Proposal Trustee on the validity and enforceability of the security held by the Secured Lenders, BPII and Sealink over the Property and the Proposal Trustee has yet to determine the extent to which these claims are valid. The Proposal Trustee anticipates that such work to determine the validity and amount of the BPII and Sealink claims will be undertaken later in these proceedings, if appropriate.

Other Potential Priority Creditors

20. On the NOI lists of creditors there are potential priority claims shown for the City of Toronto related unpaid 2020 municipal property taxes, as well amounts for suppliers to the Project, who retain rights under the Ontario *Construction Act*. Maxxwel & Co. Inc. has registered a construction lien on the real property underlying the Project in the amount of \$113,336.

Other Creditors

21. In addition to the above-noted creditors, there are amounts shown related to tenant deposits received, broker commissions, real estate transaction legal fees and other trade creditors.

VII. CASH FLOW PROJECTIONS

22. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

23. The Cash Projections have been assembled and prepared on a consolidated basis for the 33 Laird Group.

24. In accordance with the provisions of the BIA, the Companies prepared and filed with the Official Receiver the Cash Flow Projections, which were reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Companies. The Cash Flow Projections cover the period starting on November 29, 2020 and ending on March 6, 2021 (the “**Projection Period**”). A copy of the Cash Flow Projections, and related reports, are attached as hereto and marked as **Appendix “C”**.

25. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that the operations are continuing in accordance with the Cash Flow Projections. Given the date of this Report and the start of the

Projection Period, no review of cash flow variances has been completed as of date of this Report.

26. The principal assumptions of the Cash Flow Projections are that:

- a. Construction work remains suspended pending the outcome of the Sale Process and refinancing efforts;
- b. During these NOI proceedings, the 33 Laird Group will seek Court approval for a Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process;
- c. the Court will grant an Order authorizing, *inter alia*, a DIP Loan to fund the limited costs and fees and disbursements of the Restructuring Professionals;
- d. the collection of HST refunds is based on Management's best estimates and historical collection trends;
- e. disbursements are based on Management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- f. the Secured Lenders will defer all principal and interest payments pending the outcome of the Sale Process and concurrent pursuit of refinancing; and
- g. the Restructuring Professional's fees are based on estimates provided by the respective professionals to Management assuming work done to develop and seek approval for a Sale Process while also assisting the Companies to concurrently seek refinancing options during the NOI proceeding.

27. Based on the Proposal Trustee's review of the Cash Flow Projections, there are no material assumptions which seem unreasonable or implausible in the 33 Laird Group's circumstances. Based on the Cash Flow Projections and the assumption that the DIP Loan will be available, the Companies will have sufficient funding through to the end of the requested extension of the NOI.

VIII. INTERIM FINANCING

The DIP Loan

28. As set out in the Cash Flow Projections, absent additional financing, the Companies do not have the ability to continue to fund operations and the cost of these proceedings beyond the initial few weeks of the Projection Period. DIP financing is needed to permit the Companies to undertake a Sale Process or complete a refinancing transaction.

29. The DIP Lender is related to BPIL, one of the LP Partners.

30. In light of the contemplated Sale Process, and in order to preserve the value of the Project and the Companies' business, the DIP Lender agreed to advance a DIP Loan to fund the fees and disbursements of the limited holding costs and the Restructuring Professionals pursuant to a Term Sheet, issued December 10, 2020 (the "**Term Sheet**"). A summary of the DIP Loan's key terms are as follows:

- a. **Principal Amount:** \$250M on a non-revolving basis;
- b. **Purpose:** DIP financing to fund the holding costs of the Property and the costs, fees and disbursements of the Restructuring Professionals.
- c. **Term:** 6 months, interest only, with the loan open for prepayment. The commencement of any enforcement on the DIP Loan is however subject to further Court order.
- d. **Security and Priority:** The DIP Loan is conditional on the Court approving a second ranking security charge that is subordinate only to the secured interests of the

Secured Lenders on the Property (the “**DIP Charge**”) in favour of the DIP Lender over all other security interests and encumbrances;

- e. **Interest:** shall accrue at the annual rate of 10% per annum; and
- f. **Advance:** The DIP Loan shall be available by multiple advances, made on or after December 15, 2020.

A copy of the Term Sheet is attached as Exhibit “P” to the Birnboim Affidavit.

Interim Financing Recommendation

31. The Proposal Trustee has considered the factors set out in Subsection 50.6(5) of the BIA with respect to the granting of a Court order for interim financing and the DIP Charge. The Proposal Trustee respectfully recommends that the Court make the order sought by the Companies for the following reasons:

- a. The Companies will require funding in order to pay the Restructuring Professionals and allow the Companies to conduct the Sale Process and seek refinancing options as contemplated;
- b. No creditor of the Companies appears to be materially prejudiced by the borrowings under the DIP Loan, and the DIP Approval Order; and
- c. The terms of the borrowings appear to be reasonable in the circumstances and consistent with the terms of debtor-in-possession financing facilities in similar proceedings.

IX. CONTEMPLATED SALE PROCESS

- d. As noted earlier in this Report, it is contemplated that the 33 Laird Group will seek Court approval for the Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process. However, due to the approaching holidays and limited Court dates available, as at the date of this motion, the Companies have not yet had sufficient time to fully formulate the Sale Process it would like to present to the Court

for approval. It is expected that the Companies will in the coming weeks be able to finalize the Sale Process and will then seek to have the Sale Process approved *nunc pro tunc*, if appropriate and necessary, in early January 2021.

X. PROFESSIONAL FEES – DRAW AUTHORIZATION

32. Pursuant to subsection 25(1.3) of the BIA, Proposal Trustee cannot withdraw monies from the estate trust account to pay any disbursements, including the professional fees, without the written permission of the inspectors or an order of the Court.
33. As there will be no inspectors appointed until a proposal is filed, which will not occur until after the completion of the Sale Process or refinancing search, in order to avoid the additional cost and expense to the estate, the Proposal Trustee supports the relief being sought by the Companies to authorize the Proposal Trustee and its counsel to apply such amounts paid to it by the Company as advances on account that are subject to taxation by the Court.

XI. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

34. The time for filing a proposal expires on December 28, 2020. Due to the upcoming holidays and the Court's limited available motion dates, the extension of time to file a proposal is being sought earlier than usual in this proceeding.
35. In order to allow the 33 Laird Group sufficient time to fully formulate the Sale Process and then execute upon same, the Companies seeks a forty-five (45) day extension of the time for filing of a proposal to February 11, 2021.
36. In view of the foregoing, the Proposal Trustee supports the 33 Laird Group's request for an extension of time for filing a proposal for the following reasons:
- a. that the 33 Laird Group is acting in good faith and with due diligence;
 - b. that the extension should not adversely affect or prejudice creditors as the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and

supplies in the amounts contemplated in the Cash Flow Projections due to the availability of the proposed DIP Loan from the DIP Lender;

- c. that pursuit of the contemplated Sale Process could generate offers before the end of the requested extension period and allow the Companies to be in a position to make a viable proposal for the general benefit of its creditors; and
- d. that creditors would not be prejudiced by an extension of time for the 33 Laird Group to file its proposal.

XII. ADMINISTRATIVE CONSOLIDATION

37. The Companies are seeking an order to administratively consolidate these proposal proceedings and to continue under a joint title of proceedings. The relief being sought by the Companies is to avoid the cost and duplication associated with a multiplicity of proceedings and filing of three (3) set of motion materials in connection with future motions, filings and notices to be brought and served in these proposal proceedings.

38. The Proposal Trustee supports this relief being sought as it will improve efficiency of the proceeding and no creditors will be prejudiced given the commonality of the creditors.

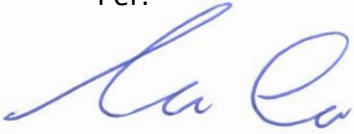
XIII. CONCLUSION AND RECOMMENDATION

39. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 7.

All of which is respectfully submitted on this 11th day of December 2020.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

COURT NO.: 31-2693094, 31-2693092, 31-2693095
ESTATE NO.: 31-2693094, 31-2693092, 31-2693095

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

-and-

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD GP INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

-and-

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD LIMITED PARTNERSHIP, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**FIRST REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS
CAPACITY AS PROPOSAL TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND
33 LAIRD LIMITED PARTNERSHIP**

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APPENDIX "B"

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**SECOND REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

FEBRUARY 9, 2021

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Appendices

Appendix “A”	Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal, dated November 20, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership issued by the Industry Canada – Office of the Superintendent of Bankruptcy Canada
Appendix “B”	Copies of the Notices to Creditors of the Notice of Intention to Make a Proposal Filing, dated December 3, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “C”	A Copy of First Report to the Court Submitted by MNP LTD., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)
Appendix “D”	Copy of the Statement of Revised Projected Cash Flows, dated February 9, 2021 (on a consolidated basis), dated February 9, 2021 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “E”	Affidavit of Sheldon Title, sworn February 8, 2021
Appendix “F”	Affidavit of Connie Deng, sworn February 8, 2021

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). Copies of the certificates of filing for each of the NOIs filed are attached hereto and marked as **Appendix “A”**. The 33 Laird Group’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. Notice of the NOIs as prescribed by the BIA was sent on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies. Copies of such notices are attached hereto and marked as **Appendix “B”**.
3. On December 10, 2020, the Companies filed a Notice of Motion and a Motion Record returnable December 16, 2020, seeking, among other things, a Court Order:
 - a. procedurally consolidating the NOI Proceedings and authorizing and directing the Proposal Trustee to administer the NOI Proceedings on a consolidated basis henceforth;
 - b. extending the time for the Companies to file a proposal to February 11, 2021;
 - c. approving the interim financing of up to \$250,000 (the “**DIP Loan**”) and granting a priority charge, but subordinate to the security interests of DUCA Financial Services Credit Union Ltd. (“**DUCA**”), on the 33 Laird Group’s current and future assets, undertakings and properties; and
 - d. authorizing and directing the payment of the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Companies, Goldman Sloan Nash & Haber LLP (“**GSNH**”).

4. On December 11, 2020, the Proposal Trustee served its first report, dated December 11, 2020 (the “**First Report**”). A copy of the First Report, without appendices, is attached hereto and marked as **Appendix “C”**.
5. On December 16, 2020, the Court granted an Order (the “**Consolidation and Stay Extension Order**”) approving the relief sought by the Companies as noted in paragraph 3 above. A copy of the Consolidation and Stay Extension Order is attached and marked as Exhibit “B” to the February 6 Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
6. Information regarding the NOI Proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird (the “**Website**”).
7. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process (the “**Sale Process**”) for all of the 33 Laird Group’s assets, while simultaneously seeking further financing options to replace the secured loans provided by DUCA and Centurion Mortgage Capital Corporation (together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”) and to continue on the business, if possible, on or before the conclusion of the Sale Process.

II. RESTRICTIONS

8. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**December 10th Affidavit**”) the affidavit of Jason L. S. Birnboim, sworn February 6, 2021 (the “**February 6 Affidavit**” and together with the December 10th Affidavit, hereinafter collectively referred to as the “**Birnboim Affidavits**”), the Companies’ books and records, discussions with management of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to

verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

9. The Proposal Trustee also bases its Report on the Companies' cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies' businesses and the economy in general has yet to be determined. In developing the Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

10. The purpose of this Report is, *inter alia*, to:
 - a. Update the Court with respect to:

- i. the activities of the Companies and the Proposal Trustee since the First Report;
 - ii. the status of the Sale Process;
 - iii. report on the Company's actual cash flows for the period November 29, 2020 to January 30, 2021;
 - iv. comments on Statement of Revised Projected Cash Flows, dated February 9, 2021 (the "**Revised Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA;
- b. provide the Court with the Proposal Trustee's recommendation for an Order, *inter alia*:
- i. approving an extension of the time for the Companies to make a proposal to its creditors to March 29, 2021 (the "**Extended Period**");
 - ii. approving and authorizing the Companies' engagement of Jones Lang LaSalle Real Estate Services, Inc. ("**JLL**") to market and sell the Project (as such term is defined later), the building structures under construction and the land (collectively, the "**Property**").
 - iii. approving the fees and disbursements of the Proposal Trustee and WFK as set-out in the Fee Affidavits (as such term is later defined); and
 - iv. approving the activities of the Proposal Trustee as set out in the First Report and this Report

IV. BACKGROUND INFORMATION

11. As described in greater detail in the Birnboim Affidavits, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the "**Project**"). The Project forms part of the

Property, which comprises substantially all of the Companies' property, assets and undertakings.

12. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. ("**BPII**"), 2344011 Ontario Inc. and Sealink JV Ltd ("**Sealink**"), in Trust (collectively, the "**LP Partners**") are the limited partners.
13. The Project is still in the early stages of construction and will require additional capital or financing to complete.
14. Based on, and as described in greater detail in the Birnboim Affidavits, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
15. Additional information in respect of the Companies is set out in the Birnboim Affidavits, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.
16. GSNH has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP ("**WFK**" and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the "**Restructuring Professionals**") has been engaged by the Proposal Trustee as its independent legal counsel.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE

17. Since the Filing Date, the Proposal Trustee has undertaken the following activities, *inter alia*:
 - a. updated the Website as necessary;

- b. prepared and sent notice under Subsection 50.4(6) of BIA to all known creditors;
- c. responded to enquiries directed towards the Proposal Trustee from creditors and other stakeholders;
- d. responded to enquiries directed towards the Proposal Trustee from parties interested in acquiring the Project;
- e. monitored the Companies' actual cash flows in comparison with the Statement of Projected Cash Flows, dated December 8, 2020 (the "**Initial Cash Flow Projections**");
- f. assisted the Companies with the preparation and filing with the Office of the Superintendent of Bankruptcy Canada of the Revised Cash Flow Projections and related statutory reports;
- g. discussed with the Companies and the Companies' counsel regarding alternate refinancing sources and provide introductions;
- h. discussed with the Companies and the Companies' counsel regarding the Sale Process, including the soliciting of listing proposals, its discussions with a possible purchaser about a transaction for the Project (the "**Possible Transaction**") and the Companies' contemplated engagement of JLL to list and conduct a marketing process for the Project;
- i. reviewed and provided comments on the proposed listing agreement to be entered into between the Companies and JLL (the "**Listing Agreement**"); and
- j. drafted this Report and reviewing all Court materials filed in connection with the Companies' motion.

VI. SALE PROCESS

The Possible Transaction

18. The Companies have been exploring for the last several weeks the Possible Transaction; it has however not solidified into a formal binding offer as of the date of this Report.

However, the Proposal Trustee has been advised by the GSNH, that the Companies may execute an agreement of purchase and sale with respect to the Possible Transaction on or before February 19, 2021, subject to being approved by this Court.

JLL Listing Agreement

19. Concurrent to the forgoing activities concerning the Possible Transaction, the Companies have solicited and have received listing proposals from JLL and Cushman & Wakefield ULC (“C&W”) in the case of this eventuality. Copies of JLL’s and C&W listing proposals are attached as Confidential Appendices “1” and “2” to the February 6 Affidavit.

20. The Companies are of the view that the listing proposal submitted by JLL provides the best opportunity to maximize realization on the Property for the Companies ‘stakeholders, based on the more favourable commission rate, proposed marketing strategy, and the team’s experience. JLL’s proposed marketing process (the “**Marketing Process**”) is described in greater in JLL’s listing proposal and has been further outlined in Schedule “A” of the amended draft Order filed on February 9, 2021 in connection with this Motion. Accordingly, the Marketing Process contemplates the Companies engaging JLL, subject to this Court’s approval, to conduct such marketing process, as outlined below.

21. The Marketing Process contemplated by JLL and the Companies is summarized as follows:

Proposed Activities	
<p>Pre-Marketing Stage</p> <p>To be completed within three (3) weeks¹ of Court approval of the Listing Agreement</p>	<ul style="list-style-type: none"> • Assemble due diligence materials and set-up on-line data room, including undertaking an urban planning analysis. • Preparation of marketing materials, including confidential information memorandum, flyers, etc. • Execution of a listing agreement.

¹ As per the Listing Agreement. JLL’s listing proposal had originally indicated approximately two (2) weeks.

	Proposed Activities
<p>Marketing and Due Diligence Stage</p> <p>To be commenced with three (3) weeks of Court approval of the Listing Agreement</p>	<ul style="list-style-type: none"> • Email blast and mailing to network. • Social media advertising • Site tours and follow-up virtual and socially-distanced in-person presentations. • Commence MLS listing • Advertisement of sale in Globe & Mail and Sing Tao newspapers
<p>First Bid Deadline</p> <p>six (6) Week following the commencement of the Marketing and Due Diligence Stage</p>	<ul style="list-style-type: none"> • In consultation with the Proposal Trustee and DUCA, review bids received, assess the merits of each bid, the potential risks of some of the bidders, and strategize about next steps.
<p>Second Bid Deadline</p> <p>Within one (1) Week following the First Bid Deadline</p>	<ul style="list-style-type: none"> • Invite a select number of bidders from first round of bidding and request re-submission of competitive bids, as appropriate. • Provide form of agreement of purchase and sale for submission of bid. • Following selection of bid, refine pricing and deal terms, as appropriate, and execute agreement of purchase and sale. • If two (2) or more of the best second-round bids are substantially equal, proceed to Final Bid Deadline
<p><u>If Necessary</u></p> <p>Final Bid Deadline</p> <p>Within five (5) days following the Second Bid Deadline</p>	<ul style="list-style-type: none"> • In consultation with the Proposal Trustee and DUCA, review bids received from second round of bidding, and if two (2) or more of the best bids remain substantially equal, request re-submission of such competitive bids • Following selection of bid, refine pricing, deal terms and execute agreement of purchase and sale

22. The Proposal Trustee is of the view that the Marketing Process will adequately target the prospective purchaser groups, including retail developers, industrial developers and private capital firms.

23. An unredacted copy of the Listing Agreement is attached as Confidential Appendix "3" to the February 6 Affidavit and sets out among other things, the commission rates to be paid (with or without the involvement of a co-operating broker), the impact of the Possible Transaction, and the agreement being subject to Court approval.
24. With respect to the Possible Transaction vis-à-vis the Listing Agreement, it is contemplated that the possible purchaser associated therewith will have twenty-one (21) days from the date the Listing Agreement is approved by the Court to enter into a binding agreement of purchase sale with the Companies, otherwise the possible purchaser will need to participate in the Marketing Process with all other prospective purchasers.
25. It is contemplated that the Companies would offer the Property for sale with a minimum list price of \$1 using the Multiple Listing Service to ensure all offers are brought to the attention of the Companies and the Proposal Trustee.
26. The Companies, with JLL's assistance and the Proposal Trustee, will review and assess the bids received during the Marketing Process.
27. The Companies will then look to enter into a binding agreement of purchase and sale for the Property, which it will present to this Court for approval, along with a reporting of the results of the Marketing Process.
28. Given the sensitive nature of the information in the Confidential Appendices, the Proposal Trustee respectfully recommends that this material be sealed pending completion of a sale transaction for the Property.

VII. CASH FLOW PROJECTIONS

General

29. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

30. The Initial Cash Flow Projections covered the period starting on November 29, 2020 and ending on March 6, 2021. The Revised Cash Flow Projections cover the period starting on January 30, 2021 and ending on May 26, 2021 (the “**Projection Period**”). A copy of the Revised Cash Flow Projections, and related reports, are attached as hereto and marked as **Appendix “D”**.
31. The Initial Cash Flow Projections and the Revised Cash Flow Projections (collectively, the “**Projections**”) have been assembled and prepared on a consolidated basis for the 33 Laird Group.
32. In accordance with the provisions of the BIA, the Companies prepared and filed with the Official Receiver the Projections, which were reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Companies.
33. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that the operations are continuing in accordance with the Projections.

Initial Cash Flow Projections – Actual to Projected

34. A summary of the Company’s actual receipts and disbursements as compared to those presented in the Initial Cash Flow Projections for the nine-weeks ended January 30, 2021 are as follows (“**Monitored Period**”):

	Projected	Actual	Variance
Opening Cash Balance	\$ 17,446	\$ 17,706	
Receipts			
DIP Loan Advances	188,867	-	(188,867)
HST Refunds	50,771	52,045	1,274
Total Receipts	<u>239,638</u>	<u>52,045</u>	<u>(187,593)</u>
Disbursements			
Banking and Financing Fees	100	3	97
Insurance - Property, Liability, Construction	-	-	-
Utilities	1,212	851	361
Property Tax	-	-	-
Security and Safety	8,001	-	8,001
Storage Costs - Construction Materials	16,950	-	16,950
Restructuring Professional Fees - Companyies' Counsel	72,640	-	72,640
Restructuring Professional Fees - Trustee and its Counsel	116,227	33,943	82,284
Contingency	27,000	39	26,961
Total Disbursements	<u>242,130</u>	<u>34,836</u>	<u>207,294</u>
Receipts over Disbursements	<u>(2,492)</u>	<u>17,209</u>	<u>19,701</u>
Closing Cash Balance	<u>\$ 14,954</u>	<u>\$ 34,915</u>	

35. There was small error in the opening cash balance figure, which translates to the opening cash position being actually \$260 higher than what was shown in the projections.

36. Overall, the 33 Laird Group's realized a positive net cash flow variance of \$19,701 during the Monitored Period. The key components of the variance are as follows.

Receipts

- a. DIP Loan Advances – the negative variance of \$188,867 can be attributed to there being sufficient funds in the account to fund the disbursements expended in the Monitored Period and therefore not requiring DIP Loan Advances. The DIP Loan is to fund operating shortfalls and thus any negative variance in this item is offset by a favourable variance on the disbursement side. This is principally a timing difference, as the expected draw on the DIP Loan was largely in anticipation of greater professional fees being paid in the Monitored Period.

- b. HST Refunds - the positive variance of \$1,274 relates to the November 2020 HST refund received which was not included in the Initial Cash Flow Projections.

Disbursements

- c. Security and Safety – the positive variance of \$8,001 is in part a timing difference as there is approximately \$3,200 in fencing and edge protection rental fees that have accrued for December 2020 and January 2021 that have not yet been paid. The balance is primarily related to projected security monitoring costs, which were not incurred, but are expected to start in February 2021.
- d. Storage Costs – this projected figure of \$8,475/month was an estimated figure when the Initial Cash Flow Projections were prepared. Notwithstanding, the positive variance of \$16,950 is in part a timing difference as there is approximately \$2,260 in storage fees for the HVAC equipment that have accrued for December 2020 and January 2021 that have not yet been paid. In addition, it was originally anticipated that storage and moving costs associated with the elevators would be incurred but have not as of the date of this Report.
- e. Restructuring Professional Fees – the combined positive variance of \$154,924 is a result of the lower than projected fees of the Companies’ counsel up to January 30, 2020 (approximately \$55,000 plus HST), which have also not yet been rendered for payment, and the significantly lower actual fees (paid \$33,943 plus accrued/unpaid fees of approximately \$10,000 plus HST) for the Proposal Trustee and its counsel than had been projected for the period.
- f. Contingency - the positive variance of \$26,961 is result of minimal other costs that were not already specifically identified being incurred in the Monitored Period.

37. As noted below, the Companies seek an extension of time within which to file a Proposal. The Initial Cash Flow Projections do not cover the Extended Period, and accordingly the Revised Cash Flow Projections have been prepared.

Revised Cash Flow Projections

38. The Revised Cash Flow Projections revises certain figures that had previously been presented in the Initial Cash Flow Projections based on the current information available, as well as extends past the Extended Period to cover the contemplated period of the Sales Process.

39. The principal assumptions of the Cash Flow Projections are that:

- a. Construction work remains suspended pending the outcome of the Sale Process;
- b. During the NOI Proceedings, the 33 Laird Group will implement the Sale Process contemplated with JLL or complete the Possible Transaction;
- c. The previously Court approved interim financing up to a maximum of \$250M (the “**DIP Loan**”) will be sufficient to cover operating shortfalls;
- d. the collection of HST refunds is based on Management's best estimates and historical collection trends;
- e. disbursements are based on Management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- f. the Secured Lenders will defer all principal and interest payments pending the outcome of the Sale Process; and
- g. the Restructuring Professional's fees are based on estimates provided by the respective professionals to Management in connection with the implementation of the Sale Process contemplated.

40. Based on the Proposal Trustee's review of the Revised Cash Flow Projections, there are no material assumptions which seem unreasonable or implausible in the 33 Laird Group's circumstances

41. Provided funds are available pursuant to the DIP Loan, it appears that the Companies have sufficient funds available to carry on its operations through the Extended Period based on the Revised Cash Flow Projections.

VIII. PROFESSIONAL FEES

42. Pursuant to subsection 25(1.3) of the BIA, Proposal Trustee cannot withdraw monies from the estate trust account to pay any disbursements, including the professional fees, without the written permission of the inspectors or an order of the Court.

43. Pursuant to paragraph 19 of the Consolidation and Stay Extension Order, the Proposal Trustee and WFK are to be

- a. paid their reasonable fees and disbursements by the Companies, and
- b. authorized to immediately apply any such payments made by the Companies to their fees and disbursements and such amounts shall constitute advances against their remuneration and disbursements when and as approved by this Court.

44. The Proposal Trustee's accounts for the period from November 26, 2020 to January 30, 2021 total \$35,262.40 (exclusive of HST). The affidavit of Sheldon Title sworn February 8, 2021 as to the fees of the Proposal Trustee is attached hereto as **Appendix "E"**.

45. WFK's accounts for the period from December 2, 2020 to January 29, 2021 total \$2,520.00 (exclusive of HST). The affidavit of Connie Deng virtually sworn February 8, 2021 as to the fees and disbursements of WKZ in its capacity as legal counsel to the Proposal Trustee is attached hereto as **Appendix "F"**.

46. The Proposal Trustee is of the view that WFK's accounts are reasonable in the circumstances and respectfully requests this Court approve its fees and disbursements

and those of its legal counsel as set-out in the Proposal Trustee's and WFK's fee affidavits (collectively, the "**Fee Affidavits**"). These professional fees and disbursements have or will be drawn from the funds received from the Companies.

IX. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

47. The time for filing a proposal expires on February 11, 2021.

48. The Companies remains of the view that carrying out the Sale Process will maximize value for its stakeholders.

49. In order to allow the 33 Laird Group to implement the Sale Process contemplated and being sought to be approved as part of this Motion, the Companies are seeking a forty-five (45) day extension of the time for filing of a proposal.

50. It is contemplated that the Companies will require a further extension of time after the Extended Period to complete the Sale Process.

51. In view of the foregoing, the Proposal Trustee supports the Companies' request for an extension to provide it with additional time to implement the contemplated Sale Process. The Proposal Trustee has also considered that:

- a. the 33 Laird Group is acting in good faith and with due diligence;
- b. the extension should not adversely affect or prejudice creditors as the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and supplies in the amounts contemplated in the Revised Cash Flow Projections due to the availability of the DIP Loan;
- c. creditors would not be prejudiced by an extension of time for the 33 Laird Group to file its proposal;
- d. the contemplated Sale Process could generate offers at the First Bid Deadline before the end of the requested extension period; and

- e. if offers are received by the First Bid Deadline, it is reasonably expected that binding offers will be received by the Final Bid Deadline to allow the Companies to be in position to consider formulating and presenting a viable proposal.

X. CONCLUSION AND RECOMMENDATION

52. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 10.

All of which is respectfully submitted on this 9th day of February 2021.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

COURT NO.: 31-2693094
ESTATE NO.: 31-2693094

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC. AND 33 LAIRD GP INC., CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*, AND 33 LAIRD LIMITED PARTNERSHIP, A LIMITED PARTNERSHIP FORMED UNDER THE ONTARIO *LIMITED PARTNERSHIPS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
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**SECOND REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS
CAPACITY AS PROPOSAL TRUSTEE UNDER THE
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33 LAIRD INC., 33 LAIRD GP INC. AND
33 LAIRD LIMITED PARTNERSHIP**

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APPENDIX “C”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
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*LIMITED PARTNERSHIPS ACT***

AFFIDAVIT OF SHELDON TITLE
(Sworn March 23rd, 2021)

I, Sheldon Title, of the City of Richmond Hill, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:


1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd. ("**MNP**") the proposal trustee (the "**Proposal Trustee**") in each of the Notice of Intention to Make a Proposal ("**NOI**") proceedings filed by 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (collectively, the "**Companies**") and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. On November 28, 2020, the each of the Companies filed a NOI and MNP was appointed as proposal trustee in the NOI proceedings.

3. The Proposal Trustee has prepared Statements of Account in connection with its appointment as proposal trustee of the Companies detailing its services rendered and disbursements incurred for the period January 31, 2021 to February 27, 2021. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a summary of the Statements of Account. The average hourly rate in respect of the accounts is \$486.22.
4. Attached hereto and marked as **Exhibit "B"** are copies of the Statements of Account.
5. The particulars of the professionals who performed the work, the time spent, and fees associated with such work are contained in the attached Statement of Account.
6. I hereby confirm that the information detailed herein and attached accurately reflects the services provided by the Proposal Trustee in this proceeding and the fees and disbursements claimed by it.
7. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and an interim taxation of the Proposal Trustee's accounts and for no other or improper purpose.

SWORN before me via videoconference)
 From the Town of Richmond Hill to the)
 Town of Erin, this 23rd day of March 2021.)
)



 A Commissioner, etc.



SHELDON TITLE

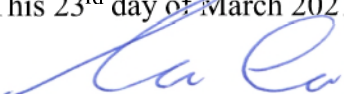
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me

This 23rd day of March 2021



Commissioner for taking Affidavits, etc

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
LIMITED PARTNERSHIPS ACT

SUMMARY OF STATEMENTS OF ACCOUNT

Invoice Date	Invoice Number	Invoice Period	Hours	Amount	HST	Total
23 March 2021	9690649	January 31, 2021 to February 27, 2021	30.7	\$ 14,927.10	\$ 1,940.52	\$ 16,867.62
TOTAL			30.7	\$ 14,927.10	\$ 1,940.52	\$ 16,867.62

Average Hourly Rate \$ 486.22

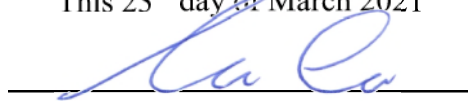
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me

This 23rd day of March 2021

A handwritten signature in blue ink is written over a solid horizontal line. The signature is cursive and appears to be "K. E.".

Commissioner for taking Affidavits, etc

Invoice



Invoice Number : 9690649

Client Number : 0846991

Invoice Date : Mar 23 2021

Invoice Terms : Due Upon Receipt

33 Laird Inc., 33 Laird GP Inc. & 33 Laird Limited Partnershi
p2323 Yonge Street, Suite 605
Toronto ON M4P 2C9

For Professional Services Rendered :

For the period from 31 January 2021 to 27 February 2021, in connection with us acting as Licensed Insolvency Trustee in the Notices of Intention to Make a Proposal/Proposals of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (detailed time description attached)

OUR FEE in all	16,968.10
LESS: Rate Adjustment Allowance	-2,041.00
Sub Total :	<hr/> 14,927.10
Harmonized Sales Tax :	<hr/> 1,940.52
Total (CAD) :	<hr/> <hr/> 16,867.62

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
31-Jan-2021	Matthew Lem	1.70	Preparation of draft Second Report to Court.
01-Feb-2021	Matthew Lem	3.20	Preparation of draft Second Report to Court; follow-up with Innovia and B. Godfrey re cash flow projections reporting and insurance coverage; update template for revised projections; update discussion with S. Title; review of correspondence from B. Godfrey re information requested.
02-Feb-2021	Matthew Lem	.60	Attend to update revised projections; correspondence with B. Godfrey re same; review of correspondence re same.
03-Feb-2021	Matthew Lem	.90	Respond to correspondence from WFK re Organic Garage; review and provide comments on listing agreement.
03-Feb-2021	Sheldon Title	.30	Review of emails on listing agreement and email to S. Kour and M. Lem on same.
04-Feb-2021	Matthew Lem	.90	Discussion with S. Kour re listing agreement and other; follow-up on cash flow issues; correspondence with B. Godfrey re same.; update revised projections.
04-Feb-2021	Sheldon Title	.40	Call with B. Bissell on potential transaction; finalizing emails on JLL on listing agreement.
05-Feb-2021	Matthew Lem	2.10	Review and respond to correspondence re security and storage costs; review of correspondence received; discussion with S. Kour re court report and motion materials; review and adjust draft affidavit; discussion with S. Title re same; preparation of report to court.
05-Feb-2021	Sheldon Title	.30	Emails/call with M. Lem and review of draft affidavit.
07-Feb-2021	Matthew Lem	2.90	Preparation of draft Second Report to Court; review comments from S. Title; review and provide comments on motion materials/draft order; discussion with S, Tile re same.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
07-Feb-2021	Sheldon Title	1.30	Review of draft Second Report and provide comments; request' arrange for posting the service list to website; review of case law on filing extension beyond 45 days; email to S. Kour on same;
08-Feb-2021	Jessie Hue	.20	Attend to update case website.
08-Feb-2021	Matthew Lem	5.20	Attend to update and adjust draft Second Report to the Court; follow-up on cash flow projections; various discussions with S, Title and S. Kour re draft report and motion materials;
08-Feb-2021	Sheldon Title	.70	call with Brendan Bissell on potential transaction APS/March 29th extension and review of same; call with Lem to update; request posting of the motion record on the website
08-Feb-2021	Trina Burningham	.50	Attend to update case website.
09-Feb-2021	Jessie Hue	.80	Efiled the cash flow projections, Form 29 and Form 30 for the three estates with the OSB.
09-Feb-2021	Matthew Lem	3.90	Attend to review and update report to court; review of correspondence from GSNH re revised draft order; discussions with S. Title and S. Kour re same; provide comments on draft order; follow-up on revised cash flow projections; further correspondence with GSNH re draft order; update revised cash flow projections and discussion with P. Perschini re same; prepare reports and update rep letter; assemble and forward revised projections and report for signature; discussion with J. Turgeon of GSNH re same; update discussion with S. Kour. review and assemble signed cash flow documents and reports for filing with the OSB and the report.
09-Feb-2021	Sheldon Title	1.10	Discussion with S. Kour and M. Lem on potential transaction APS; emails from B. Bissell on APS; review/respond to S. Kour email; call with S. Kour on B. Bissell's email on opposition to relief.
10-Feb-2021	Sheldon Title	.60	Attendance at court hearing for extension/sale process approval motion; call with S. Kour.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
10-Feb-2021	Trina Burningham	.70	Attend to update case website.
11-Feb-2021	Matthew Lem	.60	Attend to Order filing with OSB; forward revised cash flow projections to Innovia; attend to correspondence and discussion with S. Title re HST query from R. Breda; forward revised projections to R. Breda
11-Feb-2021	Sheldon Title	.20	Call with S. Kour to follow up on court motion hearing; discussion with Lem on HST and WFK.
12-Feb-2021	Sheldon Title	.10	Call from S. Leung on client's interest in the property; call to S. Leung and forward contact info to partnership
18-Feb-2021	Sheldon Title	.10	Call with B. Bissell on status of potential transaction.
25-Feb-2021	Sheldon Title	.70	call with Brendan on Oren's email/JLL reporting; call with Kour/Bissell on DUCA's email on receivership application
26-Feb-2021	Matthew Lem	.60	Review and provide comment on offering brochure; discussion with S. Title re same; attend to additional adjustments; attend to call from E. Medoff.
26-Feb-2021	Sheldon Title	.10	Review of investment offering package, email to B. Bissell.

SUMMARY OF TIME CHARGES

Professional	Average Hourly Rate	Hours	Amount
Sheldon Title, Partner and Senior Vice President	\$ 645.00	5.90	\$ 3,805.50
Matthew Lem, Partner and Senior Vice President	\$ 565.00	22.60	\$ 12,769.00
Jessie Hue, Senior Estate Administrator	\$ 222.00	1.00	\$ 222.00
Trina Burningham, Estate Administrator	\$ 143.00	1.20	171.60
TOTAL		30.70	\$ 16,968.10

APPENDIX “D”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 33 LAIRD INC. A CORPORATION INCORPORATED
UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT***

AFFIDAVIT OF CONNIE DENG

I, **CONNIE DENG**, of the Town of Georgina, in the Province of Ontario, **MAKE OATH**
AND SAY:

1. I am a Legal Assistant with the law firm Weisz Fell Kour LLP (“**WFK**”) and, as such, I have knowledge of the following matters. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
2. On November 28, 2020, MNP LTD. was appointed as the Proposal Trustee in the Notice of Intention to Make a Proposal of 33 Laird GP Inc. (the “**the Proposal Trustee**”).
3. The Proposal Trustee retained WFK to advise with regards to matters related to MNP’s appointment and the performance of its duties and powers.
4. WFK’s fees and disbursements for the period of February 3, 2021 to February 25, 2021 are summarized in the invoices rendered to the Proposal Trustee (the “**Invoices**”).

5. The Invoices are a fair and accurate description of the services provided, the disbursements incurred, and the amounts charged by WFK, and are based on its standard rates and charges.

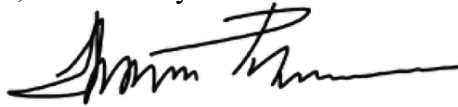
6. The Invoices contain information and advice over which lawyer and client privilege is asserted. As a result, redacted copies of the Invoices are attached hereto and marked as **Exhibit “A”**. Copies of the complete Invoices have been provided to the Proposal Trustee and I am advised by the Proposal Trustee that they have been reviewed and consider the fees and disbursements fair and reasonable.

7. Attached hereto and marked as **Exhibit “B”** is a summary of the timekeepers whose services are reflected on the Invoices, including year of call and hourly rate, and the total fees and hours billed. The Billing Summary indicates an average hourly rate of \$600.

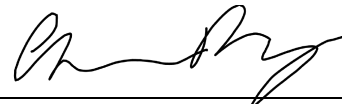
8. The total amount being claimed for the work performed by WFK for the period of February 3, 2021 to February 25, 2021, for which approval is being sought at this court is \$5,220.00, exclusive of HST.

9. This affidavit is sworn in support of the Proposal Trustee’s motion for approval of its fees and disbursements, as well as those of its legal representatives, and for no other improper purpose.

SWORN BEFORE ME *by video conference*
at the City of Toronto, in the Province of
Ontario, this 23rd day of March 2021.

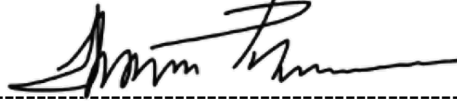


Commissioner for Taking Affidavits
(or as may be)



CONNIE DENG

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF CONNIE DENG SWORN BEFORE ME,
THIS 23RD DAY OF MARCH, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS



INVOICE

Invoice # 493922
 Date: 03/08/2021
 Due On: 04/07/2021

100 King Street West, Suite 5600
 Toronto, ON
 M5X 1C9
 T: 416.613.8280
 F: 416.613.8290

MNP Ltd.
 MNP Ltd., 111 Richmond Street West, Suite 300
 Toronto, ON M5H 2G4

00112-MNP Ltd.

NOI Proceeding of 33 Laird

Date	Description	Hours	Rate	Total	LP
02/03/2021	Review and comment on listing agreement; communications with MNP regarding same.	0.40	\$600.00	\$240.00	SK
02/04/2021	Call from Matt Lem regarding listing agreement; correspondence with B. Bissell regarding same.	0.20	\$600.00	\$120.00	SK
02/05/2021	Call with M. Lem regarding motion for listing approval and update on status of matter; review and provide comments on affidavit.	1.20	\$600.00	\$720.00	SK
02/07/2021	Email to debtor's counsel regarding calculation of time for extension; review and comment on Monitor's report; email to M. Lem regarding same.	1.00	\$600.00	\$600.00	SK
02/09/2021	Review motion materials; comments on Proposal Trustee's report; discussion with S. Title and M. Lem regarding upcoming motion; review and comment on APA; email to B. Bissel regarding APA; finalizing and serving report.	3.50	\$600.00	\$2,100.00	SK
02/10/2021	Preparation for motion; attendance at motion; call with S. Title regarding next steps.	1.90	\$600.00	\$1,140.00	SK
02/25/2021	Call with B. Bissell and S. Title regarding DUCA application for receivership.	0.50	\$600.00	\$300.00	SK

Quantity Subtotal 8.7

Time Keeper	Hours	Rate	Total
Sharon Kour	8.7	\$600.00	\$5,220.00

Quantity Total	8.7
Subtotal	\$5,220.00
Tax (13.0%)	\$678.60
Total	\$5,898.60

Detailed Statement of Account

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
493922	04/07/2021	\$5,898.60	\$0.00	\$5,898.60
Outstanding Balance				\$5,898.60
Total Amount Outstanding				\$5,898.60

Please make all amounts payable to: Weisz Fell Kour LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

Remittance Advice

Wire Transfer Information

Bank Name/Address: Royal Bank of Canada
Main Branch - Toronto
Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2J5

Account Number: 1570431
Transit Number: 00002
Bank Number: 003

Name/Account #: Weisz Fell Kour LLP

SWIFT: ROYCCAT2

Payment by e-transfer: trust@wfklaw.ca

Payment by Credit Card: 3% surcharge added to all Credit Card payments. Please call 416.613.8280 to make a payment.

Please include the invoice number 493922 as an additional reference so we may accurately identify and apply your payment.
Please provide adequate payment to cover the wire fees assessed by your financial institution.

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF CONNIE DENG SWORN BEFORE ME,
THIS 23RD DAY OF MARCH, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

Summary of Timekeepers		
Legal Professional	Year of Call	Hourly Rate
Sharon Kour, Partner	2010	\$600.00

Billing Summary		
December 2, 2020 – January 29, 2021		
	Total Hours for Sharon Kour:	8.7
	Total Professional Fees for Sharon Kour:	\$5220.00
	Total Hours:	8.7
	Average Hourly Rate:	\$600.00
	Total Professional Fees	\$5220.00
	Disbursements	\$0
	Subtotal	\$5220.00
	HST	\$678.66
	TOTAL	\$5898.60

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 33 LAIRD INC. A CORPORATION INCORPORATED
UNDER THE ONTARIO BUSINESS CORPORATIONS ACT**

Estate File Number: 31-2693094
Court File No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF CONNIE DENG

WEISZ FELL KOUR LLP
100 King Street West,
Suite 5600
Toronto, ON M5X 1C9

Sharon Kour
LSO No. 58328D
skour@wfkaw.ca
Tel: 416.613.8283

Fax: 416.613.8290

**Lawyers for the Proposal Trustee,
MNP LTD**

COURT NO.: 31-2693094
ESTATE NO.: 31-2693094

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC. AND 33 LAIRD GP INC., CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*, AND 33 LAIRD LIMITED PARTNERSHIP, A LIMITED PARTNERSHIP FORMED UNDER THE ONTARIO *LIMITED PARTNERSHIPS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**THIRD REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS
CAPACITY AS PROPOSAL TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND
33 LAIRD LIMITED PARTNERSHIP**

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

Matthew Lem
Tel: (416) 515-3882
Fax: (416) 323-5242
Email: matthew.lem@mnp.ca

"APPENDIX D"

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

THE HONOURABLE
JUSTICE CAVANAGH

)
)
)
)

FRIDAY, THE 26th

DAY OF MARCH, 2021

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

ORDER

THIS MOTION made by Maxxwel & Co. Inc. (Maxxwel”), on consent, for an Order granting leave, *nunc pro tunc*, to lift the stay of proceedings with respect to 33 Laird Inc. imposed by the Certificate of Filing of a Notice of Intention to Make a Proposal dated November 28, 2020, for the purposes of permitting Maxxwel to issue its Statement of Claim in Ontario Superior Court of Justice action bearing Court File No. CV-20-00652847-0000, with respect to its construction lien and to serve the Statement of Claim, and thereafter stay the lien action pending further Order of this Court, and to validate service of the

Statement of Claim of the lien action on counsel for 33 Laird Inc. by providing counsel for 33 Laird Inc. with a copy of the Statement of Claim by email, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Consent of the parties, filed;

THIS COURT ORDERS that leave is hereby granted, *nunc pro tunc*, to lift the stay of proceedings with respect to 33 Laird Inc. imposed by the Certificate of Filing of a Notice of Intention to Make a Proposal dated November 28, 2020, for the purposes of permitting Maxxwel & Co. Inc. to commence its lien action to enforce its construction lien, in Ontario Superior Court of Justice action bearing Court File No. CV-20-00652847-0000, and to serve the Statement of Claim, and thereafter the aforesaid lien action is stayed as against 33 Laird Inc. pending further Order of this Court.

THIS COURT ORDERS that the service of the Statement of Claim, bearing Court File No. CV-20-00652847-0000, on 33 Laird Inc. is hereby validated and effective by providing to counsel for 33 Laird Inc., R. Brendan Bissell, of Goldman Sloan Nash & Haber LLP, a copy of the Statement of Claim by email.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

ORDER

MARGIE STRUB CONSTRUCTION LAW LLP
21 St Clair Ave E, Suite 1000
Toronto, ON M4T 1L9

JOHN MARGIE LSO No.: 36801D

Tel: 289.778.0972

Fax: 855.940.4101

Email: jmargie@margiestrub.com

Lawyers for the Lien Claimant Maxxwel & Co. Inc.

"APPENDIX "E"

Estate No.: 31-2693094
Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**FOURTH REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

May 10, 2021

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V.	ACTIVITIES OF THE COMPANIES AND THE PROPOSAL TRUSTEE.....	9
VI.	STATUS OF SALE PROCESS	10
VII.	CASH FLOW PROJECTIONS.....	11
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Appendices

Appendix “A”	A copy of First Report to the Court Submitted by MNP Ltd., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)
Appendix “B”	A copy of Second Report to the Court Submitted by MNP Ltd., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated February 9, 2021 (without appendices)
Appendix “C”	A copy of Third Report to the Court Submitted by MNP Ltd., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated March 23, 2021 (without appendices)
Appendix “D”	A copy of the Stay Lifting Order dated March 26, 2021

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). The 33 Laird Group’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. Notice of the NOIs (the “**NOI Notices**”) as prescribed by the BIA was sent on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies.
3. Copies of the certificates of filing for each of the NOIs filed and NOI Notices were attached as Appendix “A” and Appendix “B”, respectively, to the First Report and Second Report (as such terms are later defined).
4. On December 10, 2020, the Companies filed a Notice of Motion and a Motion Record returnable December 16, 2020 with the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), seeking, among other things, a Court Order:
 - a. procedurally consolidating the NOI Proceedings and authorizing and directing the Proposal Trustee to administer the NOI Proceedings on a consolidated basis henceforth;

- b. extending the time for the Companies to file a proposal to February 11, 2021;
 - c. approving the interim financing of up to \$250,000 (the “**DIP Loan**”) and granting a priority charge ranking behind the security interests of DUCA Financial Services Credit Union Ltd. (“**DUCA**”), on the 33 Laird Group’s current and future assets, undertakings and properties; and
 - d. authorizing and directing the payment of the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Companies, Goldman Sloan Nash & Haber LLP (“**GSNH**”).
5. On December 11, 2020, the Proposal Trustee served its first report, dated December 11, 2020 (the “**First Report**”). A copy of the First Report, without appendices, is attached hereto and marked as **Appendix “A”**.
6. On December 16, 2020, the Court granted an Order (the “**Consolidation and Stay Extension Order**”) approving the relief sought by the Companies as noted in paragraph 3 above. A copy of the Consolidation and Stay Extension Order is attached and marked as Exhibit “B” to the May 7th Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
7. On February 8, 2021, the Companies filed a Notice of Motion and a Motion Record returnable February 10, 2021, seeking, among other things, a Court Order extending the time within which the Companies had to file a proposal. The Proposal Trustee served its second report, dated February 9, 2021 (the “**Second Report**”) on same date. A copy of the Second Report, without exhibits, is attached hereto and marked as **Appendix “B”**.

8. On February 10, 2021, the Court issued an Order (the “**Second Extension Order**”) and Endorsement that, *inter alia*:
 - a. Extended the time for filing a proposal to and including March 29, 2021 (the “**Second Extension Deadline**”);
 - b. Approved the activities of the Proposal Trustee as set out in the Second Report;
 - c. Approved the fees and disbursements of the Proposal Trustee and its legal counsel as set out in the Second Report;
 - d. Authorized the Companies to enter into and perform the listing agreement with Jones Lang LaSalle (“**JLL**”) and approved the sales process set-out in Schedule “A” to the Second Extension Order (the “**Sale Process**”); and
 - e. Sealing the confidential appendices as identified in the February 6th Affidavit (as such term is later defined).
9. Copies of the Second Extension Order issued on February 10, 2021 is attached and marked as Exhibit “D” to the May 7th Affidavit included in the Companies’ materials filed in connection with this Motion.
10. On March 20, 2021, the Companies filed a Notice of Motion and a Motion Record returnable March 26, 2021, seeking, among other things, a Court Order extending the time within which the Companies had to file a proposal. The Proposal Trustee served its third report, dated March 23, 2021 (the “**Third Report**”) on same date. A copy of the Third Report, without exhibits, is attached hereto and marked as **Appendix “C”**.

11. On March 26, 2021, the Court issued an Order (the “**Third Extension Order**”) and Endorsement that, *inter alia*:
- a. Extended the time for filing a proposal to and including May 13, 2021 (the “**Third Extension Deadline**”);
 - b. Approved the activities of the Proposal Trustee as set out in the Third Report;
 - c. Approved the fees and disbursements of the Proposal Trustee and its legal counsel as set out in the Third Report; and
 - d. Sealing the confidential appendices as identified in the March 20th Affidavit (as such term is later defined).
12. A Copy of the Third Extension Order issued on March 26, 2021 is attached and marked as Exhibit “E” to the May 7th Affidavit included in the Companies’ materials filed in connection with this Motion.
13. In addition, on March 26, 2021 on a motion made by Maxxwel & Co. Inc. (“**Maxxwel**”) and on the consent of the parties, an Order was issued by the Court granting leave, *nunc pro tunc*, to temporarily lift the stay of proceedings imposed by the NOI filing with respect to INC for the purposes of permitting Maxxwel to commence its lien action to enforce its construction lien and to serve the Statement of Claim, but thereafter to have such lien action stayed as against INC pending further Order of the Court (the “**Stay Lifting Order**”). A copy of the Stay Lifting Order is attached hereto as **Appendix “D”**.

14. Information regarding the NOI Proceedings has been posted to the Proposal Trustee's case website at www.mnpdebt.ca/33laird (the "**Website**").
15. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process for all of the 33 Laird Group's assets in order to repay its creditors, including DUCA and Centurion Mortgage Capital Corporation (together with DUCA, hereinafter collectively referred to as the "**Secured Lenders**").

II. RESTRICTIONS

16. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the "**December 10th Affidavit**"), the affidavit of Jason L. S. Birnboim, sworn February 6, 2021 (the "**February 6th Affidavit**"), the affidavit of Jason L. S. Birnboim, sworn March 20, 2021 (the "**March 20th Affidavit**"), the affidavit of Jason L. S. Birnboim, sworn May 7, 2021 (the "**May 7th Affidavit**" and together with the December 10th Affidavit, February 6th Affidavit and the March 20th Affidavit, hereinafter collectively referred to as the "**Birnboim Affidavits**"), the Companies' books and records, discussions with management of the 33 Laird Group ("**Management**") and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

17. The Proposal Trustee also bases its Report on the Companies' cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies' businesses and the economy in general has yet to be determined. In developing the Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

18. The purpose of this Report is, *inter alia*, to:

- a. update the Court with respect to:
 - i. the activities of the Companies and the Proposal Trustee since the Third Report;
 - ii. the status of the Sale Process;
 - iii. report on the Companies' actual cash flows for the period January 31, 2021 to May 1, 2021 as compared to Statement of Revised Projected Cash Flows, dated February 9, 2021 (the "**Revised Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA;
- b. provide the Court with the Proposal Trustee's recommendation for an Order, *inter alia*:
 - i. approving an extension of the time for the Companies to make a proposal to its creditors to May 28, 2021 (the "**Extended Period**");
 - ii. approving the Administration Charge (as such term is later defined) for the Restructuring Professionals (as such term is later defined) in the amount of \$150,000, which will rank behind DUCA's security interest but ahead of the DIP Lender's Charge (as defined in the Consolidation and Stay Extension Order);
 - iii. sealing Confidential Exhibit "1" and "2" to the May 7th Affidavit pending the conclusion of a transaction with respect to the Companies' assets, or further Court Order; and
 - iv. approving the activities of the Proposal Trustee as set out in this Report.

IV. BACKGROUND INFORMATION

19. As described in greater detail in the Birnboim Affidavits, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the “**Project**”). The Project forms part of the Property, which comprises substantially all of the Companies’ property, assets and undertakings.
20. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. (“**BPII**”), 2344011 Ontario Inc. and Sealink JV Ltd (“**Sealink**”), in Trust (collectively, the “**LP Partners**”) are the limited partners.
21. The Project is still in the early stages of construction and will require additional capital or financing to complete.
22. Based on, and as described in greater detail in the Birnboim Affidavits, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
23. Additional information in respect of the Companies is set out in the Birnboim Affidavits, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.

24. GSNH has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP (“**WFK**” and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the “**Restructuring Professionals**”) has been engaged by the Proposal Trustee as its independent legal counsel.

V. ACTIVITIES OF THE COMPANIES AND THE PROPOSAL TRUSTEE

25. The Companies activities are outlined in greater detail in May 7th Affidavit and have focused primarily around the Sale Process, consultations with its counsel and the Proposal Trustee and corresponding with DUCA.

26. Since the Third Report, the Proposal Trustee has undertaken the following activities, *inter alia*:

- a. updated the Website as necessary;
- b. responded to enquiries directed towards the Proposal Trustee from creditors and other stakeholders;
- c. responded to enquiries directed towards the Proposal Trustee from parties interested in acquiring the Project;
- d. Provided input to the Companies and JLL with respect to the Sale Process;
- e. monitored the Companies’ actual cash flows in comparison with Revised Cash Flow Projections;
- f. reviewed reporting from JLL on the status of the Sale Process; and
- g. drafted this Report and reviewing all Court materials filed in connection with the Companies’ motion.

VI. STATUS OF SALE PROCESS

27. As described in greater detail in the May 7th Affidavit, the Sale Process attracted significant interest and a number of offers in the form of letters of intent for the Property were received by first bid deadline of April 14, 2021 (the “**First Bid Deadline**”).
28. The Companies engaged in consultations with the Proposal Trustee, DUCA and their respective counsel after the expiry of the First Bid Deadline to consider next steps in the Sale Process. As a result of the consultations, the Companies determined that a minor modification to the Sale Process as described in the Second Extension Order requiring the second bid deadline to be five (5) days of the First Bid Deadline. Pursuant to the endorsement of Cavanagh J. dated April 16, 2021, the Court clarified that the second bid deadline was required to be within five (5) days of the First Bid Deadline.
29. Accordingly, a second bid deadline was set for April 21, 2021 and JLL returned to first round bidders to submit their best and final bid.
30. On April 22, 2021 the Companies, in consultation with its counsel, the Proposal Trustee and DUCA, selected one of bidders to be the selected bidder (the “**Selected Bidder**”). Since this date, the Companies and its counsel have been diligently negotiating the terms of an executable agreement of purchase and sale for the Property (an “**APS**”).
31. The Proposal Trustee understands from the Companies’ counsel that an APS is expected to be executed by both parties in the coming days.
32. Details of the offers received are contained in the Confidential Exhibit “2” to the May 7th Affidavit and a more fulsome reporting of comments on the offers, the executed APS and

the contemplated transaction will be provided in our report when the Companies seek approval and authorization of the transaction with the Selected Bidder, as well as an approval and vesting order.

33. As noted in the May 7th Affidavit, JLL has provided to the 33 Laird Group, as well as the Proposal Trustee, a summary of the first-round bids and summary of the second round bids (collectively, the “**Bid Summaries**”), which the Companies are seeking to have sealed from public record until the closing of a transaction for the Property is completed. Given that the Bid Summaries include sensitive information concerning the parties participating in the Sale Process, as well as the amounts being bid, and other terms, which could impact the Sale Process if a transaction is not completed with the Selected Bidder, the Proposal Trustee supports the relief being sought by the Companies.

VII. CASH FLOW PROJECTIONS

34. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.
35. As noted and attached as Appendix “D” to the Second Report, the Revised Cash Flow Projections cover the period starting on January 30, 2021 and ending on May 29, 2021 were prepared on a consolidated basis for the 33 Laird Group to extend and update the projections for the most current information.
36. As noted later in this Report, the Companies are seeking an extension of time within which to file a Proposal. The Revised Cash Flow Projections cover the Extended Period, and accordingly no extended and updated cash flow projections have been prepared by the Companies.

37. The Proposal Trustee has implemented procedures for monitoring the Companies' receipts and disbursements to ensure that operations continue in accordance with the Revised Cash Flow Projections. A summary of the Proposal Trustee's comments based on its monitoring of the Companies' cash flows is below.

Revised Cash Flow Projections – Actual to Projected

38. A summary of the Company's actual receipts and disbursements as compared to those presented in the Revised Cash Flow Projections for the thirteen-weeks ended May 1, 2021 are as follows (“**Monitored Period**”):

	Projected	Actual	Variance
Opening Cash Balance	\$ 68,897	\$ 68,897	
Receipts			
DIP Loan Advances	196,391	40,000	(156,391)
HST Refunds	25,590	9,314	(16,276)
Total Receipts	<u>221,981</u>	<u>49,314</u>	<u>(172,667)</u>
Disbursements			
Banking and Financing Fees	201	29	172
Insurance - Property, Liability, Construction	-	-	-
Utilities	2,388	75	2,313
Property Tax	-	-	-
Security and Safety	14,115	1,345	12,770
Storage Costs - Construction Materials	11,402	-	11,402
Restructuring Professional Fees - Companies' Counsel	146,900	-	146,900
Restructuring Professional Fees - Trustee and its Counsel	102,833	59,563	43,270
Contingency	12,039	35,079	(23,040)
Total Disbursements	<u>289,878</u>	<u>96,091</u>	<u>193,787</u>
Receipts over Disbursements	<u>(67,897)</u>	<u>(46,777)</u>	<u>21,120</u>
Closing Cash Balance	<u>\$ 1,000</u>	<u>\$ 22,120</u>	

39. Overall, the 33 Laird Group realized a positive net cash flow variance of \$21,120 during the Monitored Period. The key components of the variance are as follows.

Receipts

- a. DIP Loan Advances – the negative variance of \$156,391 can be attributed to there being sufficient funds in the account to fund the disbursements expended in the Monitored Period and therefore no DIP Loan Advances being made. The DIP Loan is intended to fund operating shortfalls and thus the negative variance in this item is, as detailed below, offset by a favourable variance on the disbursement side.
- b. HST Refunds - the negative variance of \$16,276 relates to higher HST refunds expected associated primarily with the payment of professional fees arrears; these professional fees arrears were not paid in the Monitored Period.

Disbursements

- c. Security and Safety – the positive variance of \$12,770 is a timing difference as the fencing and edge protection rental fees that have been accruing since December 2020 have not yet been paid.
- d. Storage Costs –the positive variance of \$11,402 is a timing difference as the storage fees for the HVAC equipment that have been accruing since December 2020, have also not yet been paid, as well as the associated moving costs for such HVAC equipment. In addition, as noted in the Third Report, the elevators have yet to be relocated and as such this cost (projected to be \$2,983) has not yet been incurred.
- e. Restructuring Professional Fees (Companies’ Counsel) – the variance of \$146,900 is a result of the Companies’ counsel having only recently rendered its account, and as such is not reflected until subsequent to the Monitored Period; payment of \$58,150.38 was made on May 3, 2021 GSNH and there is further \$58,150.00 that

is contemplated to be paid from the sale proceeds from the sale of the Property and secured with the proposed Administration Charge.

- f. Restructuring Professional Fees (Trustee and its Counsel) – the positive variance of \$43,270 is partially a timing difference associated with a payment totaling \$5,898.60 issued to the Proposal Trustee’s counsel that had not yet cleared the bank account, as well as approximately \$20,000 in accounts that have not yet been rendered. The balance represents lower professional fees than had been projected.
- g. Contingency - the negative variance of \$23,040 is as a result of a payment of \$35,000, funded from a DIP Loan Advance, to Beaux Properties to reimburse it for the initial retainers it provided to the Proposal Trustee and GSNH in November 2020 as this payment was not part of the Revised Cash Flow Projections.

VIII. ADMINISTRATION CHARGE

40. In order to protect the fees and expenses of the Restructuring Professionals, the 33 Laird Group is proposing that the Proposal Trustee, its counsel and the Companies’ counsel be entitled to the benefit of a charge (the “**Administration Charge**”) on the Property including the sale proceeds anticipated thereof in the amount of \$150,000 as security for any currently unpaid professional fees and disbursements, both before and after the making of this Order in respect of these proceedings.

41. The Administration Charge will rank behind the security interest held by DUCA but will be in priority to the DIP Lender’s Charge granted under the Consolidation and Stay Extension Order.

42. The amount of the Administration Charge is based on amounts outstanding plus anticipated additional professional fees to bring these proceedings to completion and a reasonable contingency.
43. The Administration Charge is reasonable and appropriate in the circumstances having regard to, among other things:
- a. Each of the professionals whose fees are to be secured by the Administration Charge has played and will continue to play a critical role in the 33 Laird Group's restructuring;
 - b. There appears to be sufficient net proceeds to be derived from the contemplated sale transaction, after the payment of the Secured Lenders to cover these costs of the proceeding.
 - c. The fees and costs of the Restructuring Professionals was originally contemplated to be paid from monies advanced to the Companies under the DIP Loan approved and authorized under the Consolidation and Stay Extension Order. The Administration Charge effectively and simply replaces the DIP Lender (as such term is defined in the Consolidation and Stay Extension Order) as conduit for the payment of the Restructuring Professionals fees; and
 - d. The Administration Charge is being sought to protect the Administrative Professionals in the event that the restructuring is not successful, or a sale is not completed.

IX. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

44. The time for filing a proposal expires on May 13, 2021.
45. Pursuant to Subsection 50.4(9) of the BIA, the extensions of time to file a proposal cannot exceed in aggregate five (5) months after the expiry of the initial thirty (30) day period provided. Accordingly, maximum extension that may be sought is only to May 28, 2021.
46. The Companies are of the view that the Sale Process and the completion of contemplated sale transaction will maximize value for its stakeholders. Accordingly, in the recent weeks, the Companies have focused on negotiating and entering into a binding agreement of purchase and sale with the Purchaser; a requisite development in order to be in a position to formulating the terms of the proposal to its creditors.
47. In order to allow the 33 Laird Group time to finalize and APS with the Selected Bidder and to formulate a proposal to its creditors, the Companies are seeking extension of the time for filing of a proposal to May 28, 2021.
48. In view of the foregoing, the Proposal Trustee supports the Companies' request for an extension. The Proposal Trustee has also considered that:
 - a. the 33 Laird Group is acting in good faith and with due diligence;
 - b. the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and supplies in the amounts contemplated in the Revised Cash Flow Projections due to the availability of the DIP Loan;

- c. creditors are not materially prejudiced by an extension of time for the 33 Laird Group to file its proposal, or if any material prejudice exists it is outweighed by the benefits of completing the contemplated transaction with the Purchaser; and
- d. with an APS to be executed shortly, there will be greater certainty around the amounts of funds that will be available for stakeholders. Accordingly, these events will now put the Companies in a better position to formulate and present a viable proposal to its creditors.

X. CONCLUSION AND RECOMMENDATION

49. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 18(b) of this Report.

All of which is respectfully submitted on this 10th day of May 2021.

MNP LTD.,
in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

Appendix "A"

Estate No.: 31-2693094, 31-2693092, 31-2693095
Court No.: 31-2693094, 31-2693092, 31-2693095

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC, OF
THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD GP INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD LIMITED
PARTNERSHIP, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

DECEMBER 11, 2020

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Appendices

Appendix “A”	Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal, dated November 20, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership issued by the Industry Canada – Office of the Superintendent of Bankruptcy Canada
Appendix “B”	Copies of the Notices to Creditors of the Notice of Intention to Make a Proposal Filing, dated December 3, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “C”	Copy of the Statement of Projected Cash Flows, dated December 8, 2020 (on a consolidated basis), together with the statutory reports of the debtor and the proposal trustee (BIA Forms 29 and 30), dated December 8, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). Copies of the certificates of filing for each of the NOIs filed are attached hereto and marked as **Appendix “A”**.
2. Notice of the NOIs as prescribed by the BIA was sent mailed on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies. Copies of such notices are attached hereto and marked as **Appendix “B”**.
3. Information regarding the proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird.
4. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process (the “**Sale Process**”) for all of the 33 Laird Group’s assets, while simultaneously seeking further financing options to replace the secured loans provided by DUCA Financial Services Credit Union Ltd. (“**DUCA**”) and Centurion Mortgage Capital Corporation (“**Centurion**” and together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”) and to continue on the business, if possible, on or before the conclusion of the Sale Process.

II. RESTRICTIONS

5. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**Birnboim Affidavit**”), the Companies’ books and records, discussions with management

of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

6. The Proposal Trustee also bases its Report on the Companies’ cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies’ businesses and the economy in general has yet to be determined. In developing the Cash Flow Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

7. The purpose of this Report is to:
 - a. Provide information to the Court with respect to the administration of the 33 Laird Group's proposal proceedings, including:
 - i. background information regarding the Companies' operations and the circumstances leading to the filing of the NOIs;
 - ii. comments on the Statement of Projected Cash Flows, dated December 8, 2020 (the "**Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA; and
 - b. Provide the Court with the Proposal Trustee's support for, and observations in respect of the Companies' request that the Court grant an Order, *inter alia*:
 - i. ordering and declaring that the proposal proceedings of the 33 Laird Group be administratively consolidated;
 - ii. approving interim financing up to a maximum of \$250M (the "**DIP Loan**") from BP Capital Inc. (the "**DIP Lender**") for the purpose of funding the costs of the restructuring, including but not limited to the cost of securing the Property (as defined below), the fees and disbursements of the Restructuring Professionals (as defined below) up to the end of the NOI stay period and granting a second-ranking DIP Charge (as defined below) over all of the Companies' property, assets and undertakings (collectively, the "**Property**");
 - iii. Authorizing and directing the Company to pay the accounts of the Restructuring Professionals (as defined below) rendered in these proposal proceedings, and authorizing the Proposal Trustee and its counsel to apply such amounts to their accounts, which shall constitute an advance against their remuneration that is subject to taxation by the Court; and

- iv. approving an extension of the time for the Companies to make a proposal to its creditors to February 11, 2021.

IV. BACKGROUND INFORMATION

8. As described in greater detail in the Birnboim Affidavit, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the “**Project**”).
9. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. (“**BPII**”), 2344011 Ontario Inc. and Sealink JV Ltd (“**Sealink**”), in Trust (collectively, the “**LP Partners**”) are the limited partners.
10. The Project is still in the early stages of construction and will require additional capital or financing to complete.
11. Based on, and as described in greater detail in the Birnboim Affidavit, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
12. A summary of the Companies’ historical financial results¹ are set out below:

¹ Based on draft unaudited financial statements of 33 Laird Limited Partnership.

	For the Years Ended December 31,	
	2019	2018
Commercial Rents	\$ -	\$ 4,300
Non Recoverable Expenses		
Brokers Fees	55,725	99,012
Construction Soft Costs	40,145	96,862
Professional Fees	12,001	28,658
Office and General	-	3,885
Total Non Recoveable Expenses	<u>107,871</u>	<u>228,417</u>
Net Loss for the Year	<u>\$ (107,871)</u>	<u>\$ (224,117)</u>

13. Additional information in respect of the Companies is set out in the Birnboim Affidavit, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.

14. Goldman Sloan Nash & Haber LLP (“**GSNH**”) has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP (“**WFK**” and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the “**Restructuring Professionals**”) has been engaged by the Proposal Trustee as its independent legal counsel.

V. ASSETS

15. The principal assets of the Companies are the building structures under construction and the land, which had an aggregate net book value of approximately of \$13MM as at December 31, 2019. As noted above, title to the real property underlying the Project is held by INC as bare trustee for and on behalf of the partnership. The Project is currently on hold with work being suspended pending the outcome of these proposal proceedings.

VI. CREDITORS

Secured Creditors

16. The Project was principally financed through secured loans from DUCA. The Proposal Trustee understands that a portion of such loans was syndicated out to Centurion. The Proposal Trustee understands that the current indebtedness to DUCA and Centurion are in the amounts of \$9.789MM and \$3.214MM, respectively.
17. As described in greater detail in the Birnboim Affidavit, a search of the Ontario *Personal Property Security Act* registry, file currency date of December 8, 2020, a Parcel Register, dated December 8, 2020 (the "Parcel Register") and the Companies' records, indicate that DUCA holds
- a. a mortgage charge on the real property underlying the Project in the amount of \$22MM;
 - b. a personal property charge over all of INC's chattels, except consumer goods; and
 - c. a personal property charge over all of LP's accounts and other.
18. As described in greater detail in the Birnboim Affidavit and reflected on the Parcel Register, BPII and Sealink hold together a second ranking mortgage on the real property underlying the Project in the amount of \$5.2MM, however, the amounts claimed by BPII and Sealink as mortgagees, are not accepted by all partners and have therefore not been accepted by the 33 Laird Group at this time
19. WFK has not yet provided an opinion to the Proposal Trustee on the validity and enforceability of the security held by the Secured Lenders, BPII and Sealink over the Property and the Proposal Trustee has yet to determine the extent to which these claims are valid. The Proposal Trustee anticipates that such work to determine the validity and amount of the BPII and Sealink claims will be undertaken later in these proceedings, if appropriate.

Other Potential Priority Creditors

20. On the NOI lists of creditors there are potential priority claims shown for the City of Toronto related unpaid 2020 municipal property taxes, as well amounts for suppliers to the Project, who retain rights under the Ontario *Construction Act*. Maxxwel & Co. Inc. has registered a construction lien on the real property underlying the Project in the amount of \$113,336.

Other Creditors

21. In addition to the above-noted creditors, there are amounts shown related to tenant deposits received, broker commissions, real estate transaction legal fees and other trade creditors.

VII. CASH FLOW PROJECTIONS

22. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

23. The Cash Projections have been assembled and prepared on a consolidated basis for the 33 Laird Group.

24. In accordance with the provisions of the BIA, the Companies prepared and filed with the Official Receiver the Cash Flow Projections, which were reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Companies. The Cash Flow Projections cover the period starting on November 29, 2020 and ending on March 6, 2021 (the “**Projection Period**”). A copy of the Cash Flow Projections, and related reports, are attached as hereto and marked as **Appendix “C”**.

25. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that the operations are continuing in accordance with the Cash Flow Projections. Given the date of this Report and the start of the

Projection Period, no review of cash flow variances has been completed as of date of this Report.

26. The principal assumptions of the Cash Flow Projections are that:

- a. Construction work remains suspended pending the outcome of the Sale Process and refinancing efforts;
- b. During these NOI proceedings, the 33 Laird Group will seek Court approval for a Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process;
- c. the Court will grant an Order authorizing, *inter alia*, a DIP Loan to fund the limited costs and fees and disbursements of the Restructuring Professionals;
- d. the collection of HST refunds is based on Management's best estimates and historical collection trends;
- e. disbursements are based on Management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- f. the Secured Lenders will defer all principal and interest payments pending the outcome of the Sale Process and concurrent pursuit of refinancing; and
- g. the Restructuring Professional's fees are based on estimates provided by the respective professionals to Management assuming work done to develop and seek approval for a Sale Process while also assisting the Companies to concurrently seek refinancing options during the NOI proceeding.

27. Based on the Proposal Trustee's review of the Cash Flow Projections, there are no material assumptions which seem unreasonable or implausible in the 33 Laird Group's circumstances. Based on the Cash Flow Projections and the assumption that the DIP Loan will be available, the Companies will have sufficient funding through to the end of the requested extension of the NOI.

VIII. INTERIM FINANCING

The DIP Loan

28. As set out in the Cash Flow Projections, absent additional financing, the Companies do not have the ability to continue to fund operations and the cost of these proceedings beyond the initial few weeks of the Projection Period. DIP financing is needed to permit the Companies to undertake a Sale Process or complete a refinancing transaction.

29. The DIP Lender is related to BPIL, one of the LP Partners.

30. In light of the contemplated Sale Process, and in order to preserve the value of the Project and the Companies' business, the DIP Lender agreed to advance a DIP Loan to fund the fees and disbursements of the limited holding costs and the Restructuring Professionals pursuant to a Term Sheet, issued December 10, 2020 (the "**Term Sheet**"). A summary of the DIP Loan's key terms are as follows:

- a. **Principal Amount:** \$250M on a non-revolving basis;
- b. **Purpose:** DIP financing to fund the holding costs of the Property and the costs, fees and disbursements of the Restructuring Professionals.
- c. **Term:** 6 months, interest only, with the loan open for prepayment. The commencement of any enforcement on the DIP Loan is however subject to further Court order.
- d. **Security and Priority:** The DIP Loan is conditional on the Court approving a second ranking security charge that is subordinate only to the secured interests of the

Secured Lenders on the Property (the “**DIP Charge**”) in favour of the DIP Lender over all other security interests and encumbrances;

- e. **Interest:** shall accrue at the annual rate of 10% per annum; and
- f. **Advance:** The DIP Loan shall be available by multiple advances, made on or after December 15, 2020.

A copy of the Term Sheet is attached as Exhibit “P” to the Birnboim Affidavit.

Interim Financing Recommendation

31. The Proposal Trustee has considered the factors set out in Subsection 50.6(5) of the BIA with respect to the granting of a Court order for interim financing and the DIP Charge. The Proposal Trustee respectfully recommends that the Court make the order sought by the Companies for the following reasons:

- a. The Companies will require funding in order to pay the Restructuring Professionals and allow the Companies to conduct the Sale Process and seek refinancing options as contemplated;
- b. No creditor of the Companies appears to be materially prejudiced by the borrowings under the DIP Loan, and the DIP Approval Order; and
- c. The terms of the borrowings appear to be reasonable in the circumstances and consistent with the terms of debtor-in-possession financing facilities in similar proceedings.

IX. CONTEMPLATED SALE PROCESS

- d. As noted earlier in this Report, it is contemplated that the 33 Laird Group will seek Court approval for the Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process. However, due to the approaching holidays and limited Court dates available, as at the date of this motion, the Companies have not yet had sufficient time to fully formulate the Sale Process it would like to present to the Court

for approval. It is expected that the Companies will in the coming weeks be able to finalize the Sale Process and will then seek to have the Sale Process approved *nunc pro tunc*, if appropriate and necessary, in early January 2021.

X. PROFESSIONAL FEES – DRAW AUTHORIZATION

32. Pursuant to subsection 25(1.3) of the BIA, Proposal Trustee cannot withdraw monies from the estate trust account to pay any disbursements, including the professional fees, without the written permission of the inspectors or an order of the Court.
33. As there will be no inspectors appointed until a proposal is filed, which will not occur until after the completion of the Sale Process or refinancing search, in order to avoid the additional cost and expense to the estate, the Proposal Trustee supports the relief being sought by the Companies to authorize the Proposal Trustee and its counsel to apply such amounts paid to it by the Company as advances on account that are subject to taxation by the Court.

XI. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

34. The time for filing a proposal expires on December 28, 2020. Due to the upcoming holidays and the Court's limited available motion dates, the extension of time to file a proposal is being sought earlier than usual in this proceeding.
35. In order to allow the 33 Laird Group sufficient time to fully formulate the Sale Process and then execute upon same, the Companies seeks a forty-five (45) day extension of the time for filing of a proposal to February 11, 2021.
36. In view of the foregoing, the Proposal Trustee supports the 33 Laird Group's request for an extension of time for filing a proposal for the following reasons:
- a. that the 33 Laird Group is acting in good faith and with due diligence;
 - b. that the extension should not adversely affect or prejudice creditors as the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and

supplies in the amounts contemplated in the Cash Flow Projections due to the availability of the proposed DIP Loan from the DIP Lender;

- c. that pursuit of the contemplated Sale Process could generate offers before the end of the requested extension period and allow the Companies to be in a position to make a viable proposal for the general benefit of its creditors; and
- d. that creditors would not be prejudiced by an extension of time for the 33 Laird Group to file its proposal.

XII. ADMINISTRATIVE CONSOLIDATION

37. The Companies are seeking an order to administratively consolidate these proposal proceedings and to continue under a joint title of proceedings. The relief being sought by the Companies is to avoid the cost and duplication associated with a multiplicity of proceedings and filing of three (3) set of motion materials in connection with future motions, filings and notices to be brought and served in these proposal proceedings.

38. The Proposal Trustee supports this relief being sought as it will improve efficiency of the proceeding and no creditors will be prejudiced given the commonality of the creditors.

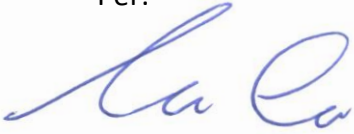
XIII. CONCLUSION AND RECOMMENDATION

39. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 7.

All of which is respectfully submitted on this 11th day of December 2020.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

Appendix "A"



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693094
Estate No. 31-2693094

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird Inc.
Insolvent Person
MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:52

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693092
Estate No. 31-2693092

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird GP Inc.
Insolvent Person

MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:52

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693095
Estate No. 31-2693095

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird Limited Partnership
Insolvent Person

MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:53

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

Appendix “B”

District of Ontario
Division No. 09 – Toronto
Court No. 31-2693094
Estate No. 31-2693094

**IN THE MATTER OF THE PROPOSAL OF
33 LAIRD INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

NOTICE TO CREDITORS OF NOTICE OF INTENTION TO MAKE A PROPOSAL FILING

To the Creditors of 33 Laird Inc. (the “Company”)

Please take notice that on November 28, 2020, the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to Section 50.4(1) of Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and MNP Ltd. (“**MNP**”) was named as the proposal trustee (the “**Trustee**”).

Please find enclosed the following:

1. The Notice of Intention to Make a Proposal (Form 33), dated November 28, 2020 (Filed November 28, 2020);
2. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims (the “**Creditor Listing**”);
3. The consent of MNP to act as the Trustee in these proposal proceedings; and
4. The Certificate of Filing of a Notice of Intention to Make a Proposal, issued by Industry Canada - Office of the Superintendent of Bankruptcy Canada on November 30, 2020.

Suppliers and other service providers should contact their normal representative of the Company with respect to the terms of payment for goods and/or services that are to be provided to the Company going forward (after November 28, 2020).

Pursuant to Section 50.4(8) of the BIA, the Company has thirty (30) days, unless such time period is extended by the Court, to file a proposal with the Trustee. During these proposal proceedings there is a stay of proceedings, and as such:

- no person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with the Company, by reason only that the company is insolvent or by reason of the filing of the NOI, pursuant to Section 65.1(1) of the BIA;
- no creditor has any remedy against any of the Company or its property or shall commence or continue any action, execution, enforcement or other proceedings against the Company or its property without leave of the Court, pursuant to Section 69(1)(a) of the BIA; and
- no provision of a security agreement between the Company and a secured creditor that provides, in substance, that on the Company’s insolvency, a default of an obligation under the security

agreement, or the filing of the NOI, the Company ceases to have such rights to use or deal with the property subject to such security agreement as it would otherwise have, has any force or effect, pursuant to Section 69(1)(b) of the BIA.

We recognize the amounts reflected as being due to you on the Creditor Listing may vary from your records. However, at this time the Trustee is neither looking to receive nor are creditors required to file a proof of claim in connection with their claim and the proposal proceeding. At a later date and once a proposal has been filed by the Company, the Trustee will provide you with further information regarding the proposal proceeding, including the date for the meeting of creditors to consider the proposal and a proof of claim form, so that you may then submit and prove your claim.

Please visit our website for updated information: <https://mnpdebt.ca/en/corporate/corporate-engagements/33-laird-group>

If you have any questions concerning the foregoing or require any additional information, please contact undersigned at 416-515-3882 or by email at matthew.lem@mnp.ca.

Dated at Toronto, Ontario this 3rd day of December 2020.

MNP LTD.,
Trustee *in re* the Proposal of
33 Laird Inc.
Per:



Matthew Lem, CIRP, LIT
Senior Vice President

Encl.

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
33 Laird Inc.
of the City of Toronto
in the Province of Ontario

Take notice that:

1. We, 33 Laird Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that we intend to make a proposal to our creditors.
2. MNP Ltd. of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



33 Laird Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird Inc.
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2065629 Ontario			4,723.40
2730419 Ontario Inc. o/a Davina's Swim House	46 Armon Ave Thronhill ON L4J 8B2 CA	N/A	40,000.00
AIM Rx Inc	c/o Royal Lepage 2320 Bloor Street West Toronto,Ontario M6S 1P2 CA	N/A	72,440.00
Anesh Srikrishnakumar. (Dog Trainer)	112 Glenvale Blvd Toronto ON M4G 2V9 CA	N/A	8,000.00
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	267,271.73
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	369,019.24
Beaux Properties International Inc.	6 Eglinton Ave. East, Suite 303 Toronto ON M4P 1A6 CA		3,170,077.01
C.F. Crozier & Associates Inc.	40 Huron Street, Suite 301 Collingwood ON L9Y 4R3 CA	N/A	9,361.32
CB Ross Partners	501 - 1920 Yonge Street Toronto ON M4S 3E2 CA	N/A	786.60
Centurion Mortgage Capital Corporation	25 Sheppard Ave West, Suite 710 Toronto ON M2N 6S6 CA		3,214,485.34
CMV Group	247 Spadina Ave, 4th Floor Toronto ON M5T 3A8 CA	N/A	86,693.47
DUCA Financial Services Credit Union Ltd	5255 Yonge Street, 4th Floor Toronto ON M2N 6P4 CA		9,789,335.28
Happy Bathrooms Inc.	160-106 Vanderhood Ave Toronto ON M4G 0B7 CA	N/A	2,252.46
Innovia Corporation	10 Queen Elizabeth Blvd. Unit 2 Etobicoke ON M8Z 1L8 CA	N/A	271,179.94

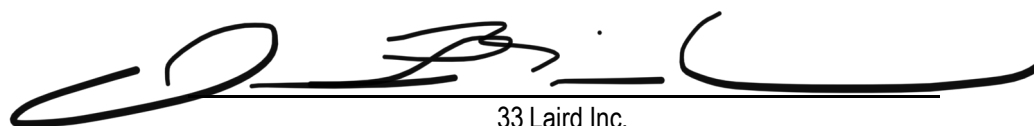
District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird Inc.
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Lennard Commercial Realty	55 University Avenue, Suite 6060 Toronto ON M4N 3N1 CA	N/A	44,070.00
Minden Gross, LLP	145 King Street West, Suite 2200 Toronto ON M5H 4G2 CA	N/A	6,657.12
Mirkwood Engineering	5045 Mainway, Suite 216 Burlington ON L7L 5H9 CA	N/A	9,780.15
MultiTech Trades Corp	2025 Meadowvale Blvd, Unit 2 Mississauga ON L5N 5N1 CA	N/A	99,157.51
Quaestus Corp	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA	N/A	31,639.17
Quaestus Corp - balance of development fee (Note 1)	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA		800,000.00
Sealink JV Ltd, In Trust	17 Main Street North PO Boc 1396 Waterdown ON L0R 2H0		2,027,677.00
Treasurer, City of Toronto	Box 6000 Toronto ON M2N 5V3 CA	N/A	13,249.89
Treasurer, City of Toronto George Charocopos, Collections Department	North York Civic Centre, Lower Level 5100 Yonge Street North York ON M2N 5V7	N/A	95,452.74
Tristar Engineering	8901 Woodbine Ave, Unit 116 Markham ON L3R 9Y4 CA	N/A	1,130.00
Via Bridle Path RE		N/A	1,372.95
Total			20,435,812.32

Note the amounts owing to Beaux Properties International Inc., Sealink JV Ltd. and Quaestus Corp (in respect of the development fee) are subject to further review.



33 Laird Inc.
 Insolvent Person

- Proposal Consent -
In the matter of the proposal of
33 Laird Inc.
of the City of Toronto
in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 33 Laird Inc..

Dated at the City of Toronto in the Province of Ontario, this 27th day of November 2020.

A handwritten signature in black ink, appearing to be 'Rau' or similar, written in a cursive style.

MNP Ltd. - Licensed Insolvency Trustee
300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693094
Estate No. 31-2693094

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird Inc.

Insolvent Person

MNP LTD / MNP LTÉE

Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:52

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

District of Ontario
Division No. 09 – Toronto
Court No. 31-2693092
Estate No. 31-2693092

**IN THE MATTER OF THE PROPOSAL OF
33 LAIRD GP INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

NOTICE TO CREDITORS OF NOTICE OF INTENTION TO MAKE A PROPOSAL FILING

To the Creditors of 33 Laird GP Inc. (the “Company”)

Please take notice that on November 28, 2020, the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to Section 50.4(1) of Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and MNP Ltd. (“**MNP**”) was named as the proposal trustee (the “**Trustee**”).

Please find enclosed the following:

1. The Notice of Intention to Make a Proposal (Form 33), dated November 28, 2020 (Filed November 28, 2020);
2. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims (the “**Creditor Listing**”);
3. The consent of MNP to act as the Trustee in these proposal proceedings; and
4. The Certificate of Filing of a Notice of Intention to Make a Proposal, issued by Industry Canada - Office of the Superintendent of Bankruptcy Canada on November 30, 2020.

Suppliers and other service providers should contact their normal representative of the Company with respect to the terms of payment for goods and/or services that are to be provided to the Company going forward (after November 28, 2020).

Pursuant to Section 50.4(8) of the BIA, the Company has thirty (30) days, unless such time period is extended by the Court, to file a proposal with the Trustee. During these proposal proceedings there is a stay of proceedings, and as such:

- no person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with the Company, by reason only that the company is insolvent or by reason of the filing of the NOI, pursuant to Section 65.1(1) of the BIA;
- no creditor has any remedy against any of the Company or its property or shall commence or continue any action, execution, enforcement or other proceedings against the Company or its property without leave of the Court, pursuant to Section 69(1)(a) of the BIA; and
- no provision of a security agreement between the Company and a secured creditor that provides, in substance, that on the Company’s insolvency, a default of an obligation under the security

agreement, or the filing of the NOI, the Company ceases to have such rights to use or deal with the property subject to such security agreement as it would otherwise have, has any force or effect, pursuant to Section 69(1)(b) of the BIA.

We recognize the amounts reflected as being due to you on the Creditor Listing may vary from your records. However, at this time the Trustee is neither looking to receive nor are creditors required to file a proof of claim in connection with their claim and the proposal proceeding. At a later date and once a proposal has been filed by the Company, the Trustee will provide you with further information regarding the proposal proceeding, including the date for the meeting of creditors to consider the proposal and a proof of claim form, so that you may then submit and prove your claim.

Please visit our website for updated information: <https://mnpdebt.ca/en/corporate/corporate-engagements/33-laird-group>

If you have any questions concerning the foregoing or require any additional information, please contact undersigned at 416-515-3882 or by email at matthew.lem@mnp.ca.

Dated at Toronto, Ontario this 3rd day of December 2020.

MNP LTD.,
Trustee *in re* the Proposal of
33 Laird GP Inc.
Per:



Matthew Lem, CIRP, LIT
Senior Vice President

Encl.

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
33 Laird GP Inc.
of the City of Toronto
in the Province of Ontario

Take notice that:

1. We, 33 Laird GP Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that we intend to make a proposal to our creditors.
2. MNP Ltd. of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



33 Laird GP Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird GP Inc.
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2065629 Ontario			4,723.40
2730419 Ontario Inc. o/a Davina's Swim House	46 Armon Ave Thronhill ON L4J 8B2 CA	N/A	40,000.00
AIM Rx Inc	c/o Royal Lepage 2320 Bloor Street West Toronto, Ontario M6S 1P2 CA	N/A	72,440.00
Anesh Srikrishnakumar. (Dog Trainer)	112 Glenvale Blvd Toronto ON M4G 2V9 CA	N/A	8,000.00
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	267,271.73
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	369,019.24
Beaux Properties International Inc.	6 Eglinton Ave. East, Suite 303 Toronto ON M4P 1A6 CA		3,170,077.01
C.F. Crozier & Associates Inc.	40 Huron Street, Suite 301 Collingwood ON L9Y 4R3 CA	N/A	9,361.32
CB Ross Partners	501 - 1920 Yonge Street Toronto ON M4S 3E2 CA	N/A	786.60
Centurion Mortgage Capital Corporation	25 Sheppard Ave West, Suite 710 Toronto ON M2N 6S6 CA		3,214,485.34
CMV Group	247 Spadina Ave, 4th Floor Toronto ON M5T 3A8 CA	N/A	86,693.47
DUCA Financial Services Credit Union Ltd	5255 Yonge Street, 4th Floor Toronto ON M2N 6P4 CA		9,789,335.28
Happy Bathrooms Inc.	160-106 Vanderhood Ave Toronto ON M4G 0B7 CA	N/A	2,252.46
Innovia Corporation	10 Queen Elizabeth Blvd. Unit 2 Etobicoke ON M8Z 1L8 CA	N/A	271,179.94

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
33 Laird GP Inc.
of the City of Toronto
in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Lennard Commercial Realty	55 University Avenue, Suite 6060 Toronto ON M4N 3N1 CA	N/A	44,070.00
Minden Gross, LLP	145 King Street West, Suite 2200 Toronto ON M5H 4G2 CA	N/A	6,657.12
Mirkwood Engineering	5045 Mainway, Suite 216 Burlington ON L7L 5H9 CA	N/A	9,780.15
MultiTech Trades Corp	2025 Meadowvale Blvd, Unit 2 Mississauga ON L5N 5N1 CA	N/A	99,157.51
Quaestus Corp	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA	N/A	31,639.17
Quaestus Corp - balance of development fee (Note 1)	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA		800,000.00
Sealink JV Ltd, In Trust			2,027,677.00
Treasurer, City of Toronto	Box 6000 Toronto ON M2N 5V3 CA	N/A	13,249.89
Treasurer, City of Toronto George Charocopos, Collections Department	North York Civic Centre, Lower Level 5100 Yonge Street North York ON M2N 5V7	N/A	95,452.74
Tristar Engineering	8901 Woodbine Ave, Unit 116 Markham ON L3R 9Y4 CA	N/A	1,130.00
Via Bridle Path RE		N/A	1,372.95
Total			20,435,812.32

Note the amounts owing to Beaux Properties International Inc., Sealink JV Ltd. and Quaestus Corp (in respect of the development fee) are subject to further review.



33 Laird GP Inc.
Insolvent Person

- Proposal Consent -
In the matter of the proposal of
33 Laird GP Inc.
of the City of Toronto
in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 33 Laird GP Inc..

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



MNP Ltd. - Licensed Insolvency Trustee
300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693092
Estate No. 31-2693092

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird GP Inc.
Insolvent Person

MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:52

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

District of Ontario
Division No. 09 – Toronto
Court No. 31-2693095
Estate No. 31-2693095

**IN THE MATTER OF THE PROPOSAL OF
33 LAIRD LIMITED PARTNERSHIP
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

NOTICE TO CREDITORS OF NOTICE OF INTENTION TO MAKE A PROPOSAL FILING

To the Creditors of 33 Laird Limited Partnership (the “Company”)

Please take notice that on November 28, 2020, the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to Section 50.4(1) of Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and MNP Ltd. (“**MNP**”) was named as the proposal trustee (the “**Trustee**”).

Please find enclosed the following:

1. The Notice of Intention to Make a Proposal (Form 33), dated November 28, 2020 (Filed November 28, 2020);
2. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims (the “**Creditor Listing**”);
3. The consent of MNP to act as the Trustee in these proposal proceedings; and
4. The Certificate of Filing of a Notice of Intention to Make a Proposal, issued by Industry Canada - Office of the Superintendent of Bankruptcy Canada on November 30, 2020.

Suppliers and other service providers should contact their normal representative of the Company with respect to the terms of payment for goods and/or services that are to be provided to the Company going forward (after November 28, 2020).

Pursuant to Section 50.4(8) of the BIA, the Company has thirty (30) days, unless such time period is extended by the Court, to file a proposal with the Trustee. During these proposal proceedings there is a stay of proceedings, and as such:

- no person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with the Company, by reason only that the company is insolvent or by reason of the filing of the NOI, pursuant to Section 65.1(1) of the BIA;
- no creditor has any remedy against any of the Company or its property or shall commence or continue any action, execution, enforcement or other proceedings against the Company or its property without leave of the Court, pursuant to Section 69(1)(a) of the BIA; and
- no provision of a security agreement between the Company and a secured creditor that provides, in substance, that on the Company’s insolvency, a default of an obligation under the security

agreement, or the filing of the NOI, the Company ceases to have such rights to use or deal with the property subject to such security agreement as it would otherwise have, has any force or effect, pursuant to Section 69(1)(b) of the BIA.

We recognize the amounts reflected as being due to you on the Creditor Listing may vary from your records. However, at this time the Trustee is neither looking to receive nor are creditors required to file a proof of claim in connection with their claim and the proposal proceeding. At a later date and once a proposal has been filed by the Company, the Trustee will provide you with further information regarding the proposal proceeding, including the date for the meeting of creditors to consider the proposal and a proof of claim form, so that you may then submit and prove your claim.

Please visit our website for updated information: <https://mnpdebt.ca/en/corporate/corporate-engagements/33-laird-group>

If you have any questions concerning the foregoing or require any additional information, please contact undersigned at 416-515-3882 or by email at matthew.lem@mnp.ca.

Dated at Toronto, Ontario this 3rd day of December 2020.

MNP LTD.,
Trustee *in re* the Proposal of
33 Laird Limited Partnership
Per:



Matthew Lem, CIRP, LIT
Senior Vice President

Encl.

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
33 Laird Limited Partnership
of the City of Toronto
in the Province of Ontario

Take notice that:

1. We, 33 Laird Limited Partnership, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that we intend to make a proposal to our creditors.
2. MNP Ltd. of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



33 Laird Limited Partnership
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird Limited Partnership
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2065629 Ontario			4,723.40
2730419 Ontario Inc. o/a Davina's Swim House	46 Armon Ave Thronhill ON L4J 8B2 CA	N/A	40,000.00
AIM Rx Inc	c/o Royal Lepage 2320 Bloor Street West Toronto, Ontario M6S 1P2 CA	N/A	72,440.00
Anesh Srikrishnakumar. (Dog Trainer)	112 Glenvale Blvd Toronto ON M4G 2V9 CA	N/A	8,000.00
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	267,271.73
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	369,019.24
Beaux Properties International Inc.	6 Eglinton Ave. East, Suite 303 Toronto ON M4P 1A6 CA		3,170,077.01
C.F. Crozier & Associates Inc.	40 Huron Street, Suite 301 Collingwood ON L9Y 4R3 CA	N/A	9,361.32
CB Ross Partners	501 - 1920 Yonge Street Toronto ON M4S 3E2 CA	N/A	786.60
Centurion Mortgage Capital Corporation	25 Sheppard Ave West, Suite 710 Toronto ON M2N 6S6 CA		3,214,485.34
CMV Group	247 Spadina Ave, 4th Floor Toronto ON M5T 3A8 CA	N/A	86,693.47
DUCA Financial Services Credit Union Ltd	5255 Yonge Street, 4th Floor Toronto ON M2N 6P4 CA		9,789,335.28
Happy Bathrooms Inc.	160-106 Vanderhood Ave Toronto ON M4G 0B7 CA	N/A	2,252.46
Innovia Corporation	10 Queen Elizabeth Blvd. Unit 2 Etobicoke ON M8Z 1L8 CA	N/A	271,179.94

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird Limited Partnership
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Lennard Commercial Realty	55 University Avenue, Suite 6060 Toronto ON M4N 3N1 CA	N/A	44,070.00
Minden Gross, LLP	145 King Street West, Suite 2200 Toronto ON M5H 4G2 CA	N/A	6,657.12
Mirkwood Engineering	5045 Mainway, Suite 216 Burlington ON L7L 5H9 CA	N/A	9,780.15
MultiTech Trades Corp	2025 Meadowvale Blvd, Unit 2 Mississauga ON L5N 5N1 CA	N/A	99,157.51
Quaestus Corp	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA	N/A	31,639.17
Quaestus Corp - balance of development fee (Note 1)	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA		800,000.00
Sealink JV Ltd, In Trust	17 Main St N North PO Box 1396 Waterdown ON L0R 2H0		2,027,677.00
Treasurer, City of Toronto	Box 6000 Toronto ON M2N 5V3 CA	N/A	13,249.89
Treasurer, City of Toronto George Charocopos, Collections Department	North York Civic Centre, Lower Level 5100 Yonge Street North York ON M2N 5V7	N/A	95,452.74
Tristar Engineering	8901 Woodbine Ave, Unit 116 Markham ON L3R 9Y4 CA	N/A	1,130.00
Via Bridle Path RE		N/A	1,372.95
Total			20,435,812.32

Note the amounts owing to Beaux Properties International Inc., Sealink JV Ltd. and Quaestus Corp (in respect of the development fee) are subject to further review.


 33 Laird Limited Partnership
 Insolvent Person

- Proposal Consent -

In the matter of the proposal of
33 Laird Limited Partnership
of the City of Toronto
in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 33 Laird Limited Partnership.

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



MNP Ltd. - Licensed Insolvency Trustee
300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693095
Estate No. 31-2693095

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird Limited Partnership
Insolvent Person

MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:53

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

Appendix "C"

33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP
 Statement of Projected Cash Flows
 For the period November 29, 2020 to March 6, 2021

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14
7 day period ending:	5-Dec-20 <i>(projected)</i>	12-Dec-20 <i>(projected)</i>	19-Dec-20 <i>(projected)</i>	26-Dec-20 <i>(projected)</i>	2-Jan-21 <i>(projected)</i>	9-Jan-21 <i>(projected)</i>	16-Jan-21 <i>(projected)</i>	23-Jan-21 <i>(projected)</i>	30-Jan-21 <i>(projected)</i>	6-Feb-21 <i>(projected)</i>	13-Feb-21 <i>(projected)</i>	20-Feb-21 <i>(projected)</i>	27-Feb-21 <i>(projected)</i>	6-Mar-21 <i>(projected)</i>
Opening Cash Balance	\$ 17,446	\$ 14,396	\$ 11,396	\$ 8,140	\$ 5,140	\$ 34,867	\$ 37,148	\$ 33,892	\$ 30,892	\$ 14,954	\$ 11,904	\$ 8,904	\$ 5,808	\$ 4,133
Receipts														
DIP Loan Advances	-	-	62,957	20,985	20,985	20,985	20,985	20,985	20,985	20,985	20,985	20,985	20,985	20,985
HST Refunds	-	-	-	-	45,490	5,281	-	-	-	-	-	-	13,563	-
Total Receipts	-	-	62,957	20,985	66,475	26,266	20,985	20,985	20,985	20,985	20,985	20,985	34,548	20,985
Disbursements														
Banking and Financing Fees	50	-	-	-	50	-	-	-	-	50	-	-	-	50
Insurance - Property, Liability, Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	256	-	-	-	256	-	700	-	-	96	-	-
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and Safety	-	-	-	-	4,238	-	-	-	3,763	-	-	-	3,763	-
Storage Costs - Construction Materials	-	-	-	-	8,475	-	-	-	8,475	-	-	-	8,475	-
Restructuring Professional Fees - Company Counsel	-	-	24,214	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071
Restructuring Professional Fees - Trustee and its Counsel	-	-	38,743	12,914	12,914	12,914	12,914	12,914	12,914	12,914	12,914	12,914	12,914	12,914
Contingency	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Disbursements	3,050	3,000	66,213	23,985	36,748	23,985	24,241	23,985	36,923	24,035	23,985	24,081	36,223	24,035
Receipts over Disbursements	(3,050)	(3,000)	(3,256)	(3,000)	29,727	2,281	(3,256)	(3,000)	(15,938)	(3,050)	(3,000)	(3,096)	(1,675)	(3,050)
Closing Cash Balance	\$ 14,396	\$ 11,396	\$ 8,140	\$ 5,140	\$ 34,867	\$ 37,148	\$ 33,892	\$ 30,892	\$ 14,954	\$ 11,904	\$ 8,904	\$ 5,808	\$ 4,133	\$ 1,083

The Statement of Projected Cash Flows includes the Hypothetical and/or Probable Assumptions attached to this projected cash flow.
 This statement of projected cash flow should be read in conjunction with The Notes and Assumptions to the Statement of Projected Cash Flows attached.

This statement of projected cash flow is prepared by the debtors in accordance with s. 50.4(2)(a) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report.

MNP LTD., Trustee acting in re the Proposal of
 33 Laird Inc., 33 Laird GP Inc. & 33 Laird Limited Partnership

33 LAIRD INC.

33 LAIRD GP INC.

33 LAIRD LIMITED PARTNERSHIP

Per: 
 Matthew Lem, Licensed Insolvency Trustee

Per: 
 Jason Birnboim

Per: 
 Jason Birnboim

Per: 
 Jason Birnboim

Dated: December 8, 2020

33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP
The Notes and Assumptions to the Statement of Projected Cash Flows
For the period November 29, 2020 to March 6, 2021

A summary of the hypothetical and/or probable assumptions to the Statement of Projected Cash Flows are as follows:

- It is contemplated that during these Notice of Intention to Make a Proposal (NOI) proceedings, the 33 Laird Group will seek Court approval for a public sale and marketing process for all of its assets, while also seeking further financing options to replace DUCA Financial Services Credit Union Ltd. and to continue on the business, if possible, on or before the conclusion of the sale and marketing process.
- It is assumed that at the first court attendance, the 33 Laird Group will seek and the Court will grant an Order authorizing, *inter alia*, a debtor in possession (DIP) loan to fund the restructuring professional fees incurred in these proceedings. It is contemplated that the such DIP loan will be subordinate to the security interests held by the secured creditors, DUCA Financial Services Credit Union Ltd. and Centurion Mortgage Capital Corporation.
- The collection of HST refunds are based on management's best estimates and historical collection trends.
- The insurance has previously been paid in full with coverage extending to May 31, 2021.
- No municipal property tax payments are contemplated to be made in connection with the 2020 calendar year. Instalments for the calendar year 2021 are not expected to be due until end of March 2021 (outside the projected period).
- The disbursements are based on management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended.
- The 33 Laird Group's lenders, DUCA Financial Services Credit Union Ltd. and Centurion Mortgage Capital Corporation, will defer all principal and interest payments pending the outcome of the contemplated sale process and concurrent pursuit of refinancing.
- The restructuring professional fees are based on estimates provided by the respective professionals to management assuming a public sale and marketing process while also concurrently seeking refinancing options during the NOI proceeding. The restructuring professional fees are contemplated to be funds through the DIP loan noted above.
- Pursuant to Section 69(1) of the *Bankruptcy and Insolvency Act*, all creditor's claims are subject to a stay of proceedings.

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2693094
Estate No. 31-2693094

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
33 Laird Inc.
of the City of Toronto
in the Province of Ontario

The attached statement of projected cash flow of 33 Laird Inc., as of the 8th day of December 2020, consisting of the Statement of Projected Cash Flows, dated December 8, 2020, for the period from November 29, 2020 to March 6, 2021, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. 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 projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

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 projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection 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 projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.

MNP Ltd. - Licensed Insolvency Trustee


300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2693094
Estate No. 31-2693094

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
33 Laird Inc.
of the City of Toronto
in the Province of Ontario

Purpose:

This statement of projected cash flows has been prepared solely for the purpose of complying with Subsection 50.4(2)(a) of the Bankruptcy and Insolvency Act.

Projection Notes:

The projections are based on hypothetical and/or probable assumptions.

Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the statement of projected cash flows.

Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the statement of projected cash flows.

Assumptions:

See Notes and Assumptions to the Statement of Projected Cash Flows

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.

MNP Ltd. - Licensed Insolvency Trustee



300 - 111 Richmond Street West

Toronto ON M5H 2G4

Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2693094
Estate No. 31-2693094

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
33 Laird Inc.
of the City of Toronto
in the Province of Ontario


The Management of 33 Laird Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 8th day of December 2020, consisting of the Statement of Projected Cash Flows, dated December 8, 2020, for the period from November 29, 2020 to March 6, 2021.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.



33 Laird Inc.
Debtor



Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2693094
Estate No. 31-2693094

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
33 Laird Inc.
of the City of Toronto
in the Province of Ontario

Purpose:

This statement of projected cash flows has been prepared solely for the purpose of complying with Subsection 50.4(2)(a) of the Bankruptcy and Insolvency Act.

Projection Notes:

The projections are based on hypothetical and/or probable assumptions.

Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the statement of projected cash flows.

Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the statement of projected cash flows.

Assumptions:

See Notes and Assumptions to the Statement of Projected Cash Flows

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.


33 Laird Inc.

District of: Ontario
Division No. 09 - Toronto
Court No. 31-263092
Estate No. 31-263092

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
33 Laird GP Inc.
of the City of Toronto
in the Province of Ontario

The attached statement of projected cash flow of 33 Laird GP Inc., as of the 8th day of December 2020, consisting of the Statement of Projected Cash Flows, dated December 8, 2020, for the period from November 29, 2020 to March 6, 2021, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. 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 projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

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 projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection 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 projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.

MNP Ltd. - Licensed Insolvency Trustee


300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario
Division No. 09 - Toronto
Court No. 31-263092
Estate No. 31-263092

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
33 Laird GP Inc.
of the City of Toronto
in the Province of Ontario

Purpose:

This statement of projected cash flows has been prepared solely for the purpose of complying with Subsection 50.4(2)(a) of the Bankruptcy and Insolvency Act.

Projection Notes:

The projections are based on hypothetical and/or probable assumptions.

Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the statement of projected cash flows.

Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the statement of projected cash flows.

Assumptions:

See Notes and Assumptions to the Statement of Projected Cash Flows

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.

MNP Ltd. - Licensed Insolvency Trustee



360 - 111 Richmond Street West

Toronto ON M5H 2G4

Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario
Division No. 09 - Toronto
Court No. 31-263092
Estate No. 31-263092

- FORM 30 -
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
33 Laird GP Inc.
of the City of Toronto
in the Province of Ontario


The Management of 33 Laird GP Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 8th day of December 2020, consisting of the Statement of Projected Cash Flows, dated December 8, 2020, for the period from November 29, 2020 to March 6, 2021.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.



33 Laird GP Inc.
Debtor



Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 09 - Toronto
Court No. 31-263092
Estate No. 31-263092

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
33 Laird GP Inc.
of the City of Toronto
in the Province of Ontario

Purpose:

This statement of projected cash flows has been prepared solely for the purpose of complying with Subsection 50.4(2)(a) of the Bankruptcy and Insolvency Act.

Projection Notes:

The projections are based on hypothetical and/or probable assumptions.

Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the statement of projected cash flows.

Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the statement of projected cash flows.

Assumptions:

See Notes and Assumptions to the Statement of Projected Cash Flows

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.



33 Laird GP Inc.

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2693095
Estate No. 31-2693095

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
33 Laird Limited Partnership
of the City of Toronto
in the Province of Ontario

The attached statement of projected cash flow of 33 Laird Limited Partnership, as of the 8th day of December 2020, consisting of the Statement of Projected Cash Flows, dated December 8, 2020, for the period from November 29, 2020 to March 6, 2021, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. 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 projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

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 projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection 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 projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.

MNP Ltd. - Licensed Insolvency Trustee



300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2693095
Estate No. 31-2693095

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
.33 Laird Limited Partnership
of the City of Toronto
in the Province of Ontario

Purpose:

This statement of projected cash flows has been prepared solely for the purpose of complying with Subsection 50.4(2)(a) of the Bankruptcy and Insolvency Act.

Projection Notes:

The projections are based on hypothetical and/or probable assumptions.

Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the statement of projected cash flows.

Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the statement of projected cash flows.

Assumptions:

See Notes and Assumptions to the Statement of Projected Cash Flows

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.

MNP Ltd. - Licensed Insolvency Trustee



300 - 111 Richmond Street West

Toronto ON M5H 2G4

Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2693095
Estate No. 31-2693095

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
33 Laird Limited Partnership
of the City of Toronto
in the Province of Ontario

The Management of 33 Laird Limited Partnership, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 8th day of December 2020, consisting of the Statement of Projected Cash Flows, dated December 8, 2020, for the period from November 29, 2020 to March 6, 2021.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.



33 Laird Limited Partnership
Debtor



Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2693095
Estate No. 31-2693095

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
33 Laird Limited Partnership
of the City of Toronto
in the Province of Ontario

Purpose:

This statement of projected cash flows has been prepared solely for the purpose of complying with Subsection 50.4(2)(a) of the Bankruptcy and Insolvency Act.

Projection Notes:

The projections are based on hypothetical and/or probable assumptions.

Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the statement of projected cash flows.

Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the statement of projected cash flows.

Assumptions:

See Notes and Assumptions to the Statement of Projected Cash Flows

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.



33 Laird Limited Partnership

COURT NO.: 31-2693094, 31-2693092, 31-2693095
ESTATE NO.: 31-2693094, 31-2693092, 31-2693095

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

-and-

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD GP INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

-and-

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD LIMITED PARTNERSHIP, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**FIRST REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS
CAPACITY AS PROPOSAL TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND
33 LAIRD LIMITED PARTNERSHIP**

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

Matthew Lem
Tel: (416) 515-3882
Fax: (416) 323-5242
Email: matthew.lem@mnp.ca

Appendix “B”

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**SECOND REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

FEBRUARY 9, 2021

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Appendices

Appendix “A”	Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal, dated November 20, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership issued by the Industry Canada – Office of the Superintendent of Bankruptcy Canada
Appendix “B”	Copies of the Notices to Creditors of the Notice of Intention to Make a Proposal Filing, dated December 3, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “C”	A Copy of First Report to the Court Submitted by MNP LTD., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)
Appendix “D”	Copy of the Statement of Revised Projected Cash Flows, dated February 9, 2021 (on a consolidated basis), dated February 9, 2021 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “E”	Affidavit of Sheldon Title, sworn February 8, 2021
Appendix “F”	Affidavit of Connie Deng, sworn February 8, 2021

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). Copies of the certificates of filing for each of the NOIs filed are attached hereto and marked as **Appendix “A”**. The 33 Laird Group’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. Notice of the NOIs as prescribed by the BIA was sent on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies. Copies of such notices are attached hereto and marked as **Appendix “B”**.
3. On December 10, 2020, the Companies filed a Notice of Motion and a Motion Record returnable December 16, 2020, seeking, among other things, a Court Order:
 - a. procedurally consolidating the NOI Proceedings and authorizing and directing the Proposal Trustee to administer the NOI Proceedings on a consolidated basis henceforth;
 - b. extending the time for the Companies to file a proposal to February 11, 2021;
 - c. approving the interim financing of up to \$250,000 (the “**DIP Loan**”) and granting a priority charge, but subordinate to the security interests of DUCA Financial Services Credit Union Ltd. (“**DUCA**”), on the 33 Laird Group’s current and future assets, undertakings and properties; and
 - d. authorizing and directing the payment of the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Companies, Goldman Sloan Nash & Haber LLP (“**GSNH**”).

4. On December 11, 2020, the Proposal Trustee served its first report, dated December 11, 2020 (the “**First Report**”). A copy of the First Report, without appendices, is attached hereto and marked as **Appendix “C”**.
5. On December 16, 2020, the Court granted an Order (the “**Consolidation and Stay Extension Order**”) approving the relief sought by the Companies as noted in paragraph 3 above. A copy of the Consolidation and Stay Extension Order is attached and marked as Exhibit “B” to the February 6 Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
6. Information regarding the NOI Proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird (the “**Website**”).
7. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process (the “**Sale Process**”) for all of the 33 Laird Group’s assets, while simultaneously seeking further financing options to replace the secured loans provided by DUCA and Centurion Mortgage Capital Corporation (together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”) and to continue on the business, if possible, on or before the conclusion of the Sale Process.

II. RESTRICTIONS

8. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**December 10th Affidavit**”) the affidavit of Jason L. S. Birnboim, sworn February 6, 2021 (the “**February 6 Affidavit**” and together with the December 10th Affidavit, hereinafter collectively referred to as the “**Birnboim Affidavits**”), the Companies’ books and records, discussions with management of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to

verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

9. The Proposal Trustee also bases its Report on the Companies' cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies' businesses and the economy in general has yet to be determined. In developing the Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

10. The purpose of this Report is, *inter alia*, to:
 - a. Update the Court with respect to:

- i. the activities of the Companies and the Proposal Trustee since the First Report;
 - ii. the status of the Sale Process;
 - iii. report on the Company's actual cash flows for the period November 29, 2020 to January 30, 2021;
 - iv. comments on Statement of Revised Projected Cash Flows, dated February 9, 2021 (the "**Revised Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA;
- b. provide the Court with the Proposal Trustee's recommendation for an Order, *inter alia*:
- i. approving an extension of the time for the Companies to make a proposal to its creditors to March 29, 2021 (the "**Extended Period**");
 - ii. approving and authorizing the Companies' engagement of Jones Lang LaSalle Real Estate Services, Inc. ("**JLL**") to market and sell the Project (as such term is defined later), the building structures under construction and the land (collectively, the "**Property**").
 - iii. approving the fees and disbursements of the Proposal Trustee and WFK as set-out in the Fee Affidavits (as such term is later defined); and
 - iv. approving the activities of the Proposal Trustee as set out in the First Report and this Report

IV. BACKGROUND INFORMATION

11. As described in greater detail in the Birnboim Affidavits, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the "**Project**"). The Project forms part of the

Property, which comprises substantially all of the Companies' property, assets and undertakings.

12. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. ("**BPII**"), 2344011 Ontario Inc. and Sealink JV Ltd ("**Sealink**"), in Trust (collectively, the "**LP Partners**") are the limited partners.
13. The Project is still in the early stages of construction and will require additional capital or financing to complete.
14. Based on, and as described in greater detail in the Birnboim Affidavits, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
15. Additional information in respect of the Companies is set out in the Birnboim Affidavits, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.
16. GSNH has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP ("**WFK**" and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the "**Restructuring Professionals**") has been engaged by the Proposal Trustee as its independent legal counsel.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE

17. Since the Filing Date, the Proposal Trustee has undertaken the following activities, *inter alia*:
 - a. updated the Website as necessary;

- b. prepared and sent notice under Subsection 50.4(6) of BIA to all known creditors;
- c. responded to enquiries directed towards the Proposal Trustee from creditors and other stakeholders;
- d. responded to enquiries directed towards the Proposal Trustee from parties interested in acquiring the Project;
- e. monitored the Companies' actual cash flows in comparison with the Statement of Projected Cash Flows, dated December 8, 2020 (the "**Initial Cash Flow Projections**");
- f. assisted the Companies with the preparation and filing with the Office of the Superintendent of Bankruptcy Canada of the Revised Cash Flow Projections and related statutory reports;
- g. discussed with the Companies and the Companies' counsel regarding alternate refinancing sources and provide introductions;
- h. discussed with the Companies and the Companies' counsel regarding the Sale Process, including the soliciting of listing proposals, its discussions with a possible purchaser about a transaction for the Project (the "**Possible Transaction**") and the Companies' contemplated engagement of JLL to list and conduct a marketing process for the Project;
- i. reviewed and provided comments on the proposed listing agreement to be entered into between the Companies and JLL (the "**Listing Agreement**"); and
- j. drafted this Report and reviewing all Court materials filed in connection with the Companies' motion.

VI. SALE PROCESS

The Possible Transaction

18. The Companies have been exploring for the last several weeks the Possible Transaction; it has however not solidified into a formal binding offer as of the date of this Report.

However, the Proposal Trustee has been advised by the GSNH, that the Companies may execute an agreement of purchase and sale with respect to the Possible Transaction on or before February 19, 2021, subject to being approved by this Court.

JLL Listing Agreement

19. Concurrent to the forgoing activities concerning the Possible Transaction, the Companies have solicited and have received listing proposals from JLL and Cushman & Wakefield ULC (“C&W”) in the case of this eventuality. Copies of JLL’s and C&W listing proposals are attached as Confidential Appendices “1” and “2” to the February 6 Affidavit.

20. The Companies are of the view that the listing proposal submitted by JLL provides the best opportunity to maximize realization on the Property for the Companies ‘stakeholders, based on the more favourable commission rate, proposed marketing strategy, and the team’s experience. JLL’s proposed marketing process (the “**Marketing Process**”) is described in greater in JLL’s listing proposal and has been further outlined in Schedule “A” of the amended draft Order filed on February 9, 2021 in connection with this Motion. Accordingly, the Marketing Process contemplates the Companies engaging JLL, subject to this Court’s approval, to conduct such marketing process, as outlined below.

21. The Marketing Process contemplated by JLL and the Companies is summarized as follows:

Proposed Activities	
<p>Pre-Marketing Stage</p> <p>To be completed within three (3) weeks¹ of Court approval of the Listing Agreement</p>	<ul style="list-style-type: none"> • Assemble due diligence materials and set-up on-line data room, including undertaking an urban planning analysis. • Preparation of marketing materials, including confidential information memorandum, flyers, etc. • Execution of a listing agreement.

¹ As per the Listing Agreement. JLL’s listing proposal had originally indicated approximately two (2) weeks.

	Proposed Activities
<p>Marketing and Due Diligence Stage</p> <p>To be commenced with three (3) weeks of Court approval of the Listing Agreement</p>	<ul style="list-style-type: none"> • Email blast and mailing to network. • Social media advertising • Site tours and follow-up virtual and socially-distanced in-person presentations. • Commence MLS listing • Advertisement of sale in Globe & Mail and Sing Tao newspapers
<p>First Bid Deadline</p> <p>six (6) Week following the commencement of the Marketing and Due Diligence Stage</p>	<ul style="list-style-type: none"> • In consultation with the Proposal Trustee and DUCA, review bids received, assess the merits of each bid, the potential risks of some of the bidders, and strategize about next steps.
<p>Second Bid Deadline</p> <p>Within one (1) Week following the First Bid Deadline</p>	<ul style="list-style-type: none"> • Invite a select number of bidders from first round of bidding and request re-submission of competitive bids, as appropriate. • Provide form of agreement of purchase and sale for submission of bid. • Following selection of bid, refine pricing and deal terms, as appropriate, and execute agreement of purchase and sale. • If two (2) or more of the best second-round bids are substantially equal, proceed to Final Bid Deadline
<p><u>If Necessary</u></p> <p>Final Bid Deadline</p> <p>Within five (5) days following the Second Bid Deadline</p>	<ul style="list-style-type: none"> • In consultation with the Proposal Trustee and DUCA, review bids received from second round of bidding, and if two (2) or more of the best bids remain substantially equal, request re-submission of such competitive bids • Following selection of bid, refine pricing, deal terms and execute agreement of purchase and sale

22. The Proposal Trustee is of the view that the Marketing Process will adequately target the prospective purchaser groups, including retail developers, industrial developers and private capital firms.

23. An unredacted copy of the Listing Agreement is attached as Confidential Appendix "3" to the February 6 Affidavit and sets out among other things, the commission rates to be paid (with or without the involvement of a co-operating broker), the impact of the Possible Transaction, and the agreement being subject to Court approval.
24. With respect to the Possible Transaction vis-à-vis the Listing Agreement, it is contemplated that the possible purchaser associated therewith will have twenty-one (21) days from the date the Listing Agreement is approved by the Court to enter into a binding agreement of purchase sale with the Companies, otherwise the possible purchaser will need to participate in the Marketing Process with all other prospective purchasers.
25. It is contemplated that the Companies would offer the Property for sale with a minimum list price of \$1 using the Multiple Listing Service to ensure all offers are brought to the attention of the Companies and the Proposal Trustee.
26. The Companies, with JLL's assistance and the Proposal Trustee, will review and assess the bids received during the Marketing Process.
27. The Companies will then look to enter into a binding agreement of purchase and sale for the Property, which it will present to this Court for approval, along with a reporting of the results of the Marketing Process.
28. Given the sensitive nature of the information in the Confidential Appendices, the Proposal Trustee respectfully recommends that this material be sealed pending completion of a sale transaction for the Property.

VII. CASH FLOW PROJECTIONS

General

29. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

30. The Initial Cash Flow Projections covered the period starting on November 29, 2020 and ending on March 6, 2021. The Revised Cash Flow Projections cover the period starting on January 30, 2021 and ending on May 26, 2021 (the “**Projection Period**”). A copy of the Revised Cash Flow Projections, and related reports, are attached as hereto and marked as **Appendix “D”**.
31. The Initial Cash Flow Projections and the Revised Cash Flow Projections (collectively, the “**Projections**”) have been assembled and prepared on a consolidated basis for the 33 Laird Group.
32. In accordance with the provisions of the BIA, the Companies prepared and filed with the Official Receiver the Projections, which were reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Companies.
33. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that the operations are continuing in accordance with the Projections.

Initial Cash Flow Projections – Actual to Projected

34. A summary of the Company’s actual receipts and disbursements as compared to those presented in the Initial Cash Flow Projections for the nine-weeks ended January 30, 2021 are as follows (“**Monitored Period**”):

	Projected	Actual	Variance
Opening Cash Balance	\$ 17,446	\$ 17,706	
Receipts			
DIP Loan Advances	188,867	-	(188,867)
HST Refunds	50,771	52,045	1,274
Total Receipts	<u>239,638</u>	<u>52,045</u>	<u>(187,593)</u>
Disbursements			
Banking and Financing Fees	100	3	97
Insurance - Property, Liability, Construction	-	-	-
Utilities	1,212	851	361
Property Tax	-	-	-
Security and Safety	8,001	-	8,001
Storage Costs - Construction Materials	16,950	-	16,950
Restructuring Professional Fees - Companyies' Counsel	72,640	-	72,640
Restructuring Professional Fees - Trustee and its Counsel	116,227	33,943	82,284
Contingency	27,000	39	26,961
Total Disbursements	<u>242,130</u>	<u>34,836</u>	<u>207,294</u>
Receipts over Disbursements	<u>(2,492)</u>	<u>17,209</u>	<u>19,701</u>
Closing Cash Balance	<u>\$ 14,954</u>	<u>\$ 34,915</u>	

35. There was small error in the opening cash balance figure, which translates to the opening cash position being actually \$260 higher than what was shown in the projections.

36. Overall, the 33 Laird Group's realized a positive net cash flow variance of \$19,701 during the Monitored Period. The key components of the variance are as follows.

Receipts

- a. DIP Loan Advances – the negative variance of \$188,867 can be attributed to there being sufficient funds in the account to fund the disbursements expended in the Monitored Period and therefore not requiring DIP Loan Advances. The DIP Loan is to fund operating shortfalls and thus any negative variance in this item is offset by a favourable variance on the disbursement side. This is principally a timing difference, as the expected draw on the DIP Loan was largely in anticipation of greater professional fees being paid in the Monitored Period.

- b. HST Refunds - the positive variance of \$1,274 relates to the November 2020 HST refund received which was not included in the Initial Cash Flow Projections.

Disbursements

- c. Security and Safety – the positive variance of \$8,001 is in part a timing difference as there is approximately \$3,200 in fencing and edge protection rental fees that have accrued for December 2020 and January 2021 that have not yet been paid. The balance is primarily related to projected security monitoring costs, which were not incurred, but are expected to start in February 2021.
- d. Storage Costs – this projected figure of \$8,475/month was an estimated figure when the Initial Cash Flow Projections were prepared. Notwithstanding, the positive variance of \$16,950 is in part a timing difference as there is approximately \$2,260 in storage fees for the HVAC equipment that have accrued for December 2020 and January 2021 that have not yet been paid. In addition, it was originally anticipated that storage and moving costs associated with the elevators would be incurred but have not as of the date of this Report.
- e. Restructuring Professional Fees – the combined positive variance of \$154,924 is a result of the lower than projected fees of the Companies’ counsel up to January 30, 2020 (approximately \$55,000 plus HST), which have also not yet been rendered for payment, and the significantly lower actual fees (paid \$33,943 plus accrued/unpaid fees of approximately \$10,000 plus HST) for the Proposal Trustee and its counsel than had been projected for the period.
- f. Contingency - the positive variance of \$26,961 is result of minimal other costs that were not already specifically identified being incurred in the Monitored Period.

37. As noted below, the Companies seek an extension of time within which to file a Proposal. The Initial Cash Flow Projections do not cover the Extended Period, and accordingly the Revised Cash Flow Projections have been prepared.

Revised Cash Flow Projections

38. The Revised Cash Flow Projections revises certain figures that had previously been presented in the Initial Cash Flow Projections based on the current information available, as well as extends past the Extended Period to cover the contemplated period of the Sales Process.

39. The principal assumptions of the Cash Flow Projections are that:

- a. Construction work remains suspended pending the outcome of the Sale Process;
- b. During the NOI Proceedings, the 33 Laird Group will implement the Sale Process contemplated with JLL or complete the Possible Transaction;
- c. The previously Court approved interim financing up to a maximum of \$250M (the “**DIP Loan**”) will be sufficient to cover operating shortfalls;
- d. the collection of HST refunds is based on Management's best estimates and historical collection trends;
- e. disbursements are based on Management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- f. the Secured Lenders will defer all principal and interest payments pending the outcome of the Sale Process; and
- g. the Restructuring Professional's fees are based on estimates provided by the respective professionals to Management in connection with the implementation of the Sale Process contemplated.

40. Based on the Proposal Trustee's review of the Revised Cash Flow Projections, there are no material assumptions which seem unreasonable or implausible in the 33 Laird Group's circumstances

41. Provided funds are available pursuant to the DIP Loan, it appears that the Companies have sufficient funds available to carry on its operations through the Extended Period based on the Revised Cash Flow Projections.

VIII. PROFESSIONAL FEES

42. Pursuant to subsection 25(1.3) of the BIA, Proposal Trustee cannot withdraw monies from the estate trust account to pay any disbursements, including the professional fees, without the written permission of the inspectors or an order of the Court.

43. Pursuant to paragraph 19 of the Consolidation and Stay Extension Order, the Proposal Trustee and WFK are to be

- a. paid their reasonable fees and disbursements by the Companies, and
- b. authorized to immediately apply any such payments made by the Companies to their fees and disbursements and such amounts shall constitute advances against their remuneration and disbursements when and as approved by this Court.

44. The Proposal Trustee's accounts for the period from November 26, 2020 to January 30, 2021 total \$35,262.40 (exclusive of HST). The affidavit of Sheldon Title sworn February 8, 2021 as to the fees of the Proposal Trustee is attached hereto as **Appendix "E"**.

45. WFK's accounts for the period from December 2, 2020 to January 29, 2021 total \$2,520.00 (exclusive of HST). The affidavit of Connie Deng virtually sworn February 8, 2021 as to the fees and disbursements of WKZ in its capacity as legal counsel to the Proposal Trustee is attached hereto as **Appendix "F"**.

46. The Proposal Trustee is of the view that WFK's accounts are reasonable in the circumstances and respectfully requests this Court approve its fees and disbursements

and those of its legal counsel as set-out in the Proposal Trustee's and WFK's fee affidavits (collectively, the "**Fee Affidavits**"). These professional fees and disbursements have or will be drawn from the funds received from the Companies.

IX. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

47. The time for filing a proposal expires on February 11, 2021.

48. The Companies remains of the view that carrying out the Sale Process will maximize value for its stakeholders.

49. In order to allow the 33 Laird Group to implement the Sale Process contemplated and being sought to be approved as part of this Motion, the Companies are seeking a forty-five (45) day extension of the time for filing of a proposal.

50. It is contemplated that the Companies will require a further extension of time after the Extended Period to complete the Sale Process.

51. In view of the foregoing, the Proposal Trustee supports the Companies' request for an extension to provide it with additional time to implement the contemplated Sale Process. The Proposal Trustee has also considered that:

- a. the 33 Laird Group is acting in good faith and with due diligence;
- b. the extension should not adversely affect or prejudice creditors as the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and supplies in the amounts contemplated in the Revised Cash Flow Projections due to the availability of the DIP Loan;
- c. creditors would not be prejudiced by an extension of time for the 33 Laird Group to file its proposal;
- d. the contemplated Sale Process could generate offers at the First Bid Deadline before the end of the requested extension period; and

- e. if offers are received by the First Bid Deadline, it is reasonably expected that binding offers will be received by the Final Bid Deadline to allow the Companies to be in position to consider formulating and presenting a viable proposal.

X. CONCLUSION AND RECOMMENDATION

52. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 10.

All of which is respectfully submitted on this 9th day of February 2021.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

APPENDIX “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693094
Estate No. 31-2693094

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird Inc.

Insolvent Person

MNP LTD / MNP LTÉE

Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:52

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693092
Estate No. 31-2693092

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird GP Inc.
Insolvent Person

MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:52

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693095
Estate No. 31-2693095

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird Limited Partnership
Insolvent Person

MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:53

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX “B”

District of Ontario
Division No. 09 – Toronto
Court No. 31-2693094
Estate No. 31-2693094

**IN THE MATTER OF THE PROPOSAL OF
33 LAIRD INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

NOTICE TO CREDITORS OF NOTICE OF INTENTION TO MAKE A PROPOSAL FILING

To the Creditors of 33 Laird Inc. (the “Company”)

Please take notice that on November 28, 2020, the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to Section 50.4(1) of Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and MNP Ltd. (“**MNP**”) was named as the proposal trustee (the “**Trustee**”).

Please find enclosed the following:

1. The Notice of Intention to Make a Proposal (Form 33), dated November 28, 2020 (Filed November 28, 2020);
2. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims (the “**Creditor Listing**”);
3. The consent of MNP to act as the Trustee in these proposal proceedings; and
4. The Certificate of Filing of a Notice of Intention to Make a Proposal, issued by Industry Canada - Office of the Superintendent of Bankruptcy Canada on November 30, 2020.

Suppliers and other service providers should contact their normal representative of the Company with respect to the terms of payment for goods and/or services that are to be provided to the Company going forward (after November 28, 2020).

Pursuant to Section 50.4(8) of the BIA, the Company has thirty (30) days, unless such time period is extended by the Court, to file a proposal with the Trustee. During these proposal proceedings there is a stay of proceedings, and as such:

- no person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with the Company, by reason only that the company is insolvent or by reason of the filing of the NOI, pursuant to Section 65.1(1) of the BIA;
- no creditor has any remedy against any of the Company or its property or shall commence or continue any action, execution, enforcement or other proceedings against the Company or its property without leave of the Court, pursuant to Section 69(1)(a) of the BIA; and
- no provision of a security agreement between the Company and a secured creditor that provides, in substance, that on the Company’s insolvency, a default of an obligation under the security

agreement, or the filing of the NOI, the Company ceases to have such rights to use or deal with the property subject to such security agreement as it would otherwise have, has any force or effect, pursuant to Section 69(1)(b) of the BIA.

We recognize the amounts reflected as being due to you on the Creditor Listing may vary from your records. However, at this time the Trustee is neither looking to receive nor are creditors required to file a proof of claim in connection with their claim and the proposal proceeding. At a later date and once a proposal has been filed by the Company, the Trustee will provide you with further information regarding the proposal proceeding, including the date for the meeting of creditors to consider the proposal and a proof of claim form, so that you may then submit and prove your claim.

Please visit our website for updated information: <https://mnpdebt.ca/en/corporate/corporate-engagements/33-laird-group>

If you have any questions concerning the foregoing or require any additional information, please contact undersigned at 416-515-3882 or by email at matthew.lem@mnp.ca.

Dated at Toronto, Ontario this 3rd day of December 2020.

MNP LTD.,
Trustee *in re* the Proposal of
33 Laird Inc.
Per:



Matthew Lem, CIRP, LIT
Senior Vice President

Encl.

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
33 Laird Inc.
of the City of Toronto
in the Province of Ontario

Take notice that:

1. We, 33 Laird Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that we intend to make a proposal to our creditors.
2. MNP Ltd. of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



33 Laird Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird Inc.
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2065629 Ontario			4,723.40
2730419 Ontario Inc. o/a Davina's Swim House	46 Armon Ave Thronhill ON L4J 8B2 CA	N/A	40,000.00
AIM Rx Inc	c/o Royal Lepage 2320 Bloor Street West Toronto, Ontario M6S 1P2 CA	N/A	72,440.00
Anesh Srikrishnakumar. (Dog Trainer)	112 Glenvale Blvd Toronto ON M4G 2V9 CA	N/A	8,000.00
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	267,271.73
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	369,019.24
Beaux Properties International Inc.	6 Eglinton Ave. East, Suite 303 Toronto ON M4P 1A6 CA		3,170,077.01
C.F. Crozier & Associates Inc.	40 Huron Street, Suite 301 Collingwood ON L9Y 4R3 CA	N/A	9,361.32
CB Ross Partners	501 - 1920 Yonge Street Toronto ON M4S 3E2 CA	N/A	786.60
Centurion Mortgage Capital Corporation	25 Sheppard Ave West, Suite 710 Toronto ON M2N 6S6 CA		3,214,485.34
CMV Group	247 Spadina Ave, 4th Floor Toronto ON M5T 3A8 CA	N/A	86,693.47
DUCA Financial Services Credit Union Ltd	5255 Yonge Street, 4th Floor Toronto ON M2N 6P4 CA		9,789,335.28
Happy Bathrooms Inc.	160-106 Vanderhood Ave Toronto ON M4G 0B7 CA	N/A	2,252.46
Innovia Corporation	10 Queen Elizabeth Blvd. Unit 2 Etobicoke ON M8Z 1L8 CA	N/A	271,179.94

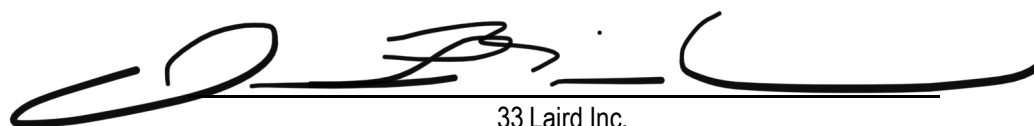
District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird Inc.
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Lennard Commercial Realty	55 University Avenue, Suite 6060 Toronto ON M4N 3N1 CA	N/A	44,070.00
Minden Gross, LLP	145 King Street West, Suite 2200 Toronto ON M5H 4G2 CA	N/A	6,657.12
Mirkwood Engineering	5045 Mainway, Suite 216 Burlington ON L7L 5H9 CA	N/A	9,780.15
MultiTech Trades Corp	2025 Meadowvale Blvd, Unit 2 Mississauga ON L5N 5N1 CA	N/A	99,157.51
Quaestus Corp	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA	N/A	31,639.17
Quaestus Corp - balance of development fee (Note 1)	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA		800,000.00
Sealink JV Ltd, In Trust	17 Main Street North PO Boc 1396 Waterdown ON L0R 2H0		2,027,677.00
Treasurer, City of Toronto	Box 6000 Toronto ON M2N 5V3 CA	N/A	13,249.89
Treasurer, City of Toronto George Charocopos, Collections Department	North York Civic Centre, Lower Level 5100 Yonge Street North York ON M2N 5V7	N/A	95,452.74
Tristar Engineering	8901 Woodbine Ave, Unit 116 Markham ON L3R 9Y4 CA	N/A	1,130.00
Via Bridle Path RE		N/A	1,372.95
Total			20,435,812.32

Note the amounts owing to Beaux Properties International Inc., Sealink JV Ltd. and Quaestus Corp (in respect of the development fee) are subject to further review.



33 Laird Inc.
 Insolvent Person

- Proposal Consent -
In the matter of the proposal of
33 Laird Inc.
of the City of Toronto
in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 33 Laird Inc..

Dated at the City of Toronto in the Province of Ontario, this 27th day of November 2020.



MNP Ltd. - Licensed Insolvency Trustee
300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693094
Estate No. 31-2693094

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird Inc.

Insolvent Person

MNP LTD / MNP LTÉE

Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:52

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

District of Ontario
Division No. 09 – Toronto
Court No. 31-2693092
Estate No. 31-2693092

**IN THE MATTER OF THE PROPOSAL OF
33 LAIRD GP INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

NOTICE TO CREDITORS OF NOTICE OF INTENTION TO MAKE A PROPOSAL FILING

To the Creditors of 33 Laird GP Inc. (the “Company”)

Please take notice that on November 28, 2020, the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to Section 50.4(1) of Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and MNP Ltd. (“**MNP**”) was named as the proposal trustee (the “**Trustee**”).

Please find enclosed the following:

1. The Notice of Intention to Make a Proposal (Form 33), dated November 28, 2020 (Filed November 28, 2020);
2. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims (the “**Creditor Listing**”);
3. The consent of MNP to act as the Trustee in these proposal proceedings; and
4. The Certificate of Filing of a Notice of Intention to Make a Proposal, issued by Industry Canada - Office of the Superintendent of Bankruptcy Canada on November 30, 2020.

Suppliers and other service providers should contact their normal representative of the Company with respect to the terms of payment for goods and/or services that are to be provided to the Company going forward (after November 28, 2020).

Pursuant to Section 50.4(8) of the BIA, the Company has thirty (30) days, unless such time period is extended by the Court, to file a proposal with the Trustee. During these proposal proceedings there is a stay of proceedings, and as such:

- no person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with the Company, by reason only that the company is insolvent or by reason of the filing of the NOI, pursuant to Section 65.1(1) of the BIA;
- no creditor has any remedy against any of the Company or its property or shall commence or continue any action, execution, enforcement or other proceedings against the Company or its property without leave of the Court, pursuant to Section 69(1)(a) of the BIA; and
- no provision of a security agreement between the Company and a secured creditor that provides, in substance, that on the Company’s insolvency, a default of an obligation under the security

agreement, or the filing of the NOI, the Company ceases to have such rights to use or deal with the property subject to such security agreement as it would otherwise have, has any force or effect, pursuant to Section 69(1)(b) of the BIA.

We recognize the amounts reflected as being due to you on the Creditor Listing may vary from your records. However, at this time the Trustee is neither looking to receive nor are creditors required to file a proof of claim in connection with their claim and the proposal proceeding. At a later date and once a proposal has been filed by the Company, the Trustee will provide you with further information regarding the proposal proceeding, including the date for the meeting of creditors to consider the proposal and a proof of claim form, so that you may then submit and prove your claim.

Please visit our website for updated information: <https://mnpdebt.ca/en/corporate/corporate-engagements/33-laird-group>

If you have any questions concerning the foregoing or require any additional information, please contact undersigned at 416-515-3882 or by email at matthew.lem@mnp.ca.

Dated at Toronto, Ontario this 3rd day of December 2020.

MNP LTD.,
Trustee *in re* the Proposal of
33 Laird GP Inc.
Per:



Matthew Lem, CIRP, LIT
Senior Vice President

Encl.

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
33 Laird GP Inc.
of the City of Toronto
in the Province of Ontario

Take notice that:

1. We, 33 Laird GP Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that we intend to make a proposal to our creditors.
2. MNP Ltd. of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



33 Laird GP Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird GP Inc.
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
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2730419 Ontario Inc. o/a Davina's Swim House	46 Armon Ave Thronhill ON L4J 8B2 CA	N/A	40,000.00
AIM Rx Inc	c/o Royal Lepage 2320 Bloor Street West Toronto, Ontario M6S 1P2 CA	N/A	72,440.00
Anesh Srikrishnakumar. (Dog Trainer)	112 Glenvale Blvd Toronto ON M4G 2V9 CA	N/A	8,000.00
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	267,271.73
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	369,019.24
Beaux Properties International Inc.	6 Eglinton Ave. East, Suite 303 Toronto ON M4P 1A6 CA		3,170,077.01
C.F. Crozier & Associates Inc.	40 Huron Street, Suite 301 Collingwood ON L9Y 4R3 CA	N/A	9,361.32
CB Ross Partners	501 - 1920 Yonge Street Toronto ON M4S 3E2 CA	N/A	786.60
Centurion Mortgage Capital Corporation	25 Sheppard Ave West, Suite 710 Toronto ON M2N 6S6 CA		3,214,485.34
CMV Group	247 Spadina Ave, 4th Floor Toronto ON M5T 3A8 CA	N/A	86,693.47
DUCA Financial Services Credit Union Ltd	5255 Yonge Street, 4th Floor Toronto ON M2N 6P4 CA		9,789,335.28
Happy Bathrooms Inc.	160-106 Vanderhood Ave Toronto ON M4G 0B7 CA	N/A	2,252.46
Innovia Corporation	10 Queen Elizabeth Blvd. Unit 2 Etobicoke ON M8Z 1L8 CA	N/A	271,179.94

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird GP Inc.
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Lennard Commercial Realty	55 University Avenue, Suite 6060 Toronto ON M4N 3N1 CA	N/A	44,070.00
Minden Gross, LLP	145 King Street West, Suite 2200 Toronto ON M5H 4G2 CA	N/A	6,657.12
Mirkwood Engineering	5045 Mainway, Suite 216 Burlington ON L7L 5H9 CA	N/A	9,780.15
MultiTech Trades Corp	2025 Meadowvale Blvd, Unit 2 Mississauga ON L5N 5N1 CA	N/A	99,157.51
Quaestus Corp	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA	N/A	31,639.17
Quaestus Corp - balance of development fee (Note 1)	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA		800,000.00
Sealink JV Ltd, In Trust			2,027,677.00
Treasurer, City of Toronto	Box 6000 Toronto ON M2N 5V3 CA	N/A	13,249.89
Treasurer, City of Toronto George Charocopos, Collections Department	North York Civic Centre, Lower Level 5100 Yonge Street North York ON M2N 5V7	N/A	95,452.74
Tristar Engineering	8901 Woodbine Ave, Unit 116 Markham ON L3R 9Y4 CA	N/A	1,130.00
Via Bridle Path RE		N/A	1,372.95
Total			20,435,812.32

Note the amounts owing to Beaux Properties International Inc., Sealink JV Ltd. and Quaestus Corp (in respect of the development fee) are subject to further review.



33 Laird GP Inc.
 Insolvent Person

- Proposal Consent -
In the matter of the proposal of
33 Laird GP Inc.
of the City of Toronto
in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 33 Laird GP Inc..

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



MNP Ltd. - Licensed Insolvency Trustee
300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693092
Estate No. 31-2693092

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird GP Inc.
Insolvent Person

MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:52

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

District of Ontario
Division No. 09 – Toronto
Court No. 31-2693095
Estate No. 31-2693095

**IN THE MATTER OF THE PROPOSAL OF
33 LAIRD LIMITED PARTNERSHIP
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

NOTICE TO CREDITORS OF NOTICE OF INTENTION TO MAKE A PROPOSAL FILING

To the Creditors of 33 Laird Limited Partnership (the “Company”)

Please take notice that on November 28, 2020, the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to Section 50.4(1) of Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and MNP Ltd. (“**MNP**”) was named as the proposal trustee (the “**Trustee**”).

Please find enclosed the following:

1. The Notice of Intention to Make a Proposal (Form 33), dated November 28, 2020 (Filed November 28, 2020);
2. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims (the “**Creditor Listing**”);
3. The consent of MNP to act as the Trustee in these proposal proceedings; and
4. The Certificate of Filing of a Notice of Intention to Make a Proposal, issued by Industry Canada - Office of the Superintendent of Bankruptcy Canada on November 30, 2020.

Suppliers and other service providers should contact their normal representative of the Company with respect to the terms of payment for goods and/or services that are to be provided to the Company going forward (after November 28, 2020).

Pursuant to Section 50.4(8) of the BIA, the Company has thirty (30) days, unless such time period is extended by the Court, to file a proposal with the Trustee. During these proposal proceedings there is a stay of proceedings, and as such:

- no person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with the Company, by reason only that the company is insolvent or by reason of the filing of the NOI, pursuant to Section 65.1(1) of the BIA;
- no creditor has any remedy against any of the Company or its property or shall commence or continue any action, execution, enforcement or other proceedings against the Company or its property without leave of the Court, pursuant to Section 69(1)(a) of the BIA; and
- no provision of a security agreement between the Company and a secured creditor that provides, in substance, that on the Company’s insolvency, a default of an obligation under the security

agreement, or the filing of the NOI, the Company ceases to have such rights to use or deal with the property subject to such security agreement as it would otherwise have, has any force or effect, pursuant to Section 69(1)(b) of the BIA.

We recognize the amounts reflected as being due to you on the Creditor Listing may vary from your records. However, at this time the Trustee is neither looking to receive nor are creditors required to file a proof of claim in connection with their claim and the proposal proceeding. At a later date and once a proposal has been filed by the Company, the Trustee will provide you with further information regarding the proposal proceeding, including the date for the meeting of creditors to consider the proposal and a proof of claim form, so that you may then submit and prove your claim.

Please visit our website for updated information: <https://mnpdebt.ca/en/corporate/corporate-engagements/33-laird-group>

If you have any questions concerning the foregoing or require any additional information, please contact undersigned at 416-515-3882 or by email at matthew.lem@mnp.ca.

Dated at Toronto, Ontario this 3rd day of December 2020.

MNP LTD.,
Trustee *in re* the Proposal of
33 Laird Limited Partnership
Per:



Matthew Lem, CIRP, LIT
Senior Vice President

Encl.

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
33 Laird Limited Partnership
of the City of Toronto
in the Province of Ontario

Take notice that:

1. We, 33 Laird Limited Partnership, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that we intend to make a proposal to our creditors.
2. MNP Ltd. of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



33 Laird Limited Partnership
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird Limited Partnership
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2065629 Ontario			4,723.40
2730419 Ontario Inc. o/a Davina's Swim House	46 Armon Ave Thronhill ON L4J 8B2 CA	N/A	40,000.00
AIM Rx Inc	c/o Royal Lepage 2320 Bloor Street West Toronto, Ontario M6S 1P2 CA	N/A	72,440.00
Anesh Srikrishnakumar. (Dog Trainer)	112 Glenvale Blvd Toronto ON M4G 2V9 CA	N/A	8,000.00
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	267,271.73
Aztec Structural Restoration Inc.	11 Holland Drive, Unit 1 Bolton ON L7E 7G4 CA	N/A	369,019.24
Beaux Properties International Inc.	6 Eglinton Ave. East, Suite 303 Toronto ON M4P 1A6 CA		3,170,077.01
C.F. Crozier & Associates Inc.	40 Huron Street, Suite 301 Collingwood ON L9Y 4R3 CA	N/A	9,361.32
CB Ross Partners	501 - 1920 Yonge Street Toronto ON M4S 3E2 CA	N/A	786.60
Centurion Mortgage Capital Corporation	25 Sheppard Ave West, Suite 710 Toronto ON M2N 6S6 CA		3,214,485.34
CMV Group	247 Spadina Ave, 4th Floor Toronto ON M5T 3A8 CA	N/A	86,693.47
DUCA Financial Services Credit Union Ltd	5255 Yonge Street, 4th Floor Toronto ON M2N 6P4 CA		9,789,335.28
Happy Bathrooms Inc.	160-106 Vanderhood Ave Toronto ON M4G 0B7 CA	N/A	2,252.46
Innovia Corporation	10 Queen Elizabeth Blvd. Unit 2 Etobicoke ON M8Z 1L8 CA	N/A	271,179.94

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 33 Laird Limited Partnership
 of the City of Toronto
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Lennard Commercial Realty	55 University Avenue, Suite 6060 Toronto ON M4N 3N1 CA	N/A	44,070.00
Minden Gross, LLP	145 King Street West, Suite 2200 Toronto ON M5H 4G2 CA	N/A	6,657.12
Mirkwood Engineering	5045 Mainway, Suite 216 Burlington ON L7L 5H9 CA	N/A	9,780.15
MultiTech Trades Corp	2025 Meadowvale Blvd, Unit 2 Mississauga ON L5N 5N1 CA	N/A	99,157.51
Quaestus Corp	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA	N/A	31,639.17
Quaestus Corp - balance of development fee (Note 1)	3080 Yonge Street, Suite 6060 Toronto ON M5N3N1 CA		800,000.00
Sealink JV Ltd, In Trust	17 Main St N North PO Box 1396 Waterdown ON L0R 2H0		2,027,677.00
Treasurer, City of Toronto	Box 6000 Toronto ON M2N 5V3 CA	N/A	13,249.89
Treasurer, City of Toronto George Charocopos, Collections Department	North York Civic Centre, Lower Level 5100 Yonge Street North York ON M2N 5V7	N/A	95,452.74
Tristar Engineering	8901 Woodbine Ave, Unit 116 Markham ON L3R 9Y4 CA	N/A	1,130.00
Via Bridle Path RE		N/A	1,372.95
Total			20,435,812.32

Note the amounts owing to Beaux Properties International Inc., Sealink JV Ltd. and Quaestus Corp (in respect of the development fee) are subject to further review.


 33 Laird Limited Partnership
 Insolvent Person

- Proposal Consent -

In the matter of the proposal of
33 Laird Limited Partnership
of the City of Toronto
in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 33 Laird Limited Partnership.

Dated at the City of Toronto in the Province of Ontario, this 28th day of November 2020.



MNP Ltd. - Licensed Insolvency Trustee
300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2693095
Estate No. 31-2693095

In the Matter of the Notice of Intention to make a
proposal of:

33 Laird Limited Partnership
Insolvent Person

MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 30, 2020, 07:53

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX “C”

Estate No.: 31-2693094, 31-2693092, 31-2693095
Court No.: 31-2693094, 31-2693092, 31-2693095

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC, OF
THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD GP INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD LIMITED
PARTNERSHIP, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

DECEMBER 11, 2020

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Appendices

Appendix “A”	Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal, dated November 20, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership issued by the Industry Canada – Office of the Superintendent of Bankruptcy Canada
Appendix “B”	Copies of the Notices to Creditors of the Notice of Intention to Make a Proposal Filing, dated December 3, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “C”	Copy of the Statement of Projected Cash Flows, dated December 8, 2020 (on a consolidated basis), together with the statutory reports of the debtor and the proposal trustee (BIA Forms 29 and 30), dated December 8, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). Copies of the certificates of filing for each of the NOIs filed are attached hereto and marked as **Appendix “A”**.
2. Notice of the NOIs as prescribed by the BIA was sent mailed on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies. Copies of such notices are attached hereto and marked as **Appendix “B”**.
3. Information regarding the proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird.
4. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process (the “**Sale Process**”) for all of the 33 Laird Group’s assets, while simultaneously seeking further financing options to replace the secured loans provided by DUCA Financial Services Credit Union Ltd. (“**DUCA**”) and Centurion Mortgage Capital Corporation (“**Centurion**” and together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”) and to continue on the business, if possible, on or before the conclusion of the Sale Process.

II. RESTRICTIONS

5. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**Birnboim Affidavit**”), the Companies’ books and records, discussions with management

of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

6. The Proposal Trustee also bases its Report on the Companies’ cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies’ businesses and the economy in general has yet to be determined. In developing the Cash Flow Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

7. The purpose of this Report is to:

- a. Provide information to the Court with respect to the administration of the 33 Laird Group's proposal proceedings, including:
 - i. background information regarding the Companies' operations and the circumstances leading to the filing of the NOIs;
 - ii. comments on the Statement of Projected Cash Flows, dated December 8, 2020 (the "**Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA; and
- b. Provide the Court with the Proposal Trustee's support for, and observations in respect of the Companies' request that the Court grant an Order, *inter alia*:
 - i. ordering and declaring that the proposal proceedings of the 33 Laird Group be administratively consolidated;
 - ii. approving interim financing up to a maximum of \$250M (the "**DIP Loan**") from BP Capital Inc. (the "**DIP Lender**") for the purpose of funding the costs of the restructuring, including but not limited to the cost of securing the Property (as defined below), the fees and disbursements of the Restructuring Professionals (as defined below) up to the end of the NOI stay period and granting a second-ranking DIP Charge (as defined below) over all of the Companies' property, assets and undertakings (collectively, the "**Property**");
 - iii. Authorizing and directing the Company to pay the accounts of the Restructuring Professionals (as defined below) rendered in these proposal proceedings, and authorizing the Proposal Trustee and its counsel to apply such amounts to their accounts, which shall constitute an advance against their remuneration that is subject to taxation by the Court; and

- iv. approving an extension of the time for the Companies to make a proposal to its creditors to February 11, 2021.

IV. BACKGROUND INFORMATION

8. As described in greater detail in the Birnboim Affidavit, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the “**Project**”).
9. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. (“**BPII**”), 2344011 Ontario Inc. and Sealink JV Ltd (“**Sealink**”), in Trust (collectively, the “**LP Partners**”) are the limited partners.
10. The Project is still in the early stages of construction and will require additional capital or financing to complete.
11. Based on, and as described in greater detail in the Birnboim Affidavit, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
12. A summary of the Companies’ historical financial results¹ are set out below:

¹ Based on draft unaudited financial statements of 33 Laird Limited Partnership.

	For the Years Ended	
	December 31,	
	2019	2018
	<hr/>	<hr/>
Commercial Rents	\$ -	\$ 4,300
Non Recoverable Expenses		
Brokers Fees	55,725	99,012
Construction Soft Costs	40,145	96,862
Professional Fees	12,001	28,658
Office and General	-	3,885
Total Non Recoveable Expenses	<hr/> 107,871	<hr/> 228,417
Net Loss for the Year	<hr/> \$ (107,871)	<hr/> \$ (224,117)

13. Additional information in respect of the Companies is set out in the Birnboim Affidavit, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.

14. Goldman Sloan Nash & Haber LLP (“**GSNH**”) has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP (“**WFK**” and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the “**Restructuring Professionals**”) has been engaged by the Proposal Trustee as its independent legal counsel.

V. ASSETS

15. The principal assets of the Companies are the building structures under construction and the land, which had an aggregate net book value of approximately of \$13MM as at December 31, 2019. As noted above, title to the real property underlying the Project is held by INC as bare trustee for and on behalf of the partnership. The Project is currently on hold with work being suspended pending the outcome of these proposal proceedings.

VI. CREDITORS

Secured Creditors

16. The Project was principally financed through secured loans from DUCA. The Proposal Trustee understands that a portion of such loans was syndicated out to Centurion. The Proposal Trustee understands that the current indebtedness to DUCA and Centurion are in the amounts of \$9.789MM and \$3.214MM, respectively.
17. As described in greater detail in the Birnboim Affidavit, a search of the Ontario *Personal Property Security Act* registry, file currency date of December 8, 2020, a Parcel Register, dated December 8, 2020 (the "Parcel Register") and the Companies' records, indicate that DUCA holds
- a. a mortgage charge on the real property underlying the Project in the amount of \$22MM;
 - b. a personal property charge over all of INC's chattels, except consumer goods; and
 - c. a personal property charge over all of LP's accounts and other.
18. As described in greater detail in the Birnboim Affidavit and reflected on the Parcel Register, BPII and Sealink hold together a second ranking mortgage on the real property underlying the Project in the amount of \$5.2MM, however, the amounts claimed by BPII and Sealink as mortgagees, are not accepted by all partners and have therefore not been accepted by the 33 Laird Group at this time
19. WFK has not yet provided an opinion to the Proposal Trustee on the validity and enforceability of the security held by the Secured Lenders, BPII and Sealink over the Property and the Proposal Trustee has yet to determine the extent to which these claims are valid. The Proposal Trustee anticipates that such work to determine the validity and amount of the BPII and Sealink claims will be undertaken later in these proceedings, if appropriate.

Other Potential Priority Creditors

20. On the NOI lists of creditors there are potential priority claims shown for the City of Toronto related unpaid 2020 municipal property taxes, as well amounts for suppliers to the Project, who retain rights under the Ontario *Construction Act*. Maxxwel & Co. Inc. has registered a construction lien on the real property underlying the Project in the amount of \$113,336.

Other Creditors

21. In addition to the above-noted creditors, there are amounts shown related to tenant deposits received, broker commissions, real estate transaction legal fees and other trade creditors.

VII. CASH FLOW PROJECTIONS

22. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

23. The Cash Projections have been assembled and prepared on a consolidated basis for the 33 Laird Group.

24. In accordance with the provisions of the BIA, the Companies prepared and filed with the Official Receiver the Cash Flow Projections, which were reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Companies. The Cash Flow Projections cover the period starting on November 29, 2020 and ending on March 6, 2021 (the “**Projection Period**”). A copy of the Cash Flow Projections, and related reports, are attached as hereto and marked as **Appendix “C”**.

25. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that the operations are continuing in accordance with the Cash Flow Projections. Given the date of this Report and the start of the

Projection Period, no review of cash flow variances has been completed as of date of this Report.

26. The principal assumptions of the Cash Flow Projections are that:

- a. Construction work remains suspended pending the outcome of the Sale Process and refinancing efforts;
- b. During these NOI proceedings, the 33 Laird Group will seek Court approval for a Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process;
- c. the Court will grant an Order authorizing, *inter alia*, a DIP Loan to fund the limited costs and fees and disbursements of the Restructuring Professionals;
- d. the collection of HST refunds is based on Management's best estimates and historical collection trends;
- e. disbursements are based on Management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- f. the Secured Lenders will defer all principal and interest payments pending the outcome of the Sale Process and concurrent pursuit of refinancing; and
- g. the Restructuring Professional's fees are based on estimates provided by the respective professionals to Management assuming work done to develop and seek approval for a Sale Process while also assisting the Companies to concurrently seek refinancing options during the NOI proceeding.

27. Based on the Proposal Trustee's review of the Cash Flow Projections, there are no material assumptions which seem unreasonable or implausible in the 33 Laird Group's circumstances. Based on the Cash Flow Projections and the assumption that the DIP Loan will be available, the Companies will have sufficient funding through to the end of the requested extension of the NOI.

VIII. INTERIM FINANCING

The DIP Loan

28. As set out in the Cash Flow Projections, absent additional financing, the Companies do not have the ability to continue to fund operations and the cost of these proceedings beyond the initial few weeks of the Projection Period. DIP financing is needed to permit the Companies to undertake a Sale Process or complete a refinancing transaction.

29. The DIP Lender is related to BPIL, one of the LP Partners.

30. In light of the contemplated Sale Process, and in order to preserve the value of the Project and the Companies' business, the DIP Lender agreed to advance a DIP Loan to fund the fees and disbursements of the limited holding costs and the Restructuring Professionals pursuant to a Term Sheet, issued December 10, 2020 (the "**Term Sheet**"). A summary of the DIP Loan's key terms are as follows:

- a. **Principal Amount:** \$250M on a non-revolving basis;
- b. **Purpose:** DIP financing to fund the holding costs of the Property and the costs, fees and disbursements of the Restructuring Professionals.
- c. **Term:** 6 months, interest only, with the loan open for prepayment. The commencement of any enforcement on the DIP Loan is however subject to further Court order.
- d. **Security and Priority:** The DIP Loan is conditional on the Court approving a second ranking security charge that is subordinate only to the secured interests of the

Secured Lenders on the Property (the “**DIP Charge**”) in favour of the DIP Lender over all other security interests and encumbrances;

- e. **Interest:** shall accrue at the annual rate of 10% per annum; and
- f. **Advance:** The DIP Loan shall be available by multiple advances, made on or after December 15, 2020.

A copy of the Term Sheet is attached as Exhibit “P” to the Birnboim Affidavit.

Interim Financing Recommendation

31. The Proposal Trustee has considered the factors set out in Subsection 50.6(5) of the BIA with respect to the granting of a Court order for interim financing and the DIP Charge. The Proposal Trustee respectfully recommends that the Court make the order sought by the Companies for the following reasons:

- a. The Companies will require funding in order to pay the Restructuring Professionals and allow the Companies to conduct the Sale Process and seek refinancing options as contemplated;
- b. No creditor of the Companies appears to be materially prejudiced by the borrowings under the DIP Loan, and the DIP Approval Order; and
- c. The terms of the borrowings appear to be reasonable in the circumstances and consistent with the terms of debtor-in-possession financing facilities in similar proceedings.

IX. CONTEMPLATED SALE PROCESS

- d. As noted earlier in this Report, it is contemplated that the 33 Laird Group will seek Court approval for the Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process. However, due to the approaching holidays and limited Court dates available, as at the date of this motion, the Companies have not yet had sufficient time to fully formulate the Sale Process it would like to present to the Court

for approval. It is expected that the Companies will in the coming weeks be able to finalize the Sale Process and will then seek to have the Sale Process approved *nunc pro tunc*, if appropriate and necessary, in early January 2021.

X. PROFESSIONAL FEES – DRAW AUTHORIZATION

32. Pursuant to subsection 25(1.3) of the BIA, Proposal Trustee cannot withdraw monies from the estate trust account to pay any disbursements, including the professional fees, without the written permission of the inspectors or an order of the Court.
33. As there will be no inspectors appointed until a proposal is filed, which will not occur until after the completion of the Sale Process or refinancing search, in order to avoid the additional cost and expense to the estate, the Proposal Trustee supports the relief being sought by the Companies to authorize the Proposal Trustee and its counsel to apply such amounts paid to it by the Company as advances on account that are subject to taxation by the Court.

XI. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

34. The time for filing a proposal expires on December 28, 2020. Due to the upcoming holidays and the Court's limited available motion dates, the extension of time to file a proposal is being sought earlier than usual in this proceeding.
35. In order to allow the 33 Laird Group sufficient time to fully formulate the Sale Process and then execute upon same, the Companies seeks a forty-five (45) day extension of the time for filing of a proposal to February 11, 2021.
36. In view of the foregoing, the Proposal Trustee supports the 33 Laird Group's request for an extension of time for filing a proposal for the following reasons:
- a. that the 33 Laird Group is acting in good faith and with due diligence;
 - b. that the extension should not adversely affect or prejudice creditors as the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and

supplies in the amounts contemplated in the Cash Flow Projections due to the availability of the proposed DIP Loan from the DIP Lender;

- c. that pursuit of the contemplated Sale Process could generate offers before the end of the requested extension period and allow the Companies to be in a position to make a viable proposal for the general benefit of its creditors; and
- d. that creditors would not be prejudiced by an extension of time for the 33 Laird Group to file its proposal.

XII. ADMINISTRATIVE CONSOLIDATION

37. The Companies are seeking an order to administratively consolidate these proposal proceedings and to continue under a joint title of proceedings. The relief being sought by the Companies is to avoid the cost and duplication associated with a multiplicity of proceedings and filing of three (3) set of motion materials in connection with future motions, filings and notices to be brought and served in these proposal proceedings.

38. The Proposal Trustee supports this relief being sought as it will improve efficiency of the proceeding and no creditors will be prejudiced given the commonality of the creditors.

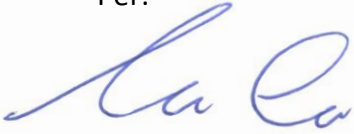
XIII. CONCLUSION AND RECOMMENDATION

39. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 7.

All of which is respectfully submitted on this 11th day of December 2020.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

APPENDIX “D”

33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP
Statement of Revised Projected Cash Flows
For the period January 30, 2021 to May 29, 2021

	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26
7 day period ending:	6-Feb-21 (actual)	13-Feb-21 (projected)	20-Feb-21 (projected)	27-Feb-21 (projected)	6-Mar-21 (projected)	13-Mar-21 (projected)	20-Mar-21 (projected)	27-Mar-21 (projected)	3-Apr-21 (projected)	10-Apr-21 (projected)	17-Apr-21 (projected)	24-Apr-21 (projected)	1-May-21 (projected)	8-May-21 (projected)	15-May-21 (projected)	22-May-21 (projected)	29-May-21 (projected)
Opening Cash Balance	\$ 68,897	\$ 36,946	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 12,692	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Receipts																	
DIP Loan Advances	-	29,286	11,492	1,700	44,917	-	31,343	-	23,258	-	31,343	-	23,052	-	2,096	30,247	5,045
HST Refunds	-	-	-	-	-	-	-	12,692	-	-	-	-	12,898	-	-	-	7,736
Total Receipts	-	29,286	11,492	1,700	44,917	-	31,343	12,692	23,258	-	31,343	-	35,950	-	2,096	30,247	12,781
Disbursements																	
Banking and Financing Fees	3	48	-	-	50	-	-	-	50	-	-	-	50	-	-	-	-
Insurance - Property, Liability, Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,781
Utilities	-	-	96	700	-	-	96	-	700	-	96	-	700	-	96	-	-
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and Safety	-	-	-	-	6,475	-	-	-	3,820	-	-	-	3,820	-	-	-	-
Storage Costs - Construction Materials	-	-	-	-	9,142	-	-	-	1,130	-	-	-	1,130	-	-	-	-
Restructuring Professional Fees - Company Counsel	-	62,150	-	-	28,250	-	-	-	28,250	-	-	-	28,250	-	-	-	-
Restructuring Professional Fees - Trustee and its Counsel	31,909	2,034	10,396	-	-	-	29,247	-	-	-	29,247	-	-	-	-	29,247	-
Contingency	39	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Disbursements	31,951	65,232	11,492	1,700	44,917	1,000	30,343	1,000	34,950	1,000	30,343	1,000	34,950	1,000	1,096	30,247	12,781
Receipts over Disbursements	(31,951)	(35,946)	-	-	-	(1,000)	1,000	11,692	(11,692)	(1,000)	1,000	(1,000)	1,000	(1,000)	1,000	-	-
Closing Cash Balance	\$ 36,946	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 12,692	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ 1,000

The Statement of Projected Cash Flows includes the Hypothetical and/or Probable Assumptions attached to this projected cash flow. This statement of projected cash flow should be read in conjunction with The Notes and Assumptions to the Statement of Projected Cash Flows attached.

This statement of projected cash flow is prepared by the debtors in accordance with s. 50.4(2)(a) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

MNP LTD., Trustee acting *in re* the Proposal of
 33 Laird Inc., 33 Laird GP Inc. & 33 Laird Limited Partnership

33 LAIRD INC.

33 LAIRD GP INC.

33 LAIRD LIMITED PARTNERSHIP

Per: 
 Matthew Lem, Licensed Insolvency Trustee

Per: 
 Jason Birnboim

Per: 
 Jason Birnboim

Per: 
 Jason Birnboim

Dated: February 9, 2021

33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP
The Notes and Assumptions to the Statement of Revised Projected Cash Flows
For the period January 30, 2021 to May 29, 2021

A summary of the hypothetical and/or probable assumptions to the Statement of Projected Cash Flows are as follows:

- It is contemplated that during these Notice of Intention to Make a Proposal (NOI) proceedings, the 33 Laird Group will seek Court approval to implement a sale and marketing process contemplated with Jones Lang LaSalle Real Estate Services, Inc. or complete a transaction with a possible purchaser referred to in the Affidavit of Jason L.S. Birnboim sworn February 6, 2021 .
- The debtor in possession (DIP) loan to fund the operating shortfalls incurred in these proceedings. The DIP loan is subordinate to the security interests held by the secured creditors, DUCA Financial Services Credit Union Ltd. and Centurion Mortgage Capital Corporation.
- The collection of HST refunds are based on management's best estimates and historical collection trends.
- The insurance has previously been paid in full with coverage extending to May 31, 2021.
- No municipal property tax payments are contemplated to be made until a sale transaction is completed. Any property refunds owing is assumed to be offset against the outstanding property taxes due and/or payable.
- The disbursements are based on management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended.
- The 33 Laird Group's lenders, DUCA Financial Services Credit Union Ltd. and Centurion Mortgage Capital Corporation, will defer all principal and interest payments pending the outcome of the contemplated sale process.
- The restructuring professional fees are based on estimates provided by the respective professionals to management assuming a public sale and marketing process while also concurrently seeking refinancing options during the NOI proceeding. The restructuring professional fees are contemplated to be funds through the DIP loan noted above.
- Pursuant to Section 69(1) of the *Bankruptcy and Insolvency Act* , all creditor's claims are subject to a stay of proceedings.

APPENDIX “E”

Estate No.: 31-2693094

Court No.: 31-2693094

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**AFFIDAVIT OF SHELDON TITLE
(Sworn February 8th, 2021)**


I, Sheldon Title, of the City of Richmond Hill, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd. ("**MNP**") the proposal trustee (the "**Proposal Trustee**") in each of the Notice of Intention to Make a Proposal ("**NOI**") proceedings filed by 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (collectively, the "**Companies**") and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. On November 28, 2020, each of the Companies filed a NOI and MNP was appointed as proposal trustee in the NOI proceedings.

3. The Proposal Trustee has prepared Statements of Account in connection with its appointment as proposal trustee of the Companies detailing its services rendered and disbursements incurred for the period November 26, 2020 to January 30, 2021. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a summary of the Statements of Account. The average hourly rate in respect of the accounts is \$482.39.
4. Attached hereto and marked as **Exhibit "B"** are copies of the Statements of Account.
5. The particulars of the professionals who performed the work, the time spent, and fees associated with such work are contained in the attached Statement of Account.
6. I hereby confirm that the information detailed herein and attached accurately reflects the services provided by the Proposal Trustee in this proceeding and the fees and disbursements claimed by it.
7. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and an interim taxation of the Proposal Trustee's accounts and for no other or improper purpose.

SWORN before me via videoconference)
 From the Town of Richmond Hill to the)
 Town of Erin, this 8th day of February 2021.)
)



SHELDON TITLE



 A Commissioner, etc.

ATTACHED IS **EXHIBIT "A"**

REFERRED TO IN THE

AFFIDAVIT OF SHELDON TITLE

SWORN BEFORE ME

THIS 8TH DAY OF FEBRUARY 2021

A handwritten signature in blue ink, appearing to be "Lu Lu", written over a horizontal line.

A Commissioner, Etc.

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
 SUPERIOR COURT OF JUSTICE
 (COMMERCIAL LIST)
 (IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE NOTICES OF INTENTION
 TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
 33 LAIRD GP INC., CORPORATIONS
 INCORPORATED UNDER THE ONTARIO
 BUSINESS CORPORATIONS ACT, AND 33 LAIRD
 LIMITED PARTNERSHIP, A LIMITED
 PARTNERSHIP FORMED UNDER THE ONTARIO
 LIMITED PARTNERSHIPS ACT

SUMMARY OF STATEMENTS OF ACCOUNT

Invoice Date	Invoice Number	Invoice Period	Hours	Amount	HST	Total
11 January 2021	9585082	November 26, 2020 to December 26, 2020	61.8	\$ 28,237.90	\$ 3,670.93	\$ 31,908.83
08 February 2021	9621487	December 27, 2020 to January 30, 2021	11.3	7,024.50	913.18	7,937.68
TOTAL			73.1	\$ 35,262.40	\$ 4,584.11	\$ 39,846.51

Average Hourly Rate \$ 482.39

ATTACHED IS **EXHIBIT "B"**

REFERRED TO IN THE

AFFIDAVIT OF SHELDON TITLE

SWORN BEFORE ME

THIS 8TH DAY OF FEBRUARY 2021

A handwritten signature in blue ink, appearing to be 'Lu Lu', written in a cursive style.

A Commissioner, Etc.

Invoice



Invoice Number : 9585082

Client Number : 0846991

Invoice Date : Jan 11 2021

Invoice Terms : Due Upon Receipt

33 Laird Inc., 33 Laird GP Inc. & 33 Laird Limited Partnership
2323 Yonge Street, Suite 605
Toronto ON M4P 2C9

For Professional Services Rendered :

For the period from 26 November 2020 to 26 December 2020, in connection with us acting as Licensed Insolvency Trustee *in re* the Notices of Intention to Make a Proposal/Proposals of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (detailed time descriptions attached)

OUR FEE in all	30,441.90
LESS: Courtesy Discount	-2,204.00
Sub Total :	<hr/> 28,237.90
Harmonized Sales Tax :	<hr/> 3,670.93
Total (CAD) :	<hr/> 31,908.83 <hr/>

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
26-Nov-2020	Sheldon Title	.60	Calls with B. Godfrey (x2), J. Birnboim and R. Birnboim and B. Bissell on creditor list.
27-Nov-2020	Jessie Hue	2.00	Prepare the NOI filing documents for the three entities, revisions to NOI and email same to S. Title.
27-Nov-2020	Sheldon Title	1.30	Call with B. Bissell; emails/calls with B. Bissell, J. Birnboim, B. Godfrey, call with J. Hue re: preparing NOI filing documents.
28-Nov-2020	Jessie Hue	1.70	Attend to various revisions to the three NOI's and email S. Title re: same.
28-Nov-2020	Sheldon Title	3.40	Review of B. Godfrey email, financial statements, agreement, response to email, review of draft NOI docs; email to Godfrey on accuracy of creditors listing; call with B. Godfrey; email with K. Ganatra and further email from/to J. Birnboim; attempt call to B. Bissell; call with K. Ganatra and B. Godfrey on debt vs equity; call with B. Bissell; further call with B. Godfrey on documents; finalization of documents; efile docs with the OSB; further calls with K. Ganatra /J. Birnboim/texts with B. Bissell on resolutions.
30-Nov-2020	Sheldon Title	.50	Emails with B. Bissell; review of Certificates of Filing; call with B. Bissell on communicating with DUCA; emails re: finalizing retainer
01-Dec-2020	Matthew Lem	1.00	Call with the partnership group and B. Bissell of GSNH, together with S. Title.
01-Dec-2020	Sheldon Title	1.50	Conference call J. Birnboim, B. Godfrey, K. Ganatra, B. Bissell and M. Lem on strategy, next steps; call with B. Godfrey.
02-Dec-2020	Jessie Hue	.20	Attend to review and update file.
02-Dec-2020	Matthew Lem	.90	Review files; attend to adjust cash flow template and forward same to the partnership group; discussions with S. Title re: same.
02-Dec-2020	Sheldon Title	.70	emails on call with S. Kour/B. Bissell; call with S. Kour and B. Bissell; email from B. Godfrey; calls with M. Lem on cash flow.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
03-Dec-2020	Jessie Hue	3.60	Create Case Website for reference to the NOI; preparation of the NOI cover letter. email M. Lem the additional documents for the NOI notice. revisions to the NOI notice assemble to one document and circulate the three to M. Lem for approval. Updating the creditors address in Ascend for mailing purposes and prepare labels. Direction with Trina on the three mailings. Finalize the website with the header wording and email team for any further revisions.
03-Dec-2020	Matthew Lem	1.10	Update discussions with S. Title; attend to correspondence with the partnership group re: cashflow projections and missing information for notice; review and adjust Notice of NOI; attend to various notice service issues.
03-Dec-2020	Sheldon Title	.90	Call with S. Kour; respond to B. Godfrey's email; call with B. Godfrey re: same; attend to various emails received throughout the day.
03-Dec-2020	Trina Burningham	3.00	Attend to mailing of NOI notice to creditors for 33 Laird GP, 33 Laird Inc. and 33 Laird Limited Partnership.
04-Dec-2020	Sheldon Title	.30	Call from B. Godfrey re: sale process and opportunity to buy property/on refinancing package/strategy; follow up email to B. Godfrey requesting refinancing deck.
04-Dec-2020	Trina Burningham	.80	Attend to update Case Website.
06-Dec-2020	Matthew Lem	2.80	Attend to updates to cash flow projections and review supporting documentation; forward same to B. Godfrey for review and comments and outstanding issues/questions; correspondence with B. Bissell and S. Title.
07-Dec-2020	Matthew Lem	5.80	Attend preparation and finalization of draft cash flow projection preparation, including review of information received and various discussions with B. Godfrey and conference call with partnership group and its counsel; preparation of draft debtor reports on the cash flow projections; preparation of management representation letter; prepare and forward package of documents to the partnership group for review.
07-Dec-2020	Sheldon Title	.20	Review of cash flow projections; email and call to respond to B. Bissell's email on December 16th court date; email to S. Kour.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
07-Dec-2020	Trina Burningham	1.00	Preparation of Affidavit of Mailing for 33 Laird GP Inc., 33 Laird Inc. and 33 Laird Limited Partnership.
08-Dec-2020	Jessie Hue	2.00	Review of the draft affidavits and discussions with T. Burningham re: same; various discussions with M. Lem re: filing of cash flow projections and statutory reports with the OSB; review of correspondence re: same, consolidate for efilng with the OSB; update M. Lem re: filing.
08-Dec-2020	Matthew Lem	3.20	Attend to finalization of cash flow projections and Trustee's reports; arrange for signing and filing of same with OSB; various discussions with B. Bissell and correspondence with J. Birnboim re: execution of documents; various update discussions with S. Title; correspondence with the partnership group re: cash flow filing.
08-Dec-2020	Sheldon Title	.50	Call with B. Bissell on planning materials to seek extension etc. and email exchange with B. Godfrey on statutory requirement to send notice to all creditors that are listed on NOI; monitoring emails on filing of cash flow.
09-Dec-2020	Matthew Lem	4.80	Preparation of report to Court; forward same to S. Title for review and comments; attend to virtual commissioning of affidavits of mailing; attend to correspondence from B. Bissell.
09-Dec-2020	Sheldon Title	.70	Start review of first report; discussion with M. Lem re: same.
10-Dec-2020	Matthew Lem	2.40	Review and adjust report to Court.
10-Dec-2020	Sheldon Title	1.60	Review of affidavit and provide comments to B. Bissell; call with B. Bissell; email exchanges with B. Godfrey; email from/to J. Turgeon of GSNH re: service list; review of draft order.
10-Dec-2020	Trina Burningham	.20	Created vanity URL for Case Website.
11-Dec-2020	Matthew Lem	1.50	Review and adjust report to court following comments and receipt of draft Birnboim Affidavit.
11-Dec-2020	Sheldon Title	.50	Final review/finalize report; forward to S. Kour for service on list; arrange for posting of Report on the Case Website.
14-Dec-2020	Jessie Hue	1.00	Finalize the posting of the report and the Factum to the Case Website; attend to updates to the Case Website.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
14-Dec-2020	Sheldon Title	.30	Arrange meeting/call for Laird team/set agenda; email from E. Medoff on JLL's interest in submitting proposal.
15-Dec-2020	Jessie Hue	.50	Attend to postings to Case Website.
15-Dec-2020	Sheldon Title	1.40	33 Laird partnership conference call; call with B. Bissell on identifying potential sources of refinancing; email to partnership team those names and seek consent;
16-Dec-2020	Jessie Hue	.70	Review and update file; attend to accounting postings re: retainer funds received.
16-Dec-2020	Matthew Lem	.20	Attend to call from creditor re: tenant deposit provided.
16-Dec-2020	Sheldon Title	1.70	Email/call with B. Godfrey on listing proposals, refinancing, etc.; emails/calls to prospective lenders; email to J. Birnboim on inclusion of Harbour; email to B. Bissell prior to approaching prospective lenders; attendance at court; arrange for posting court order on the Case Website and efile the order with the OSB; update email to partnership group; emails with prospective lender.
17-Dec-2020	Matthew Lem	.10	Update discussion with S. Title; review of correspondence re: HST.
17-Dec-2020	Sheldon Title	2.40	Call with prospective lender; call with E. Medoff of JLL; email to B. Bissell on agreement and prospective lender, emails to/from prospective lenders; MS Teams meeting with R. Breda of Innovia, follow up emails to R. Breda and prospective lender; email to partners on update; call with prospective lender on refinancing opportunity; email to B. Bissell on discussion with prospective lender/agreement; email exchange with H prospective lender; emails from B. Godfrey on R. Breda's questions; email to/from R. Breda culminating in call being scheduled; email exchange with JLL rep.
18-Dec-2020	Sheldon Title	1.10	Call with prospective lender; email to 33 Laird team, call with B. Bissell; email to/from B. Godfrey re: Atrium and response thereto.
19-Dec-2020	Sheldon Title	.10	Call with B. Godfrey.
21-Dec-2020	Matthew Lem	.40	Review and prepare a response to Innovia re: cash flow projections.
21-Dec-2020	Sheldon Title	.40	Exchange of emails with B. Godfrey; email exchange with S. Kour; emails with interested party.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
23-Dec-2020	Matthew Lem	.10	Review of cash flow reporting from Innovia.
24-Dec-2020	Matthew Lem	.20	Attend to call from creditor; review of correspondence and update discussion with S. Title.
24-Dec-2020	Sheldon Title	.50	Receipt of email from JLLL and certain prospective lender, call from prospective lender; email to partners on same; call with Bissell on strategy.

SUMMARY OF TIME CHARGES

Professional	Average Hourly Rate	Hours	Amount
Sheldon Title, Partner and Senior Vice President	\$ 645.00	20.60	\$ 13,287.00
Matthew Lem, Partner and Senior Vice President	\$ 565.00	24.50	13,842.50
Jessie Hue, Senior Administrator	\$ 222.00	11.70	2,597.40
Trina Burningham, Adminsitrator	\$ 143.00	5.00	715.00
TOTAL		61.80	\$ 30,441.90

Invoice



Invoice Number : 9621487

Client Number : 0846991

Invoice Date : Feb 8 2021

Invoice Terms : Due Upon Receipt

33 Laird Inc., 33 Laird GP Inc. & 33 Laird Limited Partnership
2323 Yonge Street, Suite 605
Toronto ON M4P 2C9

For Professional Services Rendered :

For the period from 27 December 2020 to 30 January 2021, in connection with us acting as Licensed Insolvency Trustee *in re* the Notices of Intention to Make a Proposal/Proposals of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (detailed time descriptions attached)

OUR FEE in all	7,024.50
Sub Total :	7,024.50
Harmonized Sales Tax :	913.18
Total (CAD) :	7,937.68

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
29-Dec-2020	Sheldon Title	.10	Email to 33 Laird team requesting leasing particulars.
30-Dec-2020	Sheldon Title	.20	Email exchange with B. Godfrey on litigation. Discussion prospective lender re: financing
03-Jan-2021	Sheldon Title	.90	Call with B. Godfrey, email to Godfrey coordinates of S. Guertin at OSB. Email exchange with B. Bissell on status/need for a call.
05-Jan-2021	Sheldon Title	.70	Emails to/from various prospective lender. Email to B. Bissell on updated status. Email to/from prospective purchaser.
06-Jan-2021	Sheldon Title	.20	Call with E. Medoff. Call with prospective purchaser.
08-Jan-2021	Sheldon Title	.20	Call with B. Bissell on status and call with Colliers on its interest in the project.
09-Jan-2021	Sheldon Title	.30	Email to/from partners on Colliers. Email to/from K. Ganatra and from B. Bissell.
14-Jan-2021	Matthew Lem	.40	Cash flow monitoring follow-up with Innovia. Review correspondence from Davina Swim re: deposit.
15-Jan-2021	Sheldon Title	.40	Call with B. Bissell on status.
15-Jan-2021	Matthew Lem	.80	Review of cash flow monitoring reporting received from Innovia. Various correspondence with Innovia re same.
16-Jan-2021	Sheldon Title	.20	Review of Rudy's email. Email to M. Lem on my discussion with B. Brendan on process.
20-Jan-2021	Sheldon Title	.80	Email from B. Bissell. Review of JLL and C&W listing proposals ahead of 1/21 meeting with partners. Email between S. Kour/B. Bissell
20-Jan-2021	Matthew Lem	.10	Review update from B. Bissell of GSNH.
21-Jan-2021	Sheldon Title	1.00	Participation in conference call. Calls and emails with B. Bissell afterwards.
22-Jan-2021	Sheldon Title	.40	Call with B. Bissell on next steps/strategy.
25-Jan-2021	Sheldon Title	.60	Call with S. Kour on status of deal and what 33 Laird is seeking to accomplish at upcoming court attendance. Call from/to J. Ketzet of Savills on client's interest in project.
26-Jan-2021	Matthew Lem	.10	Attend to correspondence received.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
27-Jan-2021	Sheldon Title	.40	Review of draft APS. Provide comments on it and forward same to S. Kour for her review.
28-Jan-2021	Sheldon Title	.30	Email to Kour on comments on APS, court attendance
29-Jan-2021	Sheldon Title	1.30	Call with S. Kour to review draft APS. Call with B. Bissell/S. Kour to discuss February 10th hearing.
29-Jan-2021	Matthew Lem	1.90	Preparation of draft report to Court.

SUMMARY OF TIME CHARGES

Professional	Average Hourly Rate	Hours	Amount
Sheldon Title, Partner and Senior Vice President	\$ 645.00	8.00	\$ 5,160.00
Matthew Lem, Partner and Senior Vice President	\$ 565.00	3.30	1,864.50
TOTAL		11.30	\$ 7,024.50

APPENDIX “F”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 33 LAIRD INC. A CORPORATION INCORPORATED
UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT***

AFFIDAVIT OF CONNIE DENG

I, **CONNIE DENG**, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am a Legal Assistant with the law firm Weisz Fell Kour LLP (“**WFK**”) and, as such, I have knowledge of the following matters. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
2. On November 28, 2020, MNP LTD. was appointed as the Proposal Trustee in the Notice of Intention to Make a Proposal of 33 Laird GP Inc. (the “**the Proposal Trustee**”).
3. The Proposal Trustee retained WFK to advise with regards to matters related to MNP’s appointment and the performance of its duties and powers.
4. WFK’s fees and disbursements for the period of December 2, 2020 to January 29, 2021 are summarized in the invoices rendered to the Proposal Trustee (the “**Invoices**”).

5. The Invoices are a fair and accurate description of the services provided, the disbursements incurred, and the amounts charged by WFK, and are based on its standard rates and charges.

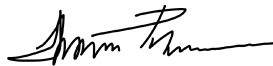
6. The Invoices contain information and advice over which lawyer and client privilege is asserted. As a result, redacted copies of the Invoices are attached hereto and marked as **Exhibit “A”**. Copies of the complete Invoices have been provided to the Proposal Trustee and I am advised by the Proposal Trustee that they have been reviewed and consider the fees and disbursements fair and reasonable.

7. Attached hereto and marked as **Exhibit “B”** is a summary of the timekeepers whose services are reflected on the Invoices, including year of call and hourly rate, and the total fees and hours billed. The Billing Summary indicates an average hourly rate of \$600.00.

8. The total amount being claimed for the work performed by WFK for the period of December 2, 2020 to January 29, 2021, for which approval is being sought at this court is \$2520.00, exclusive of HST.

9. This affidavit is sworn in support of the Proposal Trustee’s motion for approval of its fees and disbursements, as well as those of its legal representatives, and for no other improper purpose.

SWORN BEFORE ME *by video conference*
at the City of Toronto, in the Province of
Ontario this 8th day of February 2021.

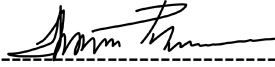


Commissioner for Taking Affidavits
(or as may be)



CONNIE DENG

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF CONNIE DENG SWORN BEFORE ME,
THIS 8TH DAY OF FEBRUARY, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS



INVOICE

Invoice # 493851
 Date: 01/12/2021
 Due On: 02/11/2021

100 King Street West, Suite 5600
 Toronto, ON
 M5X 1C9
 T: 416.613.8280
 F: 416.613.8290

MNP Ltd.
 MNP Ltd., 111 Richmond Street West, Suite 300
 Toronto, ON M5H 2G4

00112-MNP Ltd.

NOI Proceeding of 33 Laird

Date	Description	Hours	Rate	Total	LP
12/02/2020	Call with S. Title and B. Bissell regarding next steps in NOI proceeding.	0.40	\$600.00	\$240.00	SK
12/03/2020	Call with S. Title; review background to the proceedings.	0.70	\$600.00	\$420.00	SK
12/10/2020	Review and comment on Birnboim Affidavit.	0.70	\$600.00	\$420.00	SK
12/11/2020	Review and comment on Monitor's report; review motion record; call with S. Title; serving report of the Proposal Trustee.	0.80	\$600.00	\$480.00	SK
12/16/2020	Attendance at motion.	0.30	\$600.00	\$180.00	SK
12/21/2020	Review correspondence between Queastus and proposal trustee; communications with proposal trustee regarding same.	0.10	\$600.00	\$60.00	SK

Quantity Subtotal 3.0

Time Keeper	Hours	Rate	Total
Sharon Kour	3.0	\$600.00	\$1,800.00
Quantity Total			3.0
Subtotal			\$1,800.00
Tax (13.0%)			\$234.00
Total			\$2,034.00

Detailed Statement of Account

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
493851	02/11/2021	\$2,034.00	\$0.00	\$2,034.00
			Outstanding Balance	\$2,034.00
			Total Amount Outstanding	\$2,034.00

Please make all amounts payable to: Weisz Fell Kour LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

Remittance Advice

Wire Transfer Information

Bank Name/Address: Royal Bank of Canada
Main Branch - Toronto
Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2J5

Account Number: 1570431
Transit Number: 00002
Bank Number: 003

Name/Account #: Weisz Fell Kour LLP

SWIFT: ROYCCAT2

Payment by e-transfer: trust@wfkllaw.ca

Payment by Credit Card: 3% surcharge added to all Credit Card payments. Please call 416.613.8280 to make a payment.

Please include the invoice number 493851 as an additional reference so we may accurately identify and apply your payment.
Please provide adequate payment to cover the wire fees assessed by your financial institution.



INVOICE

Invoice # 493915
 Date: 02/08/2021
 Due On: 03/10/2021

100 King Street West, Suite 5600
 Toronto, ON
 M5X 1C9
 T: 416.613.8280
 F: 416.613.8290

MNP Ltd.
 MNP Ltd., 111 Richmond Street West, Suite 300
 Toronto, ON M5H 2G4

00112-MNP Ltd.

NOI Proceeding of 33 Laird

Date	Description	Hours	Rate	Total	LP
01/28/2021	Correspondence with MNP regarding Perlane offer.	0.20	\$600.00	\$120.00	SK
01/28/2021	Review Monitor's comments on APS and provide further comments on same; correspondence with S. Title.	0.50	\$600.00	\$300.00	SK
01/29/2021	Call with debtor counsel and trustee regarding Perlane offer.	0.50	\$600.00	\$300.00	SK
Quantity Subtotal					1.2

Time Keeper	Hours	Rate	Total
Sharon Kour	1.2	\$600.00	\$720.00
Quantity Total			1.2
Subtotal			\$720.00
Tax (13.0%)			\$93.60
Total			\$813.60

Detailed Statement of Account

Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
493851	02/11/2021	\$2,034.00	\$0.00	\$2,034.00

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
493915	03/10/2021	\$813.60	\$0.00	\$813.60
Outstanding Balance				\$2,847.60
Total Amount Outstanding				\$2,847.60

Please make all amounts payable to: Weisz Fell Kour LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

Remittance Advice

Wire Transfer Information

Bank Name/Address: Royal Bank of Canada
Main Branch - Toronto
Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2J5

Account Number: 1570431
Transit Number: 00002
Bank Number: 003

Name/Account #: Weisz Fell Kour LLP

SWIFT: ROYCCAT2

Payment by e-transfer: trust@wfkllaw.ca

Payment by Credit Card: 3% surcharge added to all Credit Card payments. Please call 416.613.8280 to make a payment.

Please include the invoice number 493915 as an additional reference so we may accurately identify and apply your payment.
Please provide adequate payment to cover the wire fees assessed by your financial institution.

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF CONNIE DENG SWORN BEFORE ME,
THIS 8TH DAY OF FEBRUARY, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

Summary of Timekeepers		
Legal Professional	Year of Call	Hourly Rate
Sharon Kour, Partner	2010	\$600.00

Billing Summary		
December 2, 2020 – January 29, 2021		
	Total Hours for Sharon Kour:	4.2
	Total Professional Fees for Sharon Kour:	\$2520.00
	Total Hours:	4.2
	Average Hourly Rate:	\$600.00
	Total Professional Fees	\$2520.00
	Disbursements	\$0
	Subtotal	\$2520.00
	HST	\$327.60
	TOTAL	\$2847.60

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 33 LAIRD INC. A CORPORATION INCORPORATED
UNDER THE ONTARIO BUSINESS CORPORATIONS ACT**

Estate File Number: 31-2693094
Court File No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF CONNIE DENG

WEISZ FELL KOUR LLP
100 King Street West,
Suite 5600
Toronto, ON M5X 1C9

Sharon Kour
LSO No. 58328D
skour@wfkllaw.ca
Tel: 416.613.8283

Fax: 416.613.8290

**Lawyers for the Proposal Trustee,
MNP LTD**

COURT NO.: 31-2693094
ESTATE NO.: 31-2693094

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC. AND 33 LAIRD GP INC., CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*, AND 33 LAIRD LIMITED PARTNERSHIP, A LIMITED PARTNERSHIP FORMED UNDER THE ONTARIO *LIMITED PARTNERSHIPS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

SECOND REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

Matthew Lem
Tel: (416) 515-3882
Fax: (416) 323-5242
Email: matthew.lem@mnp.ca

Appendix “C”

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**THIRD REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

March 23, 2021

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X. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL.....12

XI. CONCLUSION AND RECOMMENDATION13

Appendices

- Appendix “A” A copy of First Report to the Court Submitted by MNP LTD., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)

- Appendix “B” A copy of Second Report to the Court Submitted by MNP LTD., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)

- Appendix “C” Affidavit of Sheldon Title, sworn March 23, 2021

- Appendix “D” Affidavit of Connie Deng, sworn March 23, 2021

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). The 33 Laird Group’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. Notice of the NOIs (the “**NOI Notices**”) as prescribed by the BIA was sent on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies.
3. Copies of the certificates of filing for each of the NOIs filed and NOI Notices were attached as Appendix “A” and Appendix “B”, respectively, to the First Report and Second Report (as such terms are later defined).
4. On December 10, 2020, the Companies filed a Notice of Motion and a Motion Record returnable December 16, 2020, seeking, among other things, a Court Order:
 - a. procedurally consolidating the NOI Proceedings and authorizing and directing the Proposal Trustee to administer the NOI Proceedings on a consolidated basis henceforth;
 - b. extending the time for the Companies to file a proposal to February 11, 2021;
 - c. approving the interim financing of up to \$250,000 (the “**DIP Loan**”) and granting a priority charge, but subordinate to the security interests of DUCA Financial Services Credit Union Ltd. (“**DUCA**”), on the 33 Laird Group’s current and future assets, undertakings and properties; and

- d. authorizing and directing the payment of the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Companies, Goldman Sloan Nash & Haber LLP (“**GSNH**”).
5. On December 11, 2020, the Proposal Trustee served its first report, dated December 11, 2020 (the “**First Report**”). A copy of the First Report, without appendices, is attached hereto and marked as **Appendix “A”**.
6. On December 16, 2020, the Court granted an Order (the “**Consolidation and Stay Extension Order**”) approving the relief sought by the Companies as noted in paragraph 3 above. A copy of the Consolidation and Stay Extension Order is attached and marked as Exhibit “B” to the March 20th Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
7. On February 8, 2021, the Companies filed a Notice of Motion and a Motion Record returnable February 10, 2021, seeking, among other things, a Court Order extending the time within which the Companies had to file a proposal. The Proposal Trustee served its second report, dated February 9, 2021 (the “**Second Report**”) on same date. A copy of the Second Report, without exhibits, is attached hereto and marked as **Appendix “B”**.
8. On February 10, 2021, the Court issued an Order (the “**Second Extension Order**”) and Endorsement that, *inter alia*:
 - a. Extended the time for filing a proposal to and including March 29, 2021 (the “**Second Extension Deadline**”);
 - b. Approved the activities of the Proposal Trustee as set out in the Second Report;
 - c. Approved the fees and disbursements of the Proposal Trustee and its legal counsel as set out in the Second Report;
 - d. Authorized the Companies to enter into and perform the listing agreement (the “**Listing Agreement**”) with Jones Lang LaSalle (“**JLL**”) and approved the sales

process set-out in Schedule “A” to the Second Extension Order (the “**Sale Process**”); and

- e. Sealing the confidential appendices as identified in the February 6th Affidavit (as such term is later defined).
9. Copies of the Second Extension Order issued on February 10, 2021 is attached and marked as Exhibit “D” to the March 20th Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
10. Information regarding the NOI Proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird (the “**Website**”).
11. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process for all of the 33 Laird Group’s assets in order to repay its creditors, including DUCA and Centurion Mortgage Capital Corporation (together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”).

II. RESTRICTIONS

12. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**December 10th Affidavit**”), the affidavit of Jason L. S. Birnboim, sworn February 6, 2021 (the “**February 6th Affidavit**”), the affidavit of Jason L. S. Birnboim, sworn March 20, 2021 (the “**March 20th Affidavit**” and together with the December 10th Affidavit and February 6th Affidavit, hereinafter collectively referred to as the “**Birnboim Affidavits**”), the Companies’ books and records, discussions with management of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the

Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

13. The Proposal Trustee also bases its Report on the Companies' cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies' businesses and the economy in general has yet to be determined. In developing the Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

14. The purpose of this Report is, *inter alia*, to:

- a. update the Court with respect to:

- i. the activities of the Companies and the Proposal Trustee since the Second Report;
 - ii. the status of the Sale Process;
 - iii. report on the Companies' actual cash flows for the period January 31, 2021 to March 13, 2021 as compared to Statement of Revised Projected Cash Flows, dated February 9, 2021 (the "**Revised Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA;
- b. provide the Court with the Proposal Trustee's recommendation for an Order, *inter alia*:
- i. approving an extension of the time for the Companies to make a proposal to its creditors by forty-five (45) days (the "**Extended Period**");
 - ii. Sealing Confidential Exhibit "1" to the March 20th Affidavit pending the conclusion of a transaction with respect to the Companies' assets, or further Court Order;
 - iii. approving the fees and disbursements of the Proposal Trustee and WFK as set-out in the Fee Affidavits (as such term is later defined); and
 - iv. approving the activities of the Proposal Trustee as set out in the First Report and this Report

IV. BACKGROUND INFORMATION

15. As described in greater detail in the Birnboim Affidavits, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the "**Project**"). The Project forms part of the Property, which comprises substantially all of the Companies' property, assets and undertakings.

16. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. (“**BPII**”), 2344011 Ontario Inc. and Sealink JV Ltd (“**Sealink**”), in Trust (collectively, the “**LP Partners**”) are the limited partners.
17. The Project is still in the early stages of construction and will require additional capital or financing to complete.
18. Based on, and as described in greater detail in the Birnboim Affidavits, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
19. Additional information in respect of the Companies is set out in the Birnboim Affidavits, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.
20. GSNH has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP (“**WFK**” and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the “**Restructuring Professionals**”) has been engaged by the Proposal Trustee as its independent legal counsel.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE

21. Since the Second Report, the Proposal Trustee has undertaken the following activities, *inter alia*:
 - a. updated the Website as necessary;
 - b. responded to enquiries directed towards the Proposal Trustee from creditors and other stakeholders;

- c. responded to enquiries directed towards the Proposal Trustee from parties interested in acquiring the Project;
- d. Provided input to the Companies and JLL with respect to the marketing materials prepared for the Sale Process;
- e. monitored the Companies' actual cash flows in comparison with Revised Cash Flow Projections; and
- f. reviewed reporting from JLL on the status of the Sale Process;
- g. drafted this Report and reviewing all Court materials filed in connection with the Companies' motion.

VI. SALE PROCESS

The Possible Transaction

22. As noted in the Second Report, the Companies previously sought to execute a binding agreement of purchase and sale with an interested party seeking to purchase the Property. As noted in the March 20th Affidavit, it does not appear the Companies and interested party were able to execute a binding agreement. Accordingly, the Companies will undertake the Sale Process through the Listing Agreement with JLL.

JLL Listing Agreement

23. As described in greater detail in the March 20th Affidavit, the listing agreement with JLL was executed on February 12, 2021 (the "**Listing Date**"). Following the Listing Date, JLL has completed marketing materials, including a confidentiality agreement (the "**CA**") and a data room.

24. The Sale Process approved by this Court established that the marketing of the Property would commence within three (3) weeks of Court approval of the Listing Agreement. Accordingly, and on March 4, 2021 JLL launched its marketing efforts by sending an introductory flyer and the CA to a list of national and local parties, including REITs,

institutions, advisors, and private investors, developers, and potential owner-occupiers. In addition, the flyer was posted on JLL's team LinkedIn page.

25. On March 8, 2021, the Property was posted to the MLS system, including Realtor.ca, to provide maximum exposure to the public and approximately 40,000 active real estate agents.
26. The Proposal Trustee understands that the Property has garnered substantial interest and twenty-one (21) parties have executed the CA. In the coming weeks, JLL is planning to re-launch the Property to its client database and will run advertisements in the Globe & Mail.
27. Offers in the form of a letter of intent for the Property are due no later April 14, 2021 (the "**First Bid Deadline**").
28. As noted in the March 20th Affidavit, JLL has provided to the 33 Laird Group, as well as the Proposal Trustee, a marketing update memorandum dated March 15, 2021 (the "**First Marketing Update**"), which the Companies are seeking to have sealed from public record until the closing of a transaction for the Property is completed. Given that the First Marketing Update includes information concerning the parties participating in the Sale Process, which could impact the integrity of the process, the Proposal Trustee supports the relief being sought by the Companies.

VII. CASH FLOW PROJECTIONS

29. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.
30. As noted and attached as Appendix "D" to the Second Report, the Revised Cash Flow Projections cover the period starting on January 30, 2021 and ending on May 26, 2021 were prepared on a consolidated basis for the 33 Laird Group to extend and update the projections for the most current information.

31. As noted later in this Report, the Companies are seeking an extension of time within which to file a Proposal. The Revised Cash Flow Projections cover the Extended Period, and accordingly no extended and updated cash flow projections have been prepared by the Companies.

32. The Proposal Trustee has implemented procedures for monitoring the Companies' receipts and disbursements to ensure that operations continue in accordance with the Revised Cash Flow Projections. A summary of the Proposal Trustee's comments based on its monitoring of the Companies' cash flows is below.

Revised Cash Flow Projections – Actual to Projected

33. A summary of the Company's actual receipts and disbursements as compared to those presented in the Revised Cash Flow Projections for the six-weeks ended March 13, 2021 are as follows (“Monitored Period”):

	Projected	Actual	Variance
Opening Cash Balance	\$ 68,897	\$ 68,897	
Receipts			
DIP Loan Advances	87,395	-	(87,395)
HST Refunds	-	4,289	4,289
Total Receipts	<u>87,395</u>	<u>4,289</u>	<u>(83,106)</u>
Disbursements			
Banking and Financing Fees	101	6	95
Insurance - Property, Liability, Construction	-	-	-
Utilities	796	75	721
Property Tax	-	-	-
Security and Safety	6,475	-	6,475
Storage Costs - Construction Materials	9,142	-	9,142
Restructuring Professional Fees - Company Counsel	90,400	-	90,400
Restructuring Professional Fees - Trustee and its Counsel	44,339	33,943	10,396
Contingency	5,039	79	4,960
Total Disbursements	<u>156,292</u>	<u>34,103</u>	<u>122,189</u>
Receipts over Disbursements	<u>(68,897)</u>	<u>(29,814)</u>	<u>39,083</u>
Closing Cash Balance	<u>\$ -</u>	<u>\$ 39,083</u>	

34. Overall, the 33 Laird Group realized a positive net cash flow variance of \$39,083 during the Monitored Period. The key components of the variance are as follows.

Receipts

- a. DIP Loan Advances – the negative variance of \$87,395 can be attributed to there being sufficient funds in the account to fund the disbursements expended in the Monitored Period and therefore no DIP Loan Advances being made. The DIP Loan is intended to fund operating shortfalls and thus any negative variance in this item is offset by a favourable variance on the disbursement side. This is principally a timing difference, as the expected draw on the DIP Loan was largely in anticipation of greater professional fees being paid in the Monitored Period.
- b. HST Refunds - the positive variance of \$4,289 relates to the December 2020 HST refund received which was not included in the Revised Cash Flow Projections.

Disbursements

- c. Security and Safety – the positive variance of \$6,475 is a timing difference as the fencing and edge protection rental fees that have accrued for December 2020, January 2021 and February 2021 have not yet been paid, as well as security monitoring costs, which were to start in February 2021.
- d. Storage Costs –the positive variance of \$9,142 is a timing difference as the storage fees for the HVAC equipment that have accrued for December 2020, January 2021 and February 2021 and have not yet been paid, as well as the associated moving costs for such HVAC equipment. In addition, the elevators have yet to be relocated and as such this cost (projected to be \$2,983) has not yet been incurred.
- e. Restructuring Professional Fees (Companies' Counsel) – the variance of \$90,400 is a result of the Companies' counsel having still not rendering an account for payment.

- f. Restructuring Professional Fees (Trustee and its Counsel)¹ – the positive variance of \$10,396 is primarily a timing difference associated with payments totaling \$8,751.28 issued to the Proposal Trustee and its counsel than had not yet cleared the bank account (\$7,937.68 and \$813.60 cleared on March 15, 2021 and March 17, 2021, respectively).
- g. Contingency - the positive variance of \$4,960 is result of minimal other costs that were not already specifically identified being incurred in the Monitored Period.

VIII. PROFESSIONAL FEES

35. Pursuant to paragraph 19 of the Consolidation and Stay Extension Order, the Proposal Trustee and WFK are to be

- a. paid their reasonable fees and disbursements by the Companies, and
- b. authorized to immediately apply any such payments made by the Companies to their fees and disbursements and such amounts shall constitute advances against their remuneration and disbursements when and as approved by this Court.

36. The Proposal Trustee's accounts for the period from January 31, 2021 to February 27, 2021 total \$14,927.10 (exclusive of HST). The affidavit of Sheldon Title, sworn March 23, 2021 as to the fees of the Proposal Trustee is attached hereto as **Appendix "C"**.

37. WFK's accounts for the period from February 3, 2021 to February 25, 2021 total \$5,220.00 (exclusive of HST). The affidavit of Connie Deng, sworn March 23, 2021 as to the fees and disbursements of WKZ in its capacity as legal counsel to the Proposal Trustee is attached hereto as **Appendix "D"**.

¹ In the Second Report, the actual to projected analysis reflected disbursements when issued by the Companies. In this Report, disbursements are being reflected only once cleared the bank account. As a consequence of this change in presentation, the professional fees of the Proposal Trustee and its counsel totaling \$33,943 appear in the actual column of the actual to projected analysis in both the Second Report and this Report and should not be construed as a duplication of the payment.

38. The Proposal Trustee is of the view that WFK's accounts are reasonable in the circumstances and respectfully requests this Court approve its fees and disbursements and those of its legal counsel as set-out in the Proposal Trustee's and WFK's fee affidavits (collectively, the "**Fee Affidavits**"). These professional fees and disbursements have or will be drawn from the funds received from the Companies.

IX. DUCA'S OPPOSITION TO AN EXTENSION OF TIME TO FILE A PROPOSAL

39. As reported in the March 20th Affidavit, the Proposal Trustee understands that DUCA may oppose the motion to extend the time to file a proposal.

40. At the time of writing this Report, DUCA has not filed a motion for relief, engaged in any discussions with the Proposal Trustee, nor articulated the basis for its opposition of the stay extension. Accordingly, the Proposal Trustee cannot comment on the substance of any relief that DUCA may seek.

X. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

41. The time for filing a proposal expires on March 29, 2021.

42. The Companies are of the view that the Sale Process will maximize value for its stakeholders if the property is sold.

43. In order to allow the 33 Laird Group to complete the Sale Process commenced with JLL, the Companies are seeking a forty-five (45) day extension of the time for filing of a proposal.

44. As noted in paragraph 47 of this Report, the Proposal Trustee has not yet been served by DUCA with any materials.

45. In view of the foregoing, the Proposal Trustee supports the Companies' request for an extension to provide it with additional time to complete the Sale Process. The Proposal Trustee has also considered that:

- a. the 33 Laird Group is acting in good faith and with due diligence;

- b. the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and supplies in the amounts contemplated in the Revised Cash Flow Projections due to the availability of the DIP Loan;
- c. creditors are not materially prejudiced by an extension of time for the 33 Laird Group to file its proposal, or if any material prejudice exists it is outweighed by the benefits of bringing the Sale Process to a close;
- d. the Sale Process is expected to generate offers at the First Bid Deadline before the end of the requested extension period; and
- e. if offers are received by the First Bid Deadline, it is reasonably expected that binding offers will be received by the Final Bid Deadline to allow the Companies to be in position to consider formulating and presenting a viable proposal.

XI. CONCLUSION AND RECOMMENDATION

46. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 14.

All of which is respectfully submitted on this 23rd day of March 2021.

MNP LTD.,
in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

APPENDIX "A"

Estate No.: 31-2693094, 31-2693092, 31-2693095
Court No.: 31-2693094, 31-2693092, 31-2693095

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC, OF
THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD GP INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

-and-

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD LIMITED
PARTNERSHIP, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

DECEMBER 11, 2020

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Appendices

Appendix “A”	Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal, dated November 20, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership issued by the Industry Canada – Office of the Superintendent of Bankruptcy Canada
Appendix “B”	Copies of the Notices to Creditors of the Notice of Intention to Make a Proposal Filing, dated December 3, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “C”	Copy of the Statement of Projected Cash Flows, dated December 8, 2020 (on a consolidated basis), together with the statutory reports of the debtor and the proposal trustee (BIA Forms 29 and 30), dated December 8, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). Copies of the certificates of filing for each of the NOIs filed are attached hereto and marked as **Appendix “A”**.
2. Notice of the NOIs as prescribed by the BIA was sent mailed on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies. Copies of such notices are attached hereto and marked as **Appendix “B”**.
3. Information regarding the proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird.
4. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process (the “**Sale Process**”) for all of the 33 Laird Group’s assets, while simultaneously seeking further financing options to replace the secured loans provided by DUCA Financial Services Credit Union Ltd. (“**DUCA**”) and Centurion Mortgage Capital Corporation (“**Centurion**” and together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”) and to continue on the business, if possible, on or before the conclusion of the Sale Process.

II. RESTRICTIONS

5. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**Birnboim Affidavit**”), the Companies’ books and records, discussions with management

of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

6. The Proposal Trustee also bases its Report on the Companies’ cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies’ businesses and the economy in general has yet to be determined. In developing the Cash Flow Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

7. The purpose of this Report is to:
 - a. Provide information to the Court with respect to the administration of the 33 Laird Group's proposal proceedings, including:
 - i. background information regarding the Companies' operations and the circumstances leading to the filing of the NOIs;
 - ii. comments on the Statement of Projected Cash Flows, dated December 8, 2020 (the "**Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA; and
 - b. Provide the Court with the Proposal Trustee's support for, and observations in respect of the Companies' request that the Court grant an Order, *inter alia*:
 - i. ordering and declaring that the proposal proceedings of the 33 Laird Group be administratively consolidated;
 - ii. approving interim financing up to a maximum of \$250M (the "**DIP Loan**") from BP Capital Inc. (the "**DIP Lender**") for the purpose of funding the costs of the restructuring, including but not limited to the cost of securing the Property (as defined below), the fees and disbursements of the Restructuring Professionals (as defined below) up to the end of the NOI stay period and granting a second-ranking DIP Charge (as defined below) over all of the Companies' property, assets and undertakings (collectively, the "**Property**");
 - iii. Authorizing and directing the Company to pay the accounts of the Restructuring Professionals (as defined below) rendered in these proposal proceedings, and authorizing the Proposal Trustee and its counsel to apply such amounts to their accounts, which shall constitute an advance against their remuneration that is subject to taxation by the Court; and

- iv. approving an extension of the time for the Companies to make a proposal to its creditors to February 11, 2021.

IV. BACKGROUND INFORMATION

8. As described in greater detail in the Birnboim Affidavit, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the “**Project**”).
9. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. (“**BPII**”), 2344011 Ontario Inc. and Sealink JV Ltd (“**Sealink**”), in Trust (collectively, the “**LP Partners**”) are the limited partners.
10. The Project is still in the early stages of construction and will require additional capital or financing to complete.
11. Based on, and as described in greater detail in the Birnboim Affidavit, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
12. A summary of the Companies’ historical financial results¹ are set out below:

¹ Based on draft unaudited financial statements of 33 Laird Limited Partnership.

	For the Years Ended	
	December 31,	
	2019	2018
	<u> </u>	<u> </u>
Commercial Rents	\$ -	\$ 4,300
Non Recoverable Expenses		
Brokers Fees	55,725	99,012
Construction Soft Costs	40,145	96,862
Professional Fees	12,001	28,658
Office and General	-	3,885
Total Non Recoveable Expenses	<u>107,871</u>	<u>228,417</u>
Net Loss for the Year	<u>\$ (107,871)</u>	<u>\$ (224,117)</u>

13. Additional information in respect of the Companies is set out in the Birnboim Affidavit, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.

14. Goldman Sloan Nash & Haber LLP (“**GSNH**”) has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP (“**WFK**” and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the “**Restructuring Professionals**”) has been engaged by the Proposal Trustee as its independent legal counsel.

V. ASSETS

15. The principal assets of the Companies are the building structures under construction and the land, which had an aggregate net book value of approximately of \$13MM as at December 31, 2019. As noted above, title to the real property underlying the Project is held by INC as bare trustee for and on behalf of the partnership. The Project is currently on hold with work being suspended pending the outcome of these proposal proceedings.

VI. CREDITORS

Secured Creditors

16. The Project was principally financed through secured loans from DUCA. The Proposal Trustee understands that a portion of such loans was syndicated out to Centurion. The Proposal Trustee understands that the current indebtedness to DUCA and Centurion are in the amounts of \$9.789MM and \$3.214MM, respectively.
17. As described in greater detail in the Birnboim Affidavit, a search of the Ontario *Personal Property Security Act* registry, file currency date of December 8, 2020, a Parcel Register, dated December 8, 2020 (the "Parcel Register") and the Companies' records, indicate that DUCA holds
- a. a mortgage charge on the real property underlying the Project in the amount of \$22MM;
 - b. a personal property charge over all of INC's chattels, except consumer goods; and
 - c. a personal property charge over all of LP's accounts and other.
18. As described in greater detail in the Birnboim Affidavit and reflected on the Parcel Register, BPII and Sealink hold together a second ranking mortgage on the real property underlying the Project in the amount of \$5.2MM, however, the amounts claimed by BPII and Sealink as mortgagees, are not accepted by all partners and have therefore not been accepted by the 33 Laird Group at this time
19. WFK has not yet provided an opinion to the Proposal Trustee on the validity and enforceability of the security held by the Secured Lenders, BPII and Sealink over the Property and the Proposal Trustee has yet to determine the extent to which these claims are valid. The Proposal Trustee anticipates that such work to determine the validity and amount of the BPII and Sealink claims will be undertaken later in these proceedings, if appropriate.

Other Potential Priority Creditors

20. On the NOI lists of creditors there are potential priority claims shown for the City of Toronto related unpaid 2020 municipal property taxes, as well amounts for suppliers to the Project, who retain rights under the Ontario *Construction Act*. Maxxwel & Co. Inc. has registered a construction lien on the real property underlying the Project in the amount of \$113,336.

Other Creditors

21. In addition to the above-noted creditors, there are amounts shown related to tenant deposits received, broker commissions, real estate transaction legal fees and other trade creditors.

VII. CASH FLOW PROJECTIONS

22. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

23. The Cash Projections have been assembled and prepared on a consolidated basis for the 33 Laird Group.

24. In accordance with the provisions of the BIA, the Companies prepared and filed with the Official Receiver the Cash Flow Projections, which were reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Companies. The Cash Flow Projections cover the period starting on November 29, 2020 and ending on March 6, 2021 (the “**Projection Period**”). A copy of the Cash Flow Projections, and related reports, are attached as hereto and marked as **Appendix “C”**.

25. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that the operations are continuing in accordance with the Cash Flow Projections. Given the date of this Report and the start of the

Projection Period, no review of cash flow variances has been completed as of date of this Report.

26. The principal assumptions of the Cash Flow Projections are that:

- a. Construction work remains suspended pending the outcome of the Sale Process and refinancing efforts;
- b. During these NOI proceedings, the 33 Laird Group will seek Court approval for a Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process;
- c. the Court will grant an Order authorizing, *inter alia*, a DIP Loan to fund the limited costs and fees and disbursements of the Restructuring Professionals;
- d. the collection of HST refunds is based on Management's best estimates and historical collection trends;
- e. disbursements are based on Management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- f. the Secured Lenders will defer all principal and interest payments pending the outcome of the Sale Process and concurrent pursuit of refinancing; and
- g. the Restructuring Professional's fees are based on estimates provided by the respective professionals to Management assuming work done to develop and seek approval for a Sale Process while also assisting the Companies to concurrently seek refinancing options during the NOI proceeding.

27. Based on the Proposal Trustee's review of the Cash Flow Projections, there are no material assumptions which seem unreasonable or implausible in the 33 Laird Group's circumstances. Based on the Cash Flow Projections and the assumption that the DIP Loan will be available, the Companies will have sufficient funding through to the end of the requested extension of the NOI.

VIII. INTERIM FINANCING

The DIP Loan

28. As set out in the Cash Flow Projections, absent additional financing, the Companies do not have the ability to continue to fund operations and the cost of these proceedings beyond the initial few weeks of the Projection Period. DIP financing is needed to permit the Companies to undertake a Sale Process or complete a refinancing transaction.

29. The DIP Lender is related to BPIL, one of the LP Partners.

30. In light of the contemplated Sale Process, and in order to preserve the value of the Project and the Companies' business, the DIP Lender agreed to advance a DIP Loan to fund the fees and disbursements of the limited holding costs and the Restructuring Professionals pursuant to a Term Sheet, issued December 10, 2020 (the "**Term Sheet**"). A summary of the DIP Loan's key terms are as follows:

- a. **Principal Amount:** \$250M on a non-revolving basis;
- b. **Purpose:** DIP financing to fund the holding costs of the Property and the costs, fees and disbursements of the Restructuring Professionals.
- c. **Term:** 6 months, interest only, with the loan open for prepayment. The commencement of any enforcement on the DIP Loan is however subject to further Court order.
- d. **Security and Priority:** The DIP Loan is conditional on the Court approving a second ranking security charge that is subordinate only to the secured interests of the

Secured Lenders on the Property (the “**DIP Charge**”) in favour of the DIP Lender over all other security interests and encumbrances;

- e. **Interest:** shall accrue at the annual rate of 10% per annum; and
- f. **Advance:** The DIP Loan shall be available by multiple advances, made on or after December 15, 2020.

A copy of the Term Sheet is attached as Exhibit “P” to the Birnboim Affidavit.

Interim Financing Recommendation

31. The Proposal Trustee has considered the factors set out in Subsection 50.6(5) of the BIA with respect to the granting of a Court order for interim financing and the DIP Charge. The Proposal Trustee respectfully recommends that the Court make the order sought by the Companies for the following reasons:

- a. The Companies will require funding in order to pay the Restructuring Professionals and allow the Companies to conduct the Sale Process and seek refinancing options as contemplated;
- b. No creditor of the Companies appears to be materially prejudiced by the borrowings under the DIP Loan, and the DIP Approval Order; and
- c. The terms of the borrowings appear to be reasonable in the circumstances and consistent with the terms of debtor-in-possession financing facilities in similar proceedings.

IX. CONTEMPLATED SALE PROCESS

- d. As noted earlier in this Report, it is contemplated that the 33 Laird Group will seek Court approval for the Sale Process while also seeking further financing options to replace DUCA and to continue on the business, if possible, on or before the conclusion of the Sale Process. However, due to the approaching holidays and limited Court dates available, as at the date of this motion, the Companies have not yet had sufficient time to fully formulate the Sale Process it would like to present to the Court

for approval. It is expected that the Companies will in the coming weeks be able to finalize the Sale Process and will then seek to have the Sale Process approved *nunc pro tunc*, if appropriate and necessary, in early January 2021.

X. PROFESSIONAL FEES – DRAW AUTHORIZATION

32. Pursuant to subsection 25(1.3) of the BIA, Proposal Trustee cannot withdraw monies from the estate trust account to pay any disbursements, including the professional fees, without the written permission of the inspectors or an order of the Court.
33. As there will be no inspectors appointed until a proposal is filed, which will not occur until after the completion of the Sale Process or refinancing search, in order to avoid the additional cost and expense to the estate, the Proposal Trustee supports the relief being sought by the Companies to authorize the Proposal Trustee and its counsel to apply such amounts paid to it by the Company as advances on account that are subject to taxation by the Court.

XI. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

34. The time for filing a proposal expires on December 28, 2020. Due to the upcoming holidays and the Court's limited available motion dates, the extension of time to file a proposal is being sought earlier than usual in this proceeding.
35. In order to allow the 33 Laird Group sufficient time to fully formulate the Sale Process and then execute upon same, the Companies seeks a forty-five (45) day extension of the time for filing of a proposal to February 11, 2021.
36. In view of the foregoing, the Proposal Trustee supports the 33 Laird Group's request for an extension of time for filing a proposal for the following reasons:
- a. that the 33 Laird Group is acting in good faith and with due diligence;
 - b. that the extension should not adversely affect or prejudice creditors as the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and

supplies in the amounts contemplated in the Cash Flow Projections due to the availability of the proposed DIP Loan from the DIP Lender;

- c. that pursuit of the contemplated Sale Process could generate offers before the end of the requested extension period and allow the Companies to be in a position to make a viable proposal for the general benefit of its creditors; and
- d. that creditors would not be prejudiced by an extension of time for the 33 Laird Group to file its proposal.

XII. ADMINISTRATIVE CONSOLIDATION

37. The Companies are seeking an order to administratively consolidate these proposal proceedings and to continue under a joint title of proceedings. The relief being sought by the Companies is to avoid the cost and duplication associated with a multiplicity of proceedings and filing of three (3) set of motion materials in connection with future motions, filings and notices to be brought and served in these proposal proceedings.

38. The Proposal Trustee supports this relief being sought as it will improve efficiency of the proceeding and no creditors will be prejudiced given the commonality of the creditors.

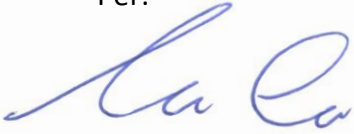
XIII. CONCLUSION AND RECOMMENDATION

39. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 7.

All of which is respectfully submitted on this 11th day of December 2020.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

COURT NO.: 31-2693094, 31-2693092, 31-2693095
ESTATE NO.: 31-2693094, 31-2693092, 31-2693095

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

-and-

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD GP INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

-and-

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD LIMITED PARTNERSHIP, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**FIRST REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS
CAPACITY AS PROPOSAL TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND
33 LAIRD LIMITED PARTNERSHIP**

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APPENDIX "B"

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**SECOND REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP**

FEBRUARY 9, 2021

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Appendices

Appendix “A”	Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal, dated November 20, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership issued by the Industry Canada – Office of the Superintendent of Bankruptcy Canada
Appendix “B”	Copies of the Notices to Creditors of the Notice of Intention to Make a Proposal Filing, dated December 3, 2020 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “C”	A Copy of First Report to the Court Submitted by MNP LTD., in its capacity as Trustee under the Notice of Intention to Make A Proposal of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership, dated December 11, 2020 (without appendices)
Appendix “D”	Copy of the Statement of Revised Projected Cash Flows, dated February 9, 2021 (on a consolidated basis), dated February 9, 2021 for 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Appendix “E”	Affidavit of Sheldon Title, sworn February 8, 2021
Appendix “F”	Affidavit of Connie Deng, sworn February 8, 2021

I. INTRODUCTION

1. On November 28, 2020 (the “**Filing Date**”), 33 Laird Inc. (“**INC**”), 33 Laird GP Inc. (“**GP**”) and 33 Laird Limited Partnership (“**LP**”, and together with INC and GP, hereinafter collectively referred to as the “**33 Laird Group**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. was named proposal trustee in each of the NOI proceedings (the “**Proposal Trustee**”). Copies of the certificates of filing for each of the NOIs filed are attached hereto and marked as **Appendix “A”**. The 33 Laird Group’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. Notice of the NOIs as prescribed by the BIA was sent on December 3, 2020 to all of the 33 Laird Group’s known creditors based on the books and records of the Companies. Copies of such notices are attached hereto and marked as **Appendix “B”**.
3. On December 10, 2020, the Companies filed a Notice of Motion and a Motion Record returnable December 16, 2020, seeking, among other things, a Court Order:
 - a. procedurally consolidating the NOI Proceedings and authorizing and directing the Proposal Trustee to administer the NOI Proceedings on a consolidated basis henceforth;
 - b. extending the time for the Companies to file a proposal to February 11, 2021;
 - c. approving the interim financing of up to \$250,000 (the “**DIP Loan**”) and granting a priority charge, but subordinate to the security interests of DUCA Financial Services Credit Union Ltd. (“**DUCA**”), on the 33 Laird Group’s current and future assets, undertakings and properties; and
 - d. authorizing and directing the payment of the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Companies, Goldman Sloan Nash & Haber LLP (“**GSNH**”).

4. On December 11, 2020, the Proposal Trustee served its first report, dated December 11, 2020 (the “**First Report**”). A copy of the First Report, without appendices, is attached hereto and marked as **Appendix “C”**.
5. On December 16, 2020, the Court granted an Order (the “**Consolidation and Stay Extension Order**”) approving the relief sought by the Companies as noted in paragraph 3 above. A copy of the Consolidation and Stay Extension Order is attached and marked as Exhibit “B” to the February 6 Affidavit (as such term is later defined) included in the Companies’ materials filed in connection with this Motion.
6. Information regarding the NOI Proceedings has been posted to the Proposal Trustee’s case website at www.mnpdebt.ca/33laird (the “**Website**”).
7. The primary purpose of these proceedings is to create a stabilized environment to allow the Companies to conduct a Court approved public sale and marketing process (the “**Sale Process**”) for all of the 33 Laird Group’s assets, while simultaneously seeking further financing options to replace the secured loans provided by DUCA and Centurion Mortgage Capital Corporation (together with DUCA, hereinafter collectively referred to as the “**Secured Lenders**”) and to continue on the business, if possible, on or before the conclusion of the Sale Process.

II. RESTRICTIONS

8. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavit of Jason L. S. Birnboim, sworn December 10, 2020 (the “**December 10th Affidavit**”) the affidavit of Jason L. S. Birnboim, sworn February 6, 2021 (the “**February 6 Affidavit**” and together with the December 10th Affidavit, hereinafter collectively referred to as the “**Birnboim Affidavits**”), the Companies’ books and records, discussions with management of the 33 Laird Group (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to

verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

9. The Proposal Trustee also bases its Report on the Companies' cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the Information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial Information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Companies' businesses and the economy in general has yet to be determined. In developing the Projections (as defined below), Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

III. PURPOSE OF THIS REPORT

10. The purpose of this Report is, *inter alia*, to:
 - a. Update the Court with respect to:

- i. the activities of the Companies and the Proposal Trustee since the First Report;
 - ii. the status of the Sale Process;
 - iii. report on the Company's actual cash flows for the period November 29, 2020 to January 30, 2021;
 - iv. comments on Statement of Revised Projected Cash Flows, dated February 9, 2021 (the "**Revised Cash Flow Projections**") filed by the Companies in accordance with the section 50.4(2)(a) of the BIA;
- b. provide the Court with the Proposal Trustee's recommendation for an Order, *inter alia*:
- i. approving an extension of the time for the Companies to make a proposal to its creditors to March 29, 2021 (the "**Extended Period**");
 - ii. approving and authorizing the Companies' engagement of Jones Lang LaSalle Real Estate Services, Inc. ("**JLL**") to market and sell the Project (as such term is defined later), the building structures under construction and the land (collectively, the "**Property**").
 - iii. approving the fees and disbursements of the Proposal Trustee and WFK as set-out in the Fee Affidavits (as such term is later defined); and
 - iv. approving the activities of the Proposal Trustee as set out in the First Report and this Report

IV. BACKGROUND INFORMATION

11. As described in greater detail in the Birnboim Affidavits, the 33 Laird Group was established in connection with an 80,000 square foot retail/commercial redevelopment project associated with the redevelopment of a two-story building on lands municipally known as 33 Laird Drive, Toronto, Ontario (the "**Project**"). The Project forms part of the

Property, which comprises substantially all of the Companies' property, assets and undertakings.

12. Title to the lands municipally known as 33 Laird Drive is held by INC, in trust for GP. Under LP, GP is the general partner and Beaux Properties International Inc. ("**BPII**"), 2344011 Ontario Inc. and Sealink JV Ltd ("**Sealink**"), in Trust (collectively, the "**LP Partners**") are the limited partners.
13. The Project is still in the early stages of construction and will require additional capital or financing to complete.
14. Based on, and as described in greater detail in the Birnboim Affidavits, the Companies attribute their financial difficulties primarily to underlying financial issues with the Project, including cost overruns exacerbated by the impact of the COVID-19 pandemic on costs, timeline to complete, and the potential viability of the prospective tenants; all of which raised concern for the Secured Lenders and led to DUCA issuing demands and Notices of Intention to Enforce Security under section 244 of the BIA on November 19, 2020.
15. Additional information in respect of the Companies is set out in the Birnboim Affidavits, filed separately in these proceedings. The Proposal Trustee has not repeated such details in this Report.
16. GSNH has been engaged by the Companies as its legal counsel during these legal proceedings. Weisz Fell Kour LLP ("**WFK**" and together with GSNH and the Proposal Trustee hereinafter collectively referred to as the "**Restructuring Professionals**") has been engaged by the Proposal Trustee as its independent legal counsel.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE

17. Since the Filing Date, the Proposal Trustee has undertaken the following activities, *inter alia*:
 - a. updated the Website as necessary;

- b. prepared and sent notice under Subsection 50.4(6) of BIA to all known creditors;
- c. responded to enquiries directed towards the Proposal Trustee from creditors and other stakeholders;
- d. responded to enquiries directed towards the Proposal Trustee from parties interested in acquiring the Project;
- e. monitored the Companies' actual cash flows in comparison with the Statement of Projected Cash Flows, dated December 8, 2020 (the "**Initial Cash Flow Projections**");
- f. assisted the Companies with the preparation and filing with the Office of the Superintendent of Bankruptcy Canada of the Revised Cash Flow Projections and related statutory reports;
- g. discussed with the Companies and the Companies' counsel regarding alternate refinancing sources and provide introductions;
- h. discussed with the Companies and the Companies' counsel regarding the Sale Process, including the soliciting of listing proposals, its discussions with a possible purchaser about a transaction for the Project (the "**Possible Transaction**") and the Companies' contemplated engagement of JLL to list and conduct a marketing process for the Project;
- i. reviewed and provided comments on the proposed listing agreement to be entered into between the Companies and JLL (the "**Listing Agreement**"); and
- j. drafted this Report and reviewing all Court materials filed in connection with the Companies' motion.

VI. SALE PROCESS

The Possible Transaction

18. The Companies have been exploring for the last several weeks the Possible Transaction; it has however not solidified into a formal binding offer as of the date of this Report.

However, the Proposal Trustee has been advised by the GSNH, that the Companies may execute an agreement of purchase and sale with respect to the Possible Transaction on or before February 19, 2021, subject to being approved by this Court.

JLL Listing Agreement

19. Concurrent to the forgoing activities concerning the Possible Transaction, the Companies have solicited and have received listing proposals from JLL and Cushman & Wakefield ULC (“C&W”) in the case of this eventuality. Copies of JLL’s and C&W listing proposals are attached as Confidential Appendices “1” and “2” to the February 6 Affidavit.

20. The Companies are of the view that the listing proposal submitted by JLL provides the best opportunity to maximize realization on the Property for the Companies ‘stakeholders, based on the more favourable commission rate, proposed marketing strategy, and the team’s experience. JLL’s proposed marketing process (the “**Marketing Process**”) is described in greater in JLL’s listing proposal and has been further outlined in Schedule “A” of the amended draft Order filed on February 9, 2021 in connection with this Motion. Accordingly, the Marketing Process contemplates the Companies engaging JLL, subject to this Court’s approval, to conduct such marketing process, as outlined below.

21. The Marketing Process contemplated by JLL and the Companies is summarized as follows:

Proposed Activities	
<p>Pre-Marketing Stage</p> <p>To be completed within three (3) weeks¹ of Court approval of the Listing Agreement</p>	<ul style="list-style-type: none"> • Assemble due diligence materials and set-up on-line data room, including undertaking an urban planning analysis. • Preparation of marketing materials, including confidential information memorandum, flyers, etc. • Execution of a listing agreement.

¹ As per the Listing Agreement. JLL’s listing proposal had originally indicated approximately two (2) weeks.

	Proposed Activities
<p>Marketing and Due Diligence Stage</p> <p>To be commenced with three (3) weeks of Court approval of the Listing Agreement</p>	<ul style="list-style-type: none"> • Email blast and mailing to network. • Social media advertising • Site tours and follow-up virtual and socially-distanced in-person presentations. • Commence MLS listing • Advertisement of sale in Globe & Mail and Sing Tao newspapers
<p>First Bid Deadline</p> <p>six (6) Week following the commencement of the Marketing and Due Diligence Stage</p>	<ul style="list-style-type: none"> • In consultation with the Proposal Trustee and DUCA, review bids received, assess the merits of each bid, the potential risks of some of the bidders, and strategize about next steps.
<p>Second Bid Deadline</p> <p>Within one (1) Week following the First Bid Deadline</p>	<ul style="list-style-type: none"> • Invite a select number of bidders from first round of bidding and request re-submission of competitive bids, as appropriate. • Provide form of agreement of purchase and sale for submission of bid. • Following selection of bid, refine pricing and deal terms, as appropriate, and execute agreement of purchase and sale. • If two (2) or more of the best second-round bids are substantially equal, proceed to Final Bid Deadline
<p><u>If Necessary</u></p> <p>Final Bid Deadline</p> <p>Within five (5) days following the Second Bid Deadline</p>	<ul style="list-style-type: none"> • In consultation with the Proposal Trustee and DUCA, review bids received from second round of bidding, and if two (2) or more of the best bids remain substantially equal, request re-submission of such competitive bids • Following selection of bid, refine pricing, deal terms and execute agreement of purchase and sale

22. The Proposal Trustee is of the view that the Marketing Process will adequately target the prospective purchaser groups, including retail developers, industrial developers and private capital firms.

23. An unredacted copy of the Listing Agreement is attached as Confidential Appendix "3" to the February 6 Affidavit and sets out among other things, the commission rates to be paid (with or without the involvement of a co-operating broker), the impact of the Possible Transaction, and the agreement being subject to Court approval.
24. With respect to the Possible Transaction vis-à-vis the Listing Agreement, it is contemplated that the possible purchaser associated therewith will have twenty-one (21) days from the date the Listing Agreement is approved by the Court to enter into a binding agreement of purchase sale with the Companies, otherwise the possible purchaser will need to participate in the Marketing Process with all other prospective purchasers.
25. It is contemplated that the Companies would offer the Property for sale with a minimum list price of \$1 using the Multiple Listing Service to ensure all offers are brought to the attention of the Companies and the Proposal Trustee.
26. The Companies, with JLL's assistance and the Proposal Trustee, will review and assess the bids received during the Marketing Process.
27. The Companies will then look to enter into a binding agreement of purchase and sale for the Property, which it will present to this Court for approval, along with a reporting of the results of the Marketing Process.
28. Given the sensitive nature of the information in the Confidential Appendices, the Proposal Trustee respectfully recommends that this material be sealed pending completion of a sale transaction for the Property.

VII. CASH FLOW PROJECTIONS

General

29. To date, the 33 Laird Group has provided the Proposal Trustee with their full co-operation and unrestricted access to its books and records.

30. The Initial Cash Flow Projections covered the period starting on November 29, 2020 and ending on March 6, 2021. The Revised Cash Flow Projections cover the period starting on January 30, 2021 and ending on May 26, 2021 (the “**Projection Period**”). A copy of the Revised Cash Flow Projections, and related reports, are attached as hereto and marked as **Appendix “D”**.
31. The Initial Cash Flow Projections and the Revised Cash Flow Projections (collectively, the “**Projections**”) have been assembled and prepared on a consolidated basis for the 33 Laird Group.
32. In accordance with the provisions of the BIA, the Companies prepared and filed with the Official Receiver the Projections, which were reviewed by the Proposal Trustee for reasonableness/plausibility and signed by the Proposal Trustee and the Companies.
33. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements to ensure that the operations are continuing in accordance with the Projections.

Initial Cash Flow Projections – Actual to Projected

34. A summary of the Company’s actual receipts and disbursements as compared to those presented in the Initial Cash Flow Projections for the nine-weeks ended January 30, 2021 are as follows (“**Monitored Period**”):

	Projected	Actual	Variance
Opening Cash Balance	\$ 17,446	\$ 17,706	
Receipts			
DIP Loan Advances	188,867	-	(188,867)
HST Refunds	50,771	52,045	1,274
Total Receipts	<u>239,638</u>	<u>52,045</u>	<u>(187,593)</u>
Disbursements			
Banking and Financing Fees	100	3	97
Insurance - Property, Liability, Construction	-	-	-
Utilities	1,212	851	361
Property Tax	-	-	-
Security and Safety	8,001	-	8,001
Storage Costs - Construction Materials	16,950	-	16,950
Restructuring Professional Fees - Companyies' Counsel	72,640	-	72,640
Restructuring Professional Fees - Trustee and its Counsel	116,227	33,943	82,284
Contingency	27,000	39	26,961
Total Disbursements	<u>242,130</u>	<u>34,836</u>	<u>207,294</u>
Receipts over Disbursements	<u>(2,492)</u>	<u>17,209</u>	<u>19,701</u>
Closing Cash Balance	<u>\$ 14,954</u>	<u>\$ 34,915</u>	

35. There was small error in the opening cash balance figure, which translates to the opening cash position being actually \$260 higher than what was shown in the projections.

36. Overall, the 33 Laird Group's realized a positive net cash flow variance of \$19,701 during the Monitored Period. The key components of the variance are as follows.

Receipts

- a. DIP Loan Advances – the negative variance of \$188,867 can be attributed to there being sufficient funds in the account to fund the disbursements expended in the Monitored Period and therefore not requiring DIP Loan Advances. The DIP Loan is to fund operating shortfalls and thus any negative variance in this item is offset by a favourable variance on the disbursement side. This is principally a timing difference, as the expected draw on the DIP Loan was largely in anticipation of greater professional fees being paid in the Monitored Period.

- b. HST Refunds - the positive variance of \$1,274 relates to the November 2020 HST refund received which was not included in the Initial Cash Flow Projections.

Disbursements

- c. Security and Safety – the positive variance of \$8,001 is in part a timing difference as there is approximately \$3,200 in fencing and edge protection rental fees that have accrued for December 2020 and January 2021 that have not yet been paid. The balance is primarily related to projected security monitoring costs, which were not incurred, but are expected to start in February 2021.
- d. Storage Costs – this projected figure of \$8,475/month was an estimated figure when the Initial Cash Flow Projections were prepared. Notwithstanding, the positive variance of \$16,950 is in part a timing difference as there is approximately \$2,260 in storage fees for the HVAC equipment that have accrued for December 2020 and January 2021 that have not yet been paid. In addition, it was originally anticipated that storage and moving costs associated with the elevators would be incurred but have not as of the date of this Report.
- e. Restructuring Professional Fees – the combined positive variance of \$154,924 is a result of the lower than projected fees of the Companies’ counsel up to January 30, 2020 (approximately \$55,000 plus HST), which have also not yet been rendered for payment, and the significantly lower actual fees (paid \$33,943 plus accrued/unpaid fees of approximately \$10,000 plus HST) for the Proposal Trustee and its counsel than had been projected for the period.
- f. Contingency - the positive variance of \$26,961 is result of minimal other costs that were not already specifically identified being incurred in the Monitored Period.

37. As noted below, the Companies seek an extension of time within which to file a Proposal. The Initial Cash Flow Projections do not cover the Extended Period, and accordingly the Revised Cash Flow Projections have been prepared.

Revised Cash Flow Projections

38. The Revised Cash Flow Projections revises certain figures that had previously been presented in the Initial Cash Flow Projections based on the current information available, as well as extends past the Extended Period to cover the contemplated period of the Sales Process.

39. The principal assumptions of the Cash Flow Projections are that:

- a. Construction work remains suspended pending the outcome of the Sale Process;
- b. During the NOI Proceedings, the 33 Laird Group will implement the Sale Process contemplated with JLL or complete the Possible Transaction;
- c. The previously Court approved interim financing up to a maximum of \$250M (the “**DIP Loan**”) will be sufficient to cover operating shortfalls;
- d. the collection of HST refunds is based on Management's best estimates and historical collection trends;
- e. disbursements are based on Management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- f. the Secured Lenders will defer all principal and interest payments pending the outcome of the Sale Process; and
- g. the Restructuring Professional’s fees are based on estimates provided by the respective professionals to Management in connection with the implementation of the Sale Process contemplated.

40. Based on the Proposal Trustee's review of the Revised Cash Flow Projections, there are no material assumptions which seem unreasonable or implausible in the 33 Laird Group's circumstances

41. Provided funds are available pursuant to the DIP Loan, it appears that the Companies have sufficient funds available to carry on its operations through the Extended Period based on the Revised Cash Flow Projections.

VIII. PROFESSIONAL FEES

42. Pursuant to subsection 25(1.3) of the BIA, Proposal Trustee cannot withdraw monies from the estate trust account to pay any disbursements, including the professional fees, without the written permission of the inspectors or an order of the Court.

43. Pursuant to paragraph 19 of the Consolidation and Stay Extension Order, the Proposal Trustee and WFK are to be

- a. paid their reasonable fees and disbursements by the Companies, and
- b. authorized to immediately apply any such payments made by the Companies to their fees and disbursements and such amounts shall constitute advances against their remuneration and disbursements when and as approved by this Court.

44. The Proposal Trustee's accounts for the period from November 26, 2020 to January 30, 2021 total \$35,262.40 (exclusive of HST). The affidavit of Sheldon Title sworn February 8, 2021 as to the fees of the Proposal Trustee is attached hereto as **Appendix "E"**.

45. WFK's accounts for the period from December 2, 2020 to January 29, 2021 total \$2,520.00 (exclusive of HST). The affidavit of Connie Deng virtually sworn February 8, 2021 as to the fees and disbursements of WKZ in its capacity as legal counsel to the Proposal Trustee is attached hereto as **Appendix "F"**.

46. The Proposal Trustee is of the view that WFK's accounts are reasonable in the circumstances and respectfully requests this Court approve its fees and disbursements

and those of its legal counsel as set-out in the Proposal Trustee's and WFK's fee affidavits (collectively, the "**Fee Affidavits**"). These professional fees and disbursements have or will be drawn from the funds received from the Companies.

IX. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

47. The time for filing a proposal expires on February 11, 2021.

48. The Companies remains of the view that carrying out the Sale Process will maximize value for its stakeholders.

49. In order to allow the 33 Laird Group to implement the Sale Process contemplated and being sought to be approved as part of this Motion, the Companies are seeking a forty-five (45) day extension of the time for filing of a proposal.

50. It is contemplated that the Companies will require a further extension of time after the Extended Period to complete the Sale Process.

51. In view of the foregoing, the Proposal Trustee supports the Companies' request for an extension to provide it with additional time to implement the contemplated Sale Process. The Proposal Trustee has also considered that:

- a. the 33 Laird Group is acting in good faith and with due diligence;
- b. the extension should not adversely affect or prejudice creditors as the 33 Laird Group is projected to have sufficient funds to pay for post-filing services and supplies in the amounts contemplated in the Revised Cash Flow Projections due to the availability of the DIP Loan;
- c. creditors would not be prejudiced by an extension of time for the 33 Laird Group to file its proposal;
- d. the contemplated Sale Process could generate offers at the First Bid Deadline before the end of the requested extension period; and

- e. if offers are received by the First Bid Deadline, it is reasonably expected that binding offers will be received by the Final Bid Deadline to allow the Companies to be in position to consider formulating and presenting a viable proposal.

X. CONCLUSION AND RECOMMENDATION

52. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 10.

All of which is respectfully submitted on this 9th day of February 2021.

MNP LTD.,

in its capacity as Proposal Trustee under
the Notice of Intention to Make a Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership
Per:



Matthew Lem
Licensed Insolvency Trustee

COURT NO.: 31-2693094
ESTATE NO.: 31-2693094

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC. AND 33 LAIRD GP INC., CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*, AND 33 LAIRD LIMITED PARTNERSHIP, A LIMITED PARTNERSHIP FORMED UNDER THE ONTARIO *LIMITED PARTNERSHIPS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

SECOND REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

Matthew Lem
Tel: (416) 515-3882
Fax: (416) 323-5242
Email: matthew.lem@mnp.ca

APPENDIX “C”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

AFFIDAVIT OF SHELDON TITLE
(Sworn March 23rd, 2021)

I, Sheldon Title, of the City of Richmond Hill, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd. ("**MNP**") the proposal trustee (the "**Proposal Trustee**") in each of the Notice of Intention to Make a Proposal ("**NOI**") proceedings filed by 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (collectively, the "**Companies**") and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. On November 28, 2020, the each of the Companies filed a NOI and MNP was appointed as proposal trustee in the NOI proceedings.

3. The Proposal Trustee has prepared Statements of Account in connection with its appointment as proposal trustee of the Companies detailing its services rendered and disbursements incurred for the period January 31, 2021 to February 27, 2021. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a summary of the Statements of Account. The average hourly rate in respect of the accounts is \$486.22.
4. Attached hereto and marked as **Exhibit "B"** are copies of the Statements of Account.
5. The particulars of the professionals who performed the work, the time spent, and fees associated with such work are contained in the attached Statement of Account.
6. I hereby confirm that the information detailed herein and attached accurately reflects the services provided by the Proposal Trustee in this proceeding and the fees and disbursements claimed by it.
7. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and an interim taxation of the Proposal Trustee's accounts and for no other or improper purpose.

SWORN before me via videoconference)
 From the Town of Richmond Hill to the)
 Town of Erin, this 23rd day of March 2021.)
)



A Commissioner, etc.

Matthew Eric Lem, a Commissioner, etc.,
 Province of Ontario, for MNP Ltd. and MNP LLP.
 Expires February 21, 2023.



SHELDON TITLE

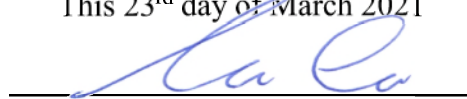
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me

This 23rd day of March 2021

A handwritten signature in blue ink is written over a solid horizontal line. The signature is cursive and appears to read "K. C.".

Commissioner for taking Affidavits, etc

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
 SUPERIOR COURT OF JUSTICE
 (COMMERCIAL LIST)
 (IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE NOTICES OF INTENTION
 TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
 33 LAIRD GP INC., CORPORATIONS
 INCORPORATED UNDER THE ONTARIO
 BUSINESS CORPORATIONS ACT, AND 33 LAIRD
 LIMITED PARTNERSHIP, A LIMITED
 PARTNERSHIP FORMED UNDER THE ONTARIO
 LIMITED PARTNERSHIPS ACT

SUMMARY OF STATEMENTS OF ACCOUNT

Invoice Date	Invoice Number	Invoice Period	Hours	Amount	HST	Total
23 March 2021	9690649	January 31, 2021 to February 27, 2021	30.7	\$ 14,927.10	\$ 1,940.52	\$ 16,867.62
TOTAL			30.7	\$ 14,927.10	\$ 1,940.52	\$ 16,867.62

Average Hourly Rate \$ 486.22

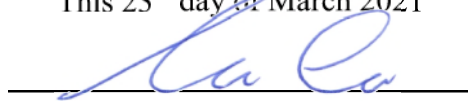
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me

This 23rd day of March 2021

A handwritten signature in blue ink is written over a solid horizontal line. The signature is cursive and appears to be "K. E.".

Commissioner for taking Affidavits, etc

Invoice



Invoice Number : 9690649

Client Number : 0846991

Invoice Date : Mar 23 2021

Invoice Terms : Due Upon Receipt

33 Laird Inc., 33 Laird GP Inc. & 33 Laird Limited Partnershi
p2323 Yonge Street, Suite 605
Toronto ON M4P 2C9

For Professional Services Rendered :

For the period from 31 January 2021 to 27 February 2021, in connection with us acting as Licensed Insolvency Trustee in the Notices of Intention to Make a Proposal/Proposals of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (detailed time description attached)

OUR FEE in all	16,968.10
LESS: Rate Adjustment Allowance	-2,041.00
Sub Total :	<hr/> 14,927.10
Harmonized Sales Tax :	<hr/> 1,940.52
Total (CAD) :	<hr/> <hr/> 16,867.62

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
31-Jan-2021	Matthew Lem	1.70	Preparation of draft Second Report to Court.
01-Feb-2021	Matthew Lem	3.20	Preparation of draft Second Report to Court; follow-up with Innovia and B. Godfrey re cash flow projections reporting and insurance coverage; update template for revised projections; update discussion with S. Title; review of correspondence from B. Godfrey re information requested.
02-Feb-2021	Matthew Lem	.60	Attend to update revised projections; correspondence with B. Godfrey re same; review of correspondence re same.
03-Feb-2021	Matthew Lem	.90	Respond to correspondence from WFK re Organic Garage; review and provide comments on listing agreement.
03-Feb-2021	Sheldon Title	.30	Review of emails on listing agreement and email to S. Kour and M. Lem on same.
04-Feb-2021	Matthew Lem	.90	Discussion with S. Kour re listing agreement and other; follow-up on cash flow issues; correspondence with B. Godfrey re same.; update revised projections.
04-Feb-2021	Sheldon Title	.40	Call with B. Bissell on potential transaction; finalizing emails on JLL on listing agreement.
05-Feb-2021	Matthew Lem	2.10	Review and respond to correspondence re security and storage costs; review of correspondence received; discussion with S. Kour re court report and motion materials; review and adjust draft affidavit; discussion with S. Title re same; preparation of report to court.
05-Feb-2021	Sheldon Title	.30	Emails/call with M. Lem and review of draft affidavit.
07-Feb-2021	Matthew Lem	2.90	Preparation of draft Second Report to Court; review comments from S. Title; review and provide comments on motion materials/draft order; discussion with S, Tile re same.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
07-Feb-2021	Sheldon Title	1.30	Review of draft Second Report and provide comments; request' arrange for posting the service list to website; review of case law on filing extension beyond 45 days; email to S. Kour on same;
08-Feb-2021	Jessie Hue	.20	Attend to update case website.
08-Feb-2021	Matthew Lem	5.20	Attend to update and adjust draft Second Report to the Court; follow-up on cash flow projections; various discussions with S, Title and S. Kour re draft report and motion materials;
08-Feb-2021	Sheldon Title	.70	call with Brendan Bissell on potential transaction APS/March 29th extension and review of same; call with Lem to update; request posting of the motion record on the website
08-Feb-2021	Trina Burningham	.50	Attend to update case website.
09-Feb-2021	Jessie Hue	.80	Efiled the cash flow projections, Form 29 and Form 30 for the three estates with the OSB.
09-Feb-2021	Matthew Lem	3.90	Attend to review and update report to court; review of correspondence from GSNH re revised draft order; discussions with S. Title and S. Kour re same; provide comments on draft order; follow-up on revised cash flow projections; further correspondence with GSNH re draft order; update revised cash flow projections and discussion with P. Perschini re same; prepare reports and update rep letter; assemble and forward revised projections and report for signature; discussion with J. Turgeon of GSNH re same; update discussion with S. Kour. review and assemble signed cash flow documents and reports for filing with the OSB and the report.
09-Feb-2021	Sheldon Title	1.10	Discussion with S. Kour and M. Lem on potential transaction APS; emails from B. Bissell on APS; review/respond to S. Kour email; call with S. Kour on B. Bissell's email on opposition to relief.
10-Feb-2021	Sheldon Title	.60	Attendance at court hearing for extension/sale process approval motion; call with S. Kour.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
10-Feb-2021	Trina Burningham	.70	Attend to update case website.
11-Feb-2021	Matthew Lem	.60	Attend to Order filing with OSB; forward revised cash flow projections to Innovia; attend to correspondence and discussion with S. Title re HST query from R. Breda; forward revised projections to R. Breda
11-Feb-2021	Sheldon Title	.20	Call with S. Kour to follow up on court motion hearing; discussion with Lem on HST and WFK.
12-Feb-2021	Sheldon Title	.10	Call from S. Leung on client's interest in the property; call to S. Leung and forward contact info to partnership
18-Feb-2021	Sheldon Title	.10	Call with B. Bissell on status of potential transaction.
25-Feb-2021	Sheldon Title	.70	call with Brendan on Oren's email/JLL reporting; call with Kour/Bissell on DUCA's email on receivership application
26-Feb-2021	Matthew Lem	.60	Review and provide comment on offering brochure; discussion with S. Title re same; attend to additional adjustments; attend to call from E. Medoff.
26-Feb-2021	Sheldon Title	.10	Review of investment offering package, email to B. Bissell.

SUMMARY OF TIME CHARGES

Professional	Average Hourly Rate	Hours	Amount
Sheldon Title, Partner and Senior Vice President	\$ 645.00	5.90	\$ 3,805.50
Matthew Lem, Partner and Senior Vice President	\$ 565.00	22.60	\$ 12,769.00
Jessie Hue, Senior Estate Administrator	\$ 222.00	1.00	\$ 222.00
Trina Burningham, Estate Administrator	\$ 143.00	1.20	171.60
TOTAL		30.70	\$ 16,968.10

APPENDIX “D”

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 33 LAIRD INC. A CORPORATION INCORPORATED
UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT***

AFFIDAVIT OF CONNIE DENG

I, **CONNIE DENG**, of the Town of Georgina, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am a Legal Assistant with the law firm Weisz Fell Kour LLP (“**WFK**”) and, as such, I have knowledge of the following matters. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
2. On November 28, 2020, MNP LTD. was appointed as the Proposal Trustee in the Notice of Intention to Make a Proposal of 33 Laird GP Inc. (the “**the Proposal Trustee**”).
3. The Proposal Trustee retained WFK to advise with regards to matters related to MNP’s appointment and the performance of its duties and powers.
4. WFK’s fees and disbursements for the period of February 3, 2021 to February 25, 2021 are summarized in the invoices rendered to the Proposal Trustee (the “**Invoices**”).

5. The Invoices are a fair and accurate description of the services provided, the disbursements incurred, and the amounts charged by WFK, and are based on its standard rates and charges.

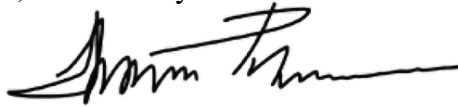
6. The Invoices contain information and advice over which lawyer and client privilege is asserted. As a result, redacted copies of the Invoices are attached hereto and marked as **Exhibit “A”**. Copies of the complete Invoices have been provided to the Proposal Trustee and I am advised by the Proposal Trustee that they have been reviewed and consider the fees and disbursements fair and reasonable.

7. Attached hereto and marked as **Exhibit “B”** is a summary of the timekeepers whose services are reflected on the Invoices, including year of call and hourly rate, and the total fees and hours billed. The Billing Summary indicates an average hourly rate of \$600.

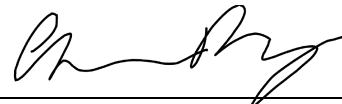
8. The total amount being claimed for the work performed by WFK for the period of February 3, 2021 to February 25, 2021, for which approval is being sought at this court is \$5,220.00, exclusive of HST.

9. This affidavit is sworn in support of the Proposal Trustee’s motion for approval of its fees and disbursements, as well as those of its legal representatives, and for no other improper purpose.

SWORN BEFORE ME *by video conference*
at the City of Toronto, in the Province of
Ontario, this 23rd day of March 2021.

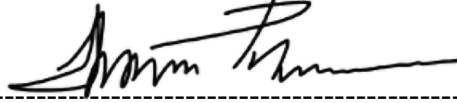


Commissioner for Taking Affidavits
(or as may be)



CONNIE DENG

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF CONNIE DENG SWORN BEFORE ME,
THIS 23RD DAY OF MARCH, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS



INVOICE

Invoice # 493922
 Date: 03/08/2021
 Due On: 04/07/2021

100 King Street West, Suite 5600
 Toronto, ON
 M5X 1C9
 T: 416.613.8280
 F: 416.613.8290

MNP Ltd.
 MNP Ltd., 111 Richmond Street West, Suite 300
 Toronto, ON M5H 2G4

00112-MNP Ltd.

NOI Proceeding of 33 Laird

Date	Description	Hours	Rate	Total	LP
02/03/2021	Review and comment on listing agreement; communications with MNP regarding same.	0.40	\$600.00	\$240.00	SK
02/04/2021	Call from Matt Lem regarding listing agreement; correspondence with B. Bissell regarding same.	0.20	\$600.00	\$120.00	SK
02/05/2021	Call with M. Lem regarding motion for listing approval and update on status of matter; review and provide comments on affidavit.	1.20	\$600.00	\$720.00	SK
02/07/2021	Email to debtor's counsel regarding calculation of time for extension; review and comment on Monitor's report; email to M. Lem regarding same.	1.00	\$600.00	\$600.00	SK
02/09/2021	Review motion materials; comments on Proposal Trustee's report; discussion with S. Title and M. Lem regarding upcoming motion; review and comment on APA; email to B. Bissel regarding APA; finalizing and serving report.	3.50	\$600.00	\$2,100.00	SK
02/10/2021	Preparation for motion; attendance at motion; call with S. Title regarding next steps.	1.90	\$600.00	\$1,140.00	SK
02/25/2021	Call with B. Bissell and S. Title regarding DUCA application for receivership.	0.50	\$600.00	\$300.00	SK

Quantity Subtotal 8.7

Time Keeper	Hours	Rate	Total
Sharon Kour	8.7	\$600.00	\$5,220.00

Quantity Total	8.7
Subtotal	\$5,220.00
Tax (13.0%)	\$678.60
Total	\$5,898.60

Detailed Statement of Account

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
493922	04/07/2021	\$5,898.60	\$0.00	\$5,898.60
Outstanding Balance				\$5,898.60
Total Amount Outstanding				\$5,898.60

Please make all amounts payable to: Weisz Fell Kour LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

Remittance Advice

Wire Transfer Information

Bank Name/Address: Royal Bank of Canada
Main Branch - Toronto
Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2J5

Account Number: 1570431
Transit Number: 00002
Bank Number: 003

Name/Account #: Weisz Fell Kour LLP

SWIFT: ROYCCAT2

Payment by e-transfer: trust@wfklaw.ca

Payment by Credit Card: 3% surcharge added to all Credit Card payments. Please call 416.613.8280 to make a payment.

Please include the invoice number 493922 as an additional reference so we may accurately identify and apply your payment.
Please provide adequate payment to cover the wire fees assessed by your financial institution.

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF CONNIE DENG SWORN BEFORE ME,
THIS 23RD DAY OF MARCH, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

Summary of Timekeepers		
Legal Professional	Year of Call	Hourly Rate
Sharon Kour, Partner	2010	\$600.00

Billing Summary		
December 2, 2020 – January 29, 2021		
	Total Hours for Sharon Kour:	8.7
	Total Professional Fees for Sharon Kour:	\$5220.00
	Total Hours:	8.7
	Average Hourly Rate:	\$600.00
	Total Professional Fees	\$5220.00
	Disbursements	\$0
	Subtotal	\$5220.00
	HST	\$678.66
	TOTAL	\$5898.60

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 33 LAIRD INC. A CORPORATION INCORPORATED
UNDER THE ONTARIO BUSINESS CORPORATIONS ACT**

Estate File Number: 31-2693094
Court File No.: 31-2693094

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF CONNIE DENG

WEISZ FELL KOUR LLP
100 King Street West,
Suite 5600
Toronto, ON M5X 1C9

Sharon Kour
LSO No. 58328D
skour@wfklaw.ca
Tel: 416.613.8283

Fax: 416.613.8290

**Lawyers for the Proposal Trustee,
MNP LTD**

COURT NO.: 31-2693094
ESTATE NO.: 31-2693094

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC. AND 33 LAIRD GP INC., CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*, AND 33 LAIRD LIMITED PARTNERSHIP, A LIMITED PARTNERSHIP FORMED UNDER THE ONTARIO *LIMITED PARTNERSHIPS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**THIRD REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS
CAPACITY AS PROPOSAL TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND
33 LAIRD LIMITED PARTNERSHIP**

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

Matthew Lem
Tel: (416) 515-3882
Fax: (416) 323-5242
Email: matthew.lem@mnp.ca

Appendix “D”

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

THE HONOURABLE
JUSTICE CAVANAGH

)
)
)
)

FRIDAY, THE 26th

DAY OF MARCH, 2021

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

ORDER

THIS MOTION made by Maxxwel & Co. Inc. (Maxxwel”), on consent, for an Order granting leave, *nunc pro tunc*, to lift the stay of proceedings with respect to 33 Laird Inc. imposed by the Certificate of Filing of a Notice of Intention to Make a Proposal dated November 28, 2020, for the purposes of permitting Maxxwel to issue its Statement of Claim in Ontario Superior Court of Justice action bearing Court File No. CV-20-00652847-0000, with respect to its construction lien and to serve the Statement of Claim, and thereafter stay the lien action pending further Order of this Court, and to validate service of the

Statement of Claim of the lien action on counsel for 33 Laird Inc. by providing counsel for 33 Laird Inc. with a copy of the Statement of Claim by email, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Consent of the parties, filed;

THIS COURT ORDERS that leave is hereby granted, *nunc pro tunc*, to lift the stay of proceedings with respect to 33 Laird Inc. imposed by the Certificate of Filing of a Notice of Intention to Make a Proposal dated November 28, 2020, for the purposes of permitting Maxxwel & Co. Inc. to commence its lien action to enforce its construction lien, in Ontario Superior Court of Justice action bearing Court File No. CV-20-00652847-0000, and to serve the Statement of Claim, and thereafter the aforesaid lien action is stayed as against 33 Laird Inc. pending further Order of this Court.

THIS COURT ORDERS that the service of the Statement of Claim, bearing Court File No. CV-20-00652847-0000, on 33 Laird Inc. is hereby validated and effective by providing to counsel for 33 Laird Inc., R. Brendan Bissell, of Goldman Sloan Nash & Haber LLP, a copy of the Statement of Claim by email.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

ORDER

MARGIE STRUB CONSTRUCTION LAW LLP
21 St Clair Ave E, Suite 1000
Toronto, ON M4T 1L9

JOHN MARGIE LSO No.: 36801D

Tel: 289.778.0972

Fax: 855.940.4101

Email: jmargie@margiestrub.com

Lawyers for the Lien Claimant Maxxwel & Co. Inc.

COURT NO.: 31-2693094
ESTATE NO.: 31-2693094

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC. AND 33 LAIRD GP INC., CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*, AND 33 LAIRD LIMITED PARTNERSHIP, A LIMITED PARTNERSHIP FORMED UNDER THE ONTARIO *LIMITED PARTNERSHIPS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

FOURTH REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER
THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
33 LAIRD INC., 33 LAIRD GP INC. AND
33 LAIRD LIMITED PARTNERSHIP

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

Matthew Lem
Tel: (416) 515-3882
Fax: (416) 323-5242
Email: Matthew.Lem@mnp.ca

"APPENDIX F"

33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP
Statement of Revised Projected Cash Flows
For the projected period May 30, 2021 to July 17, 2021

7 day period ending:	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Week 28	Week 29	Week 30	Week 31	Week 31	Week 31
	1-May-21	8-May-21	15-May-21	22-May-21	29-May-21	5-Jun-21	12-Jun-21	19-Jun-21	26-Jun-21	3-Jul-21	10-Jul-21	17-Jul-21
	(actual)	(actual)	(actual)	(actual)	(actual)	(projected)	(projected)	(projected)	(projected)	(projected)	(projected)	(projected)
Opening Cash Balance	\$ 75,333	\$ 22,120	\$ 80,053	\$ 24,278	\$ 23,948	\$ 23,948	\$ 1,000	\$ -	\$ 6,240	\$ 5,144	\$ 1,000	\$ 1,000
Receipts												
DIP Loan Advances	-	58,000	-	-	-	25,490	-	-	-	32,521	-	-
HST Refunds	-	-	13,638	-	-	-	-	7,240	-	-	-	-
Other Receipts	-	34	-	-	-	-	-	-	-	-	-	-
Total Receipts	-	58,034	13,638	-	-	25,490	-	7,240	-	32,521	-	-
Disbursements												
Banking and Financing Fees	-	23	-	69	-	50	-	-	-	50	-	-
Insurance - Property, Liability, Construction	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	37	618	-	-	96	-	-	96	-	-	-
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-
Security and Safety	1,345	-	4,746	-	-	3,978	-	-	-	3,978	-	-
Storage Costs - Construction Materials	-	-	-	-	-	3,390	-	-	-	3,390	-	-
Restructuring Professional Fees - Company Counsel	-	-	58,150	-	-	-	-	-	-	-	-	-
Restructuring Professional Fees - Trustee and its Counsel	16,868	-	5,899	-	-	29,247	-	-	-	29,247	-	-
Reimbursement of Partner for Professional Fee Retainers	35,000	-	-	-	-	-	-	-	-	-	-	-
Other Professional Fees	-	-	-	-	-	10,677	-	-	-	-	-	-
Contingency	-	41	-	261	-	1,000	1,000	1,000	1,000	-	-	-
Total Disbursements	53,213	101	69,413	330	-	48,438	1,000	1,000	1,096	36,665	-	-
Receipts over Disbursements	(53,213)	57,933	(55,775)	(330)	-	(22,948)	(1,000)	6,240	(1,096)	(4,144)	-	-
Closing Cash Balance	\$ 22,120	\$ 80,053	\$ 24,278	\$ 23,948	\$ 23,948	\$ 1,000	\$ -	\$ 6,240	\$ 5,144	\$ 1,000	\$ 1,000	\$ 1,000

The Statement of Projected Cash Flows includes the Hypothetical and/or Probable Assumptions attached to this projected cash flow. This statement of projected cash flow should be read in conjunction with The Notes and Assumptions to the Statement of Projected Cash Flows attached.

This statement of projected cash flow is prepared by the debtors in accordance with s. 50.4(2)(a) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report.

MNP LTD., Trustee acting *in re* the Proposal of
33 Laird Inc., 33 Laird GP Inc. and 33 Laird
Limited Partnership

33 LAIRD INC.

33 LAIRD GP INC.

33 LAIRD LIMITED PARTNERSHIP

Per: 
Matthew Lem, Licensed Insolvency Trustee

Per: 
Jason Birnboim

Per: 
Jason Birnboim

Per: 
Jason Birnboim

Dated: May 28, 2021

33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP
The Notes and Assumptions to the Statement of Revised Projected Cash Flows
For the projected period May 30, 2021 to July 17, 2021

A summary of the hypothetical and/or probable assumptions to the Statement of Projected Cash Flows are as follows:

- The 33 Laird Group lodged a proposal with the Proposal Trustee on May 28, 2021, and will be seeking Court approval to complete a transaction for the property that has resulted from the Sale Process previously commenced. The projections do not reflected the impact of the contemplated sale transaction for the property, which is scheduled to be heard by the Court for approval on June 7, 2021, with closing expected to occur eleven (11) business days following the Court issuing an Approval and Vesting Order or such date as mutually agreed between the parties.
- The debtor in possession (DIP) loan to fund the operating shortfalls incurred in these proceedings. The DIP loan is subordinate to the security interests held by the secured creditors, DUCA Financial Services Credit Union Ltd. and Centurion Mortgage Capital Corporation.
- The collection of HST refunds are based on management's best estimates and historical collection trends.
- The insurance has previously been paid in full with coverage extending to June 5, 2021. Management is in in the process of extending coverage, but at the time of the preparation of these projections the insurance premium cost was not know or could be estimated.
- No municipal property tax payments are contemplated to be made until the contemplated sale transaction is completed, if necessary. It is expected that the 2019 property tax abatement refund granted will offset against the outstanding property taxes due and/or payable.
- The disbursements are based on management's best estimates and historical purchase/payment trends. These disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended.
- Any post filing disbursements not reflected as being paid in this projection are assumed to be paid out of the net proceeds of from the contemplated sale transaction for the property, and as such are not reflected in this projection.
- The 33 Laird Group's lenders, DUCA Financial Services Credit Union Ltd. and Centurion Mortgage Capital Corporation, will defer all principal and interest payments pending the outcome of the contemplated sale process.
- The restructuring professional fees are based on estimates provided by the respective professionals to management assuming a public sale and marketing process while also concurrently seeking refinancing options during the NOI proceeding. The restructuring professional fees are contemplated to be funds through the DIP loan noted above. The Company's counsel has agreed to defer and receive payment of its outstanding restructuring professional fees (~\$58,000) out of the net proceeds from the contemplated sale transaction for the property. The restructuring professionals also hold retainers which in aggregate, total \$35,000, to be applied against the outstanding fees on the conclusion of these proceedings, with any surplus to be returned to the Company or as directed , as appropriate.
- Pursuant to Section 69(1) of the *Bankruptcy and Insolvency Act* , all creditor's claims are subject to a stay of proceedings.

"APPENDIX G"

Estate No.: 31-2693094

Court No.: 31-2693094

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
33 LAIRD GP INC., CORPORATIONS
INCORPORATED UNDER THE ONTARIO
BUSINESS CORPORATIONS ACT, AND 33 LAIRD
LIMITED PARTNERSHIP, A LIMITED
PARTNERSHIP FORMED UNDER THE ONTARIO
*LIMITED PARTNERSHIPS ACT***

**AFFIDAVIT OF SHELDON TITLE
(Sworn June 8th, 2021)**

I, Sheldon Title, of the City of Richmond Hill, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd. ("**MNP**") the proposal trustee (the "**Proposal Trustee**") in each of the Notice of Intention to Make a Proposal ("**NOI**") proceedings filed by 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (collectively, the "**Companies**") and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. On November 28, 2020, each of the Companies filed a NOI and MNP was appointed as proposal trustee in the NOI proceedings.

3. The Proposal Trustee has prepared Statements of Account in connection with its appointment as proposal trustee of the Companies detailing its services rendered and disbursements incurred for the period February 28, 2021 to May 29, 2021. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a summary of the Statements of Account. The average hourly rate in respect of the accounts is \$524.56.


4. Attached hereto and marked as **Exhibit "B"** are copies of the Statements of Account.

5. The particulars of the professionals who performed the work, the time spent, and fees associated with such work are contained in the attached Statement of Account.

6. I hereby confirm that the information detailed herein and attached accurately reflects the services provided by the Proposal Trustee in this proceeding and the fees and disbursements claimed by it.

7. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and an interim taxation of the Proposal Trustee's accounts and for no other or improper purpose.

SWORN before me via videoconference)
 From the Town of Richmond Hill to the)
 Town of Erin, this 8th day of June 2021.)
)



SHELDON TITLE



 A Commissioner, etc.

Matthew Eric Lem, a Commissioner, etc.,
 Province of Ontario, for MNP Ltd. and MNP LLP.
 Expires February 21, 2023.

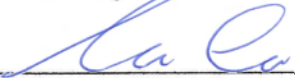
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me

This 8th day of June 2021



Commissioner for taking Affidavits, etc

Estate No.: 31-2693094

Court No.: 31-2693094

ONTARIO
 SUPERIOR COURT OF JUSTICE
 (COMMERCIAL LIST)
 (IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE NOTICES OF INTENTION
 TO MAKE A PROPOSAL OF 33 LAIRD INC. AND
 33 LAIRD GP INC., CORPORATIONS
 INCORPORATED UNDER THE ONTARIO
 BUSINESS CORPORATIONS ACT, AND 33 LAIRD
 LIMITED PARTNERSHIP, A LIMITED
 PARTNERSHIP FORMED UNDER THE ONTARIO
 LIMITED PARTNERSHIPS ACT

SUMMARY OF STATEMENTS OF ACCOUNT

Invoice Date	Invoice Number	Invoice Period	Hours	Amount	HST	Total
07 June 2021	9889214	February 28, 2021 to May 29, 2021	58.8	\$ 30,844.40	\$ 4,009.77	\$ 34,854.17
TOTAL			58.8	\$ 30,844.40	\$ 4,009.77	\$ 34,854.17

Average Hourly Rate \$ 524.56

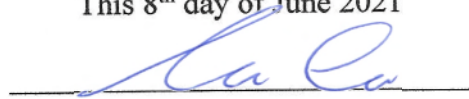
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me

This 8th day of June 2021



Commissioner for taking Affidavits, etc



Invoice

Invoice Number : 9889214

Client Number : 0846991

Invoice Date : Jun 7 2021

Invoice Terms : Due Upon Receipt

33 Laird Inc., 33 Laird GP Inc. & 33 Laird Limited Partnership
2323 Yonge Street, Suite 605
Toronto ON M4P 2C9

For Professional Services Rendered :

For the period from 28 February 2021 to 29 May 2021, in connection with us acting as Licensed Insolvency Trustee in the Notices of Intention to Make a Proposal/Proposals of 33 Laird Inc., 33 Laird GP Inc. and 33 Laird Limited Partnership (detailed time description attached)

OUR FEE in all	33,301.40
LESS: Rate Adjustment Allowance	-2,457.00
Sub Total :	30,844.40
Harmonized Sales Tax :	4,009.77
Total (CAD) :	34,854.17

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300; ' + CHR(13) + 'TORONTO
ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
02-Mar-2021	Sheldon Title	.20	Emails to/from E. Medoff of JLL on launching of sale process and review of final investment document.
08-Mar-2021	Sheldon Title	.40	Call with T. Gertner re: his acting for Kartik and claim from DUCA under personal guarantee and discussion on status of sale process. Receipt of bill from WFK and forward same to M. Lem.
09-Mar-2021	Matthew Lem	.10	Attend to correspondence
13-Mar-2021	Sheldon Title	.10	Email from B. Bissell on lien claimant's request for lift stay. Review of consent order and email to S. Kour on same.
15-Mar-2021	Matthew Lem	2.10	Attend to third report to Court. Review of marketing update.
15-Mar-2021	Sheldon Title	.20	Call with B. Bissell on progress/timing of materials, call with Lem on report. Email from JLL on reporting letter.
16-Mar-2021	Matthew Lem	.30	Attend to preparation of third report to Court.
18-Mar-2021	Matthew Lem	.50	Preparation of third report to Court.
18-Mar-2021	Sheldon Title	.40	Review of affidavit. Emails to S. Kour. Copy to M. Lem, on comments on same.
19-Mar-2021	Matthew Lem	.60	Review of monitoring and reconcile.
19-Mar-2021	Sheldon Title	.30	Video call with S. Kour on affidavit of extension
21-Mar-2021	Matthew Lem	3.60	Preparation of third report. Email to Beaux Properties re projected disbursements.
22-Mar-2021	Matthew Lem	1.00	Review and adjust third report to court following comments from S. Title. Forward to S. Kour. Review comments from S. Kour and correspondence with S. Title re same. Forward draft report to B. Bissell.
22-Mar-2021	Sheldon Title	.60	Review of third report, email to M. Lem comments. Review of S. Kour's emails
22-Mar-2021	Trina Burningham	.50	Update Case website.
23-Mar-2021	Matthew Lem	1.90	Follow-up on with Beaux Properties re expenses. Review of correspondence re same. Review of correspondence from B. Bissell re report. Discussion with S. Title re report. Attend to finalize report and affidavit. Forward to WFK for service.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
23-Mar-2021	Sheldon Title	.20	Review of JLL marketing letter and forward to S. Kour with comments/questions
24-Mar-2021	Matthew Lem	.10	Review JLL marketing update and discussion with S. Title re same.
24-Mar-2021	Sheldon Title	.60	Call with S. Kour/ B. Bissell on JLL sale process reporting. Follow up call with B. Bissell on same
24-Mar-2021	Trina Burningham	.25	Update Case website.
26-Mar-2021	Sheldon Title	.20	Attendance at court on extension hearing
28-Mar-2021	Sheldon Title	.10	Email follow up to B. Bissell
29-Mar-2021	Sheldon Title	.20	Email with B. Bissell on JLL's revised reporting
29-Mar-2021	Trina Burningham	.50	Update Case website.
02-Apr-2021	Sheldon Title	.20	Emails to/from B. Bissell and review of update report
05-Apr-2021	Sheldon Title	1.10	Conference call with JLL/B. Bissell/K. Ganatra, J. Birnboim, and B. Godfrey on status of sale process
06-Apr-2021	Sheldon Title	.20	Emails to/from B. Bissell on DUCA's position vis-a-vis extension of sale process/revision to MLS pricing
07-Apr-2021	Matthew Lem	.30	Discussion with C. Prophet re prospective purchaser. Email to JLL and GSNH re same.
07-Apr-2021	Sheldon Title	.10	Email from/to Godfrey re: request for revised creditors listing in view of PP's comment
10-Apr-2021	Sheldon Title	.20	Review of JLL report and email to S. Kour on concerns
11-Apr-2021	Sheldon Title	.70	Calls with B. Bissell on JLL reporting/potential extension and need for more info. Review of bid procedures/sale order.
12-Apr-2021	Sheldon Title	.40	Calls with S. Kour. Exchange/review of B. Bissell email forwarding JLL's comments.
15-Apr-2021	Matthew Lem	.20	Review correspondence on issue.
15-Apr-2021	Sheldon Title	2.20	Review of revised reporting letter. Email to E. Medoff re: the revision, brief call with B. Bissell. Conference call with JLL/33 Laird team/S. Kour. Call from B. Godfrey. Emails/call with S. Kour/B. Godfrey. Review of receivership application record
19-Apr-2021	Sheldon Title	.30	Emails/call with B. Bissell on Perlane request. Email from Godfrey. Email to S. Kour
21-Apr-2021	Matthew Lem	.10	Discussion with S. Title offer and offer review call.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
21-Apr-2021	Sheldon Title	.70	Call with S. Kour on B. Godfrey email, email to B. Godfrey. Call with B. Godfrey after sending of email. Call with B. Bissell on offers. Emails and calls with M. Lem on same.
22-Apr-2021	Matthew Lem	1.80	Review of bid summary and other documents provided by JLL. Call with partners, GSNH and JLL re second bid review. Discussion with S. Title re same. Review of correspondence from JLL and GSNH. Discussion with S. Title re proposal deal and terms. Email to GSNH re additional APS issues.
22-Apr-2021	Sheldon Title	1.00	Participate in conference call with 233 Laird parties. Call with B. Bissell afterwards
23-Apr-2021	Matthew Lem	.10	Review of correspondence received from the partners and counsel re second round bids.
26-Apr-2021	Sheldon Title	.30	Emails exchanged with B. Godfrey on next steps, corporate profile/CRA. Emails from B. Bissell/ E. Medoff on C. Prophet's comments
28-Apr-2021	Patricia Ball	.10	Attend to March 2021 bank reconciliation.
28-Apr-2021	Sheldon Title	.20	Call and email to B. Bissell to determine approach/strategy on upcoming extension. Call with B. Bissell
30-Apr-2021	Matthew Lem	.10	Attend to payment received
01-May-2021	Sheldon Title	.20	Emails from B. Bissell, call with B. Bissell to discuss timing/status of current offer being considered by 33 Laird Group.
03-May-2021	Matthew Lem	.20	Review of correspondence. Discussion with S. Title re same.
03-May-2021	Sheldon Title	.10	Email exchange with B. Bissell on status re: Laird transaction/extension.
04-May-2021	Matthew Lem	.10	Review of correspondence on contemplated sale transaction.
04-May-2021	Sheldon Title	.20	Receipt of email from B. Bissell on revised offer/review of offer.
05-May-2021	Matthew Lem	.10	Update discussion with S. Title;
05-May-2021	Sheldon Title	.80	Emails/call with S. Kour on XYZ transaction. Call with S. Kour/ B. Bissell on extension/transaction/expiry of NOI period, call with M. Lem on same

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
06-May-2021	Matthew Lem	3.80	Correspondence with R. Breda re actual results reporting re view of cash flow monitor from R. Breda. Email to R. Breda re same. Preparation of report to court;
07-May-2021	Matthew Lem	2.60	Review of information and correspondence received from R. Breda re cash flows. Response email for additional information. Discussion with S. Title re same. Review of motion material filed by the Companies. Update draft fourth report to court.
08-May-2021	Matthew Lem	1.00	Discussion with S. Title re report. Attend to finalize draft fourth report and forward same to WFK. Forward motion materials for posting.
08-May-2021	Sheldon Title	1.20	Review of fourth report, NOM/draft order/affidavit+call with M. Lem on report
10-May-2021	Matthew Lem	.80	Follow-up with S. Kour re report and draft order. Follow-up on storage and moving costs. Review of correspondence re same. Finalize report and send to S. Kour for Service. Review of correspondence received.
10-May-2021	Trina Burningham	.50	Attend to update Case website.
11-May-2021	Trina Burningham	.25	Attend to update Case website.
12-May-2021	Matthew Lem	.10	Update discussion from S. Kour re Court motion;
12-May-2021	Sheldon Title	.50	Call with S. Kour after hearing/next steps. Call with B. Bissell on court/next steps.
14-May-2021	Sheldon Title	.20	Email to F. Khalfan re updates to Case website. Call from counsel to Davina Swim and email to B. Bissell on deposit.
17-May-2021	Sheldon Title	.70	Call with B. Bissell/S. Kour on proposal/sale. Call with M. Lem afterwards. Arrange follow up call.
18-May-2021	Matthew Lem	1.00	Preparation of revised cash flow projections. Email to R. Breda re information on actual figures.
18-May-2021	Patricia Ball	.10	Attend to April 2021 bank reconciliation
19-May-2021	Matthew Lem	1.60	Review of information received from R. Breda. Update revised cash flow projections.
20-May-2021	Matthew Lem	1.30	Review correspondence from R. Breda. Update cash flow projections. Discussion with R. Breda. Forward projections to the partners.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
21-May-2021	Matthew Lem	.10	Correspondence with J. Birnboim re revised cash flow projections and property tax situation.
21-May-2021	Sheldon Title	.50	Call with S. Kour/ B. B. Bissell on status of proposal, transaction.
25-May-2021	Matthew Lem	1.40	Preparation of SOA.
26-May-2021	Matthew Lem	1.00	Review draft SOA and forward to S. Title for input. Discussion re same. Adjust SOA and forward to companies for review.
26-May-2021	Sheldon Title	.30	Call with M. Lem. Review of statement of affairs and comment/mark-up draft and return to M. Lem
27-May-2021	Matthew Lem	2.30	Update discussion with S. Title re call with GSNH and WFK. Discussion with R. Breda re information for SOA. Update SOA. Forward to partners for review with comments on changes. Correspondence with B. Godfrey.
27-May-2021	Sheldon Title	1.10	Call with S. Kour/ B. Bissell on status of proposal/June 10th court date. Review of proposal, call with B. Bissell on procedural consolidation, call with M. Lem on SOA/procedural consolidation
28-May-2021	Fatemah Khalfan	1.00	Assemble of executed Proposal documents for each of the 3 entities and Efile same with the OSB.
28-May-2021	Matthew Lem	7.60	Discussions with F. Khalfan re SOA duplication in Ascend. Discussion with B. Godfrey re deposits. Review and adjust SOA x3. Correspondence with GSNH re same. Various update discussions with S, Title. Update/extend and finalize statement of projected cash flows, assumptions, and reports. Discussions with R. Breda re same. Call to P. Perschnii re insurance. Forward same to J. Birnboim for execution. Forward SOAs to J. Birnboim for review. Attend to commissioning of SOA. Coordination with F. Khalfan re efilings of proposal and other documents. Update email on completion of filing.
28-May-2021	Sheldon Title	.90	Review of revised proposal/email to B. Bissell. Email to M. Lem. Call with S. Kour. Review of further revised proposal

SUMMARY OF TIME CHARGES

Professional	Average Hourly Rate	Hours	Amount
Sheldon Title, Partner and Senior Vice President	\$ 645.00	17.80	\$ 11,481.00
Matthew Lem, Partner and Senior Vice President	\$ 565.00	37.80	\$ 21,357.00
Patricia Ball, Senior Estate Administrator	\$ 172.00	.20	\$ 34.40
Fatemah Khalfan, Estate Administrator	\$ 143.00	1.00	\$ 143.00
Trina Burningham, Estate Administrator	\$ 143.00	2.00	286.00
TOTAL		58.80	\$ 33,301.40

"APPENDIX H"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 33 LAIRD INC. A CORPORATION INCORPORATED
UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT***

AFFIDAVIT OF LEVI RIVERS

I, Levi Rivers, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Legal Assistant with the law firm Weisz Fell Kour LLP (“WFK”) and, as such, I have knowledge of the following matters. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
2. On November 28, 2020, MNP Ltd. (“MNP”) was appointed as the Proposal Trustee in the Notice of Intention to Make a Proposal of 33 Laird GP Inc. (the “**Proposal Trustee**”).
3. The Proposal Trustee retained WFK to advise with regard to matters related to MNP’s appointment and the performance of its duties and powers.
4. WFK’s fees and disbursements for the period of March 19, 2021 to May 31, 2021 are summarized in the invoices rendered to the Proposal Trustee (the “**Invoices**”).

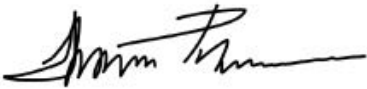
5. The Invoices are a fair and accurate description of the services provided, the disbursements incurred, and the amounts charged by WFK, and are based on its standard rates and charges.

6. The Invoices contain information and advice over which lawyer and client privilege is asserted. As a result, redacted copies of the Invoices are attached hereto and marked as **Exhibit “A”**. Copies of the complete Invoices have been provided to the Proposal Trustee and I am advised by the Proposal Trustee that they have been reviewed and the Proposal Trustee considers the fees and disbursements fair and reasonable.

7. Attached hereto and marked as **Exhibit “B”** is a summary of the timekeepers whose services are reflected on the Invoices, including year of call and hourly rate, and the total fees and hours billed. The Billing Summary indicates an average hourly rate of \$600.

8. The total amount being claimed for the work performed by WFK for the period of March 19, 2021 to May 31, 2021, for which approval is being sought at this court is \$9,720 exclusive of HST.

9. This affidavit is sworn in support of the motion for approval of its fees and disbursements, as well as those of its legal representatives, and for no other improper purpose.

SWORN BEFORE ME by *video*)
conference at the City of Toronto, in the)
Province of Ontario, this 8th day of June)
2021.)
)
_____)
A Commissioner for taking Affidavits.)

)
_____)
LEVI RIVERS

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF LEVI RIVERS SWORN BEFORE ME,
THIS 8TH DAY OF JUNE, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS



INVOICE

Invoice # 493977
 Date: 04/07/2021
 Due On: 05/07/2021

200 Bay Street, Suite 2305, P.O. Box 120
 Toronto, ON
 M5J 2J3
 T: 416.613.8280
 F: 416.613.8290

MNP Ltd.
 MNP Ltd., 111 Richmond Street West, Suite 300
 Toronto, ON M5H 2G4

00112-MNP Ltd.

NOI Proceeding of 33 Laird

Date	Description	Hours	Rate	Total	LP
03/19/2021	[REDACTED]	1.00	\$600.00	\$600.00	SK
03/22/2021	[REDACTED]	1.00	\$600.00	\$600.00	SK
03/23/2021	[REDACTED]	0.50	\$600.00	\$300.00	SK
03/26/2021	[REDACTED]	0.10	\$600.00	\$60.00	SK
03/28/2021	[REDACTED]	0.10	\$600.00	\$60.00	SK
Quantity Subtotal					2.7

Time Keeper	Hours	Rate	Total
Sharon Kour	2.7	\$600.00	\$1,620.00
Quantity Total			2.7
Subtotal			\$1,620.00
Tax (13.0%)			\$210.60
Total			\$1,830.60

Detailed Statement of Account

Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
494059	06/05/2021	\$3,390.00	\$0.00	\$3,390.00

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
493977	05/07/2021	\$1,830.60	\$0.00	\$1,830.60
Outstanding Balance				\$5,220.60
Total Amount Outstanding				\$5,220.60

Please make all amounts payable to: Weisz Fell Kour LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

Remittance Advice

Wire Transfer Information

Bank Name/Address: Royal Bank of Canada
Main Branch - Toronto
Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2J5

Account Number: 1570431
Transit Number: 00002
Bank Number: 003

Name/Account #: Weisz Fell Kour LLP

SWIFT: ROYCCAT2

Payment by e-transfer: trust@wfklaw.ca

Payment by Credit Card: 3% surcharge added to all Credit Card payments. Please call 416.613.8280 to make a payment.

Please include the invoice number 493977 as an additional reference so we may accurately identify and apply your payment.
Please provide adequate payment to cover the wire fees assessed by your financial institution.



INVOICE

Invoice # 494059
 Date: 05/06/2021
 Due On: 06/05/2021

200 Bay Street, Suite 2305, P.O. Box 120
 Toronto, ON
 M5J 2J3
 T: 416.613.8280
 F: 416.613.8290

MNP Ltd.
 MNP Ltd., 111 Richmond Street West, Suite 300
 Toronto, ON M5H 2G4

00112-MNP Ltd.

NOI Proceeding of 33 Laird

Date	Description	Hours	Rate	Total	LP
04/05/2021	[REDACTED]	0.50	\$600.00	\$300.00	SK
04/08/2021	[REDACTED]	0.50	\$600.00	\$300.00	SK
04/12/2021	[REDACTED]	0.80	\$600.00	\$480.00	SK
04/14/2021	[REDACTED]	0.50	\$600.00	\$300.00	SK
04/15/2021	[REDACTED]	2.20	\$600.00	\$1,320.00	SK
04/16/2021	[REDACTED]	0.20	\$600.00	\$120.00	SK
04/22/2021	[REDACTED]	0.30	\$600.00	\$180.00	SK
Quantity Subtotal					5.0

Time Keeper	Hours	Rate	Total
Sharon Kour	5.0	\$600.00	\$3,000.00
Quantity Total			5.0

Subtotal	\$3,000.00
Tax (13.0%)	\$390.00
Total	\$3,390.00

Detailed Statement of Account

Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
493977	05/07/2021	\$1,830.60	\$0.00	\$1,830.60

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
494059	06/05/2021	\$3,390.00	\$0.00	\$3,390.00

Outstanding Balance	\$5,220.60
Total Amount Outstanding	\$5,220.60

Please make all amounts payable to: Weisz Fell Kour LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

Remittance Advice

Wire Transfer Information

Bank Name/Address: Royal Bank of Canada
Main Branch - Toronto
Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2J5

Account Number: 1570431
Transit Number: 00002
Bank Number: 003

Name/Account #: Weisz Fell Kour LLP

SWIFT: ROYCCAT2

Payment by e-transfer: trust@wfkllaw.ca

Payment by Credit Card: 3% surcharge added to all Credit Card payments. Please call 416.613.8280 to make a payment.

Please include the invoice number 494059 as an additional reference so we may accurately identify and apply your payment.
Please provide adequate payment to cover the wire fees assessed by your financial institution.



INVOICE

Invoice # 494119
Date: 06/07/2021
Due On: 07/07/2021

200 Bay Street, Suite 2305, P.O. Box 120
Toronto, ON
M5J 2J3
T: 416.613.8280
F: 416.613.8290

MNP Ltd.
MNP Ltd., 111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

00112-MNP Ltd.

NOI Proceeding of 33 Laird

Date	Description	Hours	Rate	Total	LP
05/03/2021	[REDACTED]	0.80	\$600.00	\$480.00	SK
05/04/2021	[REDACTED]	0.30	\$600.00	\$180.00	SK
05/05/2021	[REDACTED]	1.00	\$600.00	\$600.00	SK
05/06/2021	[REDACTED]	0.10	\$600.00	\$60.00	SK
05/10/2021	[REDACTED]	1.10	\$600.00	\$660.00	SK
05/11/2021	[REDACTED]	0.20	\$600.00	\$120.00	SK
05/12/2021	[REDACTED]	1.10	\$600.00	\$660.00	SK
05/13/2021	[REDACTED]	0.20	\$600.00	\$120.00	SK
05/17/2021	[REDACTED]	0.50	\$600.00	\$300.00	SK
05/17/2021	[REDACTED]	0.10	\$600.00	\$60.00	SK
05/27/2021	[REDACTED]	0.80	\$600.00	\$480.00	SK
05/28/2021	[REDACTED]	1.70	\$600.00	\$1,020.00	SK
05/31/2021	[REDACTED]	0.60	\$600.00	\$360.00	SK

Quantity Subtotal 8.5

Time Keeper	Hours	Rate	Total
Sharon Kour	8.5	\$600.00	\$5,100.00
Quantity Total			8.5
Subtotal			\$5,100.00
Tax (13.0%)			\$663.00
Total			\$5,763.00

Detailed Statement of Account

Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
493977	05/07/2021	\$1,830.60	\$0.00	\$1,830.60
494059	06/05/2021	\$3,390.00	\$0.00	\$3,390.00

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
494119	07/07/2021	\$5,763.00	\$0.00	\$5,763.00
			Outstanding Balance	\$10,983.60
			Total Amount Outstanding	\$10,983.60

Please make all amounts payable to: Weisz Fell Kour LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

Remittance Advice

Wire Transfer Information

Bank Name/Address: Royal Bank of Canada
Main Branch - Toronto
Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2J5

Account Number: 1570431
Transit Number: 00002
Bank Number: 003

Name/Account #: Weisz Fell Kour LLP

SWIFT: ROYCCAT2

Payment by e-transfer: trust@wfkllaw.ca

Payment by Credit Card: 3% surcharge added to all Credit Card payments. Please call 416.613.8280 to make a payment.

Please include the invoice number 494119 as an additional reference so we may accurately identify and apply your payment.
Please provide adequate payment to cover the wire fees assessed by your financial institution.

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF LEVI RIVERS SWORN BEFORE ME,
THIS 8TH DAY OF JUNE, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

Summary of Timekeepers		
Legal Professional	Year of Call	Hourly Rate
Sharon Kour, Partner	2010	\$600.00

Billing Summary		
March 19, 2021 – May 31, 2021		
	Total Hours for Sharon Kour:	16.2
	Total Professional Fees for Sharon Kour:	\$9,720
	Total Hours:	16.2
	Average Hourly Rate:	\$600.00
	Total Professional Fees	\$9,720
	Disbursements	\$0
	Subtotal	\$9,720
	HST	\$1,263.60
	TOTAL	\$10,983.60

**IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF 33 LAIRD
INC. A CORPORATION INCORPORATED UNDER
THE *ONTARIO BUSINESS CORPORATIONS ACT***

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

Proceedings commenced at Toronto

AFFIDAVIT OF LEVI RIVERS

WEISZ FELL KOUR LLP

Royal Bank Plaza, South Tower
200 Bay Street
Suite 2305, P.O. Box 120
Toronto, ON M5J 2J3

Sharon Kour LSO No. 58328D
skour@wfkllaw.ca
Tel: 416.613.8283

Fax: 416.613.8290

**Lawyers for the Proposal Trustee,
MNP LTD.**

COURT NO.: 31-2693094
ESTATE NO.: 31-2693094

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC. AND 33 LAIRD GP INC., CORPORATIONS INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT*, AND 33 LAIRD LIMITED PARTNERSHIP, A LIMITED PARTNERSHIP FORMED UNDER THE ONTARIO *LIMITED PARTNERSHIPS ACT*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

FIFTH REPORT TO THE COURT SUBMITTED BY MNP LTD., IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 33 LAIRD INC., 33 LAIRD GP INC. AND 33 LAIRD LIMITED PARTNERSHIP

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