

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

Estate No. 31-2436538

IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY DEVELOPMENT
INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
AND

Estate No. 31-2436600

IN THE MATTER OF THE PROPOSAL OF 76 OLD KENNEDY DEVELOPMENT
INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
AND

Estate No. 31-2436604

IN THE MATTER OF THE PROPOSAL OF 82 OLD KENNEDY DEVELOPMENT
INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
AND

Estate No. 31-2438977

IN THE MATTER OF THE PROPOSAL OF 9500 DUFFERIN DEVELOPMENT
INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
AND

Estate No. 31-2439433

IN THE MATTER OF THE PROPOSAL OF 250 DANFORTH DEVELOPMENT
INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
AND

Estate No. 31-2439448

IN THE MATTER OF THE PROPOSAL OF 3310 KINGSTON
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE
LAWS OF ONTARIO
AND

Estate No. 31-2439440

IN THE MATTER OF THE PROPOSAL OF 1296 KENNEDY
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE
LAWS OF ONTARIO
AND

Estate No. 31-2440234

IN THE MATTER OF THE PROPOSAL OF 159 CARVILLE DEVELOPMENT
INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO

**MOTION RECORD
(Consolidation of Estates and Extension of Time to File a Proposal)
(returnable November 26, 2018)**

November 21, 2018

GOLDMAN SLOAN NASH & HABER LLP

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Toronto, Ontario M5G 1V2

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TAB 1

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

Estate No. 31-2436538

IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE
LAWS OF ONTARIO

AND

Estate No. 31-2436600

IN THE MATTER OF THE PROPOSAL OF 76 OLD KENNEDY
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE
LAWS OF ONTARIO

AND

Estate No. 31-2436604

IN THE MATTER OF THE PROPOSAL OF 82 OLD KENNEDY
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE
LAWS OF ONTARIO

AND

Estate No. 31-2438977

IN THE MATTER OF THE PROPOSAL OF 9500 DUFFERIN
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO

AND

Estate No. 31-2439433

IN THE MATTER OF THE PROPOSAL OF 250 DANFORTH
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO

AND

Estate No. 31-2439448

IN THE MATTER OF THE PROPOSAL OF 3310 KINGSTON
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO

AND

Estate No. 31-2439440

IN THE MATTER OF THE PROPOSAL OF 1296 KENNEDY
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO

AND

Estate No. 31-2440234

IN THE MATTER OF THE PROPOSAL OF 159 CARVILLE
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO

**NOTICE OF MOTION
(Consolidation of Estates and Extension of Time to Make a Proposal)
(returnable November 26, 2018)**

58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., 82 Old Kennedy Development Inc., 9500 Dufferin Development Inc., 250 Danforth Development Inc., 3310 Kingston Development Inc., 1296 Kennedy Development Inc. and 159 Carville Development Inc., (collectively, the “**NOI Companies**”), will make a motion to a Judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario, on **Monday, November 26, 2018**, at 10:00 a.m. or as soon after that time as the motion can be heard.

THE PROPOSED METHOD OF HEARING: The motion is to be heard:

___ in writing under subrule 37.12.1(1) because it is made without notice;

___ in writing as an opposed motion under subrule 37.12.1(4); or

X orally.

THE MOTION IS FOR an order, among other things,

- (a) authorizing and directing that the proposal proceedings commenced in respect of the NOI Companies be administratively and procedurally consolidated;

- (b) authorizing and directing that the Proposal Proceedings be continued under the following joint title of proceedings:

**IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY
DEVELOPMENT INC., 76 OLD KENNEDY DEVELOPMENT INC., 82
OLD KENNEDY DEVELOPMENT INC., 9500 DUFFERIN
DEVELOPMENT INC., 250 DANFORTH DEVELOPMENT
INC., 3310 KINGSTON DEVELOPMENT INC., 1296
KENNEDY DEVELOPMENT INC., 159 CARVILLE
DEVELOPMENT INC., ALL CORPORATIONS INCORPORATED
UNDER THE LAWS OF ONTARIO**

- (c) extending the NOI Companies' time to file a proposal with the Official Receiver to January 8, 2019;

THE GROUNDS FOR THE MOTION ARE:

Background

- (a) The NOI Companies are part of a real estate development group more generally known as the "Forme Group" which consists of Forme Development Group Inc. and a number of affiliates including the NOI Companies;
- (b) The NOI Companies filed notices of intention to make a proposal under Section 50.4 of the *Bankruptcy and Insolvency Act* between October 26, 2018 and November 5, 2018 (the "NOI Proceedings");
- (c) KSV Kofman Inc. was appointed proposal trustee (the "Proposal Trustee") in each of the NOI Proceedings;
- (d) The Forme Group subsequently made an application for protection under the Companies' Creditors Arrangement Act ("CCAA") on November 6, 2018;
- (e) The application was adjourned to November 8, 2018 and subsequently adjourned to November 22, 2018;

Consolidation of the Estates

- (f) The consolidation of the NOI Companies' NOI proceedings will reduce the administrative complexity of the proceedings and avoid duplicative and unnecessary costs;
- (g) All of the NOI Companies are under common management;
- (h) Each of the NOI Companies is an applicant in the CCAA application – should an Initial Order be made, some or all of the NOI proceedings will be converted into CCAA proceedings;

Extension of the Time to Make a Proposal

- (i) An extension of the time to make a proposal will allow the NOI Companies to continue ongoing negotiations with mortgagees in an effort to commence CCAA proceedings;
- (j) There is no purpose to a bankruptcy at this time – if any or all of the NOI Companies are not converted to CCAA applicants and mortgagees are allowed to enforce their security, there is no benefit to terminating the NOI proceeding until it is known whether there is equity in the subject properties;
- (k) Extending the NOI proceedings is not intended to prohibit mortgagees from enforcing their security if the CCAA proceedings are not successful;

General

- (l) Sections 19, 34, 183 and 187 of the BIA;
- (m) Section 138 of the Courts of Justice Act, R.S.O. 1990, c. C.43;
- (n) *The Rules of Civil Procedure*, R.R.O. 1990, reg. 194, including, without limitation, rules 1.04(1) and 6.01(1) thereof;
- (o) *Bankruptcy and Insolvency General Rules*, C.R.C. 1978, C. 368, rule 3;

- (p) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The Second Report of the Proposal Trustee dated November 20, 2018; and
- (b) Such further and other evidence as counsel may advise and this Honourable Court may permit.

DATE: November 21, 2018

GOLDMAN SLOAN NASH & HABER LLP

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Lawyers for the NOI Companies

TO: THE SERVICE LIST

IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 76 OLD KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 82 OLD KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 9500 DUFFERIN DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 250 DANFORTH DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 3310 KINGSTON DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 1296 KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 159 CARVILLE DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO

Estate File Nos: 31-2436538
31-2436600
31-2436604
31-2438977
31-2439433
31-2439448
31-2439440
31-2440234

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced TORONTO**

**NOTICE OF MOTION
(Consolidation of Estates and Extension of Time to File a Proposal)
(returnable November 26, 2018)**

GOLDMAN SLOAN NASH & HABER LLP
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Lawyers for the NOI Companies

TAB 2



**Second Report to Court of
KSV Kofman Inc. as
Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc.,
82 Old Kennedy Development Inc.,
9500 Dufferin Development Inc.,
250 Danforth Development Inc.,
3310 Kingston Development Inc.,
1296 Kennedy Development Inc. and
159 Carrville Development Inc.**

November 20, 2018

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ESTATE FILE NOS.: 31-2436538, 31-2436600,
31-2436604, 31-2438977,
31-2439433, 31-2439440,
31-2439448 AND 31-2440234

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

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
58 OLD KENNEDY DEVELOPMENT INC., 76 OLD KENNEDY DEVELOPMENT INC.,
82 OLD KENNEDY DEVELOPMENT INC., 9500 DUFFERIN DEVELOPMENT INC.,
250 DANFORTH DEVELOPMENT INC., 3310 KINGSTON DEVELOPMENT INC.,
1296 KENNEDY DEVELOPMENT INC. AND 159 CARRVILLE DEVELOPMENT INC.

SECOND REPORT OF KSV KOFMAN INC.
AS PROPOSAL TRUSTEE
NOVEMBER 20, 2018

1.0 Introduction

- 1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as proposal trustee ("Proposal Trustee") in connection with Notices of Intention to Make a Proposal ("NOI") filed by the entities noted below (collectively, the "NOI Entities" and individually a "NOI Entity") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA").

Debtor	Date of NOI filing
58 Old Kennedy Development Inc.	October 26, 2018
76 Old Kennedy Development Inc.	October 26, 2018
82 Old Kennedy Development Inc.	October 26, 2018
9500 Dufferin Development Inc.	November 1, 2018
250 Danforth Development Inc.	November 2, 2018
3310 Kingston Development Inc.	November 2, 2018
1296 Kennedy Development Inc.	November 2, 2018
159 Carrville Development Inc.	November 5, 2018

- 2. Copies of each Certificate of Filing issued by the Office of the Superintendent of Bankruptcy Canada are attached as Appendix "A".
- 3. The NOI Entities are affiliates of Forme Development Group Inc. and approximately 30 affiliated real estate holding companies (collectively, "Forme Group"). On November 6, 2018, Forme Group filed an application seeking protection under the *Companies' Creditors Arrangement Act* ("CCAA"). As at the date of this Report, the CCAA application remains pending before this Honourable Court. The Court has provided an interim stay of proceedings against Forme Group, which expires on November 22, 2018.

4. KSV is filing this Report in its capacity as Proposal Trustee of the NOI Entities.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the NOI Entities and these proceedings;
 - b) report on the NOI Entities' unconsolidated cash flow projections for the period November 19, 2018 to January 8, 2019 (the "Cash Flow Forecasts");
 - c) discuss the NOI Entities' request to extend the NOI proceedings to January 8, 2019;
 - d) discuss the rationale for administratively consolidating the NOI proceedings of the NOI Entities; and
 - e) recommend that the Court make an order, *inter alia*:
 - approving the NOI Entities' request for an extension of the time to file a proposal with the Official Receiver to January 8, 2019; and
 - administratively consolidating the NOI proceedings of the NOI Entities.

1.2 Currency

1. All currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by management of Forme Group, its books and records and discussions with management. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the NOI Entities' financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.
3. An examination of the Cash Flow Forecasts as outlined in the *Chartered Professional Accountants Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based upon the Forme Group's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

2.0 Background

1. Forme Group is a commercial and residential real estate development group specializing in low-rise, high-rise, mixed-use and hospitality developments. Forme Group's projects are primarily located in the Greater Toronto Area with a few in Southwestern Ontario and one in Western Canada.
2. As noted above, Forme Group made an application to commence CCAA proceedings on November 6, 2018. KSV is the proposed monitor in Forme Group's pending CCAA Application.
3. KSV filed a report to Court dated November 6, 2018 (the "First Report") in its capacity as Proposal Trustee of the NOI Entities and as proposed CCAA monitor of Forme Group. Two supplements to the First Report were filed on November 7, 2018 (the "Supplemental Reports"). Detailed information about the NOI Entities, real property value estimates, reasons for filing the NOIs and the intended restructuring plan of Forme Group is set out in the First Report and the Supplemental Reports and, accordingly, is not repeated in this Report.
4. Copies of the First Report and the Supplemental Reports, each without appendices, are attached as Appendices "B" and "C", respectively.

3.0 Cash Flow Forecasts

1. Pursuant to the provisions of the BIA, the NOI Entities are required to prepare a cash flow forecast. The NOI Entities do not have any business, operations or employees. Each of the NOI Entities holds a real property development project. The Cash Flow Forecasts of each of the NOI Entities, which reflect no forecasted receipts or disbursements¹, together with Management's Reports on the Cash Flow Statements as required by Section 50.4(2)(c) of the BIA, are provided in Appendix "D".
2. Based on the Proposal Trustee's review of the Cash Flow Forecasts, there are no material assumptions which seem unreasonable in the circumstances. The Proposal Trustee's Reports on the Cash Flow Statements for each of the NOI Entities as required by Section 50.4(2)(b) of the BIA are attached as Appendix "E".

4.0 Request for an Extension

1. The NOI Entities are seeking an extension of the time to file a proposal with the Official Receiver to January 8, 2019.

¹ Forme Group has guaranteed the Proposal Trustee's fees and disbursements, including legal costs. The Proposal Trustee has registered a mortgage against certain Forme Group properties to secure its fees and Forme Group has provided a Direction of a portion of its equity, if any, on its Birchmount project that is scheduled to close in the coming weeks.

2. The Proposal Trustee supports this request for the following reasons:
 - a) it will allow the Proposal Trustee and the NOI Entities to continue ongoing negotiations with mortgagees in an effort to commence CCAA proceedings, which is intended to maximize value for all stakeholders of Forme Group, including the NOI Entities. As part of the order extending the stay of proceedings of the NOI Entities, any mortgagee not ultimately part of the CCAA proceeding is entitled to enforce its rights under its mortgages and, accordingly, no creditor would be materially prejudiced if the extension is granted;
 - b) based on the Cash Flow Forecasts, there is no funding required during the extension period;
 - c) there does not appear to be any purpose to a bankruptcy at this time. To the extent an NOI Entity is not part of the CCAA proceeding and a mortgagee of such entity enforces its security, there is no benefit to terminating these proceedings until each property is realized upon, particularly given that there may be equity in certain of the properties, which will be determined through each realization. Extending the stay in the NOI proceedings is not intended to prohibit the mortgagees from commencing enforcement processes if the applicable NOI Entity is not part of the CCAA proceeding; and
 - d) the NOI Entities are working in good faith to find solutions to the multitude of challenges affecting the NOI Entities.

5.0 Administrative Consolidation

1. The NOI Entities are seeking an order to consolidate the administration of the eight NOI proceedings into one estate.
2. Each of the NOI Entities would remain separate for the purpose of a claims process, filing a proposal or making distributions to creditors, as applicable.
3. The NOI Entities and the Proposal Trustee believe that administratively consolidating the proceedings is appropriate as:
 - a) it will facilitate the orderly administration of these proceedings;
 - b) each entity is an Applicant in Forme Group's pending CCAA proceedings. Should an Initial Order be made, some or all of the NOI proceedings will be converted into CCAA proceedings;
 - c) the NOI Entities are all under common management and ownership; and
 - d) it will reduce costs, including by filing materials in one proceeding only.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(e) of this Report.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
THE NOI ENTITIES
AND NOT IN ITS PERSONAL CAPACITY**

TAB 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. 31-2436538
Estate No. 31-2436538

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

58 Old Kennedy Development Inc.
Insolvent Person

KSV KOFMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: October 26, 2018

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: October 26, 2018, 15:19

E-File/Dépôt Electronique

Official Receiver

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





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. 31-2436604
Estate No. 31-2436604

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

82 Old Kennedy Development Inc.
Insolvent Person

KSV KOFMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: October 26, 2018

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: October 26, 2018, 16:19

E-File/Dépôt Electronique

Official Receiver

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

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2438977
Estate No. 31-2438977

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

9500 Dufferin Development Inc.
Insolvent Person

KSV KOFMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: November 01, 2018

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

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

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

Date: November 19, 2018, 12:18

E-File/Dépôt Electronique

Official Receiver

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

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2439433
Estate No. 31-2439433

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

250 Danforth Development Inc.
Insolvent Person

KSV KOFMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: November 02, 2018

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

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

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

Date: November 02, 2018, 12:48

E-File/Dépôt Electronique

Official Receiver

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





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. 31-2439448
Estate No. 31-2439448

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

3310 Kingston Development Inc.
Insolvent Person

KSV KOFMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: November 02, 2018

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

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

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

Date: November 02, 2018, 13:05

E-File/Dépôt Electronique

Official Receiver

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





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. 31-2439440
Estate No. 31-2439440

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

1296 Kennedy Development Inc.
Insolvent Person

KSV KOFMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: November 02, 2018

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

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

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

Date: November 02, 2018, 12:59

E-File/Dépôt Electronique

Official Receiver

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





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. 31-2440234
Estate No. 31-2440234

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

159 Carrville Development Inc.
Insolvent Person
KSV KOFMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: November 05, 2018

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

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

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

Date: November 06, 2018, 07:36

E-File/Dépôt Electronique

Official Receiver

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



TAB B



**First Report of KSV Kofman Inc.
As Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc.,
82 Old Kennedy Development Inc.,
9500 Dufferin Development Inc.,
250 Danforth Development Inc.,
3310 Kingston Development Inc.,
1296 Kennedy Development Inc. and
159 Carrville Development Inc.**

November 6, 2018

- and -

**Report of
KSV Kofman Inc.
as Proposed CCAA Monitor of
Forme Development Group Inc.
and the Companies Listed on
Appendix "A"**

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF FORME DEVELOPMENT GROUP INC.
AND THE COMPANIES LISTED ON APPENDIX "A"**

**FIRST REPORT OF KSV KOFMAN INC. AS
PROPOSAL TRUSTEE AND
REPORT OF KSV KOFMAN INC. AS PROPOSED MONITOR**

November 6, 2018

1.0 Introduction

1. Forme Development Group Inc. ("FDG") and its affiliated entities listed on Appendix "A" (collectively, FDG and the affiliated entities listed on Appendix "A" are referred to as the "Applicants") intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") under the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended (the "CCAA") for an initial order (the "Initial Order") granting the Applicants protection under the CCAA and appointing KSV Kofman Inc. ("KSV") as the CCAA monitor in these proceedings ("Monitor"). KSV has consented to act as Monitor in these proceedings. A copy of its consent is provided in Appendix "B".
2. As summarized in the table below, certain of the Applicants (the "NOI Entities") recently filed Notices of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* ("BIA") (collectively, the "NOI Proceedings"). KSV is the proposal trustee in each of the NOI Proceedings (the "Proposal Trustee").

Debtor	Date of NOI filing
58 Old Kennedy Development Inc.	October 26, 2018
76 Old Kennedy Development Inc.	October 26, 2018
82 Old Kennedy Development Inc.	October 26, 2018
9500 Dufferin Development Inc.	November 1, 2018
250 Danforth Development Inc.	November 2, 2018
3310 Kingston Development Inc	November 2, 2018
1296 Kennedy Development Inc.	November 2, 2018
159 Carrville Development Inc.	November 5, 2018

3. The Affidavit of Yuan Hua Wang ("Mr. Wang"), the Applicants' founder, sole shareholder and director, sworn November 5, 2018 and filed in support of the Applicants' application for CCAA protection (the "Affidavit"), provides, *inter alia*, background information concerning the Applicants, including the reasons for the commencement of these proceedings and an overview of the Applicants' intended restructuring plan.
4. KSV is filing this report (the "Report") in its capacity as Proposal Trustee of the NOI Entities and as proposed Monitor in the Applicants' CCAA proceedings.

2.0 Executive Summary

1. The Applicants are comprised of 30 companies which own 18 real estate projects.
2. The Applicants are indebted to mortgagees in the aggregate amount of approximately \$220 million, before certain interest, costs and fees which continue to accrue.
3. Several of the Applicants' properties have multiple mortgages.
4. Mr. Wang has personally guaranteed a large percentage of the Applicants' mortgage obligations.
5. The Applicants are illiquid – as at the date of this Report, they have a combined bank balance of approximately \$230,000, cannot pay their obligations as they come due and have defaulted on all of their mortgages.
6. Certain of the Applicants' projects, particularly the Pacific Properties (as defined below) are estimated to have substantial equity – estimated to be between \$30 million and \$70 million. The Applicants believe that the equity may exceed the high end of this range.
7. The Applicants' mortgagees are frustrated due to the defaults under their mortgages and broken promises from representatives of the Applicants.
8. The Applicants contacted KSV approximately two weeks ago. Since that time, KSV has worked with TD Cornerstone Commercial Realty Inc. ("TD") to independently consider the estimated value of the Applicants' real property, particularly the properties (the "Pacific Properties") owned by nine¹ of the Applicants (the "Pacific Entities"). The Pacific Properties are located in close proximity to the Pacific Mall in Markham, Ontario. TD is of the view that, even on an "as is" basis, the Pacific Properties have considerable equity.
9. To stabilize the situation and conduct an orderly realization process for the benefit of creditors, the Applicants require protection under the CCAA.

¹ The Pacific Entities are: 186 Old Kennedy Development Inc., 31 Victory Development Inc., 58 Old Kennedy Development Inc., 82 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., 22 Old Kennedy Development Inc., 35 Thelma Development Inc., 19 Turff Development Inc. and 4550 Steeles Development Inc.

10. While preparing for CCAA protection, certain of the Applicants have filed NOIs under the BIA in response to those mortgagees which commenced enforcement proceedings by issuing 244 notices under the BIA and/or have commenced power of sale proceedings.
11. If the Initial Order is granted, the Applicants intend to conduct a sale process for the majority of its properties, under the supervision of KSV, as Monitor. It is contemplated that TD would be retained as listing agent for the sale process. KSV has negotiated a favourable fee arrangement with TD for this assignment, as detailed below. It is important that the sale process be commenced forthwith for several reasons, including the significant interest and other debt costs which are accruing on the Applicants' mortgage debt.
12. Because the Applicants are without liquidity, KSV has also arranged a DIP facility (the "DIP Facility") to fund these restructuring proceedings. The DIP Facility is contemplated to have a super-priority charge on the property of the Pacific Entities (including the Pacific Properties), subordinate only to the Administration Charge (as defined and described below). The majority (but not all) of the equity in the Applicants' real properties appears to be in the Pacific Properties.
13. The Monitor, its counsel and the Applicants' counsel have not been paid retainers. The Initial Order contemplates that they would be provided a super-priority first-ranking Administration Charge on the property of the Pacific Entities (including the Pacific Properties) and a charge ranking immediately behind the other Applicants' first mortgagees for their costs and fees incurred to-date and going forward.
14. These proceedings will also provide senior ranking mortgagees with the same result as if they moved forward with their own enforcement processes – an expedited sale process. They also gain the benefit of a Court-supervised process, which assists to insulate them from improvident realization claims from junior ranking mortgagees.
15. The materials contemplate that a comeback motion will be heard within the first two weeks of these proceedings (the "Comeback Motion"). Until that time, the Administration Charge has been limited to \$300,000 and the DIP Facility has been limited to \$750,000. Increases to both amounts are contemplated at the Comeback Motion (\$1 million in the case of the Administration Charge, and \$5 million plus accrued interest, fees and expenses in the case of the DIP Facility).
16. The proposed Court-ordered charges have been situated in each entity and on each piece of real estate having consideration for the parties which will obtain the greatest benefit from the orderly sale process contemplated in these restructuring proceedings, primarily junior ranking mortgagees.
17. KSV, as the proposed Monitor, believes that these proceedings also provide benefits to senior ranking mortgagees as it provides an orderly and expedited sale process under the supervision of the Court.

18. Through the stability created, it is believed that the equity in the Pacific Properties will be realized for the benefit of those mortgagees who may suffer shortfalls but have guarantees from Mr. Wang. If it turns out that the value of the Pacific Properties is materially less than expected, the Monitor will advise the Court forthwith.

2.1 Purposes of this Report

1. The purposes of this Report are to:
- a) provide KSV's qualifications to act as Monitor;
 - b) provide background information about the Applicants;
 - c) summarize the terms of a \$5 million DIP Facility (which is to have an interim borrowing limit of \$750,000 until the Comeback Motion) to be made available to the Pacific Entities by KingSett Mortgage Corporation ("KingSett" or the "DIP Lender") pursuant to a DIP term sheet dated November 6, 2018, which is proposed to be secured by a Court-ordered charge on the property of the Pacific Entities, including the Pacific Properties;
 - d) summarize the terms of a listing agreement dated November 5, 2018, pursuant to which the Applicants propose to engage TD to act as the listing brokerage for the Applicants' real property;
 - e) report on the Applicants' cash flow projection for the period November 5, 2018 to December 9, 2018 ("Cash Flow Forecast"); and
 - f) discuss the rationale for:
 - converting the NOI Proceedings into a consolidated CCAA proceeding that includes the NOI Entities and each of the Applicants which are not subject to the NOI Proceedings;
 - retaining TD at this time to prepare for a sale process², the details of which will be subject to approval at the Comeback Motion;
 - extending the stay of proceedings to Mr. Wang to prevent enforcement actions against him;
 - an administration charge in the interim amount of \$300,000 to secure the fees and disbursements of the Applicants' counsel, the Monitor and its counsel in these proceedings (the "Administration Charge"), which is proposed to have a super-priority charge on the property of each of the Applicants. The Administration Charge is proposed to rank first on the property of the Pacific Entities (including the Pacific Properties) and to be subordinate to the first mortgagees as against the other Applicants;

² TD's mandate includes attempting to refinance certain projects, as discussed in greater detail in Section 3 below.

- a charge in favour of the DIP Lender to secure borrowings of up to \$750,000 under the DIP Facility (the "DIP Lender's Charge") until the Comeback Motion, which charge is proposed to rank immediately behind the Administration Charge on the Pacific Properties. For greater certainty, the DIP Lender will only have a charge against the property of the Pacific Entities (including the Pacific Properties), and not the other Applicants;
 - a charge (the "Intercompany Charge") in favour of any Applicant that makes an intercompany advance to another Applicant (the "Receiving Applicant") to the extent of the intercompany advances made by those Applicants, which charge is proposed to rank subordinate to the first mortgages on each Property (as well as to the Administration Charge and DIP Lender's Charge, where applicable); and
- g) recommend that this Court grant the relief sought by the Applicants in their CCAA application materials.

2.2 Restrictions

1. In preparing this Report, KSV has relied upon the Applicants' unaudited financial information, third party appraisals, discussions with the Applicants' management and discussions with TD. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
2. In reviewing the Applicants' financial information, KSV has determined that the Applicants' books and records need to be brought current and adjustments will be required to certain of the financial statements. KSV intends to work with the Applicants in this regard if appointed Monitor.
3. KSV expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the Applicants' financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.
4. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

2.3 Currency

1. All currency references in this Report are in Canadian dollars.

2.4 KSV's Qualifications to Act as Monitor

1. KSV is qualified to act as Monitor in these proceedings:
 - a) KSV is a trustee within the meaning of subsection 2(1) of the BIA. KSV is not subject to any of the restrictions to act as monitor set out in Section 11.7(2) of the CCAA.
 - b) KSV has been working with the Applicants' management team for the past two weeks and is presently the Proposal Trustee of the NOI Entities. KSV has familiarized itself with the Applicants' issues, financial situation and the status of their projects.
 - c) KSV has extensive experience acting as a court officer in a wide variety of industries, including several mandates in recent years acting as a Court officer in the real estate sector. Recently, as detailed below, KSV has been involved as the court officer in not less than 11 real estate related files³.

Debtor	Description	KSV's Role
Urbancorp Group	Major developer of residential properties in the GTA	CCAA Monitor
Mady Steeles (2011) Ltd.	Diversified real estate development group	Court-appointed Receiver
Textbook and Memory Care Group of Companies	Developers of student housing residences and aged care facilities.	Court-appointed Receiver in 11 separate receiverships, each with at least one piece of owned real estate
Generx (Byward Hall) Inc.	Developer of student housing residences	Court-appointed Receiver
M.Y. Residential Inc.	Owned a student housing residence	Court-appointed Receiver
Court-appointed "sales officer" of a private real estate portfolio	Shareholder dispute involving a group of private companies with a real estate portfolio in the GTA of greater than \$110 million including, development land, residential land, farm land, industrial land and industrial condominiums	Court-appointed sales officer
JD Phillip Street LP	Owner of student housing residence and development land	Court-appointed Receiver
Textbook (445 Princess Street) Inc.	Developer of student housing residences	Court-appointed Receiver
Seaway Travel Centre Ltd.	Commercial property owner	Court-appointed Receiver
3291736 Nova Scotia Limited	Owner of six condominium lots in Halifax, Nova Scotia	Court-appointed Receiver
2301132 Ontario Inc. and 2309840 Ontario Inc.	Owner of several pieces of real estate located in Georgetown, Ontario, including four of five pieces which comprise one assembly	Proposal Trustee

³ Certain of these mandates have multiple insolvency processes.

3.0 Background

1. The Applicants are a commercial and residential real estate development group specializing in low-rise, high-rise, mixed-use and hospitality developments. The Applicants' projects are primarily located in the Greater Toronto Area with a few in Southwestern Ontario and one in Western Canada. The Applicants' organization chart is provided in Appendix "C".
2. Mr. Wang is the sole director and shareholder of each of the Applicants. FDG has 12 employees, including Mr. Wang. The Applicants' workforce is not unionized and the Applicants do not maintain a registered pension plan. Other than FDG, the other Applicants are single purpose entities that own real estate for development.
3. A table summarizing the Applicants' projects is provided below. The action plan for each project is also provided.

No.	Entity Name	Purchase Price (\$)	Acquisition Year(s)	Mortgage Debt (\$)	Appraised Value ⁴ (\$)	Appraisal Date	Action plan
1	4 Don Hillock Development Inc.	2,002,500	2017	2,400,000	3,200,000	5-Jun-17	Sell
2	250 Danforth Development Inc.	7,330,000	2014	20,300,000	32,200,000	5-Jul-18	Sell
3	3310 Kingston Development Inc.	3,830,000	2014, 2015	12,700,000	14,500,000	20-Oct-16	Sell
4	12696 Kennedy Development Inc.	2,740,000	2015	7,200,000	12,100,000	1-Jun-18	Sell
5	7397 Islington Development Inc.	3,200,000	2015	8,000,000	13,800,000	27-Oct-17	Sell
6	1326 Wilson Development Inc.	1,700,000	2016	3,000,000	10,400,000	0-Jan-00	Sell
7	101 Columbia Development Inc.	3,908,887	2016	4,345,000	11,000,000	25-Jul-18	Sell
8	4208 Kingston Development Inc.	5,878,000	2016	7,908,000	1,790,000	18-Sep-18	Sell
9	376 Derry Development Inc.; and 390 Derry Development Inc.	14,850,000	2016	19,075,000	34,600,000	1-Aug-17	Sell
10	159 Carrville Development Inc.; 169 Carrville Development Inc.; and 189 Carrville Development Inc.	10,653,000	2015, 2016, 2017	15,491,500	19,600,000	7-Nov-17	Sell
11	4439 John Development Inc.; and 5507 River Development Inc.	5,209,900	2016	4,336,930	N/A	N/A	Development under consideration
12	186 Old Kennedy Development Inc.; and 31 Victory Development Inc.	34,500,000	2015, 2016	46,350,000	77,500,000	1-Jun-18	Develop
13	58 Old Kennedy Development Inc.; 82 Old Kennedy Development Inc.; and 76 Old Kennedy Development Inc.	20,800,000	2015, 2016	21,525,000	55,600,000	3-Apr-18	Sell
14	22 Old Kennedy Development Inc.; 35 Thelma Development Inc.; and 19 Turff Development Inc.	5,262,000	2015, 2016	4,890,000	10,400,000	2017-Apr-5 and 2018-Apr-03	Sell
15	4550 Steeles Development Inc.	11,700,000	2016	12,000,000	30,900,000	3-Apr-18	Sell

⁴ C&W prepared the appraisal for all but one property, which was prepared by Colliers. Appraisals for three properties were not available.

No.	Entity Name	Purchase Price (\$)	Acquisition Year(s)	Mortgage Debt (\$)	Appraised Value* (\$)	Appraisal Date	Action plan
16	9500 Dufferin Development Inc.	14,750,000	2017	13,500,000	14,750,000	25-Aug-17	Sell
17	27 Anglin Development Inc.; and 29 Anglin Development Inc.	6,170,000	2016	6,923,500	12,100,000	15-Jun-17	Sell
18	2358825 Ontario Ltd. (Birchmount)	N/A	N/A	8,550,000	N/A	N/A	Complete closing
Total		154,484,287		220,608,930	354,440,000		
Note: Mortgage balances above are before certain interest, costs and fees, which continue to accrue.							

4. As set out in the Affidavit, TD has reviewed certain of the Applicants' appraisals prepared by Cushman & Wakefield Ltd. ("C&W") and has provided its view of the estimated "as is" value of certain of those properties. KSV asked that TD focus its diligence on the Pacific Properties. TD's diligence included speaking to the planner retained by the Applicants on those properties, considering the development plans and development status of those sites, reviewing the C&W appraisals and looking at comparable transactions. Based on its review, TD estimates that the Pacific Properties have between \$30 million to \$70 million of value on an "as is" basis after repayment of the mortgages on those properties.
5. These proceedings contemplate that, subject to further Court approval, TD will carry out a sale process, under the supervision of the Monitor, for all of the Applicants' real property other than the following (the "Retained Properties"):
 - a) 186 Old Kennedy/31 Victory/51 Victory, which comprise one development project on the Pacific Properties. The Applicants envision that the equity in this project and the other Pacific Properties are to be used to fund shortfalls incurred on those mortgages that Mr. Wang has guaranteed. Mr. Wang believes that this property, if developed, will create significant additional value; and
 - b) Birchmount Gardens, being a group of urban townhouses in Scarborough, Ontario, which is fully sold with construction completed. The Applicants have advised KSV that closings are expected to take place before year-end and that the closing proceeds will be sufficient to repay all mortgagees on the project.
6. The Applicants are also considering whether to continue development activity on a project in Niagara Falls known as the River Development (the "River Road Project"). Additional time is required to determine whether this project should be sold or developed. A determination will be made by the Applicants, in consultation with KSV, TD and the mortgagees on this project.
7. TD has retained Kevin Schledewitz, a licensed mortgage broker with Onedin Acceptance Corporation ("Onedin"). Onedin's principal mandate will be refinancing the mortgages on 186 Old Kennedy/31 Victory/51 Victory. Onedin may also look for opportunities to refinance the River Road Project.
8. Following the Comeback Motion (but not before), the Applicants intend to service the interest on 186 Kennedy/31 Victory/51 Victory while development activity is pursued. This is also true on the River Road Project provided a decision is made to continue development activity on that project.

9. Further information concerning the Applicants, their current situation and the purpose of these proceedings is provided in the Affidavit. In order to avoid duplication, that discussion has not been repeated in this Report.

4.0 Creditors

4.1 Secured Creditors

1. The Applicants' mortgage debt totals approximately \$220 million.
2. As reflected in the project summary above, there is one or more mortgagees on each of the Applicants' real property, with the majority of the projects having more than one mortgagee. The Applicants have essentially no liquidity at this time. The Applicants' monthly operating and debt service costs are in excess of \$1 million. The Applicants are unable to service their mortgage debt, pay their operating costs and/or advance development activity. None of the Applicants paid their mortgage obligations due on November 1st. Each mortgage is presently in default and several mortgagees have made demand and issued notices pursuant to Section 244 of the BIA. Given the default on all mortgages on November 1, absent the commencement of restructuring proceedings, it is reasonable to assume many more demands and enforcement notices will be forthcoming.
3. KSV understands that Mr. Wang has personally guaranteed many of the mortgages granted by the Applicants.

4.2 Unsecured Creditors

1. According to representatives of the Applicants, the Applicants' consolidated unsecured obligations are estimated to total approximately \$2.2 million, excluding intercompany and employee obligations. The Applicants are in the process of updating their internal accounting records and, accordingly, the amount of these obligations may need to be updated in a future Monitor's report.
2. The Applicants' arm's length unsecured creditors are largely comprised of professional firms that provided consulting and legal services related to the development of the Applicants' projects.

5.0 DIP Facility⁵ and Intercompany Funding

5.1 DIP Facility

1. During the week ended November 2, 2018, KSV approached two parties to provide the DIP Facility. Each party is well known in the real estate community and provides loans to real estate development companies.

⁵ Terms not defined in this section have the meaning provided to them in the DIP Term Sheet.

2. The terms of the proposed DIP Facility are detailed in a DIP term sheet, a copy of which is attached as Appendix "D". The significant terms of the DIP Facility are summarized below.
- a) Borrowers: the Pacific Entities
 - b) Lender: KingSett
 - c) Maximum Loan Amount: \$5 million plus accrued interest and unpaid fees, to be advanced in tranches of \$250,000, limited to \$750,000 until the Comeback Motion.
 - d) Repayment: the earlier of: a) demand by KingSett; b) November 15, 2019, as may be extended in writing; and c) consummation of a Sale Transaction for the Pacific Properties or implementation of a plan of compromise or arrangement or other restructuring transaction involving any of the Pacific Entities.
 - e) Interest rate: Royal Bank of Canada prime rate +5% per annum.
 - f) Fees and expenses: non-refundable fully earned commitment fee of \$100,000, an extension fee of \$25,000⁶ on each four-month extension of the DIP Facility and the DIP Lender's out-of-pocket expenses, including legal expenses, incurred by the DIP Lender in connection with these proceedings.
 - g) DIP Lender's Charge: all obligations under the DIP Facility are to be secured by the DIP Lender's Charge.
 - h) Intercompany Charge: pursuant to the Initial Order, advances from the Pacific Entities to a Receiving Applicant are to be secured by an Intercompany Charge on the assets, property and undertaking of the Receiving Applicant, ranking immediately behind the first ranking mortgagees of the Receiving Applicant, the Administration Charge and the DIP Lender's Charge, as applicable.
 - i) Reporting: reporting obligations include an update conference call on no less than a monthly basis among the Monitor, representatives of the Applicants and the DIP Lender.
 - j) Conditions: the conditions precedent to the DIP Facility include the entry of the Initial Order approving the DIP Facility and the granting of the DIP Lender's Charge.

⁶ This fee is to be pro-rated based on the length of each extension.

5.2 Intercompany Funding

- 1. The Applicants will require funds throughout the CCAA proceedings to fund the administration and sale process costs and, where applicable, to fund additional debt or development costs. It is anticipated that most of these funds will be advanced by the Pacific Entities to the other Applicants with funds from the DIP Facility. There is a possibility that funds from other Applicants may also be available for intercompany funding purposes. The Applicants are proposing an Intercompany Charge to account for any such advances.

5.3 Allocation of Costs

- 1. Costs incurred by the Applicants throughout the CCAA proceedings (including professional fees) will be allocated across the various Properties with no single Property bearing all of the costs. KSV intends to assist the Applicants with maintaining Property specific reconciliations. Where costs can be allocated specifically to one or more Properties, those costs will be allocated accordingly. If costs cannot be attributed specifically to one or more Properties they will be allocated on a pro rata or other basis across the Properties based on a methodology to be addressed at a future motion in these proceedings.

5.4 Recommendation

- 1. KSV considered the following factors when reviewing the reasonableness of the DIP Facility, as well as those set out in Section 11.2 of the CCAA:
 - a) the DIP Lender is not willing to provide the required interim financing other than on the terms and conditions set out in the DIP term sheet;
 - b) without the DIP Facility, the Applicants will be unable to fund these proceedings and conduct an orderly sale process. In that scenario, there could be a disorganized realization process whereby the Applicants' mortgagees conduct multiple and separate power of sale or other enforcement proceedings;
 - c) the DIP Facility will provide the Applicants, and this process, with the liquidity required to orderly and expediently conduct a sale process for substantially all of the Properties, and to continue development activity for the Retained Properties and potentially the River Road Project. KSV believes that the contemplated process provides the opportunity to generate better recoveries than if the projects were sold under power of sale proceedings, while still providing mortgagees with a sale process that will be carried out in the near term under the supervision of the Court;
 - d) KSV compared the terms of the DIP Facility to other DIP facilities approved by Canadian courts in CCAA proceedings commenced in 2017 and 2018. The comparison is attached as Appendix "E". Based on the comparison, the costs of the proposed DIP Facility are superior to other DIP financings approved by this and other Canadian courts;
 - e) it is intended that DIP funds will be advanced through KSV (as Monitor) and that KSV will provide oversight as to the business and financial affairs of the Applicants during the CCAA proceedings; and

- f) KSV believes that approval of the DIP Facility is in the best interests of the Applicants' stakeholders and will enhance the prospects of maximizing value in the circumstances. The DIP Facility is projected to be sufficient to fund the costs of these proceedings, including the sale process. KSV does not believe that creditors will be prejudiced from approval of the DIP Facility particularly given the estimated value of the Pacific Properties – to the contrary, they should benefit from it as it will allow the Applicants to work with the Monitor to maximize value for as many mortgagees and other creditors as possible and will be more efficient than allowing for individual enforcement processes to be carried out on each of the Applicants' properties.
2. KSV has also considered the proposed Intercompany Charge. The Intercompany Charge is not proposed to rank in priority to any first mortgagee. Amounts funded under the Intercompany Charge are contemplated to be used for conservatory measures and professional costs to conduct the sale process. The Intercompany Charge primarily affects those creditors that will derive the greatest benefit from an orderly sale process, i.e. junior ranking mortgagees that are at greatest risk of loss.
 3. Based on the foregoing, KSV believes that the terms of the DIP Facility and the Intercompany Charge are reasonable in the circumstances.

6.0 Cash Flow Forecast

1. The Applicants prepared the Cash Flow Forecast, which covers the period November 5, 2018 to December 9, 2018. The Cash Flow Forecast and the Applicants' statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "F".
2. The Cash Flow Forecast reflects that the DIP Facility will be required to service the mortgage debt on the Retained Projects and to pay head office costs, such as payroll and rent, some development activity and professional costs.
3. The Cash Flow Forecast also reflects that \$750,000 is sufficient to fund any costs incurred, or to be incurred, in connection with these proceedings until the Comeback Motion, at which time it is intended that approval of the full amount of the DIP Facility will be sought on notice to the Service List, including the Applicants' mortgagees.
4. Based on KSV's review of the Cash Flow Forecast, the assumptions appear reasonable. KSV's statutory report on the Cash Flow Forecast is attached as Appendix "G".

7.0 Proposed Engagement of TD

1. Immediately following KSV's initial meeting with the Applicants in late October, KSV contacted TD to consult with it on the Applicants' properties. KSV asked TD to perform diligence on the Applicants' properties, particularly the Pacific Properties. TD reviewed the C&W appraisals, spoke with, and received information from, the Applicants' third-party planning and development consultants and considered the value of the Pacific Projects on an "as is" basis based on comparative transactions. TD concluded that there appears to be significant value in the Pacific Properties on an "as is" basis.

2. On November 5, 2018, the Applicants, TD and KSV finalized a listing agreement, a copy of which is attached as Appendix "H". The listing agreement is subject to Court approval. The material terms of the proposed listing agreement are as follows:
 - Fee: 1.1% of the sale price of the properties (attached as Appendix "I", for comparative purposes, is a summary of the fees paid to realtors on certain of KSV's other real estate mandates).
 - Term: 180-day exclusive listing term.
 - Sub-Consultant: TD is authorized to retain Onedin to provide mortgage refinancing services.
 - Other: TD may elect to retain other real estate brokerage firms to assist in the sale of certain properties.
 - Sale Process Overview: Schedule "B" of TD's engagement letter provides an overview of the contemplated sale process. The sale process will be subject to Court approval at a subsequent motion. Neither the sale process nor its timeline have been finalized. Both will be dealt with at the Comeback Motion; however, KSV is of the view that TD should be retained immediately so that it can underwrite and prepare marketing materials that will be required for the Applicants' real estate, which is in the interest of facilitating a timely sale of the Applicants' real estate.
3. It is the intention of KSV and TD, if possible, to be in the market for as many properties as possible before the new year. However, with the holiday season fast approaching, it is possible that the sale process for the majority of the properties will not commence until early January.
4. A CV for the two individuals at TD who would lead this assignment, Jamie Ziegel and Ashley Martis, is provided in Appendix "J". Messrs. Ziegel and Martis have been retained by KSV previously and have achieved successful outcomes. Messrs. Ziegel and Martis are experienced real estate professionals.

7.1 Recommendation

1. KSV recommends that the Court issue an order approving the retention of TD as the listing brokerage for the following reasons:
 - a) KSV is of the view that it is critical to the overall success of these proceedings for a credible realtor such as TD to be engaged at the outset;
 - b) the retention of TD is the first step in developing an efficient and orderly process to be coordinated by KSV, with the assistance of TD, to generate greater recoveries for all creditors than power of sale or other enforcement processes – any delay (even a week or two) of the approval of TD's retention will cause delay in the work that needs to be done to commence a sale process. TD requires the certainty of Court approval of its retention to move forward with its preparatory work. Additionally, interest and other costs in these proceedings are material and accruing and accordingly, time is of the essence;

- c) TD has spent time familiarizing itself with the Applicants' properties. It is well qualified to perform this mandate. In recommending TD, KSV considered, among other things, the results it achieved working with TD on other Court-supervised matters, as well as TD's relationship with the buyer community, experience selling similar properties, time spent to-date on this assignment, ability to enhance value and its fee for this assignment;
- d) TD's team will be led by Messrs. Ziegel and Martis, each of whom has vast real estate experience in the Greater Toronto Area; and
- e) TD's fee structure is reasonable and appropriate in these circumstances, as reflected by the schedule attached as Appendix "I".

8.0 Stay of Proceedings against Mr. Wang

- 1. Mr. Wang has guaranteed a large number of the Applicants' mortgages. His personal net worth is directly tied to the outcome of these proceedings. All of the mortgages are in default. Allowing mortgagees to enforce on Mr. Wang's guarantees during the CCAA proceedings could cause him to lose focus on the contemplated restructuring process, which is designed to maximize value for stakeholders. Mr. Wang's intention is to monetize the equity in the Applicants' projects, particularly the Pacific Properties, to repay his creditors, including his exposure under his guarantees. Absent extending the stay of proceedings to Mr. Wang, he may not accomplish the principal objective of these proceedings and may have to personally commence insolvency proceedings. KSV understands that Mr. Wang does not have the financial means to satisfy his guarantees on the mortgages without the benefit of realizing on his equity in the Properties, and accordingly, mortgagees should suffer no prejudice by having their guarantees against Mr. Wang stayed.
- 2. As a result of the risks identified above, KSV believes that extending the stay of proceedings to Mr. Wang is in the best interests of the Applicants and is not prejudicial to their stakeholders and these proceedings.

9.0 Court Ordered Charges

9.1 Administration Charge

- 1. The Applicants are seeking an Administration Charge in the interim amount of \$300,000 to secure the fees and expenses of the Monitor, its counsel and the Applicants' counsel to-date and going forward. The Administration Charge is to have a super-priority status over all other creditors of the Pacific Entities and is to rank immediately subordinate to the first mortgagees on the balance of the Applicants.
- 2. None of the professionals involved in these proceedings has received a retainer and considerable time and effort has been spent preparing for these proceedings.
- 3. The Administration Charge is a customary provision in an Initial Order in a CCAA proceeding - it is required to protect certain professionals in the event the debtor is unable to pay their fees and costs during the CCAA process.

4. The Applicants worked with KSV to estimate the proposed amount of the Administration Charge until the Comeback Motion. It is anticipated that an increase in the amount of the Administration Charge will be sought at the comeback motion.
5. KSV believes that the Administration Charge is reasonable and appropriate in the circumstances given the complexities of the Applicants' CCAA proceedings, the services provided by the professionals to-date and those to be provided by the professionals going forward.

9.2 DIP Lender's Charge

1. The Applicants are seeking a charge over the property of the Pacific Entities (including the Pacific Properties) to secure advances under the DIP Facility ranking immediately subordinate to the Administration Charge on the property of the Pacific Entities. Until the comeback motion, it is proposed that borrowings under the DIP Facility be limited to \$750,000.
2. KSV is of the view that the DIP Lender's Charge is required and appropriate at this time for the reasons set out above as well as (i) the Applicants are in immediate need of liquidity; (ii) the financial and other terms of the DIP Facility are reasonable; (iii) no lender would be prepared to provide financing without the benefit of the DIP Lender's Charge; and (iv) it is contemplated that the DIP Lender's Charge shall only attach to the property of the Pacific Entities, most notably the Pacific Properties, which appear to have substantial equity.

9.3 Intercompany Charge

1. The Applicants' cash management system is described in the Affidavit. Given the structure of the DIP Facility, in most cases, funding of the Applicants will be made by the Pacific Entities as borrowers under the DIP Facility. There is a possibility, however, that one or more of the non-Pacific Entities may fund intercompany advances if they have the available resources.
2. The proposed Initial Order contemplates that the Intercompany Advances will be secured by the Intercompany Charge over the assets of each Receiving Applicant to the extent of any advances a Receiving Applicant receives from another Applicant.
3. KSV is of the view that the Intercompany Charge is reasonable as it is required for the protection of the creditors of any lending entities and that it is proposed to be subordinate to the first mortgagees of the Receiving Applicant (it will also be subordinate to the Administration Charge and the DIP Facility, where applicable).
4. As noted above, the Intercompany Charge provides a benefit to junior ranking mortgagees because it facilitates an orderly sale process, which is in the interest of those mortgagees.

9.4 Priority of Charges

1. The Initial Order provides that the Court-ordered charges shall have the following priority:
 - a) Administration Charge: first ranking charge over the property of the Pacific Entities (including the Pacific Properties) and subordinate to the first mortgagees of the other Applicants;

- b) DIP Lender's Charge: first ranking charge over the property of the Pacific Entities (including the Pacific Properties), subject only to the Administration Charge; and
 - c) Intercompany Charge: subordinate to the first mortgage on any Properties of the Receiving Entity (and immediately subordinate to the Administration Charge and the DIP Lender's Charge, where applicable).
2. The Comeback Motion will provide stakeholders with an opportunity to address their concerns regarding the Court-ordered charges and the contemplated increases thereto.

10.0 Conversion of NOI Proceedings

1. KSV is of the view that converting the NOI Proceedings into a single CCAA proceeding with the other Applicants will facilitate the efficiency of these proceedings by, *inter alia*, reducing professional costs. To date, no proposals in any of the NOI Proceedings have been filed and there have been no Court attendances in the NOI Proceedings. There is no benefit to continuing the NOI Proceedings and running a concurrent CCAA proceeding for related companies. Accordingly, the proposed conversion of the NOI Proceedings and the conduct of one consolidated CCAA proceeding appears reasonable and appropriate in the circumstances.

11.0 Relief to be Sought in the Near Term

1. Subject to the Court granting the Initial Order, KSV intends to work with the Applicants, the Applicants' legal counsel and its legal counsel to, *inter alia*:
- a) finalize a sale process, for which Court approval is expected to be sought at the Comeback Motion on notice to the Service List;
 - b) determine whether any of the Retained Properties should be listed for sale in the near term, particularly the River Road Project; and
 - c) bring a motion for an increase in the quantum of available borrowings under the DIP Facility from \$750,000 to \$5 million and to increase the Administration Charge.

12.0 Creditor Notification

1. The proposed Initial Order requires the Monitor to:
- a) publish without delay a notice in the national edition of *The Globe and Mail* newspaper containing the information prescribed under the CCAA; and
 - b) within five days of the issuance of the Initial Order to:
 - i. make the Initial Order publicly available in the manner prescribed under the CCAA;
 - ii. send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000 advising that the order is publicly available; and

- iii. prepare a list, showing the names and addresses of those creditors (other than employees), and the estimated amounts of those claims, and make it publicly available in the prescribed manner.
- 2. KSV intends to post the Initial Order and all motion materials on its website in accordance with the *E-Service Protocol*.

13.0 Conclusion and Recommendation

- 1. Based on the foregoing, KSV respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 2.1(1)(g) of this Report.

* * *

All of which is respectfully submitted,

KSV Kofman Inc.

**KSV KOFMAN INC.
 IN ITS CAPACITY AS PROPOSED MONITOR OF
 FORME DEVELOPMENT GROUP INC. AND
 THE AFFILIATED ENTITIES LISTED ON APPENDIX "A"
 AND AS PROPOSAL TRUSTEE OF THE NOI ENTITIES
 AND NOT IN ITS PERSONAL CAPACITY**

Schedule "A" – List of Companies

- 2358825 Ontario Ltd.
- 27 Anglin Development Inc.
- 29 Anglin Development Inc.
- 4 Don Hillock Development Inc.
- 250 Danforth Development Inc.
- 3310 Kingston Development Inc.
- 1296 Kennedy Development Inc.
- 7397 Islington Development Inc.
- 1326 Wilson Development Inc.
- 101 Columbia Development Inc.
- 4208 Kingston Development Inc.
- 376 Derry Development Inc.
- 390 Derry Development Inc.
- 189 Carrville Development Inc.
- 169 Carrville Development Inc.
- 159 Carrville Development Inc.
- 5507 River Development Inc.
- 4439 John Development Inc.
- 186 Old Kennedy Development Inc.
- 31 Victory Development Inc.
- 58 Old Kennedy Development Inc.
- 76 Old Kennedy Development Inc.
- 82 Old Kennedy Development Inc.
- 22 Old Kennedy Development Inc.
- 35 Thelma Development Inc.
- 19 Turff Development Inc.
- 4550 Steeles Development Inc.
- 9500 Dufferin Development Inc.

TAB C



**Supplement to the First Report of
KSV Kofman Inc.
as Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc.,
82 Old Kennedy Development Inc.,
9500 Dufferin Development Inc.,
250 Danforth Development Inc.,
3310 Kingston Development Inc.,
1296 Kennedy Development Inc., and
159 Carrville Development Inc.**

November 7, 2018

- and -

**Report of
KSV Kofman Inc.
as Proposed CCAA Monitor of
Forme Development Group Inc.
and the Companies Listed on
Appendix "A"**



COURT FILE NO.:CV-18-608313-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF FORME DEVELOPMENT GROUP INC.
AND THE COMPANIES LISTED ON APPENDIX "A"

SUPPLEMENT TO THE FIRST REPORT OF KSV KOFMAN
INC. AS
PROPOSAL TRUSTEE AND
REPORT OF KSV KOFMAN INC. AS PROPOSED MONITOR

November 7, 2018

1.0 Introduction

1. This report ("Supplemental Report") supplements KSV's report dated November 6, 2018 (the "First Report"). Capitalized terms not otherwise defined herein have the meanings given to such terms in the First Report.
2. This Supplemental Report provides:
 - a. a letter from TD concerning its preliminary view of the value of the Pacific Properties (the "TD Letter"); and
 - b. further details concerning the Administration Charge and the DIP Lender's Charge.

2.0 Background

1. The Applicants sought protection under the CCAA on November 6, 2018 (the "Initial Application"). At the return of the Application, due to concerns raised by legal counsel representing certain mortgagees regarding short service, Mr. Justice Hainey issued an endorsement adjourning the application until November 8, 2018 (the "Return Date") and providing the Applicants an interim stay of proceedings until the Return Date. A copy of the Endorsement is provided in Appendix "B".

2. A copy of the TD Letter is provided in Appendix "C". The letter provides further details concerning TD's preliminary views of the values of the Pacific Properties.
3. The primary issue that arises is that the Pacific Properties are assembled into four developments. The table provided in Appendix "D" details the entities which comprise each development. Each entity owns its own real estate and each piece of real estate has its own mortgagees. To maximize value, it is likely, but not certain, that the Pacific Properties will be sold as their intended development versus as separate parcels of real estate.
4. The table in Appendix "D" illustrates KSV's view that an orderly sale process is required given the multiple mortgages on the Pacific Properties. It is possible that each mortgagee will have its own view as to the best way to realize on the real property. It is KSV's view at this time, based on, among other things, discussions with TD, that value is more likely to be maximized for the benefit of all stakeholders if the Pacific Properties are sold on the basis of their intended developments. That said, KSV and TD are prepared to sell the properties on the basis of any value maximizing opportunity that arises and the contemplated sale process would allow for that.
5. Chief among the concerns raised by mortgagees on the Pacific Properties has been the attachment of the DIP Lender's Charge to each Pacific Property in the full amount. KSV is of the view that is a cost allocation issue – and is further of the view that none of the Pacific Properties' mortgagees (the "Mortgagees") should be prejudiced by an unfavourable allocation. KSV recommends that any equity realized from the sale of any of the Applicants' properties, including, but not limited to the Pacific Properties, first be used to pay the amounts owing under the Administration Charge and the DIP Lender's Charge so that no Pacific Properties' mortgagee suffers a shortfall. In the event that the equity in all of the Applicants' properties is insufficient to repay in full the Administration Charge and the DIP Lender's Charge (which is not expected at this time), then any amounts required to satisfy that shortfall would be allocated pro-rata based on the value received for each of the Pacific Properties.
6. Since the Initial Application, the Company's counsel, Goldman Sloan Nash & Haber LLP, KSV, as proposed Monitor, and its counsel, Bennett Jones LLP, have had discussions with, and corresponded with, representatives of certain lenders concerning the matters discussed herein. As detailed below, the contemplated Initial Order has been amended to reflect feedback received from these parties – a summary of the proposed changes is listed below:
 - a. The proposed Initial Order already provided the proposed Monitor with oversight and required consents for any disbursements made by the Applicants, as well as control over the DIP funds and that any further development work by the Applicants must be consented to by the Monitor – further changes have been made to clarify those provisions;
 - b. The priority of the proposed Administration Charge has been amended such that it will rank immediately below the first mortgagee on all Properties (not just the non-Pacific Properties) and further, the priority of the Administration Charge on the non-Pacific Properties will be deferred until the comeback

hearing as certain affected mortgagees on those properties may not have received notice; and

- c. the provisions and protections regarding allocation of costs as described above have been added – namely that costs that are not attributable to a specific Property or Properties will first be allocated to unencumbered funds or equity in Properties or, where there are no unencumbered funds on a pro rata basis, based on the sale price for the Properties (or if not sold, an appraised value approved by KSV).

- 7. KSV understands that as discussions continue before the Return Date, there may be further proposed changes to the proposed Initial Order and that further revisions may be circulated prior to the Court hearing tomorrow morning.

* * *

All of which is respectfully submitted,

KSV Kofman Inc

**KSV KOFMAN INC.
 IN ITS CAPACITY AS PROPOSED MONITOR OF
 FORME DEVELOPMENT GROUP INC. AND
 THE AFFILIATED ENTITIES LISTED ON APPENDIX "A"
 AND AS PROPOSAL TRUSTEE OF THE NOI ENTITIES
 AND NOT IN ITS PERSONAL CAPACITY**

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**Second Supplement to the First
Report of KSV Kofman Inc.
as Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc.,
82 Old Kennedy Development Inc.,
9500 Dufferin Development Inc.,
250 Danforth Development Inc.,
3310 Kingston Development Inc.,
1296 Kennedy Development Inc. and
159 Carrville Development Inc.**

November 7, 2018

- and -

**Report of
KSV Kofman Inc.
as Proposed CCAA Monitor of
Forme Development Group Inc.
and the Companies Listed on
Appendix "A" to the First Report**

**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 FORME DEVELOPMENT GROUP INC.
AND THE COMPANIES LISTED ON APPENDIX "A"
TO THE FIRST REPORT**

**SECOND SUPPLEMENT TO THE FIRST REPORT OF KSV
KOFMAN INC. AS
PROPOSAL TRUSTEE AND
REPORT OF KSV KOFMAN INC. AS PROPOSED MONITOR**

November 7, 2018

1.0 Introduction

- 1. This report (the "Second Supplemental Report") further supplements KSV's report dated November 6, 2018 (the "First Report"). Capitalized terms not otherwise defined herein have the meanings given to such terms in the First Report.
- 2. This Second Supplemental Report provides:
 - a. the schedule (attached) reflecting the value in the Pacific Properties after the first mortgagees (the "First Mortgage Schedule"); and
 - b. a summary of reductions in the cost of the DIP Facility.

2.0 First Mortgage Schedule

- 1. The First Mortgage Schedule (attached as Appendix "A") reflects that there is an estimated value of approximately \$63.1 million after the first mortgages on the Pacific Properties.

3.0 DIP Facility

1. The DIP Lender has agreed to:
 - a. reduce the interest rate on the DIP Facility from the Royal Bank of Canada ("RBC")¹ prime rate plus 5% to the RBC rate plus 4.55%, with a minimum interest rate of 8.5%; and
 - b. reduce the commitment fee from \$100,000 to \$75,000.

* * *

All of which is respectfully submitted,

KSV Kofman Inc

**KSV KOFMAN INC.
 IN ITS CAPACITY AS PROPOSED MONITOR OF
 FORME DEVELOPMENT GROUP INC. AND
 THE AFFILIATED ENTITIES LISTED ON APPENDIX "A"
 TO THE FIRST REPORT
 AND AS PROPOSAL TRUSTEE OF THE NOI ENTITIES
 AND NOT IN ITS PERSONAL CAPACITY**

¹ As at October 25, 2018.

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- 22 Old Kennedy Development Inc.
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- 19 Turff Development Inc.
- 4550 Steeles Development Inc.
- 9500 Dufferin Development Inc.

TAB D

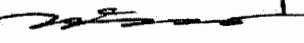
58 Old Kennedy Development Inc.
Projected Statement of Cash Flow
 For the period November 25, 2018 to January 8, 2019
 (C\$; unaudited)

Note	Day Ending	Week Ending					2 Days Ending		Total
	25-Nov-18	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	06-Jan-19	08-Jan-19	
1	-	-	-	-	-	-	-	-	-
Total Receipts									
Disbursements									
2	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
Total Operating Disbursements									
Net Cash Flow before the Undemoted									
4	-	-	-	-	-	-	-	-	-
Professional fees									
Net Cash Flow									
5	39	39	39	39	39	39	39	39	39
Opening Cash Balance									
Closing Cash Balance									

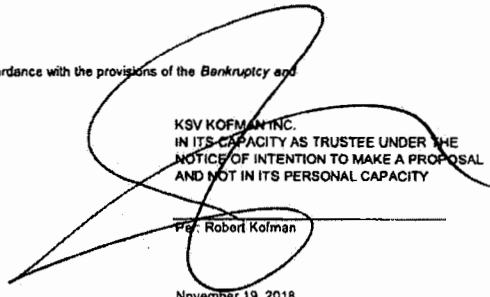
The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

The statement of projected cash-flow of 58 Old Kennedy Development Inc. has been prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-flow Statement.

58 OLD KENNEDY DEVELOPMENT INC.


 Per: Yuan Hua Wang

November 19, 2018
 Date


 KSV KOFMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL
 AND NOT IN ITS PERSONAL CAPACITY
 Per: Robert Kolman
 November 19, 2018
 Date

58 Old Kennedy Development Inc.
Notes to Projected Statement of Cash Flow
For the period November 25, 2018 to January 8, 2019
(C\$; unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash-flow of 58 Old Kennedy Development Inc. (the "Company") for the period November 25, 2018 to January 8, 2019 (the "Period") in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical and Probable Assumptions

2. The cash-flow assumes that principal and interest on all secured obligations will accrue and not be paid by the Company during the NOI proceedings. To the extent not paid, these amounts will be added to the respective indebtedness of the secured creditors and will be addressed upon the sale of the properties or in accordance with a proposal to creditors to be filed by the Company (the "Proposal").
3. Property taxes will be settled as an adjustment when the properties are sold or as part of the Proposal.
4. Professional fees will accrue through the Period and are to be paid from proceeds of the sale of the properties or from a DIP loan, subject to Court approval.
5. Represents the estimated opening cash balance in the Company's bank account as at November 25, 2018.

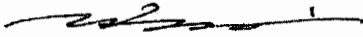
76 Old Kennedy Development Inc.
Projected Statement of Cash Flow
 For the period November 25, 2018 to January 8, 2019
 (C\$; unaudited)

	Day Ending	Week Ending						2 Days Ending	Total
Note	25-Nov-18	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	06-Jan-19	08-Jan-19	
1									
Total Receipts	-	-	-	-	-	-	-	-	-
Disbursements									
Mortgage payments	2	-	-	-	-	-	-	-	-
Property taxes	3	-	-	-	-	-	-	-	-
Total Operating Disbursements		-	-	-	-	-	-	-	-
Net Cash Flow before the Undemoted		-	-	-	-	-	-	-	-
Professional fees	4	-	-	-	-	-	-	-	-
Net Cash Flow		-	-	-	-	-	-	-	-
Opening Cash Balance	5	13,595	13,595	13,595	13,595	13,595	13,595	13,595	13,595
Closing Cash Balance		13,595	13,595	13,595	13,595	13,595	13,595	13,595	13,595

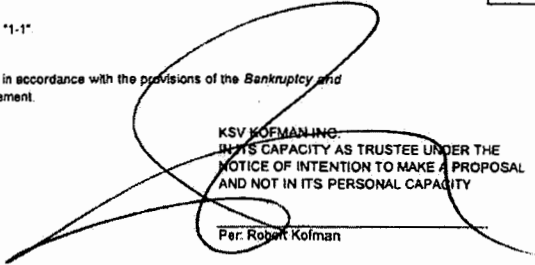
The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

The statement of projected cash-flow of 58 Old Kennedy Development Inc. has been prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-flow Statement.

76 OLD KENNEDY DEVELOPMENT INC.


 Per: Yuan Hua Wang

November 19, 2018
 Date


 KSV KOFMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL
 AND NOT IN ITS PERSONAL CAPACITY
 Per: Robert Kolman

November 19, 2018
 Date

76 Old Kennedy Development Inc.
Notes to Projected Statement of Cash Flow
For the period November 25, 2018 to January 8, 2019
(C\$; unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash-flow of 76 Old Kennedy Development Inc. (the "Company") for the period November 25, 2018 to January 8, 2019 (the "Period") in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical and Probable Assumptions

2. The cash-flow assumes that principal and interest on all secured obligations will accrue and not be paid by the Company during the NOI proceedings. To the extent not paid, these amounts will be added to the respective indebtedness of the secured creditors and will be addressed upon the sale of the properties or in accordance with a proposal to creditors to be filed by the Company (the "Proposal").
3. Property taxes will be settled as an adjustment when the properties are sold or as part of the Proposal.
4. Professional fees will accrue through the Period and are to be paid from proceeds of the sale of the properties or from a DIP loan, subject to Court approval.
5. Represents the estimated opening cash balance in the Company's bank account as at November 25, 2018.

55

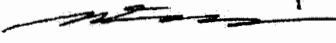
82 Old Kennedy Development Inc.
Projected Statement of Cash Flow
 For the period November 25, 2018 to January 8, 2019
 (C\$; unaudited)

	Note	Day Ending	Week Ending					2 Days Ending	Total
		25-Nov-18	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	06-Jan-19	
Total Receipts	1	-	-	-	-	-	-	-	-
Disbursements									
Mortgage payments	2	-	-	-	-	-	-	-	-
Property taxes	3	-	-	-	-	-	-	-	-
Total Operating Disbursements		-	-	-	-	-	-	-	-
Net Cash Flow before the Undemoted		-	-	-	-	-	-	-	-
Professional fees	4	-	-	-	-	-	-	-	-
Net Cash Flow		-	-	-	-	-	-	-	-
Opening Cash Balance	5	17,989	17,989	17,989	17,989	17,989	17,989	17,989	17,989
Closing Cash Balance		17,989	17,989	17,989	17,989	17,989	17,989	17,989	17,989

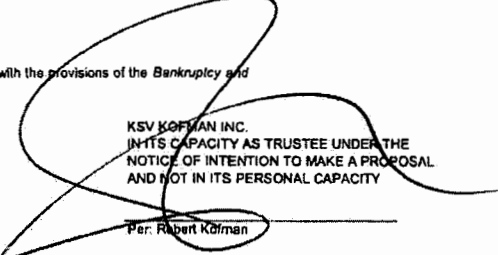
The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

The statement of projected cash-flow of 82 Old Kennedy Development Inc. has been prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-flow Statement.

82 OLD KENNEDY DEVELOPMENT INC.


 Per: Yuan Hua Wang

November 19, 2018
 Date


 KSV KOFFMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL
 AND NOT IN ITS PERSONAL CAPACITY
 Per: Robert Koffman

November 19, 2018
 Date

82 Old Kennedy Development Inc.
Notes to Projected Statement of Cash Flow
For the period November 25, 2018 to January 8, 2019
(C\$; unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash-flow of 82 Old Kennedy Development Inc. (the "Company") for the period November 25, 2018 to January 8, 2019 (the "Period") in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical and Probable Assumptions

2. The cash-flow assumes that principal and interest on all secured obligations will accrue and not be paid by the Company during the NOI proceedings. To the extent not paid, these amounts will be added to the respective indebtedness of the secured creditors and will be addressed upon the sale of the properties or in accordance with a proposal to creditors to be filed by the Company (the "Proposal").
3. Property taxes will be settled as an adjustment when the properties are sold or as part of the Proposal.
4. Professional fees will accrue through the Period and are to be paid from proceeds of the sale of the properties or from a DIP loan, subject to Court approval.
5. Represents the estimated opening cash balance in the Company's bank account as at November 25, 2018.

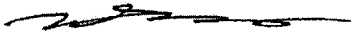
9500 Dufferin Development Inc.
Projected Statement of Cash Flow
 For the period November 25, 2018 to January 8, 2019
 (C\$, unaudited)

	Note	Day Ending	Week Ending					2 Days Ending	Total
		25-Nov-18	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	06-Jan-19	
<i>Total Receipts</i>	1	-	-	-	-	-	-	-	-
<i>Disbursements</i>									
Mortgage payments	2	-	-	-	-	-	-	-	-
Property taxes	3	-	-	-	-	-	-	-	-
<i>Total Operating Disbursements</i>		-	-	-	-	-	-	-	-
<i>Net Cash Flow before the Undemoted</i>		-	-	-	-	-	-	-	-
Professional fees	4	-	-	-	-	-	-	-	-
<i>Net Cash Flow</i>		-	-	-	-	-	-	-	-
Opening Cash Balance	5	187	187	187	187	187	187	187	187
Closing Cash Balance		187	187	187	187	187	187	187	187

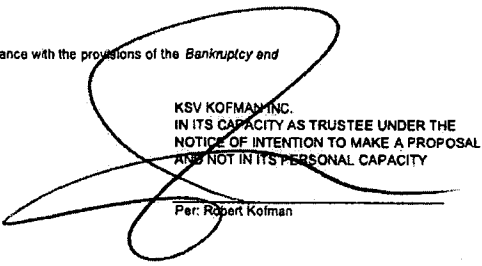
The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

The statement of projected cash-flow of 9500 Dufferin Development Inc. has been prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-flow Statement.

9500 DUFFERIN DEVELOPMENT INC.


 Per: Yuan Hua Wang

November 19, 2018
 Date


 KSV KOFMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL
 AND NOT IN ITS PERSONAL CAPACITY
 Per: Robert Kofman

November 19, 2018
 Date

SS

9500 Dufferin Development Inc.

Notes to Projected Statement of Cash Flow

For the period November 25, 2018 to January 8, 2019

(C\$; unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash-flow of 9500 Dufferin Development Inc. (the "Company") for the period November 25, 2018 to January 8, 2019 (the "Period") in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical and Probable Assumptions

2. The cash-flow assumes that principal and interest on all secured obligations will accrue and not be paid by the Company during the NOI proceedings. To the extent not paid, these amounts will be added to the respective indebtedness of the secured creditors and will be addressed upon the sale of the properties or in accordance with a proposal to creditors to be filed by the Company (the "Proposal").
3. Property taxes will be settled as an adjustment when the properties are sold or as part of the Proposal.
4. Professional fees will accrue through the Period and are to be paid from proceeds of the sale of the properties or from a DIP loan, subject to Court approval.
5. Represents the estimated opening cash balance in the Company's bank account as at November 25, 2018.

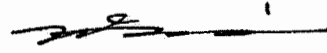
250 Danforth Development Inc.
Projected Statement of Cash Flow
 For the period November 25, 2018 to January 8, 2019
 (C\$, unaudited)

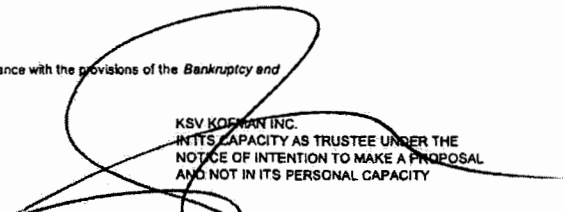
Note	Day Ending	Week Ending					2 Days Ending		Total
	25-Nov-18	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	06-Jan-19	08-Jan-19	
1	-	-	-	-	-	-	-	-	-
Total Receipts									
Disbursements									
2	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
Total Operating Disbursements									
Net Cash Flow before the Undemoted									
4	-	-	-	-	-	-	-	-	-
Professional fees									
Net Cash Flow									
5	2,198	2,198	2,198	2,198	2,198	2,198	2,198	2,198	2,198
Opening Cash Balance									
Closing Cash Balance									

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

The statement of projected cash-flow of 250 Danforth Development Inc. has been prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-flow Statement.

250 DANFORTH DEVELOPMENT INC.


 Per: Yuan Hua Wang


 KSV KOLMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL
 AND NOT IN ITS PERSONAL CAPACITY
 Per Robert Kolman

November 19, 2018
 Date

November 19, 2018
 Date

60

250 Danforth Development Inc.
Notes to Projected Statement of Cash Flow
For the period November 25, 2018 to January 8, 2019
(C\$; unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash-flow of 250 Danforth Development Inc. (the "Company") for the period November 25, 2018 to January 8, 2019 (the "Period") in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical and Probable Assumptions

2. The cash-flow assumes that principal and interest on all secured obligations will accrue and not be paid by the Company during the NOI proceedings. To the extent not paid, these amounts will be added to the respective indebtedness of the secured creditors and will be addressed upon the sale of the properties or in accordance with a proposal to creditors to be filed by the Company (the "Proposal").
3. Property taxes will be settled as an adjustment when the properties are sold or as part of the Proposal.
4. Professional fees will accrue through the Period and are to be paid from proceeds of the sale of the properties or from a DIP loan, subject to Court approval.
5. Represents the estimated opening cash balance in the Company's bank account as at November 25, 2018.

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3310 Kingston Development Inc.
Projected Statement of Cash Flow
 For the period November 25, 2018 to January 8, 2019
 (C\$: unaudited)

Note	Day Ending	Week Ending					2 Days Ending		Total
	25-Nov-18	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	06-Jan-19	08-Jan-19	
1	-	-	-	-	-	-	-	-	-
Total Receipts									
Disbursements									
2	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
Total Operating Disbursements									
Net Cash Flow before the Undemoted									
4	-	-	-	-	-	-	-	-	-
Professional fees									
Net Cash Flow									
5	2,320	2,320	2,320	2,320	2,320	2,320	2,320	2,320	2,320
Opening Cash Balance									
Closing Cash Balance									

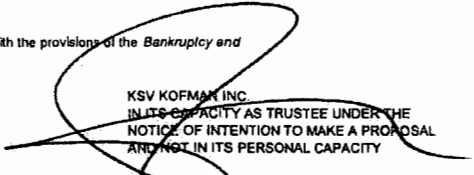
The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

The statement of projected cash-flow of 3310 Kingston Development Inc. has been prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-flow Statement.

3310 KINGSTON DEVELOPMENT INC.


 Per: Yuan Hua Wang

November 19, 2018
 Date


 KSV KOFMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL
 AND NOT IN ITS PERSONAL CAPACITY
 Per: Robert Kofman

November 19, 2018
 Date

3310 Kingston Development Inc.
Notes to Projected Statement of Cash Flow
For the period November 25, 2018 to January 8, 2019
(C\$; unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash-flow of 3310 Kingston Development Inc. (the "Company") for the period November 25, 2018 to January 8, 2019 (the "Period") in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical and Probable Assumptions

2. The cash-flow assumes that principal and interest on all secured obligations will accrue and not be paid by the Company during the NOI proceedings. To the extent not paid, these amounts will be added to the respective indebtedness of the secured creditors and will be addressed upon the sale of the properties or in accordance with a proposal to creditors to be filed by the Company (the "Proposal").
3. Property taxes will be settled as an adjustment when the properties are sold or as part of the Proposal.
4. Professional fees will accrue through the Period and are to be paid from proceeds of the sale of the properties or from a DIP loan, subject to Court approval.
5. Represents the estimated opening cash balance in the Company's bank account as at November 25, 2018.

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1296 Kennedy Development Inc.
Projected Statement of Cash Flow
 For the period November 25, 2018 to January 8, 2019
 (C\$, unaudited)

	Day Ending		Week Ending				2 Days Ending		Total
	Note	25-Nov-18	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	06-Jan-19	
Total Receipts	1	-	-	-	-	-	-	-	-
Disbursements									
Mortgage payments	2	-	-	-	-	-	-	-	-
Property taxes	3	-	-	-	-	-	-	-	-
Total Operating Disbursements		-	-	-	-	-	-	-	-
Net Cash Flow before the Undemoted		-	-	-	-	-	-	-	-
Professional fees	4	-	-	-	-	-	-	-	-
Net Cash Flow		-	-	-	-	-	-	-	-
Opening Cash Balance	5	6,513	6,513	6,513	6,513	6,513	6,513	6,513	6,513
Closing Cash Balance		6,513	6,513	6,513	6,513	6,513	6,513	6,513	6,513

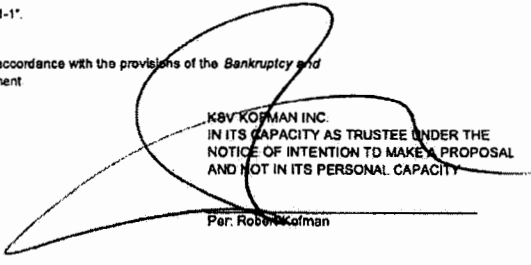
The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

The statement of projected cash-flow of 1296 Kennedy Development Inc. has been prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-flow Statement

1296 KENNEDY DEVELOPMENT INC.


 Per Yuan Hua Wang

November 19, 2018
 Date


 K&V KOFMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL
 AND NOT IN ITS PERSONAL CAPACITY
 Per: Robert Kofman

November 19, 2018
 Date

1296 Kennedy Development Inc.
Notes to Projected Statement of Cash Flow
For the period November 25, 2018 to January 8, 2019
(C\$; unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash-flow of 1296 Kennedy Development Inc. (the "Company") for the period November 25, 2018 to January 8, 2019 (the "Period") in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical and Probable Assumptions

2. The cash-flow assumes that principal and interest on all secured obligations will accrue and not be paid by the Company during the NOI proceedings. To the extent not paid, these amounts will be added to the respective indebtedness of the secured creditors and will be addressed upon the sale of the properties or in accordance with a proposal to creditors to be filed by the Company (the "Proposal").
3. Property taxes will be settled as an adjustment when the properties are sold or as part of the Proposal.
4. Professional fees will accrue through the Period and are to be paid from proceeds of the sale of the properties or from a DIP loan, subject to Court approval.
5. Represents the estimated opening cash balance in the Company's bank account as at November 25, 2018.

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159 Carrville Development Inc.
Projected Statement of Cash Flow
 For the period November 25, 2018 to January 8, 2019
 (C\$; unaudited)

	Note	Day Ending	Week Ending					2 Days Ending	Total
		25-Nov-18	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	06-Jan-19	
Total Receipts	1	-	-	-	-	-	-	-	-
Disbursements									
Mortgage payments	2	-	-	-	-	-	-	-	-
Property taxes	3	-	-	-	-	-	-	-	-
Total Operating Disbursements		-	-	-	-	-	-	-	-
Net Cash Flow before the Undemoted		-	-	-	-	-	-	-	-
Professional fees	4	-	-	-	-	-	-	-	-
Net Cash Flow		-	-	-	-	-	-	-	-
Opening Cash Balance	5	973	973	973	973	973	973	973	973
Closing Cash Balance		973	973	973	973	973	973	973	973

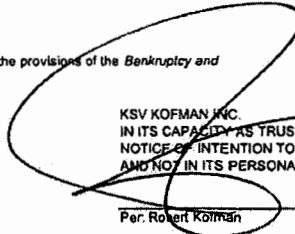
The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

The statement of projected cash-flow of 159 Carrville Development Inc. has been prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-flow Statement.

159 CARRVILLE DEVELOPMENT INC.


 Per: Yuan Hua Wang

November 19, 2018
 Date


 KSV KOFMAN INC.
 IN ITS CAPACITY AS TRUSTEE UNDER THE
 NOTICE OF INTENTION TO MAKE A PROPOSAL
 AND NOT IN ITS PERSONAL CAPACITY
 Per: Robert Kofman

November 19, 2018
 Date

66

159 Carrville Development Inc.

Notes to Projected Statement of Cash Flow

For the period November 25, 2018 to January 8, 2019

(C\$; unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash-flow of 159 Carrville Development Inc. (the "Company") for the period November 25, 2018 to January 8, 2019 (the "Period") in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical and Probable Assumptions

2. The cash-flow assumes that principal and interest on all secured obligations will accrue and not be paid by the Company during the NOI proceedings. To the extent not paid, these amounts will be added to the respective indebtedness of the secured creditors and will be addressed upon the sale of the properties or in accordance with a proposal to creditors to be filed by the Company (the "Proposal").
3. Property taxes will be settled as an adjustment when the properties are sold or as part of the Proposal.
4. Professional fees will accrue through the Period and are to be paid from proceeds of the sale of the properties or from a DIP loan, subject to Court approval.
5. Represents the estimated opening cash balance in the Company's bank account as at November 25, 2018.

67

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

The management of 58 Old Kennedy Development Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending January 8, 2019.

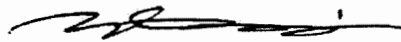
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 5.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 19th day of November, 2018.

58 Old Kennedy Development Inc.



Per: Yuan Hua Wang

CS

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

The management of 76 Old Kennedy Development Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending January 8, 2019.

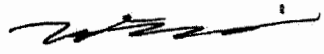
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 5.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 19th day of November, 2018.

76 Old Kennedy Development Inc.



Per: Yuan Hua Wang

69

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

The management of 82 Old Kennedy Development Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending January 8, 2019.

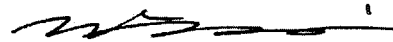
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 5.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 19th day of November, 2018.

82 Old Kennedy Development Inc.



Per: Yuan Hua Wang

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

The management of 159 Carrville Development Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending January 8, 2019.

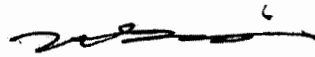
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 5.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 19th day of November, 2018.

159 Carrville Development Inc.



Per: Yuan Hua Wang

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

The management of 250 Danforth Development Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending January 8, 2019.

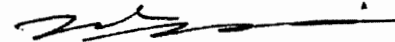
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 5.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 19th day of November, 2018.

250 Danforth Development Inc.



Per: Yuan Hua Wang

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

The management of 1296 Kennedy Development Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending January 8, 2019.


The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 5.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 19th day of November, 2018.

1296 Kennedy Development Inc.



Per: Yuan Hua Wang

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

The management of 3310 Kingston Development Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending January 8, 2019.


The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 5.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 19th day of November, 2018.

3310 Kingston Development Inc.



Per: Yuan Hua Wang

24

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

The management of 9500 Dufferin Development Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending January 8, 2019.


The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 5.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario, this 19th day of November, 2018.

9500 Dufferin Development Inc.



Per: Yuan Hua Wang

TAB E

75

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

The attached statement of projected cash-flow of 58 Old Kennedy Development Inc., as of the 19th day of November, 2018, consisting of a weekly cash flow statement for the period November 25th, 2018 to January 8th, 2019, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-5.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

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

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 19th day of November, 2018.

KSV KOFMAN INC.
TRUSTEE



Per: Robert Kofman

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

The attached statement of projected cash-flow of 76 Old Kennedy Development Inc., as of the 19th day of November, 2018, consisting of a weekly cash flow statement for the period November 25th, 2018 to January 8th, 2019, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-5.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

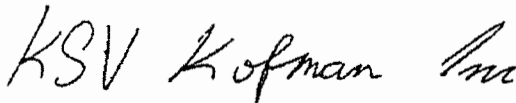
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the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

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 19th day of November, 2018.

KSV KOFMAN INC.
TRUSTEE



Per: Robert Kofman

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

The attached statement of projected cash-flow of 82 Old Kennedy Development Inc., as of the 19th day of November, 2018, consisting of a weekly cash flow statement for the period November 25th, 2018 to January 8th, 2019, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-5.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

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

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 19th day of November, 2018.

KSV KOFMAN INC.
TRUSTEE



Per: Robert Kofman

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

The attached statement of projected cash-flow of 9500 Dufferin Development Inc., as of the 19th day of November, 2018, consisting of a weekly cash flow statement for the period November 25th, 2018 to January 8th, 2019, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-5.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

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

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 19th day of November, 2018.

KSV KOFMAN INC.
TRUSTEE



Per: Robert Kofman

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

The attached statement of projected cash-flow of 250 Danforth Development Inc., as of the 19th day of November, 2018, consisting of a weekly cash flow statement for the period November 25th, 2018 to January 8th, 2019, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-5.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

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

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 19th day of November, 2018.

KSV KOFMAN INC.
TRUSTEE



Per: Robert Kofman

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

The attached statement of projected cash-flow of 3310 Kingston Development Inc., as of the 19th day of November, 2018, consisting of a weekly cash flow statement for the period November 25th, 2018 to January 8th, 2019, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-5.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

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

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 19th day of November, 2018.

KSV KOFMAN INC.
TRUSTEE



Per: Robert Kofman

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

The attached statement of projected cash-flow of 1296 Kennedy Development Inc., as of the 19th day of November, 2018, consisting of a weekly cash flow statement for the period November 25th, 2018 to January 8th, 2019, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-5.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

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

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 19th day of November, 2018.

KSV KOFMAN INC.
TRUSTEE



Per: Robert Kofman

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

The attached statement of projected cash-flow of 159 Carrville Development Inc., as of the 19th day of November, 2018, consisting of a weekly cash flow statement for the period November 25th, 2018 to January 8th, 2019, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-5.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

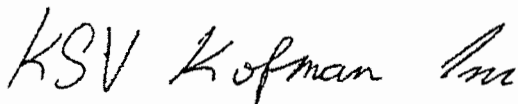
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the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

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 19th day of November, 2018.

KSV KOFMAN INC.
TRUSTEE



Per: Robert Kofman

IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 76 OLD KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 82 OLD KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 9500 DUFFERIN DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 250 DANFORTH DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 3310 KINGSTON DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 1296 KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 159 CARVILLE DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO

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31-2436600
31-2436604
31-2438977
31-2439433
31-2439448
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31-2440234

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced TORONTO

MOTION RECORD
(Consolidation of Estates and Extension of Time to File a Proposal
(returnable November 26, 2018)

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