



**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”)<sup>1</sup> 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.  
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**

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<sup>1</sup> As at October 25, 2018.

## **Appendix “A”**

Development 1									
	1st	2nd	Other	Total	Acres	Estimated Value Per Acre	Total Estimated Value	Estimated Value After 1st Mortgages	First Mortgagee
186 Old Kennedy	25,000	-	-	25,000	5.86				Krashnik/Gabel
51 Victory		-	-		3.10				
	25,000	-	-	25,000	8.96	6,500	58,240	33,240	Vector
31 Victory	1,650	-	-	1,650	0.67	6,500	4,355	2,705	
	26,650	-	-	26,650	9.63	6,500	62,595	35,945	
Development 2									
	1st	2nd	Other	Total	Acres	Estimated Value Per Acre	Total Estimated Value	Estimated Value After 1st Mortgages	First Mortgagee
58 Old Kennedy	5,100	-	-	5,100	0.36				All Seasons
20 Thelma Ave	-	-	-	-	1.13				
	5,100	-	-	5,100	1.49	8,300	12,367	7,267	Danan (Matthew Castilli) Wu's Int'l
64 - 76 Old Kennedy	2,800	-	-	2,800	0.36	8,300	2,988	188	
82 Old Kennedy	8,625	-	-	8,625	1.97	8,300	16,351	7,726	
	16,525	-	-	16,525	3.82	8,300	31,706	15,181	
Development 3									
	1st	2nd	Other	Total	Acres	Estimated Value Per Acre	Total Estimated Value	Estimated Value After 1st Mortgages	First Mortgagee
4550 Steeles Ave & 31 Old Kennedy	9,000	-	-	9,000	1.56	9,900	15,444	6,444	WFCU
Development 4									
	1st	2nd	Other	Total	Acres	Estimated Value Per Acre	Total Estimated Value	Estimated Value After 1st Mortgages	First Mortgagee
22 Old Kennedy	1,250	-	-	1,250	0.22				Vector
16 Old Kennedy	-	-	-	-	0.20				
	1,250	-	-	1,250	0.42	8,300	3,486	2,236	U-Feel
19 Turff					0.23			-	
35 Thelma	2,540			2,540	0.47				
	2,540	-	-	2,540	0.70	8,300	5,810	3,270	
	3,790	-	-	3,790	1.12	8,300	9,296	5,506	
<b>Total, low end TD estimated value</b>								<b>63,076</b>	

General notes:

1. Excludes interest, costs and fees, which continue to accrue.
2. TD is of the view that one buyer could take up the entire property.
3. TD value estimates are "conservative".
4. The above table does not list cross registered mortgages in Developments 2, 3 and 4.