

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TRINITY RAVINE COMMUNITY INC.

FIRST REPORT OF THE MONITOR
March 1, 2022

INTRODUCTION

1. On February 23, 2022 (the “**Filing Date**”), Trinity Ravine Community Inc. (“**TRC**” or the “**Applicant**”) filed for and obtained protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). Pursuant to the Order of this Court granted February 23, 2022 (as may be amended, restated or supplemented from time to time, the “**Initial Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as the Monitor in these proceedings (in such capacity, the “**Monitor**”). The Initial Order also provided for, among other things, a stay of proceedings with respect to the Applicant until and including March 5, 2022 (the “**Stay Period**”). The proceedings commenced by the Applicant under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
2. A hearing for a comeback motion (the “**Comeback Hearing**”) has been scheduled for March 4, 2022.

3. A detailed description of TRC's background, and reasons for commencement of the CCAA Proceedings is provided in the Affidavit of Jeremy Anderson sworn February 22, 2022 in support of the application for the Initial Order (the "**First Anderson Affidavit**") and the Affidavit of Jeremy Anderson sworn February 28, 2022 filed in connection with the Comeback Hearing (the "**Second Anderson Affidavit**").
4. The Monitor has made available a copy of the Initial Order, First Anderson Affidavit, Second Anderson Affidavit and the materials filed in these CCAA Proceedings on the Monitor's case website at www.insolvencies.deloitte.ca/en-ca/trinityravine (the "**Monitor's Website**").
5. Capitalized terms not defined herein shall have the meaning attributed to them in the First Anderson Affidavit and Second Anderson Affidavit.

PURPOSE OF FIRST REPORT

6. The Monitor has prepared this report (the "**First Report**") to provide the Court with information regarding:
 - a) the activities of TRC and the Monitor from the Filing Date to the date of this First Report;
 - b) the Applicant's cash flow forecast included in the First Anderson Affidavit and a second version of the Applicant's cash flow forecast which includes the proposed DIP Financing (as defined and further detailed below);

- c) the Applicant's request for and the Monitor's recommendation in respect of an order ("**Proposed SISP Order**") seeking approval of a sale and investment solicitation process ("**SISP**") to (i) solicit bids ("**Real Property Bid(s)**") for the real property of the Applicant legally described under PIN 06179- 0141 (LT), municipally known as 1256 Markham Road, Scarborough Ontario and as described in Schedule "A" attached hereto (the "**Real Property**") or (ii) solicit bids ("**Development Bid(s)**") for the Real Property and the assets of the Applicant to be used for the development of the Real Property including but not limited to municipal development permits, site approvals and architecture drawings (the "**Development Assets**").
- d) the Applicant's request for and the Monitor's recommendation thereon for amendments to the Initial Order (the "**Proposed Amended and Restated Initial Order**") seeking:
- i. approval of an increase of the Administration Charge from \$150,000 to \$250,000 securing the fees and expenses of the Monitor and legal counsel to the Monitor (the "**Monitor's Counsel**") and legal fees of the Applicant (the "**Applicant's Counsel**");
 - ii. approval of the DIP Term Sheet (as defined below) dated February 28, 2022 between the Applicant as borrower and Nahid Corporation or affiliate (in such capacity, the "**DIP Lender**"), whereby the DIP Lender has agreed to advance up to \$850,000 (the "**DIP Facility**") to the Applicant;

- iii. approval of a priority charge in favour of the DIP Lender on the assets, property and undertakings of the Applicant to secure the obligations under the DIP Term Sheet (the “**DIP Lender’s Charge**”); and
- iv. approval of the extension of the Stay Period until July 22, 2022.

TERMS OF REFERENCE AND DISCLAIMER

- 7. In preparing this First Report and the commentary contained herein, the Monitor has been provided with, and has relied upon books and records and unaudited financial information prepared by TRC, and discussions with management of the Applicant (“**Management**”) (collectively, the “**Information**”).
- 8. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Generally Accepted Assurance Standards (“**Canadian GAAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under Canadian GAAS in respect of the Information.
- 9. Due to restrictions imposed as a result of the Coronavirus pandemic (“**Covid-19**”), the Monitor has been unable to perform usual procedures to verify or test information provided by Management, including physical attendance at TRC’s premises.

10. The Monitor has prepared this First Report in connection with the motion filed by the Applicant for the Proposed Amended and Restated Initial Order and Proposed SISP Order and it should not be relied on for any other purpose.
11. Future oriented financial information referred to in this First Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
12. This First Report does not include any consideration of the likely impact of Covid-19 on the business of the Applicant as the situation is continuing to evolve, and many uncertainties remain as to the effect the Covid-19 crisis will have on the Applicant. Changes to market conditions could substantively affect the Applicant and conclusions drawn in this First Report.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

ACTIVITIES OF TRC SINCE THE FILING DATE

14. Since the Filing Date, TRC has undertaken the following activities:
 - a) communicated with the employees to explain the impact of the CCAA Proceedings and respond to any questions;

- b) prepared a letter to the purchasers with outstanding deposits under the Life Lease Agreements advising them of the CCAA Proceedings and the proposed SISP, which was distributed by the Monitor;
- c) worked with the Monitor to prepare the SISP;
- d) worked with the DIP Lender to formalize the DIP Term Sheet, with assistance from the Monitor as required; and
- e) managed relationships with suppliers to minimize business disruptions.

ACTIVITIES OF THE MONITOR

- 15. Due to limited internal resources of TRC, Deloitte was engaged by the Applicant pre-filing in January 2022 to assist and work with the Applicant to evaluate a path forward and to ultimately assist with the preparation of certain financial documents in anticipation of the CCAA filing.
- 16. Since the Filing Date, the Monitor has undertaken the following activities:
 - a) activated the Monitor's Website, email address: trinityravine@deloitte.ca and hotline (416-202-2800) to ensure creditors and interested parties have a resource to ask questions of the Monitor and are kept current with respect to the CCAA Proceedings;

- b) arranged for the publication of a notice in the *Globe and Mail* (National Edition), to be printed in the February 28 and March 7, 2022 editions. This notice contains the information prescribed in accordance with section 23(1)(a) of the CCAA;
- c) posted the Initial Order and TRC's application record in support of the Initial Order (including the First Anderson Affidavit) and other filed court materials on the Monitor's Website;
- d) filed the statutory notices with the Office of the Superintendent of Bankruptcy in the prescribed forms as required under section 23(1)(f) of the CCAA;
- e) held meetings with Management and staff to discuss monitoring activities and protocols, the CCAA Proceedings, its impact on stakeholders, and the communication strategy with stakeholders;
- f) worked with Management to review disbursement approval and reporting procedures to allow for the monitoring of TRC's receipts and disbursements in accordance with the cash flow forecast attached to the First Anderson Affidavit;
- g) worked with Monitor's Counsel and the Applicant's Counsel to develop the SISP and finalize the DIP Term Sheet; and
- h) continued the preliminary due diligence associated with the monetization options for the Real Property and Development Assets.

TRC CASH FLOW FORECASTS

17. The Applicant, with the assistance of the Monitor, prepared a cash flow forecast, as attached to the First Anderson Affidavit (the “**Initial Order CFF**”), which covers the period from February 21 to August 21, 2022 (the “**Cash Flow Period**”). The Initial Order CFF projected the estimated results of the Applicant’s planned operations and other activities during the Cash Flow Period. The Cash Flow Period was prepared over a 26-week period to estimate the time to complete a transaction with respect to the Real Property and Development Assets. A copy of the Initial Order CFF is attached as Appendix “**A**” hereto.
18. TRC’s opening cash balance on February 21, 2022 was \$155,813. The forecast cash flow deficit for the Cash Flow Period pursuant to the Initial Order CFF is estimated to be \$693,946, which includes restructuring costs in connection with the CCAA Proceeding, resulting in an estimated negative ending cash balance of \$538,133 on August 21, 2022. Given TRC’s current sources of liquidity, this negative balance is unfunded.
19. Accordingly, the Applicant does not have sufficient liquidity to support forecast cash flows during the proposed Stay Period. As such, and as discussed in the First Anderson Affidavit and Second Anderson Affidavit, the Applicant sought and negotiated the DIP Term Sheet (as further described below) to fund the Applicant during these CCAA Proceedings. The Applicant, with the assistance of the Monitor, prepared a cash flow forecast for the Cash Flow Period in accordance with the terms of the DIP Term Sheet (the “**DIP CFF**”). A copy of the DIP CFF is attached as Appendix “**B**” hereto.

20. The excess of disbursements over receipts forecast for the Cash Flow Period pursuant to the DIP CFF is estimated to be \$788,531, offset by an opening cash balance of \$155,813 and DIP Advances (as defined below) of \$800,000 resulting in an estimated positive ending cash balance of \$167,282 on August 21, 2022. The increased excess of disbursements over receipts in the DIP CFF compared to the Initial Order CFF relate entirely to the interest and fees payable pursuant to the DIP Facility.
21. The Initial Order CFF and DIP CFF have been prepared by Management, using the probable and hypothetical assumptions set out in the notes to the Initial Order CFF and DIP CFF (the “**Assumptions**”), and is presented on a weekly basis during the Cash Flow Period.
22. The Monitor has reviewed the Initial Order CFF and DIP CFF to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA.
23. In accordance with the standard, the Monitor’s review of the Initial Order CFF and DIP CFF consisted of inquiries, analytical procedures and discussions related to the Information. Since the Assumptions need not be supported, the Monitor’s procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Initial Order CFF and DIP CFF. The Monitor also reviewed the support provided by Management for the Assumptions and the preparation and presentation of the Initial Order CFF and DIP CFF.
24. Based on the Monitor’s review, nothing has come to its attention that causes it to believe, in all material aspects, that:

- a) the Assumptions are not consistent with the purpose of the Initial Order CFF and DIP CFF;
 - b) as at the date of this First Report, the Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Initial Order CFF and DIP CFF, given the Assumptions; or
 - c) the Initial Order CFF and DIP CFF does not reflect the Assumptions.
25. Since the Initial Order CFF and DIP CFF are based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Accordingly, the Monitor expresses no assurance as to whether the Initial Order CFF and DIP CFF will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Initial Order CFF or DIP CFF, or relied upon by the Monitor in preparing this First Report.
26. The Initial Order CFF and DIP CFF have been prepared solely for the purposes described above, and readers are cautioned that it may not be appropriate for other purposes.
27. A budget to actual variance analysis for week 1 of the Initial Order CFF is set out below:

	<i>week ended 2/27/2022</i>		
	Budget	Actual	Variance
Total Receipts	-	-	-
Disbursements			
KJK Ventures Inc.	11,300	-	11,300
Payroll			
GWL - Group Insurance			
Property Land Tax - City of Toronto			
Office Supplies and Other			
Contingency			
Restructuring Disbursements	85,000	85,030	(30)
Net Cash Flow	\$ (96,300)	\$ (85,030)	\$ 11,270
Opening cash	155,813	155,813	-
Net Cash Flow	(96,300)	(85,030)	11,270
Closing cash	\$ 59,513	\$ 70,783	\$ 11,270

THE DIP TERM SHEET

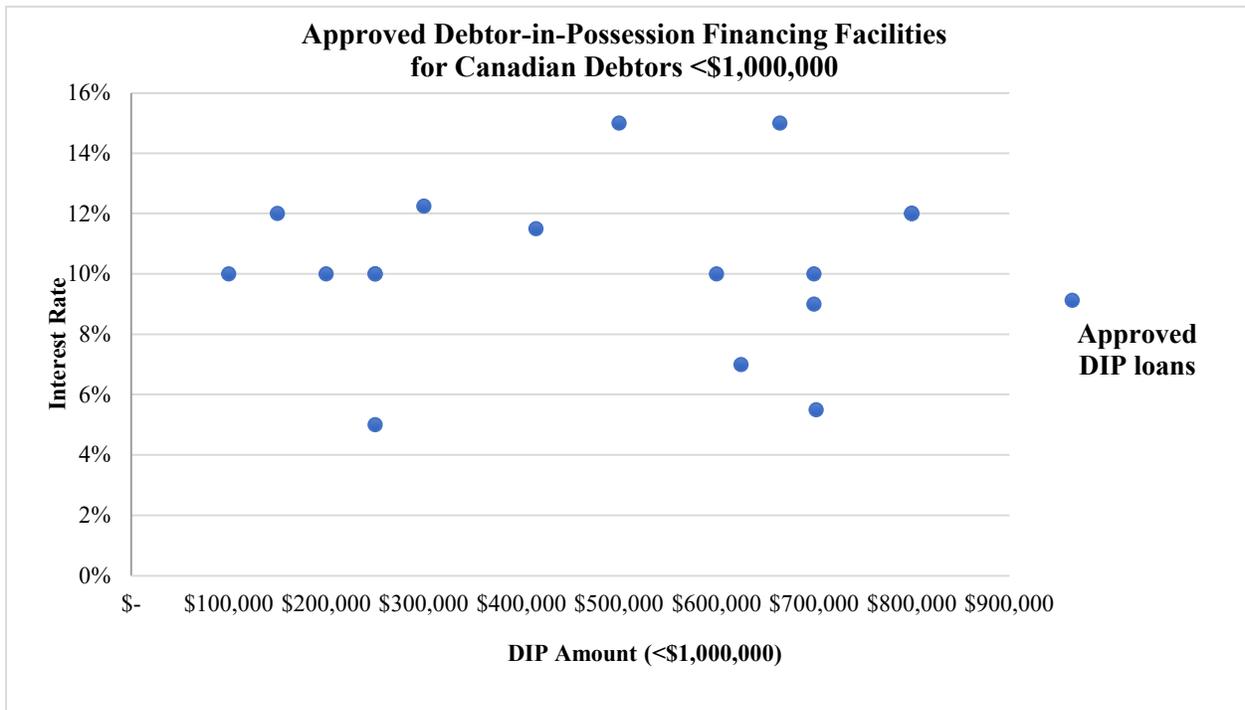
28. Pursuant to the Proposed Amended and Restated Initial Order the Applicant is seeking authorization from this Court to enter into the DIP Term Sheet. Unless otherwise defined, capitalized terms used in this section of this First Report are as defined in the DIP Term Sheet, a copy of which is attached to the Second Anderson Affidavit at Exhibit “C”.
29. On February 23, 2022, the Applicant received an initial DIP term sheet from the DIP Lender. This term sheet included terms to provide interim financing during the term of the CCAA Proceedings. The DIP Lender is also a pre-filing secured creditor of the Applicant and is owed approximately \$4,500,000 as of the Filing Date pursuant to a charge on the Real Property (the “**Nahid Charge**”). On March 1, 2022 the Applicant executed the final version of the DIP term sheet (the “**DIP Term Sheet**”), which is subject to Court approval.

Summary of the DIP Facility

30. As described in the Second Anderson Affidavit, the DIP Lender has agreed to lend up to \$850,000 to the Applicant as a non-revolving facility for general operating and restructuring expenses. This includes, but is not limited to, professional fees and disbursements during the CCAA Proceedings.
31. The DIP Term Sheet includes the following key terms in the event the DIP Term Sheet is approved by the Court:
- a) the DIP Facility will be advanced to the Applicant in minimum monthly advances of \$100,000 (each an “**Advance**”). The funding request must be received by the 23rd of each month. The first Advance will not be made available until after the Comeback Hearing and the Court’s approval of the DIP Facility;
 - b) interest at the greater of 12% or the TD Bank Prime Rate (currently 2.45%) plus 9.55%;
 - c) a one-time fee of \$20,000 is earned by the DIP Lender upon issuance of the Proposed Amended and Restated Initial Order and payable from proceeds of the first Advance;
 - d) an Advance Fee of \$500 plus HST in respect of each Advance;
 - e) a Utilization Fee in respect of any unutilized portion of the DIP Facility at a rate of 0.35% per annum calculated and compounded monthly in arrears;

- f) the Applicant will provide a \$40,000 deposit to the DIP Lender to be applied against legal fees and disbursements with 50% of the deposit payable on acceptance of the DIP Term Sheet and the remaining 50% payable after the first Advance; and
- g) the DIP Facility will expire on the earliest of (i) September 30, 2022; (ii) the date the SISP terminates if the SISP results in a repayment of the DIP Facility in full and the existing Nahid Mortgage in full; (iii) the completion of the sale of the Real Property and/or Development Assets.

32. The table below summarizes DIP financing facilities with a commitment amount of less than \$1 million as previously approved by the Court, filed between April 30, 2018 and January 24, 2022 in Canada. The interest rates presented in the table below are the stated rate (i.e. excluding fees and other charges) under the approved DIP facilities. This data was sourced from publicly available data obtained from the Insolvency Insider and demonstrates that the terms and pricing associated with this DIP Term Sheet appear to be consistent with DIP financing available and approved in Canada in recent CCAA proceedings.



DIP Lender's Charge

33. The DIP Term Sheet also requires that the DIP Facility be secured by the first-ranking court-ordered DIP Lender's Charge secured by all the assets, undertakings and properties of the Applicant including the Real Property.
34. The DIP Lender's Charge is to rank in priority to the Administration Charge.
35. The DIP Facility is conditional on among other things, issuance of the Proposed Amended and Restated Initial Order approving the DIP Term Sheet and granting the DIP Lender's Charge.
36. The Monitor understands that Nahid Corporation may participate as a Known Potential Bidder under the SISP (as described below). Therefore, although the Nahid Corporation in its capacity as DIP Lender may be entitled to certain information under the DIP Term Sheet,

the Proposed Amended and Restated Initial Order is worded such that the Monitor is not required to provide information to the DIP Lender (or any other creditor) which may negatively impact the integrity of the SISP.

Monitor's Comments and Recommendation

37. The Monitor makes the following observations in respect of certain terms of the DIP Term Sheet:

- a) **Advances:** The DIP Facility shall be available in Advances consistent with the DIP CFF with a 5% permitted variance.
- b) **Interest Rates and Fees:** Based on its experience and on information available to it, the Monitor is of the view that the interest rate, fees and other charges provided in the DIP Term Sheet are not outside the ranges for similarly negotiated and Court approved DIP facilities.
- c) **Alternative DIP facilities:** The Applicant approached another of its secured creditors and at least one other party as potential alternative DIP financiers. However, despite these efforts to source alternative financing, the Applicant was unable to secure a loan facility on more favourable terms for the immediate future given the Applicant's financial situation.
- d) **Mandatory and Voluntary Repayments:** The DIP Term Sheet provides for the mandatory repayment of the DIP Facility upon termination or voluntary prepayments of the DIP Facility at any time without penalty.

- e) **Section 11.2(4) of the CCAA:** The Monitor has also considered the facts and circumstances giving rise to the CCAA Proceedings and section 11.2(4) of the CCAA, in particular:
- i. the term of the DIP Facility is sufficient to be available for the forecast duration of the Applicant's intended restructuring process ;
 - ii. the financing to be provided is consistent with the forecast liquidity needs of the Applicant during that period as further detailed in the DIP CFF;
 - iii. the DIP Facility is to be provided by an existing secured creditor which is supportive of the proposed restructuring process and the CCAA Proceedings at this time;
 - iv. the proposed restructuring process cannot move forward without the DIP Facility and, as a result, the DIP Facility enhances the prospects of a viable restructuring in the Monitor's view;
 - v. The quantum of the DIP Facility is not significant compared to the Monitor's preliminary review of the value of the underlying security; and
 - vi. The Monitor understands that all secured creditors have been provided notice of the hearing to approve the DIP Facility and no objections have been raised. The Monitor is of the view that no

creditor is being materially prejudiced if the DIP Facility is approved by the Court.

38. The Monitor supports the Applicant's request for Court approval of the DIP Term Sheet and the granting of the DIP Lender's Charge. The Monitor is of the view that the terms of the DIP Facility are reasonable and consistent with market terms in the circumstances and that the DIP Facility will provide the Applicant with access to financing necessary to undertake its restructuring process. The Monitor is of the view that there is no other viable alternative source of financing available to the Applicant at this time.

THE PROPOSED SALE AND INVESTOR SOLICITATION PROCESS

39. As described in the Second Anderson Affidavit the Applicant is seeking an Order approving the SISP, including the actions of the Applicant, Monitor and the Broker (as defined below) that may be necessary or desirable to assist with the implementation of the SISP. The draft Proposed SISP Order including the SISP procedures is attached as Schedule "B" to the Applicant's Notice of Motion. Capitalized terms in this section not otherwise defined herein have the meanings ascribed to them in the SISP.
40. The SISP is designed to maximize opportunities for the sale of the Real Property and Development Assets of the Applicant (the "**Opportunity**").
41. The timing of key milestones relating to the SISP are as follows:

Milestone	Deadline
Engage Broker	By March 14, 2022
Broker to send Teaser Letter, Confidentiality Agreement and CIM to Potential Bidders	March 15, 2022 – May 5, 2022
LOI Deadline	May 6, 2022 at 5:00 p.m. (Toronto time)
Final Bid Deadline	June 17, 2022 at 5:00 pm (Toronto time)
Deadline for Final Agreement	June 24, 2022
Anticipated Court Hearing to approve Final Agreement	On or before July 22, 2022 (Subject to court availability)
Outside Closing Date	August 31, 2022

Commencement of SISP

42. The Monitor with the assistance of the Applicant will invite licensed real estate agents and brokers to submit a Sale Proposal and thereafter select a broker to act as the licensed broker to assist the Monitor with the sale of the Real Property and Development Assets (the “**Broker**”).
43. The Broker, with the assistance of the Monitor and the Applicant as described in the SISP will:
 - a) develop a list of potential bidders (“**Known Potential Bidders**”) including parties that may be interested in the Real Property and Development Assets;

- b) advertise the Opportunity on the Broker's website, MLS or any other website or in any other publication in which the Broker and Monitor determine notice of this SISP should be published;
 - c) prepare an offering summary (the "**Teaser Letter**") describing the Opportunity and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
 - d) deliver the Teaser Letter and form of Confidentiality Agreement to Known Potential Bidders.
44. The Monitor understands that Nahid Corporation may wish to participate in the SISP and is a Known Potential Bidder. Under the Proposed SISP Order, Nahid Corporation in its capacity as DIP Lender has no access to information or rights in connection with the selection or evaluation of bids. If Nahid Corporation decides to participate in the SISP it will participate with the same information and on the same basis as any third party Known Potential Bidder.

Bidding and Selection of Winning Bid

45. Known Potential Bidders will be required to submit an executed Confidentiality Agreement as well as the identity of the potential bidder, contact information for such bidder and must demonstrate financial capabilities and technical expertise to make a viable Real Property Bid or Development Bid, in order to be deemed to be a "**Potential Bidder**".

46. The Broker will prepare and deliver to each a Potential Bidder a confidential information memorandum (“**CIM**”) further describing the Opportunity. The Broker with the assistance of the Monitor and Applicant will establish an electronic data room that will include information pertaining to the Opportunity and a template sale agreement.
47. The Monitor reserves the right to limit access to any confidential information where, in the Monitor’s opinion, such access could negatively impact the SISP or the Applicant.
48. A Potential Bidder that wishes to pursue the Opportunity further must deliver a non-binding letter of interest to the Monitor by the LOI Deadline and must include, in addition to other criteria which are detailed in the SISP:
 - a) an indication of whether the Potential Bidder wishes to tender (i) a Real Property Bid; or (ii) a Development Bid;
 - b) in the case of a Development Bid, a description of the Development Assets expected to be included in the transaction; and
 - c) the purchase price or price range and in the case of a Development Bid the allocation of the purchase price between the Real Property and the Development Assets.
49. The Monitor in consultation with the Applicant and the Broker will assess the LOIs based on factors and circumstances they consider appropriate and as described in the SISP. At the conclusion of this process the Monitor, Applicant and Broker will deem satisfactory bids and bidders as “**Qualified LOIs**” and “**Qualified Bidders**” respectively.

50. The Monitor, in consultation with the Applicant may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI.
51. The Broker, with assistance from the Monitor, may facilitate Qualified Bidders conducting additional due diligence as necessary.
52. The Monitor or the Applicant may at any time bring a motion to the Court to seek approval of:
 - a) a sale of the Real Property or Development Assets whether or not such sale is in accordance with the terms or timelines set out in this SISP; or
 - b) a stalking horse agreement in respect of some or all of the Real Property and Development Assets.
53. Qualified Bidders that wish to place a binding Real Property Bid or Development Bid shall submit a binding offer (a “**Final Bid**”) that complies with all of the requirements indicated in the SISP by Friday June 17, 2022 (the “**Final Bid Deadline**”).
54. Following the Final Bid Deadline, the Monitor, in consultation with the Broker and Applicant will review and evaluate each Final Bid based on the factors outlined in the SISP and determine the highest or otherwise best bid (the “**Winning Bid**”) and the next highest, best or otherwise most favourable Qualified Final Bid received. The most favourable Final Bid that is not the Winning Bid, as determined by the Monitor, shall be the “**Backup Bid**”.

55. The Applicant shall have no obligation to enter into a Final Agreement with the Winning Bidder. In the event the Applicant enters into a Final Agreement with the Winning Bidder such transaction shall be subject to approval by the Court. If the transaction with the Winning Bidder is approved by the Court and such transaction closes, the Deposit related to the Backup Bid will be returned to the Backup Bidder.
56. In the event the Winning Bidder is unable to close its transaction, the Winning Bidder's Deposit will be returned. The Applicant will then pursue the Backup Bid and if such transaction is approved by the Court, the Applicant will work with the Backup Bidder to close the Backup Bid transaction.

Monitor's Involvement in the SISP

57. The Monitor assisted the Applicant in developing the SISP, and the Monitor together with Broker, shall oversee, in all respects, the conduct of the SISP and, without limitation to that role, will carry out the SISP in the manner set out in the SISP. However, any sale transaction pursuant to this SISP is to be ultimately selected and completed by the Applicant as vendor and approved by this Court.

Monitor's Comments and Recommendation

58. The Monitor believes that:
- a) the SISP provides a fair and transparent process necessary for the Monitor and the Applicant to consider the broad range of potential transactions that may be available to generate value from the Real Property and Development Assets;

- b) no stakeholder will be prejudiced by the SISP;
- c) appropriate involvement by the Applicant in the SISP should encourage and facilitate bidding by interested parties; and
- d) the SISP is reasonable in the circumstances.

59. The Monitor is of the view that the SISP is the best viable alternative for the Applicant at this time and provides an opportunity to identify potential bidders leading to a transaction that would benefit all stakeholders of the Applicant.

REQUEST FOR INCREASE IN THE ADMINISTRATION CHARGE

60. The Applicant is seeking to increase the Administration Charge granted in the Initial Order from \$150,000 to \$250,000.

61. As indicated in the First Anderson Affidavit the Applicant anticipated having this charge increased. As described in the Second Anderson Affidavit, the increase in the Administration Charge is due to any incremental risk associated with the DIP Lender's Charge having a first-priority ranking.

62. The beneficiaries of the Administration Charge include the Monitor, the Monitor's Counsel and the Applicant's Counsel. The Monitor believes that the proposed amendment to the charge is reasonable given the beneficiaries' role and the level of priority of the DIP Lender's Charge in the CCAA Proceeding.

REQUEST FOR AN EXTENSION OF THE STAY PERIOD

63. The current Stay Period currently expires on March 5, 2022. The Applicant is seeking to extend the Stay Period to July 22, 2022.
64. The DIP CFF demonstrates that, subject to the underlying Assumptions therein and assuming the DIP Facility is approved by this Court, the Applicant has sufficient liquidity to fund the Applicant's operations and the CCAA Proceedings during the proposed extension of the Stay Period.
65. The Monitor believes that the Applicant has acted and continues to act in good faith and with due diligence and that the extension will provide the opportunity to carry out the SISF for the benefit of all stakeholders.
66. Based on the information currently available, the Monitor also believes that stakeholders of the Applicant would not be materially prejudiced by an extension of the Stay Period and supports the Applicant's request for an extension of the Stay Period to July 22, 2022.

CONCLUSION

67. For the reasons stated in this First Report, the Monitor supports the relief sought by the Applicant in connection with the Comeback Hearing.

68. The Monitor respectfully submits to the Court this First Report.

**Deloitte Restructuring Inc.,
Solely in its capacity as Court-appointed Monitor
of Trinity Ravine Community Inc.**

A handwritten signature in blue ink that reads "Jordan Sleeth". The signature is written in a cursive style with a large, stylized initial "J".

Jorden Sleeth, LIT
Senior Vice-President

Schedule "A"

Real Property

PIN: 06179-0141 (LT)

Property Description: PART OF LOT 32 RCP 10620 PARTS 1,3,9,11,12 ON PLAN 66R31325; TOGETHER WITH AN EASEMENT OVER PT LT 32 RCP 10620, PT 1, 66R22905 AS IN AT1385473; TOGETHER WITH AN EASEMENT OVER PART OF LOT 32 RCP 10620, PART 4 66R31325 AS IN AT5708631; TOGETHER WITH AN EASEMENT OVER PART OF LOT 32 RCP 10620, PARTS 5, 6 66R31325 AS IN AT5708631; TOGETHER WITH AN EASEMENT OVER PART OF LOT 32 RCP 10620, PARTS 4, 5, 7, 8 66R31325 AS IN AT5708631; SUBJECT TO AN EASEMENT OVER PARTS 3, 9 66R31325 IN FAVOUR OF PART OF LOT 32 RCP 10620, PARTS 2, 4, 5, 7, 8, 10 66R31325 AS IN AT5708631; SUBJECT TO AN EASEMENT OVER PART 9 66R31325 IN FAVOUR OF PART OF LOT 32 RCP 10620, PARTS 2, 4, 5, 7, 8, 10 66R31325 AS IN AT5708631; CITY OF TORONTO

Municipal Address: 1256 Markham Road, Scarborough

APPENDIX 1

Trinity Ravine Community Inc. ("TRC" or the "Company")
Cash Flow Forecast for the period February 21 to May 22, 2022
 All amounts in CAD\$, unless otherwise stated
 Unaudited

			1	2	3	4	5	6	7	8	9	10	11	12	13	TOTAL - 13
	<i>Week Ending</i>	<i>Notes</i>	<i>27-Feb-22</i>	<i>6-Mar-22</i>	<i>13-Mar-22</i>	<i>20-Mar-22</i>	<i>27-Mar-22</i>	<i>3-Apr-22</i>	<i>10-Apr-22</i>	<i>17-Apr-22</i>	<i>24-Apr-22</i>	<i>1-May-22</i>	<i>8-May-22</i>	<i>15-May-22</i>	<i>22-May-22</i>	<i>weeks</i>
Receipts																
HST refund		1												46,086		46,086
Total Receipts			-	-	-	-	-	-	-	-	-	-	-	46,086	-	46,086
Operating disbursements																
KJK Ventures Inc.		2	11,300				11,300				11,300				11,300	45,200
Payroll		3		4,832		4,832		4,832		4,832		4,832		4,832		28,990
GWL - Group Insurance		3		983				983					983			2,950
Property Land Tax - City of Toronto		4		4,224				4,224					4,224			12,672
Office Supplies and Other				350				350					350			1,050
Contingency				2,000				2,000					2,000			6,000
Total operating disbursements			11,300	12,389	-	4,832	11,300	12,389	-	4,832	11,300	4,832	7,557	4,832	11,300	96,862
Financing and other disbursements																
Bank Charges (RBC & TD)				150				150					150			450
Miller Thomson		5	65,000				55,000				40,000					160,000
Deloitte		5	20,000				55,000				35,000					110,000
Monitor's counsel		5					22,500				22,500					45,000
Total financing and other disbursements			85,000	150	-	-	132,500	150	-	-	97,500	-	150	-	-	315,450
Net Cash Flow			\$ (96,300)	\$ (12,539)	\$ -	\$ (4,832)	\$ (143,800)	\$ (12,539)	\$ -	\$ (4,832)	\$ (108,800)	\$ (4,832)	\$ (7,707)	\$ 41,254	\$ (11,300)	\$ (366,226)
Opening cash		6	155,813	59,513	46,974	46,974	42,142	(101,658)	(114,197)	(114,197)	(119,029)	(227,829)	(232,660)	(240,368)	(199,114)	155,813
Net Cash Flow			(96,300)	(12,539)	-	(4,832)	(143,800)	(12,539)	-	(4,832)	(108,800)	(4,832)	(7,707)	41,254	(11,300)	(366,226)
Closing cash			\$ 59,513	\$ 46,974	\$ 46,974	\$ 42,142	\$ (101,658)	\$ (114,197)	\$ (114,197)	\$ (119,029)	\$ (227,829)	\$ (232,660)	\$ (240,368)	\$ (199,114)	\$ (210,414)	\$ (210,414)

Notes:

- TRC remits HST on a quarterly basis. May refund is an estimate based on payments made during the period January to March 2022. August refund is an estimate based on payments made during the period April to June 2022.
- Monthly payment as agreed by KJK Ventures Inc.
- Bi-weekly gross payroll for two employees. Source deductions are paid via the payroll service provider, Rise. Source deductions are current based on latest CRA statement. Group benefits package automatically withdrawn on the first of the month.
- As per available property tax details from the City of Toronto online portal. Interim billings of \$4,224 due on March 1, April 1 and May 2, 2022.
- Based on current amount due and estimate for the insolvency proceeding period.
- Opening cash as per TD and RBC bank statements.

Trinity Ravine Community Inc. ("TRC" or the "Company")
Cash Flow Forecast for the period February 21 to August 21, 2022
All amounts in CAD\$, unless otherwise stated
Unaudited

			14	15	16	17	18	19	20	21	22	23	24	25	26		
	Week Ending	Notes	TOTAL - 13 weeks	29-May-22	5-Jun-22	12-Jun-22	19-Jun-22	26-Jun-22	3-Jul-22	10-Jul-22	17-Jul-22	24-Jul-22	31-Jul-22	7-Aug-22	14-Aug-22	21-Aug-22	TOTAL - 26 weeks
Receipts																	
	HST refund	1	46,086												42,952		89,038
	Total Receipts		46,086	-	-	-	-	-	-	-	-	-	-	-	42,952	-	89,038
Operating disbursements																	
	KJK Ventures Inc.	2	45,200				11,300				11,300				11,300		79,100
	Payroll	3	28,990	4,832		4,832		4,832		4,832		4,832		4,832		4,832	62,811
	GWL - Group Insurance	3	2,950		983				983					983			5,900
	Property Land Tax - City of Toronto	4	12,672														12,672
	Office Supplies and Other		1,050		350				350					350			2,100
	Contingency		6,000		2,000				2,000					2,000			12,000
	Total operating disbursements		96,862	4,832	3,333	4,832	11,300	4,832	3,333	4,832	11,300	4,832	-	8,165	11,300	4,832	174,583
Financing and other disbursements																	
	Bank Charges (RBC & TD)		450		150				150					150			900
	Miller Thomson	5	160,000	40,000				40,000						40,000			280,000
	Deloitte	5	110,000	35,000				35,000						35,000			215,000
	Monitor's counsel	5	45,000	22,500				22,500						22,500			112,500
	Total financing and other disbursements		315,450	97,500	150	-	-	97,500	150	-	-	-	97,500	150	-	-	608,400
	Net Cash Flow		\$ (366,226)	\$ (102,332)	\$ (3,483)	\$ (4,832)	\$ (11,300)	\$ (102,332)	\$ (3,483)	\$ (4,832)	\$ (11,300)	\$ (4,832)	\$ (97,500)	\$ (8,315)	\$ 31,652	\$ (4,832)	\$ (693,946)
	Opening cash	6	155,813	(210,414)	(312,745)	(316,229)	(321,060)	(332,360)	(434,692)	(438,175)	(443,007)	(454,307)	(459,138)	(556,638)	(564,953)	(533,301)	155,813
	Net Cash Flow		(366,226)	(102,332)	(3,483)	(4,832)	(11,300)	(102,332)	(3,483)	(4,832)	(11,300)	(4,832)	(97,500)	(8,315)	31,652	(4,832)	(693,946)
	Closing cash		\$ (210,414)	\$ (312,745)	\$ (316,229)	\$ (321,060)	\$ (332,360)	\$ (434,692)	\$ (438,175)	\$ (443,007)	\$ (454,307)	\$ (459,138)	\$ (556,638)	\$ (564,953)	\$ (533,301)	\$ (538,133)	\$ (538,133)

Notes:

- TRC remits HST on a quarterly basis. May refund is an estimate based on payments made during the period January to March 2022. August refund is an estimate based on payments made during the period April to June 2022.
- Monthly payment as agreed by KJK Ventures Inc.
- Bi-weekly gross payroll for two employees. Source deductions are paid via the payroll service provider, Rise. Source deductions are current based on latest CRA statement. Group benefits package automatically withdrawn on the first of the month.
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- Based on current amount due and estimate for the insolvency proceeding period.
- Opening cash as per TD and RBC bank statements.

APPENDIX 2

Notes:

- 1 TRC remits HST on a quarterly basis. May refund is an estimate based on payments made during the period January to March 2022. August refund is an estimate based on payments made during the period April to June 2022.
- 2 Monthly payment as agreed by KJK Ventures Inc.
- 3 Bi-weekly gross payroll for two employees. Source deductions are paid via the payroll service provider, Rise. Source deductions are current based on latest CRA statement. Group benefits package automatically withdrawn on the first of the month.
- 4 As per available property tax details from the City of Toronto online portal. Interim billings of \$4,224 due on March 1, April 1 and May 2, 2022.
- 5 Based on current amount due and estimate for the insolvency proceeding period.
- 6 Opening cash as per TD and RBC bank statements.

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRINITY RAVINE COMMUNITY INC.

Court File No. CV-22-00677236-00cl

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SUPERIOR COURT OF JUSTICE
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