

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

THE HONOURABLE MR.

)

THURSDAY, THE 25<sup>th</sup>

)

JUSTICE HAINEY

)

DAY OF FEBRUARY, 2021

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 OTHER COMPANIES LISTED ON SCHEDULE "A"  
HERETO (the "Applicants")

APPLICATION UNDER THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Estate File No.: 31-2436568

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

IN THE MATTER OF THE PROPOSAL OF  
58 OLD KENNEDY DEVELOPMENT INC.,  
76 OLD KENNEDY DEVELOPMENT INC. AND  
82 OLD KENNEDY DEVELOPMENT INC.,  
ALL CORPORATIONS INCORPORATED UNDER THE LAWS  
OF ONTARIO

**ORDER**

**THIS MOTION**, made by KSV Restructuring Inc. ("**KSV**"), solely in its capacity as Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") in their proceedings (the "**CCAA Proceedings**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and in its capacity as the proposal trustee (in such capacity, the "**Proposal Trustee**") of 58 Old Kennedy Development Inc., 76 Old Kenned Development Inc.,

and 82 Old Kennedy Development Inc. (collectively, the “**NOI Entities**”) in their proceedings (the “**Proposal Proceedings**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) for an order, *inter alia*: (i) approving and giving effect to the Settlement Agreement attached hereto as Schedule “B” dated February 3, 2021, and all schedules attached thereto including the Full and Final Release (collectively, the “**Agreement**”) among the Monitor, the Proposal Trustee and Lido Construction Inc. (“**Lido**”), subject in all cases to the terms, conditions and exceptions provided in the Agreement; and (ii) authorizing and directing the Monitor to take any and all steps necessary to give effect to the Agreement, was heard this day via videoconference;

**ON READING** the Notice of Motion and the Sixteenth Report of the Monitor and the Twelfth Report of the Proposal Trustee dated February 18, 2021 and the exhibits thereto, and on hearing the submissions of counsel for the Monitor and Lido, and such other parties as were present, no one else appearing although duly served as appears from the affidavit of service of Aiden Nelms, sworn;

1. **THIS COURT ORDERS** that, to the extent necessary, the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the settlement, mutual releases and other matters contemplated by the Agreement are hereby approved, that the Monitor and the Proposal Trustee are hereby directed and empowered, *nunc pro tunc*, to execute and deliver the Agreement on behalf of the Applicants and the NOI Entities, and that such execution is approved. The Monitor and the Proposal Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of such settlement and mutual releases.

3. **THIS COURT ORDERS** that pursuant to subsection 44(5) of the *Construction Act*, R.S.O. 1990, c. C.30, as amended and Rule 72.03(2) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the “**Rules**”) (i) CDN\$63,103.00 shall be paid from the CDN\$96,838.18 that was paid into court (the “**Court Funds**”) with Court File No.: CV-16-00564598 as security for the full amount of the construction lien filed by Lido and the costs related thereto in connection



with the Lien (as defined below), to Lido or Hammond Flesias in Trust, and (ii) the entirety of the remainder of the Court Funds thereafter shall be paid to the Monitor. For the purposes of this Order, Rule 72.03(2)(c)(ii) of the Rules shall be deemed to have been complied with.

4. **THIS COURT ORDERS AND DECLARES** that the Monitor, the Proposal Trustee and the Forme Group (as defined in the Agreement), as well as Lido and, as applicable, their respective predecessors, successors, heirs, personal representatives, administrators, assigns, insurers, privies, officers, directors, employees, members, servants, agents and partners, are hereby fully and finally released and discharged (subject to and in accordance with the terms, conditions and exceptions provided in the Agreement) from any and all “Claims” as that term is defined in paragraph 2(e) of the Claims Procedure Order of Justice Hainey dated October 22, 2019 bearing Court File No. CV-18-608313-00CL arising out of or in any way relating to the Released Matters (as defined below).

5. **THIS COURT ORDERS AND DECLARES** that the Monitor, the Proposal Trustee and Lido and, as applicable, their respective predecessors, successors, heirs, personal representatives, administrators, assigns, insurers, privies, officers, directors, employees, members, servants, agents and partners, are hereby fully and finally released and discharged (subject to and in accordance with the terms, conditions and exceptions provided in the Agreement) from any and all manner of actions, causes of action, suits, claims, proceedings, debts, covenants, obligations, penalties, indemnities, demands, issues and liabilities of any nature whatsoever, whether joint or several, legal, contractual, statutory, equitable or otherwise, that now exist, have existed or may exist, arising out of or in any way relating to the Released Matters.

6. **THIS COURT ORDERS AND DECLARES** that, for the purposes of this Order, the “Released Matters” means, collectively: (1) the construction lien registered as against the properties municipally known as 1483 Birchmount Road, Toronto, Ontario and 1485 Birchmount Road, Toronto, Ontario on September 28, 2016, bearing Instrument Nos.: AT4355774 and AT4363572 in respect of 2358825 Ontario Ltd. (“**Birchmount**”) and funds in the amount of \$96,838.18 posted with the Accountant for the Ontario Superior Court of Justice an assigned Court File No.: CV-16-00564589 (the “**Lien**”); (2) all of the known and unknown facts and issues in dispute amongst Lido, the Forme Group, the Monitor and the Proposal Trustee, all of the known and unknown Claims that have been or could be commenced or asserted by Lido against the Forme

Group and all of the known and unknown claims that have been or could be commenced or asserted by Lido against the Monitor or the Proposal Trustee, whether in respect to the Lien or in a separate claim or proceeding, which arise from or relate to the facts alleged or issues raised, or which could have been alleged or raised, with respect to the Lien, and (3) facts and issues arising from or relating to: (i) the Forme Group; (ii) Yuan (Mike) Hua Wang; and (iii) 101 Columbia Development Inc., 186 Old Kennedy Development Inc., 19 Turff Development Inc., 22 Old Kennedy Development Inc., 31 Victory Development Inc., 35 Thelma Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 4 Don Hillock Development Inc., 4208 Kingston Development Inc., 4550 Steeles Development Inc., 7397 Islington Development Inc., 9500 Dufferin Development Inc. and 2495393 Ontario Inc.

7. **THIS COURT ORDERS** that, notwithstanding:

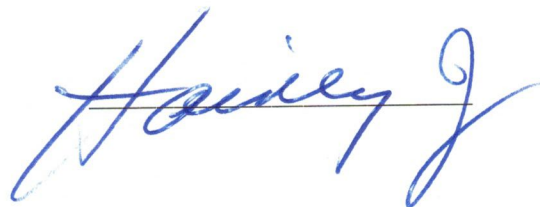
- (a) the pendency of the CCAA Proceedings;
- (b) the pendency of the Proposal Proceedings;
- (c) any applications for any bankruptcy order now or hereafter issued pursuant to the BIA in respect of one or more of any of the Applicants or any of their respective predecessors, successors or heirs (collectively, the “**Identified Parties**”), and any bankruptcy order issued pursuant to any such applications; and
- (d) any assignment in bankruptcy made in respect of any of the Identified Parties.

the payment to Lido, or as it may direct, of the Settlement Funds (as defined in the Agreement) shall be binding on any trustee in bankruptcy that is now or that may be appointed in respect of any of the Identified Parties and shall not be void or voidable by creditors of any of the Identified Parties, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA at any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) shall be and is hereby lifted for the sole purpose of authorizing and permitting Lido to take whatever steps are necessary to comply with its obligations under the Agreement.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor or the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor or the Proposal Trustee, as officers of this Court, as may be necessary or desirable to give effect to this order or to assist the Monitor or the Proposal Trustee, the and their respective agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that the Monitor or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers, duties and obligations under the Agreement.

A handwritten signature in blue ink, appearing to read "Hainey J", is written over a horizontal line.

**SCHEDULE "A"**  
**APPLICANTS**

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

5507 River Development Inc.

4439 John Development Inc.

2358825 Ontario Ltd.

250 Danforth Development Inc.

159 Carrville Development Inc.

169 Carrville Development Inc.

189 Carrville Development Inc.

27 Anglin Development Inc.

29 Anglin Development Inc.

**SCHEDULE "B"**  
**SETTLEMENT AGREEMENT**

**SETTLEMENT AGREEMENT, DECLARATIONS AND FULL AND FINAL RELEASE**

THIS AGREEMENT, effective this 3<sup>rd</sup> day of February, 2021

AMONGST:

KSV RESTRUCTURING INC., SOLELY IN ITS CAPACITY AS THE COURT-APPOINTED MONITOR OF 2358825 ONTARIO LTD., 3310 KINGSTON DEVELOPMENT INC., 1296 KENNEDY DEVELOPMENT INC., 1326 WILSON DEVELOPMENT INC., 5507 RIVER DEVELOPMENT INC., 4439 JOHN DEVELOPMENT INC., 250 DANFORTH DEVELOPMENT INC., 159 CARRVILLE DEVELOPMENT INC., 169 CARRVILLE DEVELOPMENT INC., 189 CARRVILLE DEVELOPMENT INC., 27 ANGLIN DEVELOPMENT INC., 29 ANGLIN DEVELOPMENT INC.

(in such capacity, the “**Monitor**”)

-and-

KSV RESTRUCTURING INC., SOLELY IN ITS CAPACITY AS THE PROPOSAL TRUSTEE OF 58 OLD KENNEDY DEVELOPMENT INC., 76 OLD KENNEDY DEVELOPMENT INC., AND 82 OLD KENNEDY DEVELOPMENT INC.

(in such capacity, the “**Proposal Trustee**”)

-and-

LIDO CONSTRUCTION INC.

(“**Lido**”)



**WHEREAS:**

- A. Lido Construction Inc. registered a construction lien as against the properties municipally known as 1483 Birchmount Road, Toronto, Ontario and 1485 Birchmount Road, Toronto, Ontario on September 28, 2016, bearing Instrument Nos.: AT4355774 and AT4363572 in respect of 2358825 Ontario Ltd. ("**Birchmount**") in accordance with the *Construction Lien Act* (the "**Lien**");
- B. The amount of CDN\$96,838.18 (the "**Court Funds**") was paid into court as security for the full amount of the Lien and costs related thereto, causing the Lien to be vacated and to become a charge on the Court Funds pursuant to section 44 of the *Construction Lien Act*;
- C. The Court Funds were posted with the Accountant for the Ontario Superior Court and assigned Court File No.: CV-16-00564589;
- D. KSV Restructuring Inc. (f/k/a KSV Kofman Inc.) was appointed as the Monitor of the Applicants (as defined below) pursuant to an initial order (as amended and restated from time to time, the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on November 30, 2018 under the *Companies' Creditors Arrangement Act* (the "**CCA Proceedings**");
- E. KSV Restructuring Inc. was also appointed as Proposal Trustee of three of the Applicants' affiliates, being 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (collectively, the "**NOI Entities**") in proceedings commenced on October 26, 2018 under the *Bankruptcy and Insolvency Act* (the "**NOI Proceedings**");
- F. Pursuant to the Initial Order, the Monitor, as "super monitor" was, among other things, directed and empowered to cause the Applicants (as defined below) to perform such functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Applicants in dealing with the Property (as defined in the Initial Order);
- G. On October 22, 2019, the Court granted an order (the "**Claims Procedure Order**") approving a procedure for the identification, delivery and determination of Claims (as defined in the Claims Procedure Order) against Birchmount, 3310 Kingston Development Inc., 1296 Kennedy Development Inc., 1326 Wilson Development Inc., 5507 River Development Inc., 4439 John Development Inc., 250 Danforth Development Inc., 159 Carrville Development Inc., 169 Carrville Development Inc., 189 Carrville Development Inc., 27 Anglin Development Inc., 29 Anglin Development Inc. (collectively, the "**Applicants**"), the NOI Entities (together with the Applicants, the "**Forme Group**"), Yuan (Mike) Hua Wang, 101 Columbia Development Inc., 186 Old Kennedy Development Inc., 19 Turff Development Inc., 22 Old Kennedy Development Inc., 31 Victory Development Inc., 35 Thelma Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 4 Don Hillock Development Inc., 4208 Kingston Development Inc., 4550 Steeles Development Inc., 7397 Islington Development Inc., 9500 Dufferin Development Inc. and 2495393 Ontario Inc.;
- H. Lido did not file a Proof of Claim (as defined in the Claims Procedure Order) in respect of the Lien on or prior to the Claims Bar Date (as defined in the Claims Procedure Order);

- I. The Monitor, the Proposal Trustee and the Forme Group, on the one hand, and Lido, on the other hand, wish to resolve all of the known and unknown facts and issues in dispute amongst them in respect to all of the known and unknown claims that have been or could be commenced or asserted by Lido against the Forme Group and all known and unknown claims that have been or could be commenced or asserted by Lido against the Monitor or the Proposal Trustee, whether in respect of the Lien or a separate claim or proceeding, including, without limitation, in the CCAA Proceedings and the NOI Proceedings, which arise from or relate to the facts alleged or issues raised, or which could have been alleged or raised, with respect to the Lien;
- J. In that regard, the Monitor and the Proposal Trustee have agreed to, among other things (and subject to and in accordance with the terms, conditions and exceptions provided in this Agreement, including the Schedules attached hereto), arrange for payment directly out of Court to "Hammond Flesias in Trust", lawyers for Lido, the all-inclusive sum of sixty-three thousand one hundred three dollars in lawful Canadian currency (CDN \$63,103.00) (the "**Settlement Funds**") from the Court Funds;
- K. In turn, Lido has agreed to, among other things (and subject to and in accordance with the terms, conditions and exceptions provided in this Agreement, including the Schedules attached hereto):
  - i. accept the Settlement Funds in full and final satisfaction of the Lien and any other potential claims and proceedings against the Forme Group and any other potential claims and proceedings against the Monitor or the Proposal Trustee;
  - ii. discontinue any action/proceeding and/or settle the Lien on a strictly with prejudice, without costs basis;
  - iii. refrain from commencing or continuing Claims or proceedings against the Forme Group;
  - iv. refrain from commencing or continuing claims or proceedings against the Monitor or the Proposal Trustee;
  - v. fully and finally release the Forme Group, the Monitor and the Proposal Trustee; and,
  - vi. provide cooperation to the Monitor and the Proposal Trustee in connection with having the Settlement Funds paid out of court to Hammond Flesias in Trust, lawyers for Lido, and the remainder of the Court Funds thereafter, paid out of court to the Monitor.

**NOW THEREFORE** in consideration of the promises set forth herein, the mutual covenants and agreements contained herein, and for further and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The above recitals are true and accurate, and form part of this Agreement together with the Schedules attached hereto.
2. The claims asserted or that could be asserted in respect to the Lien constitute "Claims" as that term is defined in the Claims Procedure Order.

3. The Monitor and the Proposal Trustee shall apply to the Court for, and recommend, an order approving and giving full effect to this Agreement, including all of the Schedules attached hereto (the "**Order**"). The Order shall include language substantially in the form of the draft language attached hereto as **Schedule "B"**. In the event the Court declines to issue the Order, this Agreement, including the Schedules attached hereto, shall be null and void and of no further force or effect.
4. Prior to the issuance of the Order, Lido shall provide the Monitor and the Proposal Trustee with an executed full and final release substantially in the form attached hereto as **Schedule "A"** (the "**Full and Final Release**"), which shall be held in escrow by the Monitor and the Proposal Trustee, and not released, unless and until the Order is issued by the Court.
5. As soon as reasonably possible following the issuance of the Order, the Monitor, the Proposal Trustee and Lido shall take all reasonable steps to have the Settlement Funds paid out of court to Lido and the remainder of the Court Funds paid out of court to the Monitor, including by obtaining an order to that effect pursuant to section 44(5) of the *Construction Act*.
6. This Agreement is entered into for the purposes of settlement and compromise only. This Agreement will not in any way be construed as an admission by any party, and the parties hereto each specifically disclaim any liability in connection with this Agreement and the Lien.
7. The undersigned each agree to execute and deliver such further documents and to take such further actions as may be reasonably required or necessary to effect and carry out the terms of this Agreement, including its Schedules, and give effect thereto.
8. This Agreement, and the rights and obligations created hereunder, cannot be assigned without the prior written consent of the parties hereto.
9. The undersigned agree that this Agreement shall not be effective until it has been signed by all of the parties hereto.
10. The parties to this Agreement hereby declare, represent and warrant that they have consulted with, and been advised by, independent legal counsel with respect to the terms of the settlement set forth herein, that they have read and fully understand all of the terms and consequences of this Agreement, including all of the Schedules attached hereto, and that they enter into this Agreement freely and voluntarily, without coercion or duress, and without reliance upon any representation, warranty, condition or agreement, whether written or oral, other than as expressly set out or referred to herein.
11. This Agreement may not be altered, amended or modified except by written agreement of the parties to this Agreement. This Agreement and the rights, obligations and relations of the undersigned hereunder shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The undersigned hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario. Any dispute arising out of or in connection with this Agreement shall be exclusively and finally determined by the Court.
12. The terms of this Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their respective heirs, successors, assigns, executors, administrators,

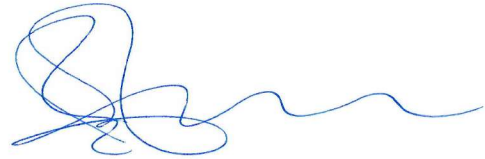
affiliates, parents, subsidiaries, partners, officers, directors, managers, employees, stakeholders, legal or personal representatives, insurers and predecessors, as applicable, as well as the Forme Group's respective heirs, successors, assigns, executors, administrators, affiliates, parents, subsidiaries, partners, officers, directors, managers, employees, stakeholders, legal or personal representatives, insurers and predecessors, as applicable.

13. This Agreement, including the Schedules attached hereto, constitutes the entire agreement among the parties, and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.
14. This Agreement, including the Schedules attached hereto, may be executed in counterparts, all of which taken together shall be deemed to constitute one and the same instrument, and a facsimile, email or electronically transmitted signature shall be deemed an original signature and of equally binding force and effect.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective this 3<sup>rd</sup> day of February, 2021, notwithstanding the actual date of execution.

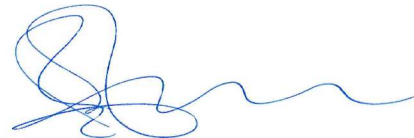
**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS  
THE COURT-APPOINTED  
MONITOR OF 2358825  
ONTARIO LTD., 3310  
KINGSTON DEVELOPMENT  
INC., 1296 KENNEDY  
DEVELOPMENT INC., 1326  
WILSON DEVELOPMENT INC.,  
5507 RIVER DEVELOPMENT  
INC., 4439 JOHN  
DEVELOPMENT INC., 250  
DANFORTH DEVELOPMENT  
INC., 159 CARRVILLE  
DEVELOPMENT INC., 169  
CARRVILLE DEVELOPMENT  
INC., 189 CARRVILLE  
DEVELOPMENT INC., 27  
ANGLIN DEVELOPMENT INC.,  
29 ANGLIN DEVELOPMENT  
INC.**



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**Name:** Bobby Kofman  
**Title:** President and Managing Director

**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS  
THE PROPOSAL TRUSTEE OF  
58 OLD KENNEDY  
DEVELOPMENT INC., 76 OLD  
KENNEDY DEVELOPMENT  
INC., AND 82 OLD KENNEDY  
DEVELOPMENT INC.**



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**Name:** Bobby Kofman  
**Title:** President and Managing Director

**LIDO CONSTRUCTION INC.**



A handwritten signature in blue ink, appearing to read "Sonia M. [unclear]". The signature is written in a cursive style and is positioned above a horizontal line.

**Name:**

**Title:**

## SCHEDULE "A"

### FORM OF FULL AND FINAL RELEASE

**WHEREAS** this is a mutual Full and Final Release between:

KSV Restructuring Inc., solely in its capacity as the Court-appointed Monitor of 2358825 Ontario Ltd. (in such capacity, the "Monitor")

-and-

KSV Restructuring Inc., solely in its capacity as the Proposal Trustee of 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., and 82 Old Kennedy Development Inc. (in such capacity, the "Proposal Trustee")

-and-

Lido Construction Inc. ("Lido", and together with the Monitor and the Proposal Trustee, the "Parties" and, individually, a "Party")

relating to: (1) the construction lien registered as against the properties municipally known as 1483 Birchmount Road, Toronto, Ontario and 1485 Birchmount Road, Toronto, Ontario on September 28, 2016, bearing Instrument Nos.: AT4355774 and AT4363572 in respect of 2358825 Ontario Ltd. ("Birchmount") and funds in the amount of \$96,838.18 posted with the Accountant for the Ontario Superior Court of Justice an assigned Court File No.: CV-16-00564589 (the "Lien"); (2) all of the known and unknown facts and issues in dispute amongst Lido, the Forme Group (as defined below), the Monitor and the Proposal Trustee, all of the known and unknown Claims (as defined below) that have been or could be commenced or asserted by Lido against the Forme Group and all of the known and unknown claims that have been or could be commenced or asserted by Lido against the Monitor or the Proposal Trustee, whether in respect to the Lien or in a separate claim or proceeding, which arise from or relate to the facts alleged or issues raised, or which could have been alleged or raised, with respect to the Lien, and (3) facts and issues arising from or relating to: (i) the real estate development projects of Birchmount, 3310 Kingston Development Inc., 1296 Kennedy Development Inc., 1326 Wilson Development Inc., 5507 River Development Inc., 4439 John Development Inc., 250 Danforth Development Inc., 159 Carrville Development Inc., 169 Carrville Development Inc., 189 Carrville Development Inc., 27 Anglin Development Inc., 29 Anglin Development Inc., 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., 82 Old Kennedy Development Inc. (collectively, the "Forme Group"); (ii) Yuan (Mike) Hua Wang; and (iii) 101 Columbia Development Inc., 186 Old Kennedy Development Inc., 19 Turff Development Inc., 22 Old Kennedy Development Inc., 31 Victory Development Inc., 35 Thelma Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 4 Don Hillock Development Inc., 4208 Kingston Development Inc., 4550 Steeles Development Inc., 7397 Islington Development Inc., 9500 Dufferin Development Inc. and 2495393 Ontario Inc. (collectively, the "Released Matters");

**AND WHEREAS** the Monitor, the Proposal Trustee and the Forme Group, on the one hand, and Lido, on the other hand, wish to fully and finally resolve and settle the Released Matters and have agreed to release each other from any and all manners of claims relating to the Released Matters, subject to the terms and conditions of the Settlement Agreement to which this Full and Final Release is attached as **Schedule "A"**;

**NOW THEREFORE** in consideration of the mutual covenants contained in this Full and Final Release and the terms set out in the Settlement Agreement to which this Full and Final Release is attached as **Schedule "A"**, including, without limitation, the payment of the global amount of CDN\$63,103.00 to "Hammond Flesias, in Trust" as counsel for Lido, and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged by the Parties:

1. The recitals set out above are true and accurate in all material respects, and form part of this Full and Final Release.
2. The Monitor, the Proposal Trustee and the Forme Group, on the one hand, and Lido, on the other, hereby fully and forever release, remise, acquit and discharge each other and, as applicable, their respective predecessors, successors, heirs, personal representatives, administrators, assigns, privies, officers, directors, employees, members, servants, agents and partners, from any and all "Claims" as that term is defined in paragraph 2(e) of the Claims Procedure Order of Justice Haaney dated October 22, 2019 bearing Court File No. CV-18-608313-00CL arising out of or in any way relating to the Released Matters (the "**Forme Released Claims**"), provided, however, that nothing in this Full and Final Release shall in any way release or affect, or shall be considered, construed or deemed to release or affect any of the Parties' rights or obligations under the Settlement Agreement.
3. The Monitor and the Proposal Trustee on the one hand, and Lido on the other, hereby fully and forever release, remise, acquit and discharge each other and, as applicable, their respective predecessors, successors, heirs, personal representatives, administrators, assigns, privies, officers, directors, employees, members, servants, agents and partners, from any and all manner of actions, causes of action, suits, claims, proceedings, debts, covenants, obligations, penalties, indemnities, demands, issues and liabilities of any nature whatsoever, whether joint or several, legal, contractual, statutory, equitable or otherwise, that now exist, have existed or may exist, arising out of or in any way relating to the Released Matters (collectively with the Forme Released Claims, the "**Released Claims**"), provided, however, that nothing in this Full and Final Release shall in any way release or affect, or shall be considered, construed or deemed to release or affect any of the Parties' rights or obligations under the Settlement Agreement.
4. Without limiting the generality of the foregoing, the Parties declare that the intent of this Full and Final Release is to conclude all issues in respect of, relating to or arising out of the Released Claims and it is understood and agreed that this Full and Final Release is intended to cover, and does cover, not only all known injuries, losses and damages in respect of the Released Claims, but also injuries, losses and damages in respect of the Released Claims not now known or anticipated but which may later be discovered, including all the effects and consequences thereof.
5. The Parties hereby specifically covenant and agree not to make any claim or demand, or to commence or maintain any action, suit, claim or proceeding against any person, corporation, the Crown or other legal entity, in or from which any action, suit, claim, demand or proceeding (whether or not valid or ultimately successful) could arise against each other for contribution or indemnity, or otherwise, in respect of any of the Released Claims.
6. The Parties hereby acknowledge that in the event that any of them should make hereafter any claim, demand or complaint or commence or threaten to commence any action or

proceeding, or make any claim against any other of them arising out of, or in any way connected to the Released Claims, this Full and Final Release may be raised as an estoppel and complete bar to any such claim, demand, action, proceeding or complaint.

7. The Parties each covenant and agree that this Full and Final Release shall be binding upon and shall enure to the benefit of their respective heirs, successors, assigns, executors, administrators, affiliates, parents, subsidiaries, partners, officers, directors, managers, employees, stakeholders, legal or personal representatives, insurers and predecessors, as applicable, as well as the Forme Group's respective heirs, successors, assigns, executors, administrators, affiliates, parents, subsidiaries, partners, officers, directors, managers, employees, stakeholders, legal or personal representatives, insurers and predecessors, as applicable.
8. The Parties understand, acknowledge and agree that this Full and Final Release shall be immediately, unconditionally, and irrevocably effective upon the issuance of a court order approving the settlement as contemplated under the terms of the Settlement Agreement.
9. The Parties agree that this Full and Final Release shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada as applicable therein. Any dispute arising from or relating to the interpretation, application or enforcement of this Full and Final Release shall be exclusively within the jurisdiction of the Ontario Superior Court of Justice (Commercial List), and the Parties hereby irrevocably attorn to the exclusive jurisdiction of such Court with respect to any and all matters covered by, or in any way relating to, this Full and Final Release.
10. The Parties each covenant and agree that each part and provision of this Full and Final Release is distinct and severable and if, in any jurisdiction, any part or provision of this Full and Final Release or its application to any Party or circumstance is restricted, prohibited or unenforceable, for public policy reasons or otherwise, that that part or provision shall be interpreted in a manner so as to not make it unenforceable at law, but if such interpretation is not possible, the Parties agree that the part or provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining parts and provisions hereof and without affecting the validity or enforceability of such part or provision in any other jurisdiction or its application to other parties or circumstances.
11. The Parties each hereby expressly acknowledge, declare and agree that they have had an opportunity to fully review this Full and Final Release and they have consulted with independent legal counsel. The Parties each acknowledge, declare and agree that they fully understand the meaning and effect of each paragraph of this Full and Final Release and freely and voluntarily agree to its terms for the purpose of making full and final compromise, adjustment and settlement of the Released Matters. The Parties each further expressly acknowledge, declare and agree that there is no condition, express or implied, or collateral agreement affecting their respective abilities to enter into this Full and Final Release, other than those set out in the Settlement Agreement to which this Full and Final Release is attached. The Parties further acknowledge and agree that any statute, case law, or rule of interpretation or construction that would or might cause any part or provision of this Full and Final Release to be construed against the drafters of this Full and Final Release shall be of no force or effect.

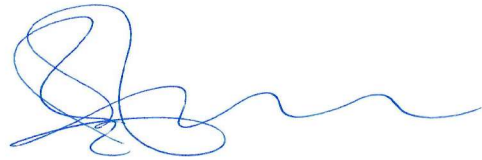
12. The Parties agree that the Full and Final Release shall not be effective unless it has been signed by each Party hereto.
13. The Parties each agree that this Full and Final Release may be executed in any number of counterparts, all of which taken together shall be deemed to constitute one and the same instrument, and a facsimile, email or electronically transmitted signature shall be deemed an original signature and of equally binding force and effect.
14. The Parties hereby understand and agree that that the aforementioned consideration shall not be deemed to be an admission of liability or responsibility on the part of the Parties, and that any such liability or responsibility is denied.
15. The Parties hereby acknowledge and confirm that nothing in this Full and Final Release shall affect the rights of any Party to make any claim or demand or to commence any action, claim or proceeding against the other in respect of a breach of the terms of settlement.

*[Remainder of Page Intentionally Left Blank]*



The parties hereto have duly executed this Full and Final Release effective this 3<sup>rd</sup> day of February, 2021, notwithstanding the actual date of execution:

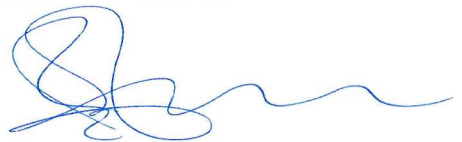
**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS  
THE COURT-APPOINTED  
MONITOR OF 2358825  
ONTARIO LTD., 3310  
KINGSTON DEVELOPMENT  
INC., 1296 KENNEDY  
DEVELOPMENT INC., 1326  
WILSON DEVELOPMENT INC.,  
5507 RIVER DEVELOPMENT  
INC., 4439 JOHN  
DEVELOPMENT INC., 250  
DANFORTH DEVELOPMENT  
INC., 159 CARRVILLE  
DEVELOPMENT INC., 169  
CARRVILLE DEVELOPMENT  
INC., 189 CARRVILLE  
DEVELOPMENT INC., 27  
ANGLIN DEVELOPMENT INC.,  
29 ANGLIN DEVELOPMENT  
INC.**



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**Name:** Bobby Kofman  
**Title:** President and Managing Director

**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS  
THE PROPOSAL TRUSTEE OF  
58 OLD KENNEDY  
DEVELOPMENT INC., 76 OLD  
KENNEDY DEVELOPMENT  
INC., AND 82 OLD KENNEDY  
DEVELOPMENT INC.**



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**Name:** Bobby Kofman  
**Title:** President and Managing Director

**LIDO CONSTRUCTION INC.**

A handwritten signature in blue ink, appearing to read "Sandra Quirk", written over a horizontal line.

**Name:**

**Title:**

## SCHEDULE "B"

### FORM OF LANGUAGE TO BE INCORPORATED INTO DRAFT ORDER

**THIS MOTION**, made by KSV Restructuring Inc. ("**KSV**"), solely in its capacity as Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") in their proceedings (the "**CCAA Proceedings**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and in its capacity as the proposal trustee (in such capacity, the "**Proposal Trustee**") of 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., and 82 Old Kennedy Development Inc. (collectively, the "**NOI Entities**") in their proceedings (the "**Proposal Proceedings**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") for an order, *inter alia*: (i) approving and giving effect to the Settlement Agreement dated February 3, 2021, and all schedules attached thereto including the Full and Final Release (collectively, the "**Agreement**") among the Monitor, the Proposal Trustee and Lido Construction Inc. ("**Lido**"), subject in all cases to the terms, conditions and exceptions provided in the Agreement; and (ii) authorizing and directing the Monitor to take any and all steps necessary to give effect to the Agreement, was heard this day via videoconference;

**ON READING** the Notice of Motion and the • Report of the Monitor dated and the Report of the Proposal Trustee dated •, 2021 and the exhibits thereto, and on hearing the submissions of counsel for the Monitor and Lido, and such other parties as were present, no one else appearing although duly served as appears from the affidavit of service of • sworn on •, 2021;

1. **THIS COURT ORDERS** that, to the extent necessary, the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the settlement, mutual releases and other matters contemplated by the Agreement are hereby approved, that the Monitor and the Proposal Trustee are hereby directed and empowered, *nunc pro tunc*, to execute and deliver the Agreement on behalf of the Applicants and the NOI Entities, and that such execution is approved. The Monitor and the Proposal Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of such settlement and mutual releases.

3. **THIS COURT ORDERS AND DECLARES** that the Monitor, the Proposal Trustee and the Forme Group (as defined in the Agreement), as well as Lido and, as applicable, their respective predecessors, successors, heirs, personal representatives, administrators, assigns, insurers, privies, officers, directors, employees, members, servants, agents and partners, are hereby fully and finally released and discharged (subject to and in accordance with the terms, conditions and exceptions provided in the Agreement) from any and all “Claims” as that term is defined in paragraph 2(e) of the Claims Procedure Order of Justice Hainey dated October 22, 2019 bearing Court File No. CV-18-608313-00CL arising out of or in any way relating to the Released Matters (as defined below).
4. **THIS COURT ORDERS AND DECLARES** that the Monitor, the Proposal Trustee and Lido and, as applicable, their respective predecessors, successors, heirs, personal representatives, administrators, assigns, insurers, privies, officers, directors, employees, members, servants, agents and partners, are hereby fully and finally released and discharged (subject to and in accordance with the terms, conditions and exceptions provided in the Agreement) from any and all manner of actions, causes of action, suits, claims, proceedings, debts, covenants, obligations, penalties, indemnities, demands, issues and liabilities of any nature whatsoever, whether joint or several, legal, contractual, statutory, equitable or otherwise, that now exist, have existed or may exist, arising out of or in any way relating to the Released Matters.
5. **THIS COURT ORDERS AND DECLARES** that, for the purposes of this Order, the “Released Matters” means, collectively: (1) the construction lien registered as against the properties municipally known as 1483 Birchmount Road, Toronto, Ontario and 1485 Birchmount Road, Toronto, Ontario on September 28, 2016, bearing Instrument Nos.: AT4355774 and AT4363572 in respect of 2358825 Ontario Ltd. (“Birchmount”) and funds in the amount of \$96,838.18 posted with the Accountant for the Ontario Superior Court of Justice an assigned Court File No.: CV-16-00564589 (the “Lien”); (2) all of the known and unknown facts and issues in dispute amongst Lido, the Forme Group, the Monitor and the Proposal Trustee, all of the known and unknown Claims that have been or could be commenced or asserted by Lido against the Forme Group and all of the known and unknown claims that have been or could be commenced or asserted by Lido against the Monitor or the Proposal Trustee, whether in respect to the Lien or in a separate claim or proceeding, which arise from or relate to the facts alleged or issues raised, or which could have been alleged or raised, with respect to the Lien, and (3) facts and issues arising from or relating to: (i) the Forme Group; (ii) Yuan (Mike) Hua Wang; and (iii) 101 Columbia Development Inc., 186 Old Kennedy Development Inc., 19 Turff Development Inc., 22 Old Kennedy Development Inc., 31 Victory Development Inc., 35 Thelma Development Inc., 376 Derry

Development Inc., 390 Derry Development Inc., 4 Don Hillock Development Inc., 4208 Kingston Development Inc., 4550 Steeles Development Inc., 7397 Islington Development Inc., 9500 Dufferin Development Inc. and 2495393 Ontario Inc.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of the CCAA Proceedings;
- (b) the pendency of the Proposal Proceedings;
- (c) any applications for any bankruptcy order now or hereafter issued pursuant to the BIA in respect of one or more of any of the Applicants or any of their respective predecessors, successors or heirs (collectively, the "**Identified Parties**"), and any bankruptcy order issued pursuant to any such applications; and
- (d) any assignment in bankruptcy made in respect of any of the Identified Parties.

the payment to Lido, or as it may direct, of the Settlement Funds (as defined in the Agreement) shall be binding on any trustee in bankruptcy that is now or that may be appointed in respect of any of the Identified Parties and shall not be void or voidable by creditors of any of the Identified Parties, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA at any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) shall be and is hereby lifted for the sole purpose of authorizing and permitting Lido to take whatever steps are necessary to comply with its obligations under the Agreement.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor or the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor or the Proposal Trustee, as officers of this Court, as may be necessary or desirable to give effect to this order or to assist the Monitor or the Proposal Trustee, the and their respective agents in carrying out the terms of this Order.



9. **THIS COURT ORDERS** that the Monitor or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers, duties and obligations under the Agreement.

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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 OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO (the "Applicants")

Estate No. 31-2436538

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

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

Proceedings Commenced in Toronto

**ORDER**

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Fax: (416) 863-1716  
Counsel to KSV Restructuring Inc., solely in its capacity as Court-appointed monitor and proposal trustee, and not in its personal capacity