

Estate File No. 31-2547832

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 3070 ELLESMERE DEVELOPMENTS INC.**

**FIRST REPORT OF CROWE SOBERMAN INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 3070 ELLESMERE DEVELOPMENTS INC.**

September 10, 2019

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 3070 ELLESMERE DEVELOPMENTS INC.

FIRST REPORT OF CROWE SOBERMAN INC. IN ITS CAPACITY AS TRUSTEE
UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 3070
ELLESMERE DEVELOPMENTS INC.

September 10, 2019

1. This report (the “**First Report**”) is filed by Crowe Soberman Inc. (“**Crowe**”) in its capacity as proposal trustee (the “**Proposal Trustee**”), in connection with the Notice of Intention to Make a Proposal (“**NOIs**”) filed by 3070 Ellesmere Developments Inc. (“**Ellesmere**” or the “**Company**”).
2. On August 20, 2019 (the “**Filing Date**”), the Company filed an NOI pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B.-3, as amended (the “**BIA**”) and Crowe was appointed as Proposal Trustee under the NOI. A copy of the Certificate of Filing issued by the Superintendent of Bankruptcy for the Company is attached hereto as **Appendix “A”**.
3. The primary purpose of the NOI proceeding is to create a stabilized environment to allow the Company to enter into a transaction in respect of the Company’s assets and in conjunction with the Proposal Trustee, run a “stalking horse” sale process (the “**Sale Process**” or “**SISP**”) to solicit bids for the Company’s assets.
4. The purpose of this First Report is to provide the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) with information pertaining to the following:
 - a. a limited summary of certain background information about the Company;

- b. summarize the Stalking Horse Purchase Agreement (defined below) and the Sale Process;
- c. the Company's retention of Avison Young Commercial Real Estate (Ontario) Inc. ("**Avison Young**") as sales process agent for the SISP ("**Sales Process Agent**");
- d. summarize the Deposit Charge (as defined and described below) in favour of CoStone Development Inc. and Campus Suites Inc., (collectively the "**Stalking Horse Purchaser**");
- e. the proposed charges (the "**Charges**") sought by the Companies;
- f. report on the Company's cash flow for the period commencing August 20, 2019 and ending December 30, 2019 (the "**Cash Flow**");
- g. the Companies' request for an extension of the stay initiated on the Filing Date (the "**Stay Period**") to November 1, 2019; and
- h. recommend the Court make an order, inter alia:
 - i. approving the First Report of Crowe in its capacity as the Proposal Trustee, and the conduct and activities of the Proposal Trustee as described therein;
 - ii. approving the terms of the purchase agreement between the Stalking Horse Purchaser and Ellesmere, dated August 19, 2019 (the "**Stalking Horse Purchase Agreement**");
 - iii. approving the Sale Process as that process is described in the Stalking Horse Purchase Agreement;
 - iv. approving the retention of Avison Young as the Sales Process Agent;
 - v. approving the Deposit Charge (as defined and described below) in favour the Stalking Horse Purchaser;

- vi. approving a priority administration charge in favour of the Professional Group (defined below); and
- vii. extending the date to file a proposal from September 19, 2019 to November 1, 2019.

I. TERMS OF REFERENCE

- 5. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars.
- 6. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited internal financial information prepared by the Companies' representatives, the Companies' books and records and discussions with their management, staff, agents and consultants (collectively, the "**Information**"). The Proposal Trustee has not performed an audit or other verification of the Information in a manner that would comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountant of Canada Handbook (the "**CPA Handbook**") and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

II. GENERAL BACKGROUND INFORMATION ON THE COMPANY

- 7. The Company is an Ontario corporation that carries on business as a real estate holding company. The Company owns a vacant parcel of land municipally known as 3070 Ellesmere Road, Scarborough, Ontario, (the "**Property**"). The Property was intended to be developed into a 26-storey condominium tower with 339 residential units (the "**Project**") which did not proceed past the sale of individual units. The Company's business, affairs, financial performance and position, as well as the causes of its insolvency are detailed in the affidavit of Mr. Tong (Thomas) Liu sworn August 29, 2019 (the "**Liu Affidavit**") in support of the Company's September 11, 2019 motion and are, therefore, not repeated herein. The Proposal Trustee has reviewed the Liu Affidavit and discussed the business and affairs of

the Company with senior management personnel of the Company and advisors and is of the view that the Liu Affidavit provides a fair summary thereof.

III. THE COMPANY'S CREDITORS

8. Copies of the creditor list included in the Company's proposal proceedings are attached hereto as **Appendix "B"**. The creditor list of the Company reflects the claims of secured creditors as well as the unsecured group of investors, professionals, and suppliers.

9. As detailed in the Liu Affidavit, following a series of transactions and assignments, there are two separate mortgagees registered against the Property. 2478888 Ontario Inc. ("247") is the first mortgagee with a principal amount owing as of August 14, 2018, of \$5,758,665.53, with interest and legal fees continuing to accrue. 2615333 Ontario Inc. ("261") is the second mortgagee with a principal amount owing as of August 14, 2018, of \$5,218,776.21, with interest and legal fees continuing to accrue. Below is a chart summarizing the estimated secured indebtedness owing by the Company.

1	2478888 Ontario Inc.	\$5,758,665
2	2615333 Ontario Inc.	\$5,218,776
3	Rise	\$2,000,000
4	Cassels Brock & Blackwell LLP	\$2,000,000
5	Canada Revenue Agency	\$299,137
6	City of Toronto	\$88,411
7	Aviva Insurance	\$88,250
	TOTALS	\$15,453,239

10. The Proposal Trustee understands that on August 18, 2018, 247 issued a notice of intention to enforce security (“NITES”), and that 247 had not taken any other enforcements steps in connection with its NITES prior to the commencement of this proceeding.
11. Further detailed in the Liu Affidavit is the business relationship, and apparent breakdown, with a potential developer for the Project, 2518358 Ontario Inc. (“Rise”) and 2135136 Ontario Inc. (“Rise Development”) (together “Rise”).
12. Rise has a charge in the amount of \$2 million registered against the Property pursuant to the terms of an Amended Joint Venture Agreement (as defined in the Liu Affidavit). The Company disputes the entitlement to this charge, which is subject to litigation.
13. Counsel for the Company, Cassels Brock & Blackwell LLP (“Cassels”) also has a \$2 million charge on the Property to secure its fees related to the NOI proceeding and various litigation proceedings.
14. There is a tax lien registered by the Canada Revenue Agency in the amount of \$299,137 as well as unpaid municipal taxes to the City of Toronto in the amount of \$88,411.
15. Aviva Insurance Company of Canada registered a charge in connection with deposits by purchasers of units in the Project and has communicated to the Proposal Trustee they have an outstanding claim of \$88,250.
16. The balance of the creditors are unsecured as outlined in the creditor list included, and are comprised of real estate agents, consultants, and suppliers that relate to the Project. In addition, the Company has two judgment creditors. On June 26, 2018, Qingyang Sun, Hua Li, and Nuo Xu obtained a default judgment against Ellesmere for \$554,680.82 plus costs and fees in connection with their action for

damages related to the purchase of units in the Project (the “**Sun Judgment**”). This judgment remains outstanding.

17. 244988 Ontario Inc., in its capacity as a shareholder of Ellesmere, commenced an action against Ellesmere and others (the “**244 Defendants**”) for oppression for Ellesmere’s failure to construct the Project. On February 26, 2019, 244 Ontario obtained a default judgment against the 244 Defendants which directed the defendants to pay 244 Ontario \$3.2 million (the “**244 Judgment**”) and enjoined Ellesmere from taking any steps to sell or otherwise encumber the Property.

18. Several creditors of the Project have also commenced lawsuits against the Company, a summary of these is provided in the Liu Affidavit.

IV. STALKING HORSE SALE PROCESS

19. The restructuring of the Company under the NOI proceedings involves a sale of the Property, subject to Court approval. The proposed Sale Process aims to obtain the best possible price for the Company’s assets, the Property. It is anticipated that the Sale Process, which is to run over a two (2) month period, will provide sufficient time to expose the Property to the market and maximize value.

20. The Liu Affidavit outlines the informal sales process that was undertaken by the Company, including the details on three separate negotiations with prospective purchasers that failed to conclude.

Stalking Horse Purchase Agreement

21. The Company is seeking authorization and approval from the Court to enter into the Stalking Horse Purchase Agreement with the Stalking Horse Purchaser, pursuant to which the Stalking Horse Purchaser will act as the stalking horse bidder in the Sale Process. The Stalking Horse Purchase Agreement sets a floor purchase price for the Property and encourages interested parties to submit their best possible offer.

22. The Stalking Horse Purchase Agreement contemplates the purchase of the Property on an as is, where is basis. It contains an adjustment in favour of the Stalking Horse Purchaser should the cost of any environmental remediation plan approved by the City of Toronto exceed \$2,000,000 in costs. It contains standard conditions to closing and is subject to the issuance of an approval and vesting order ("**AVO**"), and the Proposal Trustee declaring the Stalking Horse Purchaser the winner of the SISP.
23. As consideration for the Property, the purchase price contained in the Stalking Horse Asset Purchase Agreement is \$16,000,000 (the "**Purchase Price**"), with a payment of \$1,600,000 as a deposit (the "**Deposit**"). The Stalking Horse Purchaser has made an initial deposit of \$400,000 pursuant to the terms of the Stalking Horse Purchase Agreement. This initial deposit is currently held in trust by the Proposal Trustee.
24. The Purchase Price payable under the Stalking Horse Purchase Agreement is higher than any of the other offers made for the Property in the course of the informal sales process conducted prior to the commencement of these proceedings.

V. BREAK FEE & DEPOSIT CHARGE

25. The Stalking Horse Asset Purchase Agreement provides that, in the event that a successful bid other than the bid from the Stalking Horse Purchaser is accepted by the Proposal Trustee, approved by the Court and completed, the Company shall pay to the Stalking Horse Purchaser a break fee in the amount of \$400,000 ("**Break Fee**").
26. If the Stalking Horse Purchaser is not the ultimate purchaser of the Property through the Sale Process, the Company shall repay the Deposit to the Stalking Horse Purchaser from the proceeds of sale of the Property. To ensure that the Deposit will be repaid, the Stalking Horse Purchaser has requested a charge on

the Property, which ranks ahead of all creditors, except the 247 Charge (the **“Deposit Charge”**).

27. The Stalking Horse Purchase Agreement sets out that the Company is allowed to use a portion of the Deposit to fund expenses explicitly contained in the Cash Flow, and to fund the NOI Proceeding. These expenses are restricted to professional fees, soft costs, rent payments, and expenses related to the SISP. The Company has no savings, revenue, or source of borrowing to fund these expenses.

28. It is the Proposal Trustee’s opinion that the Break Fee and Deposit Charge (**“Bid Protections”**) represents a reasonable commercial balance between the adverse effect of the Bid Protections as an auction inhibitor and the potential positive effect of a stalking horse bid as an auction stimulator. In particular, the Stalking Horse Purchase Agreement ensures that all secured creditors will be paid in full.

29. Further it is the Proposal Trustee’s opinion that the Bid Protections are reasonable in that the Stalking Horse Purchaser has agreed to fund material costs associated with a previous existing transaction. The Stalking Horse Purchaser has incurred additional costs associated with the Transaction, which were helpful in establishing the SISP. The amount of the Break Fee, as a percentage, is within the customary standards. Without the immediate availability of the Deposit, it is highly probable that the Company would not have the means to complete the Sales Process.

VI. SALE PROCESS

30. The Proposed SISP is included as an Exhibit to the Stalking Horse Purchase Agreement. The Key terms of the SISP are:

- a) potential purchasers must submit bids no later than November 7, 2019 (**“Bid Deadline”**); and
- b) for a potential bidder to qualify to participate in an auction the bid submitted must exceed the Purchase Price, Break Fee, and First Overbid Increment

of \$100,000, is unconditional and irrevocable, and accompanied by a 10% deposit.

31. The Proposal Trustee will review all offers received by the Bid Deadline and determine whether an auction is necessary. If an auction is necessary, the Proposal Trustee will follow the auction guidelines as are described in the SISP.
32. The Sale Process will be overseen by the Proposal Trustee with assistance from Avison Young acting as Sale Process Agent, and management of the Company.
33. The Proposal Trustee is of the view that the Sale Process timeline is adequate for the Sale Process Agent and the Proposal Trustee to provide interested parties with sufficient time to complete due diligence to consider purchasing the Property.
34. If no qualified bids are received by the Bid Deadline (other than the Stalking Horse Purchase Agreement), the auction will not be held and the Stalking Horse Purchase Agreement will be the successful bid.
35. Completion of the Sale Process will result in all secured creditors being paid in full on the shortest timeline. Importantly, if approved the Sale Process will be completed before winter, when the Property will be more difficult to show.

Proposal Trustee Recommends Approval of Stalking Horse Purchase Agreement

36. In light of the Company's financial difficulties, in the Proposal Trustee's opinion, the Stalking Horse Purchase Agreement is the best option for the Company to preserve the value of the Property.
37. The terms of the Stalking Horse Purchase Agreement are fair and reasonable given the circumstances, and promotes the prospect of a competitive Sale Process. In addition, the Stalking Horse Purchase Agreement provides comfort to the secured creditors insofar as it ensures each will achieve full recovery of the

amounts they are owed on the shortest timeline. The interim financing provided by way of the Deposit will enable the proposed Sale Process to proceed.

VII. THE NOI PROCEEDINGS

38. Due to the challenges the Company faced in progressing the Project, including the reasons communicated in the Liu Affidavit against Rise and their own obligations, the Company initiated an informal sale process which culminated in the execution of the Stalking Horse Purchase Agreement.

39. The Company has no funds to continue to fund marketing the Property to prospective purchasers, and is restricted due to the existing 244 Judgement. The clearest way forward is to allow the sale of the Property to occur via a Court-supervised process under an insolvency proceeding.

Sales Process Agent

40. The Company, in anticipation of commencing the Sale Process, met with three separate well known national real estate brokerage firms to discuss the sale of the Property: Colliers International Canada, CBRE, and Avison Young.

41. The Company ultimately decided to proceed with Avison Young as the Sales Process Agent due to their significant experience in the Toronto market and a more cost-effective proposal was provided for the sale of the Property. The Company and Avison Young are in the process of finalizing the terms to an agreement o (“**Sales Process Agent Agreement**”).

VIII. COURT ORDERED CHARGES

42. The Companies are seeking an order providing for the following Administration Charge (as hereinafter defined).

Administration Charge

43. The Company is seeking an order granting, among other things, a charge against the Property of the Companies, to secure the fees and disbursements incurred in connection with professional services rendered to the Company in connection with the NOI Proceeding. The professional group consists of the Proposal Trustee, Miller Thomson LLP ("**Miller**", counsel to the Proposal Trustee), Cassels, Harris Sheaffer LLP ("**Harris**", real estate counsel to the Company) (collectively the "**Professional Group**"). The amount of the charge sought is the maximum aggregate amount of \$622,000 against all the assets of the Company ("**Administration Charge**").
44. The Administration Charge is proposed to rank ahead of all secured and unsecured creditors except the 247 Charge and the Deposit Charge.
45. The quantum of the Administration Charge sought by the Company was determined in consultation with the Proposal Trustee. The creation of the Administration Charge is typical in similar proceedings as is the proposed priority of the Administration Charge.

IX. EXTENSION OF THE STAY PERIOD TO NOVEMBER 1, 2019

46. The initial 30-day stay period granted upon the filing of the NOI expires on September 19, 2019. The Company is seeking an extension of the Stay Period to November 1, 2019 (the "**Stay Extension**").
47. In support of the request for the Stay Extension, the Company, with the assistance of the Proposal Trustee, have prepared a forecast of the receipts and disbursements for the period August 26, 2019 to December 30, 2019 (the "**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "C"** and is summarized below.

**3070 Ellesmere Developments Inc.
Cash Flow Forecast for Period from
August 26 to December 30, 2019**

Receipts	
Sales Proceeds	0
Deposit	800,000
	800,000
Disbursements	
Rent	32,000
Soft Costs & Fees	100,000
Debtor's Counsel	250,000
CRO	60,000
Proposal Trustee	120,000
Counsel for Proposal Trustee	60,000
	622,000
 Net Cash Flow	 178,000

48. The Cash Flow Forecasts indicate that the Companies will have sufficient liquidity to fund both operating costs and the costs of these proposal proceedings for the period of the Stay Extension, if granted.

49. The Proposal Trustee supports the Companies; request for the Stay Extension for the following reasons:

- a. More than thirty (30) days will be required to complete the Sales Process;
- b. The Stay Extension is necessary to provide the Company sufficient time to advance the Sale Process and complete the sale of the Property;
- c. The Companies are acting in good faith and with due diligence in taking steps to monetize their assets for the benefit of their stakeholders; and
- d. It is the Proposal Trustee's view that the Stay Extension will not prejudice or adversely affect any group of creditors.

X. CONCLUSION AND RECOMMENDATIONS

50. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court issue the Order, as requested by the Company:

- a. approving the First Report of the Proposal Trustee;
- b. approving the Stalking Horse Purchase Agreement;
- c. approving the SISP;
- d. approving the retention of the Avison Young as the Sales Process Agent;
- e. approving the Deposit Charge in favour of the Stalking Horse Purchaser;
- f. approving the Administration Charge; and
- g. approving the extension of the Stay Period to November 1, 2019.

All of which is respectfully submitted this 10th day of September 2019.

CROWE SOBERMAN INC.

Trustee acting under a Notice of Intention to Make a Proposal of
3070 Ellesmere Developments Inc.



FOL:

Per

Hans Rizarri, CIRP, LIT

APPENDIX A



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2547832
Estate No. 31-2547832

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

3070 ELLESMERE DEVELOPMENTS INC.

Insolvent Person

CROWE SOBERMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: August 20, 2019

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

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

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

Date: August 21, 2019, 11:00

E-File/Dépôt Electronique

Official Receiver

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

Canada

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

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

In the matter of the proposal of
3070 ELLESMERE DEVELOPMENTS INC.
of the Town of Richmond Hill, in the Regional Municipality of York
in the Province of Ontario

Take notice that:

1. I, 3070 ELLESMERE DEVELOPMENTS INC., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Crowe Soberman Inc., LIT of 2 St. Clair Ave East, Suite 1100, Toronto, ON, M4T 2T5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 20th day of August 2019.



3070 ELLESMERE DEVELOPMENTS INC.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

APPENDIX B

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

- FORM 33 -

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

In the matter of the proposal of
 3070 ELLESMERE DEVELOPMENTS INC.
 of the Town of Richmond Hill, in the Regional Municipality of York
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2427277 Ontario Inc	c/o Shapiro Law 333 Sheppard Ave E Suite 201 Toronto ON		409,060.00
2449980 Ontario Inc	Toronto ON		3,200,000.00
2452722 Ontario Inc	Toronto ON		1,120,000.00
2478888 Ontario Inc	c/o Meyer,Wassenaar & Banach LLP 5001 Yonge St Toronto ON M2N 6P6		5,500,000.00
2615333 Ontario Inc	Toronto ON		250.00
Academy Management Inc	Toronto ON		9,979,655.15
AI Underhill & Associates Ltd	58 Major Mackenzie Drive East Richmond Hill ON L4C 1G9		17,438.73
Cassels Brock & Blackwell LLP	2100 - 40 King Street West Toronto ON M5H 3C2		1,200,000.00
CCMPM	Toronto ON		27,000.00
Chaggares & Bonhomme	5-355 Harry Walker Pkwy N Newmarket ON L3Y 7B3		32,770.00
Chen, Yanfeng	Toronto ON		312,000.00
Chen, Zhuo	China		100,480.00
City of Toronto	North York Civic Centre 5100 Yonge Street, lower level North York ON M2N 5V7		88,411.06
Comcor Environmental	320 Pinebush Rd Cambridge ON N1T 1Z6		11,435.45
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9		299,137.00

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

- FORM 33 -

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

In the matter of the proposal of
 3070 ELLESMERE DEVELOPMENTS INC.
 of the Town of Richmond Hill, in the Regional Municipality of York
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ED D'Gardener	295 Atlas Ave Toronto ON M6C 3P8		282.50
Gan, Chen	China		69,275.00
Geng, Xiangdong	China		83,670.00
Harris Sheaffer LLP	4100 Yonge St North York ON M2P 2B5		250.00
Homelife Landmark	7240 Woodbine Ave-Unit 103 Markham ON L3R 1A4		13,293.61
Huang, Haiyan	c/o Starkman Barristers 304-675 Cochrane Dr., East Tower Markham ON L3R 0B8		587,206.72
Huang, Jie	Toronto ON		74,000.00
Jiang, Kaizhen	Toronto ON		78,440.00
Keller Williams Advantage Realty	c/o Shapiro Law 333 Sheppard Ave E Suite 201 Toronto ON M4L 1C3		374,716.26
Land Art Design Landscaping Architects Inc	52 Mimico Ave ETOBICOKE ON M8V 1R1		4,215.82
LeMine Asset Management Corp	Toronto ON		644,063.13
LeMine Asset Management Corp	Toronto ON		105,301.89
LeMine Investment Group	Toronto ON		1,000,000.00
LeMine Real Estate Consulting Inc	Toronto ON		2,203,500.00
Li, Ao	Toronto ON		146,648.60
Lin, Changchao	Toronto ON		103,600.00

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

- FORM 33 -

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

In the matter of the proposal of
 3070 ELLESMERE DEVELOPMENTS INC.
 of the Town of Richmond Hill, in the Regional Municipality of York
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Milbome Real Estate Inc	385 Madison Ave Toronto ON M4V 2W7		375,000.00
Qingyang Sun/Hua Li/Norman Xu	c/o Lemers LLP 130 Adelaide St W - Unit 2400 Toronto ON M5H 3P5		575,929.71
R.E. Millward & Associates	1101-1200 Bay St Toronto ON M5R 2A5		1,749.90
Read, Voorhees & Associates Limited	2 Duncan Mills Rd North York ON M3B 1Z4		1,172.38
Rise Real Estate Inc.	611 Tradewind Dr Ancaster ON L9G 4V5		250.00
Service Plus Aquatics Inc	16-4060 Ridgeway Dr Mississauga ON L5L 5X9		4,520.00
Skygrid Construction Inc	290 N Queen St.- Suite 100 ETOBICOKE ON M9C 5L2		52,111.53
Terraprobe (Environmental)	11 Indell Ln Brampton ON L6T 3Y3		29,863.81
Wang, Yixuan	Toronto ON		84,750.00
Wang, Yufei	Toronto ON		190,873.20
Zhang, Fenglan	Toronto ON		248,000.00
Total			29,350,321.45


 3070 ELLESMERE DEVELOPMENTS INC.
 Insolvent Person

APPENDIX C

3070 Ellesmere Developments Inc. (the "Company")
 Projected Statement of Cash Flow
 For the period from August 25 to December 30, 2019
 (In Canadian Dollars)

	Week ending:																				
	Notes	25-Aug-19	2-Sep-19	9-Sep-19	September			October			November			December			Total				
				19-Sep-19	23-Sep-19	30-Sep-19	7-Oct-19	14-Oct-19	21-Oct-19	28-Oct-19	4-Nov-19	11-Nov-19	18-Nov-19	25-Nov-19	2-Dec-19	9-Dec-19	16-Dec-19	23-Dec-19	30-Dec-19		
Receipts																					
• Bids Proceeds	1																				
• BIP Proceeds																					
• BIP Proceeds																					
Total Receipts																					
Disbursements																					
• Rent	2		8,000				8,000				8,000					8,000					
• Project Food & Interest																					
• Soft Cost & Fees				50,000			50,000														
• Professional Fees																					
• Construction				100,000			50,000				50,000					50,000					
• Other								20,000						20,000					20,000		
• Taxes							30,000				30,000					30,000					
• Trustee's Salary				15,000					15,000					15,000				15,000			
Total Disbursements			8,000	195,000			138,000		35,000		88,000		35,000		88,000	15,000		20,000			
Net Cash Flow			(8,000)	205,000			262,500		(35,000)		(80,000)		(35,000)		(88,000)	(16,000)		(20,000)			
BIP Facility Disbursements																					
• Opening Balance		0	(8,000)	(8,000)	197,000	197,000	197,000	459,000	459,000	424,000	424,000	336,000	330,000	301,000	301,000	301,000	213,000	198,000	170,000		
Net Cash Flow		0	(8,000)	205,000	0	0	262,500	0	(35,000)	0	(88,000)	0	(35,000)	0	(88,000)	(16,000)		(20,000)	0		
Ending Balance		0	(8,000)	(8,000)	197,000	197,000	197,000	459,000	424,000	424,000	336,000	330,000	301,000	301,000	301,000	213,000	198,000	170,000	170,000		

Notes:

1. Receipt related to the deposit paid related to the sale of 3070 Ellesmere Road land
2. Rent payment is based on new lease \$8000 per month
3. Assumes no interest will be paid to the secured creditor.

CERTIFICATION

THE PURPOSE of this Statement of Projected Cash flows is to provide creditors with sufficient information to make an informed decision regarding the Proposal, and to fully disclose to the Trustee and the Official Receiver, the state of 3070 Ellesmere Developments Inc.'s financial affairs. This Statement of Projected Cash flows is prepared pursuant to the requirements of sections 50.4(2)(a) and 50(6)(a) of the Bankruptcy and Insolvency Act and solely for that purpose.

Dated this 28th day of August 2019

X 
 Per: Thomas L. ASD

Dated this 28th of August 2019

CROWE SOBERMAN INC.
 Licensed Insolvency Trustee Acting in re: Proposal of Kimberly Court Developments Inc.


 Per: Gerardo Hargrave, CIT, CIRP