

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)
)
JUSTICE HAINEY) THURSDAY, THE 25th
 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 dated February 11, 2021, and all schedules attached thereto including the Full and Final Release (collectively, the “**Agreement**”) among the Monitor, the Proposal Trustee and Charles Advisory Services Inc., solely in its capacity as the trustee in bankruptcy of Spectrum Mechanical (2009) Ltd. (in such capacity, the “**Trustee**”), 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 the Trustee, 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\$121,720.00 shall be paid from the CDN \$243,439.68 that was paid into court (the “**Court Funds**”) with Court File No.: CV-17-568016 as security for the full amount of the construction lien filed by Spectrum Mechanical (2009) Ltd. and the costs

related thereto in connection with the Action (as defined below), to the Trustee, 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 the Trustee 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 the Trustee 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 proceedings commenced by Spectrum Mechanical (2009) Ltd. in the Ontario Superior Court of Justice in Toronto bearing Court File No. CV-17-568016 (the “Action”) against 2358825 Ontario Ltd., 2358825 Ontario Limited, 2043102 Ontario Limited operating as YYZed Project Management, YYZed Project Management, Trisura Guarantee Insurance Company, MCAP Financial Corporation and HMT Holdings Inc. (collectively, the “Defendants”); (2) all of the known and unknown facts and issues in dispute amongst the Trustee, the Forme Group, the Defendants, the Monitor and the Proposal Trustee, all

of the known and unknown Claims that have been or could be commenced or asserted by the Trustee against the Forme Group and all of the known and unknown claims that have been or could be commenced or asserted by the Trustee against the Monitor or the Proposal Trustee, whether in the Action 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, in the Action, and (3) facts and issues arising from or relating to (i) the Forme Group; (ii) Yuan (Mike) Hua Wang; and 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) the pendency of the Action;
- (d) any applications for any bankruptcy order now or hereafter issued pursuant to the BIA in respect of one or more of any of the Defendants, 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
- (e) any assignment in bankruptcy made in respect of any of the Identified Parties.

the payment to the Trustee, 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.

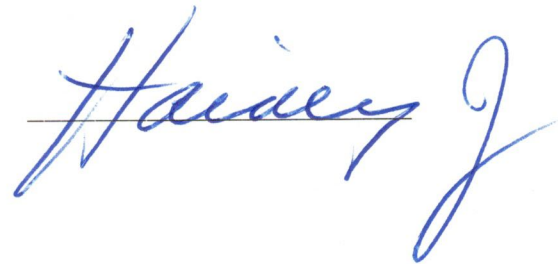
8. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) shall be and is hereby lifted for the sole purpose of authorizing and permitting the Trustee to:

(a) discontinue the Action as against the Defendants; and

(b) 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 located in the lower right quadrant of the page. The signature is written in a cursive, flowing style.

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 11th 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-

CHARLES ADVISORY SERVICES INC., SOLELY IN ITS CAPACITY AS THE TRUSTEE IN BANKRUPTCY OF SPECTRUM MECHANICAL (2009) LTD.

(in such capacity, the “**Trustee**”)

WHEREAS:

- A. Spectrum Mechanical (2009) Ltd. ("**Spectrum**") commenced an action in the Ontario Superior Court of Justice by the issuance of a Statement of Claim dated January 19, 2017 in Court File No. CV-17-568016 (the "**Action**") against 2358825 Ontario Ltd. ("**Birchmount**") and the following parties: 2358825 Ontario Limited, 2043102 Ontario Limited operating as YYZed Project Management, YYZed Project Management, Trisura Guarantee Insurance Company, MCAP Financial Corporation and HMT Holdings Inc. (collectively with Birchmount, the "**Defendants**"), and filed a related construction lien claim in accordance with the *Construction Act* (the "**Lien**");
- B. CDN\$243,439.68 (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 Act*;
- C. Spectrum was deemed to have filed an assignment in bankruptcy on March 28, 2018 under the *Bankruptcy and Insolvency Act* (the "**BIA**") with Charles Advisory Services Inc. appointed as the Trustee;
- 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 "**CCAA 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 BIA (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. Neither Spectrum nor the Trustee filed a Proof of Claim (as defined in the Claims Procedure Order) in respect of the Action 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 the Trustee, 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 the Trustee against the Forme Group or the Defendants and all known and unknown claims that have been or could be commenced or asserted by the Trustee against the Monitor or the Proposal Trustee, whether in the Action or in a separate claim or proceeding, including, without limitation, 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, in the Action;
- 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 the Trustee, or as it may direct, the all-inclusive sum of one hundred twenty-one thousand seven hundred twenty dollars in lawful Canadian currency (CDN\$121,720.00) (the “**Settlement Funds**”) from the Court Funds;
- K. Having received inspector approval pursuant to subsection 30(1) of the BIA, the Trustee 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 Action and any other potential Claims and proceedings against the Forme Group or the Defendants and any other potential claims and proceedings against the Monitor or the Proposal Trustee;
 - ii. discontinue the Action as against the Defendants on a strictly with prejudice, without costs basis;
 - iii. refrain from commencing or continuing Claims or proceedings against the Forme Group and/or the Defendants;
 - 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 Defendants, 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 the Trustee 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:

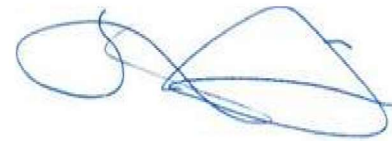
1. The above recitals are true and accurate, and form part of this Agreement together with the Schedules attached hereto.
2. The claims asserted or that could be asserted in the Action constitute "Claims" as that term is defined in the Claims Procedure Order.
3. The Monitor and the Proposal Trustee shall 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. At the same time as the Monitor and the Proposal Trustee apply for the Order, the Trustee shall apply to the Court in Spectrum's proceedings under the BIA, for, and recommend, an order approving and giving full effect to this Agreement, including all of the Schedules attached hereto, in form and substance satisfactory to the Monitor and the Proposal Trustee (the "**BIA Order**"). In the event the Court declines to issue the BIA Order, this Agreement, including the Schedules attached hereto, shall be null and void and of no further force or effect.
5. Prior to the issuance of the Order, the Trustee 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 and the BIA Order are issued by the Court.
6. As soon as reasonably possible following the issuance of the Order and the BIA Order, the Monitor, the Proposal Trustee and the Trustee shall take all reasonable steps to have the Settlement Funds paid out of court to the Trustee 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*.
7. As soon as reasonably possible following the issuance of the Order and the BIA Order, and, if possible, in conjunction with obtaining the order releasing the Court Funds, the Trustee shall, with the consent of the Monitor to a limited lifting of the stay of proceedings afforded to the Applicants in the CCAA Proceedings, discontinue the Action as against the Defendants on a strictly with prejudice and without costs basis.
8. 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 Action.
9. 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.

10. The parties to this Agreement shall execute all documents and take all steps as are necessary and reasonable to accomplish the objectives of this Agreement, including its Schedules, and give effect thereto.
11. This Agreement may not be altered, amended or modified except by written agreement of the parties to this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. 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.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective this 11th 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.**



Name: David Sieradzki
Title: 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.**



Name: David Sieradzki
Title: Managing Director

**CHARLES ADVISORY SERVICES
INC., SOLELY IN ITS CAPACITY AS
THE TRUSTEE IN BANKRUPTCY OF
SPECTRUM MECHANICAL (2009)
LTD.**



Name: Robert Charles
Title: President.

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-

Charles Advisory Services Inc., solely in its capacity as the Trustee in bankruptcy of Spectrum Mechanical (2009) Ltd. (in such capacity, the "Trustee", and together with the Monitor and the Proposal Trustee, the "Parties" and, individually, a "Party")

relating to: (1) the proceedings commenced by Spectrum Mechanical (2009) Ltd. in the Ontario Superior Court of Justice in Toronto bearing Court File No. CV-17-568016 (the "Action") against 2358825 Ontario Ltd. ("Birchmount") and 2358825 Ontario Limited, 2043102 Ontario Limited operating as YYZed Project Management, YYZed Project Management, Trisura Guarantee Insurance Company, MCAP Financial Corporation and HMT Holdings Inc. (collectively with Birchmount, the "Defendants"); (2) all of the known and unknown facts and issues in dispute amongst the Trustee, the Forme Group (as defined below), the Defendants, 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 the Trustee against the Forme Group and all of the known and unknown claims that have been or could be commenced or asserted by the Trustee against the Monitor or the Proposal Trustee, whether in the Action 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, in the Action, 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 the Trustee, 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"**, 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, and form part of this Full and Final Release.
2. The Monitor, the Proposal Trustee and the Forme Group, on the one hand, and the Trustee, 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 Hailey 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 the Trustee 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 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.

6. 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.
7. 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.
8. 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.
9. 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.
10. 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.

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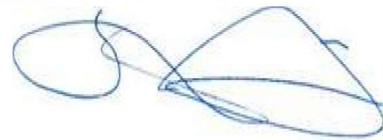
The parties hereto have duly executed this Full and Final Release effective this 11th day of February, 2021, notwithstanding the actual date of execution:

**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.**



Name: David Sieradzki
Title: 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.**



Name: David Sieradzki
Title: Managing Director

**CHARLES ADVISORY SERVICES
INC., SOLELY IN ITS CAPACITY AS
THE TRUSTEE IN BANKRUPTCY OF
SPECTRUM MECHANICAL (2009)
LTD.**



Name: Robert Charles
Title: President

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 11, 2021, and all schedules attached thereto including the Full and Final Release (collectively, the "Agreement") among the Monitor, the Proposal Trustee and Charles Advisory Services Inc., solely in its capacity as the trustee in bankruptcy of Spectrum Mechanical (2009) Ltd. (in such capacity, the "Trustee"), 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 the Trustee, 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 the Trustee 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 Hailey 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 the Trustee 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 proceedings commenced by Spectrum Mechanical (2009) Ltd. in the Ontario Superior Court of Justice in Toronto bearing Court File No. CV-17-568016 (the "Action") against 2358825 Ontario Ltd., 2358825 Ontario Limited, 2043102 Ontario Limited operating as YYZed Project Management, YYZed Project Management, Trisura Guarantee Insurance Company, MCAP Financial Corporation and HMT Holdings Inc. (collectively, the "Defendants"); (2) all of the known and unknown facts and issues in dispute amongst the Trustee, the Forme Group, the Defendants, the Monitor and the Proposal Trustee, all of the known and unknown Claims that have been or could be commenced or asserted by the Trustee against the Forme Group and all of the known and unknown claims that have been or could be commenced or asserted by the Trustee against the Monitor or the Proposal Trustee, whether in the Action 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, in the Action, and (3) facts and issues arising from or relating to (i) the Forme Group; (ii) Yuan (Mike) Hua Wang; and 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) the pendency of the Action;
- (d) any applications for any bankruptcy order now or hereafter issued pursuant to the BIA in respect of one or more of any of the Defendants, 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
- (e) any assignment in bankruptcy made in respect of any of the Identified Parties.

the payment to the Trustee, 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 the Trustee to:

- (a) discontinue the Action as against the Defendants; and
- (b) 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.

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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Counsel to KSV Restructuring Inc., solely in its
capacity as Court-appointed monitor and
proposal trustee, and not in its personal capacity