

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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- 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.

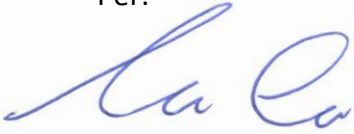
XIII. CONCLUSION AND RECOMMENDATION

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**

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

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.



SHELDON TITLE

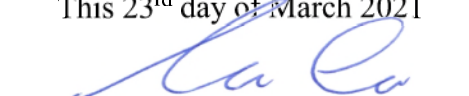
Attached is Exhibit "A"

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

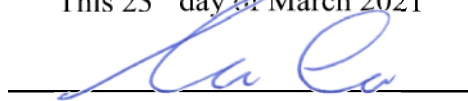
Attached is Exhibit "B"

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 :	<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.

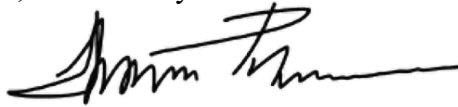
6. The Invoices contain information and advice over which lawyer and client privilege is asserted. As a result, redacted copies of the Invoices are attached hereto and marked as **Exhibit “A”**. Copies of the complete Invoices have been provided to the Proposal Trustee and I am advised by the Proposal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

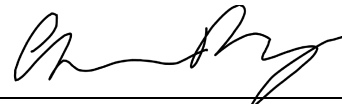
8. The total amount being claimed for the work performed by WFK for the period of February 3, 2021 to February 25, 2021, for which approval is being sought at this court is \$5,220.00, exclusive of HST.

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.

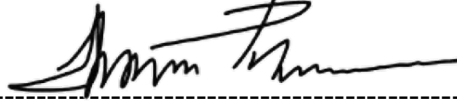


Commissioner for Taking Affidavits
(or as may be)



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

**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

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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

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