

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FORME DEVELOPMENT GROUP INC. AND THE 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

**MOTION RECORD OF THE MONITOR AND PROPOSAL TRUSTEE
(Volume 1 of 2)**

February 12, 2020

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in its personal capacity

TO: THE SERVICE LIST

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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ALL CORPORATIONS INCORPORATED UNDER THE LAWS OF
ONTARIO

**NOTICE OF MOTION
(Returnable February 20, 2020)**

KSV Kofman Inc. ("**KSV**"), in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") of the Applicants in their proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended ("**CCAA**"), and in its capacity as 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 proposal proceedings commenced on October 26, 2018 by the NOI Entities under

the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), will make a motion to a Judge of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Thursday, February 20, 2020 at 10:00 a.m., or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An order (the "**Kennedy Approval and Vesting Order**") substantially in the form of the draft order attached as Tab "3" of this Motion Record, among other things, approving the Transaction (as defined below) contemplated by an agreement of purchase and sale between the Monitor, as vendor, and Sunray Group of Hotels Inc., in trust for the newly incorporated 1296 Kennedy Road Inc. (the "**Purchaser**"), as purchaser, dated February 7, 2020 (the "**APS**"), and vesting in the Purchaser, or as it may direct in accordance with the APS, all of 1296 Kennedy Development Inc.'s (the "**Owner Applicant**") right, title and interest in and to the property described in the APS (the "**Purchased Assets**"), including the real property located at 1296 Kennedy Road, Scarborough, Ontario (the "**Property**").

2. An order (the "**Distribution Order**") substantially in the form of the draft order attached at Tab "5" of this Motion Record, among other things:

(a) authorizing and directing the Monitor to do the following, after the completion of the Transaction:

(i) pay any property tax arrears in respect of the Property;

- (ii) create and hold a reserve in the amount of the Holdback (as defined below);
- (iii) make one or more distributions to First Source (as defined below) up to the amount owing under its mortgage on the Property, except for the amount of the Holdback;
- (iv) with the agreement of the Monitor and First Source, or upon further Order of this Court, make one or more distributions of any amount of the Holdback as is agreed or ordered by the Court to be payable to First Source;
- (v) make one or more distributions in respect of the professional fees of the Monitor and counsel for the Monitor relating to the CCAA Proceedings of the Owner Applicant; and
- (vi) if applicable, make one or more distributions to Yi Zhou, subject to counsel for the Monitor rendering an opinion to the Monitor that Yi Zhou has a valid and properly registered mortgage, up to the amount owing under its mortgage on the Property.

3. An order (the "**Ancillary Order**") substantially in the form of the draft order attached as Tab "6" of this Motion Record, among other things:

- (a) abridging the time for service of the Notice of Motion and the Motion Record herein, if necessary, and validating service thereof;

- (b) extending the Stay Period (as defined in paragraph 15 of the Initial Order of this Court made on November 30, 2018, as amended and restated, the "**Initial Order**") to and including May 31, 2020 (the "**Fifth Stay Extension**");
- (c) sealing the confidential appendices of the Twelfth Report of the Monitor and the Eighth Report of the Proposal Trustee dated February 12, 2020 (the "**Report**") pending further order of the Court;
- (d) further amending the undertaking executed by the Non-Applicants (as defined below) and Yuan Hua Wang ("**Mr. Wang**") dated March 11, 2019 and approved by this Court on March 18, 2019 (the "**Undertaking**"), as amended by Order of the Court dated January 31, 2020, to, *inter alia*, substitute Bennett Jones LLP ("**Bennett Jones**"), the Monitor's and Proposal Trustee's counsel, as the law firm whom should hold the surplus funds presently on deposit in CBB's (as defined below) trust account (the "**Surplus**") as well as any further realizations, if any, from the Non-Applicants' unsold real property;
- (e) directing and authorizing CBB to transfer the Surplus, as well as any further realization, if any, from the Non-Applicants' unsold real Property, to Bennett Jones forthwith and without deduction;
- (f) annulling the Bankruptcy Proceedings (as defined below);
- (g) declaring that the Claims Procedure (as defined below) will continue and that proven Wang Claims (as defined in the Claims Procedure Order (as defined below))

will be admitted as proven claims in the proceedings related to the Wang NOI (as defined below); and

(h) precluding Gardiner Roberts LLP ("**Gardiner Roberts**"), or any other present or future counsel to the Non-Applicants, Mr. Wang or any other party, from being paid from the Surplus without further Order of the Court.

4. Such further and other relief as counsel may request and the Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

The Applicants

5. Forme Development Group Inc. and its affiliated companies (collectively, the "**Forme Group**") intended to develop commercial and residential real estate projects.

6. Pursuant to the Initial Order, the Applicants were granted protection under the CCAA and KSV was appointed as Monitor with enhanced powers, including to market for sale and to complete real property sale transactions on behalf of the Applicants (the "**CCAA Proceedings**").

7. The principal purpose of the CCAA Proceedings was to create a stabilized environment to conduct a Court-approved Sale Process (as defined below).

8. KSV was also appointed Proposal Trustee of three (3) of the Applicants' affiliated entities - the NOI Entities - in proposal proceedings commenced on October 26, 2018 by the NOI Entities under the BIA (the "**NOI Proceedings**").

9. Mr. Wang is the sole shareholder of the Applicants, the NOI Entities', and 14 affiliated real estate development companies which are not subject to the CCAA Proceedings or the NOI

Proceedings (each a "**Non-Applicant**" and collectively, the "**Non-Applicants**"). The Non-Applicants have sold or are in the process of marketing for sale, their real-estate development projects.

The Undertaking

10. On March 11, 2019, Mr. Wang and the Non-Applicants executed the Undertaking in favour of the Court, which was approved pursuant to a Court order made on March 18, 2019. The purpose of the Undertaking is to, *inter alia*, provide a mechanism to facilitate the orderly sale of the Non-Applicants' real property and to hold in a trust account of Cassels Brock & Blackwell LLP ("**CBB**"), the Non-Applicants legal counsel at the time, any surplus finds realized therefrom for the benefit of all creditors, including those with guarantee claims against Mr. Wang.

11. The Undertaking was negotiated as between Mr. Wang, the Non-Applicants and the Monitor and was entered into to resolve the Monitor's motion for the Surplus to be held by the Monitor that was filed on February 26, 2019.

12. The Undertaking provides, *inter alia*, that the Monitor will conduct a claims process for the Applicants, the NOI Entities, the Non-Applicants and Mr. Wang prior to the distribution of the Surplus to Mr. Wang in his capacity as shareholder.

Claims Procedure¹

13. On October 22, 2019, the Monitor sought and obtained an Order (the "**Claims Procedure Order**") authorizing it to undertake a claims procedure to solicit and identify any and all Pre-filing

¹ Terms not otherwise defined in this section have the meaning ascribed to them in the Claims Procedure Order.

Claims, D&O Claims, NOI Claims, Non-Applicant Claims, Wang Claims and/or Restructuring Claims (the "**Claims Procedure**").

14. The Claims Procedure was sought to enable the Monitor to ascertain the potential scope and nature of Claims that may exist against the Applicants, the NOI Entities, the Non-Applicants, Mr. Wang (in certain capacities) and their directors or officers where applicable.

15. Any person that wished to file a Claim in the Claims Procedure was required to deliver to the Monitor a Proof of Claim prior to the proposed Claims Bar Date, being January 10, 2020. The Restructuring Claims Bar Date was the later of (i) the Claims Bar Date and (ii) the date that is 10 Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim.

16. The Monitor and Bennett Jones consulted extensively with Mr. Wang's then counsel, Lerner's LLP ("**Lerner's**"), with respect to the proposed Claims Procedure and incorporated various of its requests in the Claims Procedure Order. Lerner's attended the motion to approve the Claims Procedure Order and did not oppose it.

17. The Monitor also provided several opportunities for CBB, on behalf of the Non-Applicants, to provide comments on the Claims Procedure Order, including providing CBB with various iterations of the draft claims procedure order. Despite representations that comments were forthcoming, the Monitor never received comments from the Non-Applicants or CBB on their behalf.

The Filings

18. On January 31, 2020, the Monitor was advised for the first time that:

- (a) certain Non-Applicants, namely 19 Turff Development Inc., 22 Old Kennedy Development Inc., 35 Thelma Development Inc., and 4550 Steeles Development Inc. (each a "**Bankrupt Non-Applicant**", and collectively the "**Bankrupt Non-Applicants**"), filed an assignment and became bankrupt on January 28, 2020 (the "**Bankruptcy Proceedings**");
- (b) Mr. Wang filed a Notice of Intention to Make a Proposal ("**NOI**") on January 24, 2020 (the "**Wang NOI**" and together with the Bankruptcy Proceedings, the "**Filings**"); and
- (c) Larry Ellis, formerly of CBB, was moving his practice to Miller Thomson LLP ("**Miller Thomson**").

19. Grant Thornton Limited ("**GT**") was appointed as trustee in each of the Filings, subject to affirmation at the first meetings of creditors in the Bankruptcy Proceedings which are being held on February 13, 2020. Miller Thomson is counsel to GT.

(i) The Wang NOI

20. The Initial Order provides for a stay of proceedings against Mr. Wang personally for guarantee and other claims related to the Applicants' obligations. Claims have been filed against Mr. Wang in the Claims Procedure largely in respect of his personal guarantee obligations of the Applicants' and Non-Applicants' mortgages. Mr. Wang did not oppose the Claims Procedure Order.

21. The Monitor, understanding that the BIA does not contemplate the annulment of a NOI, believes that it is appropriate for the Claims Procedure to continue and for Wang Claims to be admitted as proven claims in the proceedings related to the Wang NOI, once proven.

(ii) the Bankruptcy Proceedings

22. The Monitor does not know what is to be achieved by the Bankruptcy Proceedings that is not already addressed in the within CCAA Proceedings.

23. The Monitor believes that the Bankruptcy Proceedings should be annulled as:

- (a) the assets of the Bankrupt Non-Applicants have all been sold;
- (b) the mortgagees of the Bankrupt Non-Applicants have been paid in full;
- (c) any remaining claims against the Bankrupt Non-Applicants are being determined by the Monitor in accordance with the Claims Procedure Order, which claims have already been received by the Monitor;
- (d) the Bankrupt Non-Applicants do not require a stay of proceedings;
- (e) it is fiscally irresponsible to have a separate claims determination process which would be funded from the Surplus;
- (f) Mr. Wang and the Non-Applicants did not oppose the Undertaking or the Claims Procedure Order; and
- (g) It is not clear that the Bankrupt Non-Applicants are insolvent.

24. Given the foregoing, the Monitor believes that it is appropriate for the Court to issue the Ancillary Order, *inter alia*:

- (a) annulling the Bankruptcy Proceedings; and
- (b) declaring that the Claims Procedure will continue and that Wang Claims will be admitted as proven claims in the proceedings related to the Wang NOI, once proven.

The January 30th Amendments to the Undertaking

25. On February 3, 2020, it was brought to the Monitor's attention for the first time that, as a result of a 9:30 a.m. chambers appointment on January 30, 2020 (the "**January 30 Appearance**"), scheduled by Gardiner Roberts, an Order was made by the Court, *inter alia*, amending the Undertaking to replace all references to CBB with Gardiner Roberts (the "**GR Undertaking Amendments Order**"). The Monitor was also advised that CBB was to transfer the Surplus to Gardiner Roberts.

26. The Monitor was never provided notice of the January 30 Appearance. The GR Undertaking Amendments Order is inappropriate as, *inter alia*:

- (a) the January 30 Appearance and the GR Undertaking Amendments Order were scheduled and obtained without notice to the Monitor or the Service List in the CCAA Proceedings;

- (b) there appears to be no equity in the Non-Applicants' real property after payment of their mortgage debt and further legal costs will erode the Surplus at the expense of Mr. Wang's and the Forme Group's creditors;
- (c) it is unclear how Mr. Wang and certain Non-Applicants are funding forbearance payments of \$165,000 to certain mortgagees but are otherwise impecunious and unable to pay for legal counsel;
- (d) past motions to amend the Undertaking have been opposed by certain creditors of Mr. Wang and the Forme Group;
- (e) the long list of counsel for Mr. Wang and the Non-Applicants has resulted, and continues to result, in inefficiencies and extraordinary costs; and
- (f) Bennett Jones is the logical firm to retain the Surplus pending completion of the Claims Procedure as the Monitor is presently conducting the Claims Procedure in accordance with the Claims Procedure Order and as contemplated by the Undertaking.

27. Given the foregoing, the Monitor believes that it is appropriate for the Court to issue the Ancillary Order, *inter alia*:

- (a) further amending the Undertaking to substitute Bennett Jones as the law firm who should hold the Surplus as well as any further realizations, if any, from the Non-Applicants' unsold real property; and

- (b) precluding Gardiner Roberts, or any other present or future counsel to the Non-Applicants, Mr. Wang or any other party from being paid from the Surplus without further Order of the Court.

The Sale Process

28. The Initial Order approved a sales process and a listing agreement with TD Commercial Realty Inc. ("**TD**") (the "**Sale Process**") to be conducted under the supervision of the Monitor, for the properties owned by the Applicants.

29. On or about January 11, 2019, the Monitor, prior to the commencement of the Sale Process, sent a letter (the "**January Letter**") to each mortgagee:

- (a) providing them with an opportunity to receive updates subject to a non-disclosure agreement (the "**NDA**");
- (b) confirming that the mortgagees who executed the NDA would not submit a bid in the Sale Process; and
- (c) confirming each mortgagee's Credit Bid Right (as defined below).

A copy of the January Letter is included at Appendix "L" to the Report.

30. First Source Financial Management Inc. ("**First Source**") was the only mortgagee with respect to the Property to execute the NDA. The bid deadline under the Sale Process was March 27, 2019 (the "**Bid Deadline**").

31. The Sale Process resulted in offers on certain Applicant properties. A summary of the bids submitted for the Property is included at Confidential Appendix "2" to the Report (the "**Offer Summary**").

32. Each of the offers submitted on the Property on or prior to the Bid Deadline was conditional and for an amount considerably less than the value of the mortgages on the Property.

33. In light of the bids submitted on the Bid Deadline under the Sale Process, the Monitor began to engage in discussions with stakeholders about other options, including the various mortgagees right to credit bid their indebtedness pursuant to paragraph 45 of the Initial Order (the "**Credit Bid Right**").

34. On or around March 28, 2019, the Monitor commenced discussions with First Source to determine whether it intended to exercise its Credit Bid Right. On or around May 3, 2019, First Source advised that it intended to submit a credit bid for the Property due to the amount of time that had elapsed since the Bid Deadline and the value of the offers received.

35. On May 9, 2019, First Source submitted its credit bid. On May 23, 2019, the credit bid was accepted by the Monitor and the Monitor intended to bring a motion to approve the transaction.

Unsolicited Offers Post Bid Deadline

36. On or about May 8, 2019, the Monitor was contacted by CBB, then counsel to the Non-Applicants, indicating that it was aware of certain offers that may be forthcoming on three Non-Applicant properties, including the Property. Such offers were received from a prospective purchaser (the "**Prospective Purchaser**") on May 9, 2019 (the "**Initial Offers**").

37. The Monitor, in light of First Source's Credit Bid Rights and in an effort to appropriately consider these offers, conferred with First Source. First Source advised the Monitor of certain concerns it had with the Initial Offers, including with respect to certain conditions.

38. After further discussions between the Prospective Purchaser, the Monitor, CBB and First Source, the Prospective Purchaser submitted unconditional offers (each a "**Revised Initial Offer**"). First Source subsequently advised the Monitor that the Revised Initial Offer in respect of the Property was not acceptable to it. Discussions with the Prospective Purchaser in respect of the Property discontinued shortly thereafter.

39. First Source continued to canvass the market with the help of Mr. Wang. In January 2020, First Source advised the Monitor that the Purchaser's offer was acceptable to it.

40. On or about February 7, 2020, the APS was entered into, with the consent of First Source, between the Monitor and the Purchaser for the purchase of the Purchased Assets, including the Property, owned by the Owner Applicant (the "**Transaction**"). A copy of the unredacted APS is included at Confidential Appendix "3" to the Report.

41. The deposit for the Transaction is being held in a trust account of Bennett Jones' and the only remaining condition to closing is approval of the Court.

42. The Monitor recommends that the Court grant the Kennedy Approval and Vesting Order approving the Transaction and vesting title to the Purchased Assets in the Purchaser, or as it may direct in accordance with the APS, for the following reasons:

- (a) the Sale Process was conducted in accordance with the Initial Order;

- (b) the market was widely canvassed by TD using several strategies commonly used to sell real property;
- (c) of the offers received, the Transaction generates the greatest and highest recovery;
and
- (d) despite the opportunity for the subordinate ranking mortgagees to exercise their Credit Bid Right in accordance with the Initial Order, the subordinate mortgagees have decided not to do so.

Proposed Distributions

(i) the Holdback

43. First Source has provided the Monitor with a payout statement for its first ranking mortgage on the Property (the "**Payout Statement**") which was subsequently reviewed by the Monitor. There are certain amounts on the Payout Statement which requires further discussion between the Monitor and First Source. As such, the Monitor proposes to distribute to First Source all amounts which are not in dispute and retain the balance of the sale proceeds from the Transaction (the "**Holdback**").

44. The Monitor will retain the Holdback pending either consensual resolution by and between First Source and the Monitor or further Order of the Court.

(i) the Transaction

45. Subject to Court approval, once the Transaction closes, the Monitor intends to deal with the proceeds as follows:

- (a) pay any property tax arrears in respect of the Property;
- (b) create and hold a reserve in the amount of the Holdback;
- (c) make one or more distributions to First Source up to the amount owing under its mortgage on the Property, except for the Holdback;
- (d) with the agreement of the Monitor and First Source, or upon further Order of this Court, make one or more distributions of any amount of the Holdback as is agreed or ordered by the Court to be payable to First Source;
- (e) make one or more distributions in respect of the professional fees of the Monitor and counsel for the Monitor relating to the CCAA Proceedings of the Owner Applicant; and
- (f) if applicable, make one or more distributions to Yi Zhou, subject to counsel for the Monitor rendering an opinion to the Monitor that Yi Zhou has a valid and properly registered mortgage, up to the amount owing under its mortgage on the Property.

46. Bennett Jones has provided an opinion that the security granted to First Source constitutes valid and enforceable charges against the Property. Bennett Jones will provide an opinion on the enforceability of the security provided to Yi Zhou prior to making any distributions in respect thereof.

Stay Extension

47. The Monitor is seeking the Fifth Stay Extension so that it is able to:

- (a) continue to carry out the Claims Procedure in accordance with the Claims Procedure Order and as contemplated by the Undertaking;
- (b) complete the Transaction, subject to Court approval;
- (c) continue to perform its obligations under the Undertaking, including monitoring the sale of the remaining Non-Applicant properties; and
- (d) remain apprised of the Non-Applicants' use of the net proceeds generated from real property transactions, as contemplated by the Undertaking.

48. The Cash Flow Forecast (as defined in the Report) reflects that there is sufficient funding in place to support the Fifth Stay Extension.

49. The Monitor is not aware of any stakeholders that would suffer any material prejudice if the Sealing and Stay Extension Order is granted.

Sealing

50. The Monitor requests and recommends that the Non-Applicant Sale Process Update dated January 28, 2020, the Offer Summary, and the unredacted APS, found at Confidential Appendices "1", "2", and "3" of the Report, respectively, be filed with the Court on a confidential basis and be sealed in accordance with the Sealing and Stay Extension Order as the documents contain confidential information.

51. If the unredacted versions of these documents are not sealed, the information may have negative impacts, including, but not limited to, realizations on the Purchased Assets if the Transaction does not close.

52. The Monitor believes that the proposed sealing is appropriate in the circumstances and is not aware of any party that will be prejudiced if the information is sealed.

General

53. The provisions of the CCAA, as amended, the BIA, as amended, the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and the inherent and equitable jurisdiction of this Court.

54. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990 Reg. 194, as amended.

55. Such further and other grounds as counsel may advise and this Court may permit.

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

56. the Report; and

57. such further and other material as counsel may advise and this Court may permit.

February 12, 2020

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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.

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

Proceeding commenced at Toronto

NOTICE OF MOTION

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capacity

TAB 2



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

February 12, 2020

and

**Eighth Report of
KSV Kofman Inc.
as Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc. and
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COURT FILE NO.:CV-18-608313-00CL

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ALL CORPORATIONS INCORPORATED UNDER THE LAWS OF ONTARIO**

**TWELFTH REPORT OF KSV KOFMAN INC. AS MONITOR
AND EIGHTH REPORT OF KSV KOFMAN INC. AS
PROPOSAL TRUSTEE**

February 12, 2020

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on November 30, 2018, as amended and restated on December 6, 2018 (the "Initial Order"), Forme Development Group Inc. and the affiliated entities listed on Appendix "A" (collectively, the "Applicants") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and KSV Kofman Inc. ("KSV") was appointed monitor (in such capacity, the "Monitor"). A copy of the Initial Order is attached as Appendix "B".

2. The principal purpose of these proceedings (the “CCAA Proceedings”) was to create a stabilized environment to conduct a Court-approved sale process (the “Sale Process”) for the Applicants’ real property. The Initial Order approved a Sale Process for the Applicants’ real estate development projects and 59 and 63 Elm Avenue (jointly, the “Elm Properties”), being two residential homes co-owned by Yuan Hua Wang (“Mr. Wang”) and his wife.
3. KSV was also appointed the proposal trustee (in such capacity, the “Proposal Trustee”) of three Applicants’ affiliated entities, being 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (collectively, the “NOI Debtors”) in proposal proceedings commenced on October 26, 2018 by the NOI Debtors under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) (the “NOI Proceedings”).
4. On February 13, 2019, the NOI Debtors each filed proposals (collectively, the “Proposals”). The Proposals contemplate that any monies available for distribution will be paid to creditors in accordance with priorities. The Proposals were unanimously accepted by creditors at creditors’ meetings convened on March 6, 2019. The Proposals were approved by the Court on March 14, 2019.
5. Mr. Wang is the sole shareholder of the Applicants, the NOI Debtors and 14 affiliated real estate development companies which are not subject to the CCAA Proceedings or the NOI Proceedings (the “Non-Applicants”). A list of the Non-Applicants is attached as Appendix “C”. The Non-Applicants have sold certain of their real estate development projects and are in the process of marketing for sale the balance of them. The Non-Applicants do not have the benefit of the CCAA stay of proceedings, and certain Non-Applicants are subject to enforcement proceedings by their mortgagees, as described below. An update dated January 28, 2020 prepared by the Non-Applicants’ former legal counsel, Cassels, Brock & Blackwell LLP (“CBB”), concerning the status of the Non-Applicants’ real property is provided in Confidential Appendix “1”¹.
6. Pursuant to a Court order made on October 22, 2019 (the “Claims Procedure Order”), a copy of which is attached as Appendix “D”, the Monitor is carrying out a claims procedure (the “Claims Procedure”) to solicit and determine claims against: the Applicants; the Non-Applicants; the NOI Debtors; the directors and officers of the Applicants, the Non-Applicants and the NOI Debtors; and Mr. Wang, solely in his capacity as a guarantor, surety or indemnitor of any obligation of any of the Applicants, the NOI Debtors or the Non-Applicants, and in his capacity as an owner of the Elm Properties and not in any other capacity.

¹ The Non-Applicants are required to provide these confidential updates on a weekly basis under the Undertaking, which is discussed below. Notwithstanding that requirement, no update has been provided since January 28, 2020.

7. The Monitor and its counsel consulted extensively with Mr. Wang's then-counsel, Lerner's LLP ("Lerner's"), with respect to the proposed Claims Procedure and incorporated various of its requested changes in the Claims Procedure Order. Lerner's attended the motion to approve the Claims Procedure Order and did not oppose it. The Monitor also provided several opportunities for CBB, on behalf of the Non-Applicants, to provide comments on the Claims Procedure Order, including providing CBB with various iterations of the draft claims procedure order. Although CBB advised that comments would be provided, the Monitor never received comments from the Non-Applicants or CBB on their behalf.
8. Gardiner Roberts LLP ("Gardiner Roberts") recently replaced CBB as the Non-Applicants' legal counsel. The Monitor has been advised that CBB's lead partner on this matter, Larry Ellis, has now joined Miller Thomson LLP ("Miller Thomson"). CBB has advised the Monitor that it does not intend to continue as counsel for the Non-Applicants.
9. KSV is filing this report ("Report") in its capacities as Monitor and Proposal Trustee.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the CCAA Proceedings and NOI Proceedings;
 - b) update the Court on steps taken recently by the Non-Applicants and Mr. Wang without notice to the Service List or the Monitor, and without consultation with any stakeholders, including:
 - i. scheduling and attending a 9:30 appointment on January 30, 2020 to provide the Court with "an update on Non-Applicant issues";
 - ii. bringing a motion on an *ex parte* basis on January 30, 2020 resulting in a Court order made on January 31, 2020 (the "January 31st Order"), which amended an undertaking executed by Mr. Wang and the Non-Applicants in favour of the Court, which was approved pursuant to a Court order made on March 18, 2019 (the "Undertaking");
 - iii. filing, by Mr. Wang, a Notice of Intention to Make a Proposal ("NOI") on January 24, 2020 (the "Wang NOI Proceedings"); and
 - iv. filing assignments in bankruptcy on January 28, 2020 by the following four Non-Applicants: 19 Turff Development Inc.; 22 Old Kennedy Development Inc.; 35 Thelma Development Inc.; and 4550 Steeles Development Inc. (collectively, the "Bankrupt Non-Applicants");
 - c) set out the basis on which the Monitor believes the actions taken by the Non-Applicants and Mr. Wang will frustrate the purpose of the CCAA Proceedings and the NOI Proceedings by resulting in duplicative professional costs, confusion (particularly as it relates to the claims determination process) and delay;

- d) summarize the reasons the Monitor believes it is appropriate for the Undertaking to be further amended to:
 - i. replace Gardiner Roberts with Bennett Jones LLP ("Bennett Jones"), the Monitor's and Proposal Trustee's counsel, as the law firm which should hold the funds presently on deposit in CBB's trust account, which total approximately \$10.9 million (the "Surplus"), as well as further realizations, if any, from the Non-Applicants' unsold real property²; and
 - ii. preclude Gardiner Roberts (or any other present or future counsel to the Non-Applicants, Mr. Wang or any other party) from being paid from the Surplus without further Court order;
- e) set out the reasons the Monitor believes it is appropriate for the Court to annul the bankruptcies of the Bankrupt Non-Applicants pursuant to Section 181(1) of the BIA;
- f) summarize the status of the Claims Procedure and recommend that:
 - i. the Claims Procedure Order and the Undertaking continue to govern how Claims (as defined in the Claims Procedure Order) are to be determined;
 - ii. no aspect of the Claims Procedure be stayed by the Wang NOI Proceedings or by the assignments made by the Bankrupt Non-Applicants³; and
 - iii. any proven claims filed and admitted against Mr. Wang in the Claims Procedure be admitted as proven claims in the Wang NOI Proceedings;
- g) provide the results of the Sale Process for the real property located at 1296 Kennedy Road, Scarborough, Ontario (the "Kennedy Property") owned by 1296 Kennedy Development Inc. (the "Kennedy Applicant");
- h) summarize a transaction for the Kennedy Property pursuant to an Agreement of Purchase and Sale dated February 7, 2020 (the "Kennedy APS") between the Monitor and Sunray Group of Hotels Inc., in trust for a newly incorporated company, 1296 Kennedy Road Inc. (the "Purchaser") (the "Kennedy Transaction");
- i) set out the basis on which the Monitor is recommending Court approval of the Kennedy Transaction;
- j) provide the Monitor's recommended distribution of the sale proceeds from the Kennedy Transaction (the "Distributions");
- k) provide a status update concerning the sale processes for the Applicants' and Non-Applicants' properties;

² For greater certainty, the Monitor is not proposing that Gardiner Roberts be replaced with Bennett Jones for any other purpose in the Undertaking. Gardiner Roberts may continue acting as counsel to the Non-Applicants.

³ In the event that the Court does not issue an order annulling the bankruptcies of the Bankrupt Non-Applicants.

- l) report on the Applicants' cash flow projection for the period March 1, 2020 to May 31, 2020 ("Cash Flow Forecast");
- m) discuss the reasons to extend the stay of proceedings from February 28, 2020 to May 31, 2020; and
- n) recommend that the Court issue an order or orders:
 - i. amending the Undertaking to have the Surplus held by Bennett Jones;
 - ii. directing CBB to transfer the Surplus to Bennett Jones forthwith and without deduction;
 - iii. amending the Undertaking to remove any provision authorizing payment of the Non-Applicants' legal fees without further Court order;
 - iv. annulling the bankruptcies of the Bankrupt Non-Applicants;
 - v. declaring that admitted claims against Mr. Wang determined pursuant to the Claims Procedure Order be admitted as proven claims in the Wang NOI Proceedings;
 - vi. approving the Kennedy APS and the Kennedy Transaction;
 - vii. authorizing and directing the Monitor to complete the Kennedy Transaction and to convey to the Purchaser the Purchased Assets (as defined in the Kennedy APS) and vesting the Purchased Assets in the Purchaser on closing, free and clear of all claims and encumbrances other than the permitted encumbrances, upon execution and delivery of a certificate by the Monitor confirming completion of the Kennedy Transaction;
 - viii. approving the Distributions; and
 - ix. extending the Stay Period (as defined in the Initial Order) from February 28, 2020 to May 31, 2020.

1.2 Restrictions⁴

1. In preparing this Report, KSV has relied upon the Applicants' and the NOI Debtors' unaudited financial information, as well as information provided by the Non-Applicants and CBB. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.

⁴ References to KSV in this section are to its capacities as Monitor and Proposal Trustee.

2. KSV expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the Applicants' or NOI Debtors' financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be sufficient for any purpose whatsoever. KSV accepts no reliance to any party based on the information in this Report.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance as to whether the Cash Flow Forecast will be achieved.

2.0 Background

1. The Applicants, NOI Debtors and Non-Applicants (the "Forme Group") are a commercial and residential real estate group of 29 companies comprising 18 projects which sought to develop low-rise, high-rise, mixed-use and hospitality projects in the Greater Toronto Area.
2. In advance of the CCAA Proceedings, KSV filed a report to Court dated November 6, 2018 in its capacity as proposed CCAA monitor (the "Proposed Monitor's Report"). KSV also filed three supplements to the Proposed Monitor's Report (the "Supplemental Reports"). Detailed information about the Forme Group and the CCAA Proceedings is set out in the Proposed Monitor's Report and the Supplemental Reports and, accordingly, that information is not repeated in this Report.
3. Copies of the Court materials filed in the CCAA Proceedings and NOI Proceedings are available on the Monitor's website at <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc> and the Proposal Trustee's website at <https://www.ksvadvisory.com/insolvency-cases/case/58-old-kennedy-development-inc-76-old-kennedy-development-inc-82-old-kennedy-development-inc>.

2.1 The Undertaking

1. On March 11, 2019, Mr. Wang and the Non-Applicants executed the Undertaking. The Undertaking was approved pursuant to a Court order made on March 18, 2019 (the "March 18th Order"). The issues which caused the Undertaking to be put in place are detailed in the Monitor's Supplement to its Third Report to Court dated March 12, 2019, a copy of which is attached as Appendix "E", without appendices (the "Monitor's Supplemental Report"). A copy of the Undertaking is included as a schedule to the March 18th Order, which is attached as Appendix "F".
2. The purpose of the Undertaking is to, *inter alia*, provide mechanisms to facilitate the orderly sale of the Non-Applicants' real property and to hold in a trust account of CBB, the Non-Applicants' former legal counsel, any surplus funds realized therefrom for the benefit of creditors, including those with guarantee claims against Mr. Wang.

3. At the time the Undertaking was negotiated, the Monitor was concerned i) as the Non-Applicants were selling their properties without disclosure to the Monitor and ii) that the proceeds not be paid directly to Mr. Wang or otherwise not be made available to satisfy the creditors entitled to the proceeds, being unsecured creditors with claims against the applicable Non-Applicants, as well as guarantee creditors and other potential claimants against Mr. Wang (the “Surplus Beneficiaries”). It is noteworthy that the Undertaking was negotiated between Mr. Wang and the Monitor and was a compromise reached to settle the Monitor’s motion filed on February 26, 2019 that it should hold the Surplus. As a result, it should have been known to Mr. Ellis that the Monitor had an interest in any amendments to the Undertaking.
4. The Undertaking also provides that the Monitor will conduct a claims process for the Applicants, NOI Debtors, Non-Applicants and for certain claims against Mr. Wang prior to the distribution of the Surplus to Mr. Wang in his capacity as shareholder.
5. Mr. Wang voluntarily executed the Undertaking and did not oppose the March 18th Order.

3.0 Amendments to the Undertaking

1. The Monitor has been advised that on January 30, 2020, Gardiner Roberts arranged a 9:30 Chambers appointment for the purpose of providing the Court with “an update on Non-Applicant issues”. At the appointment, the Court agreed to sign an order amending the Undertaking to replace all references to CBB in the Undertaking to Gardiner Roberts. On January 31, 2020, the Court signed the January 31st Order, a copy of which is attached as Appendix “G”.
2. The Monitor first learned of the amendments to the Undertaking on February 3, 2020 when Mr. Ellis sent an email to Bennett Jones advising that the Undertaking had been amended pursuant to the January 31st Order and that CBB was to transfer the Surplus to Gardiner Roberts. Bennett Jones responded by email as follows:

Larry,

Despite the Monitor's obvious interest in the Undertaking – the Undertaking was entered into to resolve a motion brought by the Monitor - we were not provided any notice of this motion. Can you please advise why not?

To assist in our review and consideration, please send us (i) the motion record that was before the Court for this motion, and (ii) a blackline showing all changes to the Undertaking. In the interim, no funds should leave Cassels' trust account.

3. On February 4, 2020, Mr. Ellis provided Bennett Jones with a copy of the Motion Record. A copy of the email exchange between Mr. Ellis and Bennett Jones is attached as Appendix “H”.

4. As soon as it learned of the issue, the Monitor instructed Bennett Jones to send the following email to the Service List:

All,

On January 31, 2020, the Monitor was advised that (i) each of 19 Turff Development Inc., 22 Old Kennedy Development Inc., 35 Thelma Development Inc., and 4550 Steeles Development Inc. filed an assignment and became bankrupt on January 28, 2020, and (ii) Yuan Hua (Mike) Wang filed a Notice of Intention to Make a Proposal on January 24, 2020. Grant Thornton Limited (“GT”) was appointed as trustee in each. In the case of the four bankruptcies, GT’s appointment is subject to affirmation at the first meeting of creditors which are being convened at GT’s offices on February 13, 2020 commencing at 9:00am. Copies of the bankruptcy and NOI packages are attached for your reference.

In addition, on February 3, 2020, the Monitor was advised that on January 30, 2020, at a 9:30 Chambers appointment that the Monitor was not given any notice of, the Court agreed to sign an order amending the Undertaking to replace all references of “Cassels Brock & Blackwell LLP” (“CBB”) (as legal counsel to the Non-Applicants) to “Gardiner Roberts LLP”. On January 31, 2020, the Court signed the attached order.

The Monitor was not consulted (or even provided advance notice) with respect to any of the foregoing, and is currently attempting to gather additional information and meet with GT. The Monitor intends to report with respect to these developments in connection with the next hearing currently scheduled for February 20, 2020. At that hearing, the Monitor will seek, among other things, an extension of the stay of proceeding in the CCAA proceeding. Notwithstanding the January 31 Order amending the Undertaking, the Monitor has advised GT and CBB that no funds presently being held by CBB pursuant to the Undertaking are to be transferred from CBB’s trust account to Gardiner Roberts (or otherwise) until further notice from the Monitor.

5. The substance of the January 31st amendment to the Undertaking is to have Gardiner Roberts hold the Surplus and for Gardiner Roberts’ fees to be funded from the Surplus. The Monitor does not believe those amendments are appropriate for the following reasons:
 - a) the January 31st Order was brought without notice to the Monitor or the Service List⁵ in these proceedings and with material non-disclosure to the Court. Mr. Ellis was intimately involved in the negotiation of the Undertaking and in Mr. Wang’s previous motion to amend the Undertaking for the purpose of paying legal fees for certain lawyers Mr. Wang wished to retain personally. That motion was opposed by several mortgagees. The Monitor would have opposed the amendment to the Undertaking had it been aware of it and the Monitor has since spoken to other stakeholders who also oppose the amendment;

⁵ Mr. Ellis is aware that the Service List in these proceedings is comprised of over 100 individuals and many motions have been opposed by numerous stakeholders, including a prior motion to amend the Undertaking.

- b) there appears to be no equity in the Non-Applicants' real property after payment of their mortgage debt. Based on valuation evidence provided to the Monitor concerning the Non-Applicants' real property, and the status of the sale process for these properties, the Monitor has, for several months, advised the Non-Applicants and CBB that in its opinion, the Non-Applicants should not be incurring any further legal fees or other costs because those costs are paid from the Surplus, to the prejudice of the Surplus Beneficiaries. At this late stage of these proceedings, there is no reason for the Surplus Beneficiaries to fund costs of realization for mortgagees which have their own enforcement rights;
- c) Mr. Wang has refused to be examined on a declaration he swore concerning his personal financial situation. Mr. Wang's personal financial situation remains uncertain. This is discussed in greater detail in Section 3.1 below;
- d) the Monitor understands that Gardiner Roberts already represents two of the Non-Applicants, 186 Old Kennedy Development Inc. ("186 Old Kennedy") and 31 Victory Development Inc. ("31 Victory"), in separate receivership proceedings commenced by mortgagees of those properties. Due to representations by Mr. Wang and his lawyers that he is impecunious and therefore without the ability to pay counsel personally, the Monitor has been asking for several months how the Non-Applicants are paying the fees of Gardiner Roberts; the Undertaking prohibits payment of Gardiner Roberts' fees from the Surplus. No response has been provided to the Monitor;
- e) on January 31, 2020, in order to obtain an adjournment until March 1, 2020 of a receivership application by the senior mortgagee of 186 Old Kennedy, Krashnik Investments Limited ("Krashnik"), 186 Old Kennedy agreed to pay Krashnik and a subordinate mortgagee forbearance fees totaling \$165,000. These amounts were required to be paid in installments on or prior to February 20, 2020 and it is the Monitor's understanding that \$140,000 has been paid to-date. It is unclear to the Monitor how Mr. Wang sourced these funds given his representations concerning his personal financial situation and his recent NOI filing;
- f) as listed below, Mr. Wang and the Non-Applicants have had numerous counsel in these proceedings, resulting in inefficiencies and extraordinary costs:
 - i. Loopstra Nixon LLP: resigned in February 2019 as personal counsel to Mr. Wang;
 - ii. James Grout Professional Corp. ("Grout"): retained in February 2019 by Mr. Wang as his personal insolvency counsel. Recently resigned;
 - iii. CBB: replaced Goldman Sloan Nash & Haber LLP in March 2019 as legal counsel to the Non-Applicants. CBB and the Non-Applicants recently agreed to terminate their relationship;
 - iv. Lerner: retained in February 2019 as Mr. Wang's personal litigation counsel. Recently resigned; and
 - v. Gardiner Roberts: replaced CBB in January 2020 as legal counsel to all of the Non-Applicants.

For additional reasons noted in Section 4 below, to the extent that Mr. Wang wishes to retain Gardiner Roberts, those fees should not be paid from the Surplus; and

- g) the Monitor is presently conducting the Claims Procedure in accordance with the Claims Procedure Order, and as contemplated by the Undertaking. Bennett Jones is the logical firm to retain the Surplus pending completion of the Claims Procedure. Bennett Jones has been involved in these proceedings since their outset and is familiar with all relevant issues.
6. Based on the foregoing, the Monitor respectfully recommends that the Undertaking be further amended to: (a) have the Surplus held by Bennett Jones; and (b) preclude the Non-Applicants from funding the costs of any counsel from the Surplus without further Court order.

3.1 Prior Motion to Amend Undertaking

1. On June 25, 2019, Mr. Wang served a motion to amend the Undertaking to provide for payment from the Surplus of insolvency and litigation counsel that he had recently retained, being Grout and Lerner, respectively. On August 7, 2019, as a result of opposition from the Monitor and several mortgagees, Mr. Wang's motion was adjourned *sine die* pursuant to an endorsement of the Honourable Justice Hailey (the "Endorsement").
2. Pursuant to Paragraph 6 of the Endorsement, Mr. Wang was advised that the Monitor would require "...full financial disclosure of all of Mr. Wang's personal assets, income and interests..." in order for the Monitor to consider any request for funding of Mr. Wang's legal fees from the Surplus.
3. At a meeting on November 5, 2019 among Lerner, the Monitor and Bennett Jones, Lerner provided to the Monitor on a confidential basis a Statutory Declaration setting out Mr. Wang's personal assets and liabilities (the "Wang Declaration"). Based on its review of the Wang Declaration, the Monitor was unable to conclude that Mr. Wang does not have sufficient resources available to him and requested to examine Mr. Wang. Mr. Wang refused to submit to the Monitor's examination.
4. In early January 2020, Grout and Lerner resigned as counsel to Mr. Wang. Pursuant to a Court order made on January 6, 2020, Grout and Lerner were formally removed as Mr. Wang's counsel of record.

4.0 Annulment of Bankruptcy Proceedings

1. Grant Thornton LLP ("GT") has been appointed the trustee in bankruptcy of the Bankrupt Non-Applicants, subject to affirmation at the first meetings of creditors, which are to be held on February 13, 2020. GT's counsel is Miller Thomson (Mr. Ellis's new firm).
2. The Monitor does not know what the bankruptcies achieve that is not addressed by the present proceedings. The Monitor is concerned that the bankruptcies have been filed for an improper purpose: to stay the claims process currently being carried out under the Claims Procedure Order. There is no obvious benefit or need for the bankruptcies.

3. The Monitor has also received several enquiries from representatives of the Forme Group's stakeholders questioning the purpose of the bankruptcies, and expressing concern about further delay, claims process confusion and duplication of costs between the Monitor and GT.
4. The Monitor arranged a conference call with GT and Miller Thomson on February 6, 2020 to understand the purpose of the bankruptcies. Unbeknownst to the Monitor, Gardiner Roberts was invited to the call by GT and/or Miller Thomson. Gardiner Roberts did not provide a substantive response to the Monitor's question as to the purpose of the bankruptcy, and GT and its counsel did not respond.
5. On February 9, 2020, Miller Thomson sent an email to Bennett Jones referencing the February 6th conference call and provided its response as to the purpose of the bankruptcies. A copy of that email and the response from the Monitor's counsel to it is attached as Appendix "I".
6. Section 181(1) of the BIA provides "*If, in the opinion of the court, a bankruptcy order ought not to have been made or an assignment ought not to have been filed, the court may by order annul the bankruptcy*". The Monitor believes that the bankruptcy proceedings of the four Bankrupt Non-Applicants should be annulled for the following reasons:
 - a) the assets of the Bankrupt Non-Applicants have all been sold;
 - b) the mortgagees on the Bankrupt Non-Applicants have been paid in full;
 - c) any remaining claims against the Bankrupt Non-Applicants are being determined by the Monitor in accordance with the Claims Procedure Order, which claims have already been received by the Monitor;
 - d) given a, b and c above, the Bankrupt Non-Applicants do not require a stay of proceedings;
 - e) it is a waste of money to have a separate claims determination process in the bankruptcies which would be funded from the Surplus;
 - f) Mr. Wang and the Non-Applicants did not oppose the Undertaking or the Claims Procedure Order; and
 - g) it is not a certainty that the Bankrupt Non-Applicants are insolvent. The Surplus was generated from the sale of the Bankrupt Non-Applicants' real property after repaying their mortgage debt. Their solvency will be determined through the Claims Procedure.
7. Based on the foregoing, the Monitor is of the view that the Court should issue an order annulling the four bankruptcies.
8. As the first meetings of creditors are being convened before the return of this motion to annul the bankruptcies, the Monitor has filed placeholder claims in each of the four bankruptcies on behalf of the Applicants and NOI Debtors. The Monitor will be attending the first meetings of creditors on February 13, 2020 and will be seeking to be appointed as an inspector in each bankruptcy as a contingency should the Court not issue an order annulling them.

5.0 Wang NOI Proceedings

1. As noted above, the Initial Order provided a stay of proceedings against Mr. Wang personally for guarantee and other claims related to the Applicants’ obligations.
2. Claims have been filed against Mr. Wang in the Claims Procedure largely in respect of his personal guarantee obligations. Mr. Wang did not oppose the Claims Procedure Order.
3. The claims bar date in the Claims Procedure was January 10, 2020⁶ (the “Claims Bar Date”). On or prior to the Claims Bar Date, 23 Wang Claims were filed. In accordance with the Claims Procedure Order, the Monitor provided copies of each Wang Claim to Mr. Wang. The Claims Procedure Order provided Mr. Wang with 15 days following the Claims Bar Date to complete his review of the Wang Claims.
4. On January 27, 2020, Mr. Wang sent an email to the Monitor which, *inter alia*, advised that all Wang Claims should be disallowed. Copies of Mr. Wang’s email dated January 27, 2020 and the Monitor’s response are attached as Appendix “J”.
5. The Monitor is continuing to advance the Claims Procedure, including for Wang Claims. Given Mr. Wang’s position in his January 27th email, many Wang Claims will likely need to be referred to a Claims Officer or the Court for determination.
6. The BIA does not contemplate annulling an NOI. However, the Monitor believes it is appropriate for the Claims Procedure to continue as it relates to the Wang Claims and for Wang Claims to be admitted as proven claims in the Wang NOI Proceedings, once proven. In the Monitor’s view, the alternative would result in material prejudice to creditors, who should not have to file claims in another proceeding and/or have their claims determined in more than one insolvency proceeding.
7. Based on the foregoing, the Monitor recommends that this Court issue an order establishing that the Wang Claims be admitted as proven claims in the Wang NOI Proceedings once determined in accordance with the Claims Procedure Order.

6.0 Kennedy Property

1. The Kennedy Property is municipally known as 1296 Kennedy Road and comprises 1.02 acres. The Kennedy Property was acquired by the Kennedy Applicant in June 2015 for \$2.74 million. The Kennedy Applicant intended to develop 68 stacked townhomes and four commercial units with direct frontage on Kennedy Road. The proposed plan and rezoning of the site remain subject to municipal approval.
2. A summary of the principal amount of the mortgages on the Kennedy Property is provided in the table below⁷. The mortgages continue to accrue interest and costs.

Mortgagee	Priority	Amount (\$000s)
First Source Financial Management Inc. (“First Source”)	First	6,000
Yi Zhou, on behalf of certain private investors	Second	1,200
Total Mortgage Debt, before interest and costs		7,200

⁶ The Claims Bar Date was extended from November 25, 2019 to January 10, 2020 pursuant to a Court order made on November 21, 2019.

⁷ The priority of the mortgages in the table is based on the order in which the charges were registered on title, subject to the postponements registered on title. The Monitor is not aware of anything further that would impact that priority, but the Monitor’s counsel has not provided an opinion thereon.

7.0 Sale Process

7.1 Overview

1. The Initial Order approved the retention of TD Cornerstone Commercial Realty Inc. (“TD”) to carry out the Sale Process under the Monitor’s supervision.
2. Immediately following the granting of the Initial Order, TD began to prepare for the Sale Process, in accordance with the Initial Order. The Sale Process overview and timelines are provided in the following table.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Finalize marketing materials	<ul style="list-style-type: none"> ➤ TD and the Monitor to: <ul style="list-style-type: none"> ○ prepare an offering summary; ○ populate an online data room; and ○ prepare a confidentiality agreement (“CA”). 	November 30, 2018
Prospect Identification	<ul style="list-style-type: none"> ➤ TD to develop a master prospect list. ➤ TD will qualify and prioritize prospects. ➤ TD will have pre-marketing discussions with targeted prospects. 	to February 5, 2019
<i>Phase 2 – Marketing</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ Offering summary and marketing materials printed; ○ publication of the acquisition opportunity in The Globe and Mail (National Edition) and other community or industry targeted publications, as applicable; ○ telephone and email canvass of leading prospects, both from a sale and refinancing perspective; and ○ meet with and interview prospective bidders. ➤ TD to assist the Monitor and its legal counsel in the preparation of a Vendor’s form of Purchase and Sale Agreement. ➤ TD to provide detailed information to qualified prospects which execute the CA including an offering summary and access to the data room. ➤ TD to facilitate all diligence by interested parties. 	February 6, 2019 to March 26, 2019
Stage 3	<ul style="list-style-type: none"> ➤ Deadline for prospective purchasers to submit offers. 	March 27, 2019

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 3 – Offer Review and Negotiations</i>		
Short-listing of Offers	<ul style="list-style-type: none"> ➤ Short listing bidders. ➤ Further bidding - Interested bidders may be asked to improve their offers in as many rounds of bidding as is required to maximize the consideration. 	April 3, 2019
Selection of Successful Bid	<ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents. 	April 10, 2019
Sale Approval Motion and Closing	<ul style="list-style-type: none"> ➤ Motion for transaction approval and close transaction. 	April 17, 2019 to April 24, 2019

3. On April 2, 2019, TD provided the Monitor with a letter summarizing the procedures it performed carrying out the Sale Process and the feedback it received from the market during the process (the “Sale Process Letter”). The Sale Process Letter details that:
 - a) the offering summary and CA were distributed to TD's subscriber list of approximately 2,000 market participants;
 - b) all properties, including the Kennedy Property, were listed on the Toronto Multiple Listing Service (“MLS”) system;
 - c) print advertisements were placed in *The Globe and Mail* on two occasions;
 - d) advertisements were placed in two online development focused publications - *Novae Res Urbis* (GTA and Toronto editions) and *Urban Toronto*; and
 - e) the offering summary and CA were placed on the Monitor’s website.
4. TD also discussed the opportunity with numerous developers and other parties that it believed would have an interest in the properties and engaged in discussions with those parties to facilitate diligence and to maximize value.
5. A copy of the Sale Process Letter is attached as Appendix “K”.

7.2 Sale Process Updates for Mortgagees

1. On January 11, 2019, prior to the commencement of the Sale Process, the Monitor sent a letter to each mortgagee on the Applicants’ CCAA properties (the “January Letter”), a copy of which is attached as Appendix “L”.
2. The January Letter:
 - a) provided each mortgagee with an opportunity to receive updates concerning the Sale Process while it was being carried out, subject to executing a non-disclosure agreement (“NDA”);

- b) confirmed that mortgagees receiving Sale Process updates could not submit a bid in the Sale Process; and
 - c) confirmed each mortgagee's credit bid rights as contemplated under the Initial Order.
3. First Source was the only mortgagee on the Kennedy Property to execute the NDA. Mr. Zhou did not. Accordingly, First Source and its legal counsel received periodic updates during the Sale Process.

7.3 Sale Process Results

1. A summary of the results of the Sale Process is as follows:
 - a) approximately 120 parties executed the CA⁸, were provided with a copy of TD's Confidential Information Memorandum and granted access to the data room; and
 - b) offers were received for the Kennedy Property on March 27, 2019 (the "Bid Deadline").
2. TD prepared a summary of the offers for the Kennedy Property, a copy of which is attached as Confidential Appendix "2" (the "Offer Summary"). For the reasons detailed in Section 8.1 of this Report, the Monitor believes that the Offer Summary should be sealed pending further order of the Court.
3. Each of the offers submitted on or prior to the Bid Deadline were conditional and for an amount considerably less than the value of the mortgages on the property.
4. Paragraph 45 of the Initial Order reserves a mortgagee's right to credit bid if the offers generated in the Sale Process are insufficient to repay in full the amount owing to the mortgagee. Any mortgagee which credit bids is required under the Initial Order to fully repay or otherwise satisfy any prior ranking obligations.
5. Based on the results of the Sale Process, on or around March 28, 2019, the Monitor commenced discussions with First Source to determine whether it intended to exercise its credit bid rights. Mr. Zhou was also offered the opportunity to credit bid shortly after the Bid Deadline but has never expressed any such interest to the Monitor.
6. On or around May 3, 2019, First Source advised that it intended to submit a credit bid for the Kennedy Property due to the amount of time that had passed since the Bid Deadline and the value of the offers received for the Kennedy Property.
7. On May 9, 2019, First Source submitted its credit bid using the Monitor's template agreement of purchase and sale. On May 23, 2019, the credit bid was accepted by the Monitor and the Monitor intended to bring a motion to approve the transaction.

⁸ This represents the total number of CAs signed in the process. Interested parties were not required to identify the sites of interest to them when executing the CA.

7.4 Unsolicited Offers Following the Bid Deadline

1. On May 8, 2019, CBB advised the Monitor that it was aware that an offer may be forthcoming for three of the Applicants' properties, including the Kennedy Property. All three offers were received on May 9, 2019. The offer for the Kennedy Property contemplated:
 - a) a 15-business day due diligence period commencing upon payment of a 15% deposit of the purchase price. The deposit was to be funded within five business days of offer acceptance; and
 - b) a closing date of June 28, 2019.
2. As the Prospective Purchaser's interest was expressed well after the Bid Deadline, was insufficient to fully repay First Source, and First Source had advised the Monitor of its intention to submit a credit bid, the Monitor advised CBB that it would contact First Source to determine whether it would consent to a transaction with the prospective purchaser (the "Prospective Purchaser").
3. First Source advised that it was not prepared to consent to a conditional offer. After further discussions among the Monitor, CBB, First Source and the Prospective Purchaser, the Prospective Purchaser submitted an unconditional offer with improved terms, however, the value of the offer remained insufficient to fully repay First Source and negotiations with the Prospective Purchaser discontinued shortly thereafter.
4. First Source continued to canvass the market and it kept the Monitor apprised of these efforts. The Monitor understands that Mr. Wang assisted First Source in its marketing activities. In January 2020, First Source advised that the Purchaser had submitted an acceptable offer. The Monitor, with the consent of First Source, executed the Kennedy APS on February 7, 2020. The offer is only conditional on Court approval.

8.0 The Kennedy Transaction⁹

1. A summary of the Kennedy Transaction is provided below.
 - a) **Purchaser:** 1296 Kennedy Road Inc., an entity incorporated by Sunray Group of Hotels Inc. for the purpose of the Kennedy Transaction.
 - b) **Purchased Assets:**
 - (i) the Kennedy Property;
 - (ii) all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Kennedy Property;
 - (iii) the Plans;
 - (iv) the Permits and Contracts, to the extent transferable; and
 - (v) all intellectual property, if any, owned by the Kennedy Applicant with respect to the Kennedy Property.

⁹ Capitalized terms in this section have the meaning provided to them in the Kennedy APS, as applicable, unless otherwise defined herein.

- c) **Purchase Price:** For the reasons provided in Section 8.1 of this Report, the Monitor is seeking to have the purchase price sealed pending further order of the Court.
 - d) **Deposit:** The Purchaser has paid a deposit of \$225,000, which is being held in a trust account of Bennett Jones.
 - e) **Excluded Assets:** The right, title and interest of the Kennedy Applicant in any of its assets, other than the Purchased Assets, including: (i) books and records that do not exclusively or primarily relate to the Purchased Assets; and (ii) tax refunds relating to the period prior to the Closing Date.
 - f) **Representations and Warranties:** Consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.
 - g) **Closing:** Later of March 4, 2020 and the first Business Day which is two Business Days following the granting of the Approval and Vesting Order.
 - h) **Material Conditions:** The only material condition precedent to the Kennedy Transaction is Court approval.
2. A copy of the redacted version of the Kennedy APS is attached as Appendix “M”. An unredacted copy of the Kennedy APS is attached as Confidential Appendix “3”.

8.1 Sealing

1. The Monitor recommends that the Non-Applicant sale process update, the Offer Summary and the unredacted copy of the Kennedy APS be filed with the Court on a confidential basis and remain sealed pending further order of the Court as the availability of such information to other parties may negatively impact any future sale process for the Kennedy Property if the Kennedy Transaction does not close. In addition, the Offer Summary contains sensitive information, including the identity of bidders and the value of other bids received for the Kennedy Property. In respect of the Non-Applicant sale process update, the Undertaking provides that those weekly updates be provided to the Monitor on a confidential basis.
2. The Monitor does not believe that any stakeholder will be prejudiced if the information is sealed or redacted. Keeping this information sealed pending further order of the Court is beneficial to maximizing value in these circumstances.

8.2 Recommendation

1. The Monitor recommends that the Court issue an order approving the Kennedy Transaction for the following reasons:
 - a) the Sale Process was conducted in accordance with the terms approved under the Initial Order;
 - b) the Sale Process conducted by TD for the Kennedy Property was consistent with the process conducted for six other properties subject to these proceedings, all of which resulted in Court approved transactions on an unopposed basis;

- c) the market was widely canvassed by TD, an experienced realtor, using several strategies commonly used to sell real property, including, but not limited to, direct solicitation of investors and developers. As evidenced by the Sale Process Letter, TD undertook a thorough canvassing of the market;
 - d) after the Sale Process was concluded, First Source was prepared to credit bid its mortgage. However, it continued to canvass the market for opportunities for the property and it kept the Monitor apprised of its efforts. Mr. Wang assisted First Source;
 - e) the Kennedy Transaction provides for the greatest recovery available in the circumstances;
 - f) Yi Zhou, as representative of the subordinate ranking mortgagee, has had over ten months since the Bid Deadline to submit a credit bid. As at the date of this Report, Mr. Zhou has not done so, nor has he expressed any interest in doing so; and
 - g) in the Monitor's view, further time marketing the Kennedy Property is unlikely to improve recoveries and would result in further costs, including property taxes, insurance and professional fees.
2. Pursuant to the Initial Order, the Monitor is authorized to execute and complete the Kennedy Transaction on behalf of the Applicants.

8.3 Proposed Distribution of Sale Proceeds

1. Subject to Court approval, the Monitor intends to distribute the sale proceeds of the Kennedy Transaction as follows¹⁰:
- a) payment in full of all property tax arrears;
 - b) the Kennedy Applicant's first mortgage obligations owing to First Source. First Source has provided a payout statement for its first mortgage on the Kennedy Property. The payout statement has been reviewed by the Monitor and Bennett Jones. There are certain amounts on the payout statement that require discussion with First Source. Accordingly, the Monitor believes it is appropriate to distribute to First Source all amounts which are not in dispute (being principal and accrued interest) and for the Monitor to retain the balance (the "Holdback") until the payout statement issues can be resolved consensually or by further order of the Court at which time the Monitor will make one or more distributions to First Source, or as they may direct, the amount of the Holdback as is agreed or ordered by the Court to be payable to First Source;
 - c) professional fees incurred in connection with the administration of the CCAA proceedings for the Kennedy Property, which largely relate to the Sale Process, as contemplated under paragraphs 32 and 33 of the Initial Order; and

¹⁰ There are no real estate commissions payable on the Kennedy Transaction as the holdover period under TD's listing agreement has expired.

- d) mortgage obligations owing to the second mortgagee, Yi Zhou, to the extent there is a surplus remaining to distribute and there are no issues with its security, which is yet to be reviewed by Bennett Jones. Distributions to Yi Zhou are not expected to be material.
2. The Monitor believes the proposed Distributions are appropriate as:
- a) they are consistent with the terms of the Kennedy APS and the priorities of the Court-ordered charges created under the Initial Order;
 - b) Bennett Jones provided an opinion to the Monitor which, subject to standard assumptions and qualifications contained therein, concludes that the security granted by the Kennedy Applicant to First Source, as registered on title to the Kennedy Property by way of a mortgage, creates a valid and perfected security interest in the real property subject to the Kennedy APS; and
 - c) to the extent there are any funds available for distribution to Mr. Zhou, the Monitor will instruct Bennett Jones to provide an opinion on its mortgage security prior to making any distributions to Mr. Zhou.

9.0 Status of Remaining Properties

1. Upon the completion of the Kennedy Transaction, all of the Applicants' and the NOI Debtors' real properties will have been sold.
2. The Non-Applicants' unsold properties are municipally described as 186 Old Kennedy Road, 31 Victory Avenue, 376 Derry Road, 390 Derry Road, 101 Columbia Street and 68 Elm Avenue (which, for greater certainty, is not an "Elm Property").
3. In respect of the unsold properties of the Non-Applicants:
 - a) the Monitor understands that each of the Non-Applicants' remaining properties is either listed for sale and/or subject to a binding purchase agreement. Certain of those agreements are conditional; and
 - b) the Non-Applicants' properties at 186 Old Kennedy Road and 31 Victory Avenue are an assembly (i.e. multiple properties on which a single project is to be developed). On November 5, 2019, Pollard & Associates Inc. was appointed as receiver and manager of 31 Victory Development Inc. ("31 Victory"), effective 5:00 pm on January 29, 2020. The receivership order allows 31 Victory to complete a pending transaction which would allow the first mortgagee, Vector Financial Services Ltd., to be paid in full. On January 31, 2020, the receivership application over 186 Old Kennedy was adjourned to March 1, 2020. This is discussed in Section 3 above.

10.0 Cash Flow Forecast

1. The Cash Flow Forecast and the Applicants' statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "N". As reflected in the Cash Flow Forecast, there is presently approximately \$6 million in the trust accounts of the Monitor and the Proposal Trustee.

2. As “super” Monitor in these proceedings, the Monitor has executed the Applicants’ statutory report on the Cash Flow Forecast. The Monitor believes this is appropriate given, *inter alia*, that the Applicants did not prepare the Cash Flow Forecast nor were they required to assist with its preparation.
3. Based on the Monitor’s review of the Cash Flow Forecast, the assumptions appear reasonable. The Monitor’s statutory report on the Cash Flow Forecast is attached as Appendix “O”.

11.0 Stay Extension

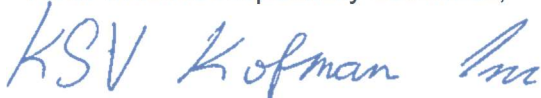
1. The Monitor supports an extension of the stay of proceedings from February 28, 2020 to May 31, 2020 for the following reasons:
 - a) as “super” Monitor in these CCAA proceedings, it is the Monitor’s view that the good faith and due diligence standard should focus on the Monitor’s conduct. In this regard, the Monitor is discharging its duties and obligations under the Initial Order and other orders made in these CCAA Proceedings in good faith and with due diligence;
 - b) it will enable the Monitor to: (i) continue to carry out the Claims Procedure in accordance with the Claims Procedure Order and as contemplated by the Undertaking; (ii) complete the Kennedy Transaction, subject to Court approval; (iii) continue to perform its obligations pursuant to the Undertaking, including monitoring the sale of the remaining Non-Applicant properties; and (iv) remain apprised of the Non-Applicants’ use of the net proceeds generated from real property sale transactions, as contemplated by the Undertaking;
 - c) the Cash Flow Forecast reflects that there is sufficient funding in place for the extension period; and
 - d) no creditor will be prejudiced if the extension is granted.

12.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITIES AS MONITOR OF
FORME DEVELOPMENT GROUP INC. AND
THE AFFILIATED ENTITIES LISTED ON APPENDIX “A”
AND AS PROPOSAL TRUSTEE OF
58 OLD KENNEDY DEVELOPMENT INC., 76 OLD KENNEDY DEVELOPMENT INC. AND
82 OLD KENNEDY DEVELOPMENT INC.,
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

2358825 Ontario Ltd.

27 Anglin Development Inc.

29 Anglin Development Inc.

250 Danforth Development Inc.

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

189 Carrville Development Inc.

169 Carrville Development Inc.

159 Carrville Development Inc.

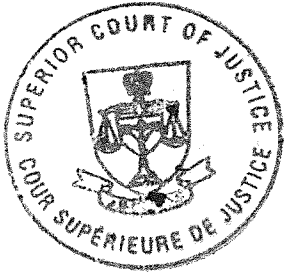
5507 River Development Inc.

4439 John Development Inc.

Appendix “B”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 30TH
JUSTICE HAINEY) DAY OF NOVEMBER, 2018



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

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

INITIAL ORDER

THIS APPLICATION, made by Forme Development Group Inc. and those other parties listed on Schedule "A" (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Yuan Hua Wang sworn November 5, 2018 and the Exhibits thereto (the "**Wang Affidavit**"), the affidavit of Katie Parent sworn November 6, 2018 and the Exhibit thereto (the "**Parent Affidavit**"), and on reading the consent of KSV Kofman Inc. ("**KSV**") to act as the Monitor (in such capacity, the "**Monitor**"), and upon reading the pre-filing report of KSV dated November 6, 2018 (the "**Report**"), in its capacity as Proposal Trustee and the proposed Monitor, the supplemental report of KSV dated November 7, 2018 (the "**Supplemental Report**"), the second supplemental report of KSV dated November 7, 2018 (the

“**Second Supplemental Report**”), and the third supplemental report of KSV dated November 29, 2018 (the “**Third Supplemental Report**”), and on hearing the submissions of counsel for the Applicants, the proposed Monitor and those other parties present, no one appearing for any other party although duly served as appears from the affidavits of service of Katie Parent sworn November 6, 2018, November 7, 2018 and November 29, 2018.

SERVICE

1. **THIS COURT ORDERS** that the time for service of each of the Notice of Application, the Application Record, the Parent Affidavit, the Report, the Supplemental Report, the Second Supplemental Report and the Third Supplemental Report is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

3. **THIS COURT ORDERS AND DECLARES** that the proposal proceedings (the “**Proposal Proceedings**”) of each of 9500 Dufferin Development Inc. (Estate No. 31-2438977), 250 Danforth Development Inc. (Estate No. 31-2439433), 3310 Kingston Development Inc. (Estate No. 31-2439448) and 1296 Kennedy Development Inc. (Estate No. 31-2439440) (collectively the “**NOI Entities**”) commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), be taken up and continued under the CCAA and that the provisions of Part III of the BIA shall have no further application to the NOI Entities.

TITLE OF PROCEEDINGS

4. **THIS COURT ORDERS** that the title of proceedings in this matter be amended as follows:

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., 3310 KINGSTON DEVELOPMENT INC., 1296 KENNEDY DEVELOPMENT INC., 1326 WILSON DEVELOPMENT INC., 376 DERRY DEVELOPMENT INC., 9500 DUFFERIN DEVELOPMENT INC., 4439 JOHN DEVELOPMENT INC., 5507 RIVER DEVELOPMENT INC. and 2358825 ONTARIO LTD.

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

PLAN OF ARRANGEMENT

5. **THIS COURT ORDERS** that, subject to paragraph 24 of this Order, the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (hereinafter referred to as the “**Plan**” or “**Plans**”).

POSSESSION OF PROPERTY AND OPERATIONS

6. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (including, without limitation, those properties listed on Schedule “B” hereto, the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order. For greater certainty, the retention of TD Cornerstone Commercial Realty Inc. (“**TD**”) is hereby approved substantially on the terms of the listing agreement appended to the Third Supplemental Report.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; provided that no such amounts shall be paid to Mr. Wang (as defined below) or any known relative of Mr. Wang without further Order of this Court; and
- (b) subject to paragraph 30 below, the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected

after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that, subject to paragraph 24 of this Order, the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding, in the aggregate \$200,000, in any one or more transactions; and
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate,

provided however, and without limiting the provisions of paragraphs 24 and 25, all disbursements shall require the advance consent of the Monitor, and all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants’ claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that

nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including December 28, 2018 or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, no stay shall apply to Forme Development Group Inc. with respect to the enforcement of mortgages on properties not included in these CCAA proceedings.

16. **THIS COURT ORDERS** that during the Stay Period, except with the written consent of the Applicants and the Monitor, or with leave of this Court, no Proceedings shall be commenced or continued against or in respect of Yuan Hua Wang (“**Mr. Wang**”) or any of his current and future assets, businesses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the “**Wang Property**”), arising upon or as a result of any default under the terms of any document entered into in connection with any of Mr. Wang’s guarantees of any of the commitments or loans of any of the Applicants (collectively, the “**Wang Default Events**”). Without limitation, the operation of any provision of a contract or agreement between Mr. Wang and any other Person (as hereinafter defined) that purports to effect or cause a termination or cessation of any rights of Mr. Wang, or to accelerate, terminate, discontinue, alter, interfere with, repudiate, cancel, suspend, amend or modify such contract or agreement, in each case as a result of one or more Wang Default Events, is hereby stayed and restrained during the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

17. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the

foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

18. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any Person against or in respect of Mr. Wang, or affecting the Wang Property, as a result of a Wang Default Event are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower Mr. Wang to carry on any business which Mr. Wang is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

19. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

20. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any other party as a result of a Wang Default Event, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

21. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

22. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such

obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

24. **THIS COURT ORDERS** that KSV Kofman Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and its shareholders, officers, directors, and Assistants shall not take any steps with respect to the Applicants, the Business or the Property save and except at the direction of the Monitor pursuant to paragraph 25 of this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) cause the Applicants, or any one or more of them, to exercise rights under and observe its obligations under this Order;
- (b) cause the Applicants 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;
- (c) monitor the Applicants' receipts and disbursements, and if necessary or convenient, in the Monitor's sole discretion, take control of the Applicants' receipts and disbursements;
- (d) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (e) if applicable, reporting to the DIP Lender (as defined below) on a basis to be agreed with the DIP Lender;

- (f) report to and advise mortgagees and other stakeholders of the Applicants as to the status of the sale process and, to the extent requested by mortgagees, convene a bi-weekly conference call with mortgagees, to report on the status of the Property;
- (g) advise the Applicants in its preparation of the Applicants' cash flow statements;
- (h) borrow funds in accordance with the terms of this Order;
- (i) conduct and carry out a sale process or sales processes for all of the Applicants' Property in accordance with the sale process described in the Third Supplemental Report and retain or consult with the agents, consultants or other parties;
- (j) propose or cause the Applicants to propose one or more Plans in respect of the Applicants or any one or more of them;
- (k) provide any consents that are contemplated by this Order;
- (l) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (m) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (n) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (o) perform such other duties as are required by this Order or by this Court from time to time.

26. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof and that nothing in this

Order, or anything done in pursuance of the Monitor's duties and powers under his Order, shall deem the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that without limiting the provisions herein, each employee of an Applicant shall remain an employee of that Applicant until such time as the applicable Applicant may terminate the employment of such employee. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts, as applicable.

28. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender (if applicable) with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants' counsel, the Monitor and the Monitor's counsel shall be entitled to invoice on a monthly or other periodic basis in their discretion provided that such fees and disbursements shall be paid out of sale proceeds of the Property in accordance with the priority set out below.

31. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

32. **THIS COURT ORDERS** that, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings ("**Administration Fees**"), the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on all of the Applicants' Property on the following terms:

- (a) the maximum amount of the Administration Charge per Property shall only be for security of the applicable Administration Fees that constitute Property Specific Costs (as defined below) for that particular Property and any pro rata portion of General Costs (as defined below) attributable to such Property in accordance with paragraph 34(b) below; and
- (b) the Administration Charge shall automatically attach to any Property that is unencumbered or not fully secured.

33. **THIS COURT ORDERS** that the Administration Charge shall rank in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, claims of secured

creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, other than (a) any first mortgagee on a Property (in respect of the first mortgage registered on the Property only); (b) the DIP Lender’s Charge (as defined below, and to the extent applicable); and (c) the second mortgagee on the Property owned by 2358825 Ontario Ltd. (1483 Birchmount Road).

FUNDING

34. **THIS COURT ORDERS** that these CCAA Proceedings shall be funded in the following manner:

- (a) With respect to costs related to a specific Property (a “**Property Specific Cost**”),
 - (i) the first mortgagee on such Property will have the right (but not the obligation) to fund such amount as an advance under its mortgage at an interest rate accruing at a rate that is the higher of (i) the applicable rate under its mortgage; and (ii) 9.5% per annum, calculated in arrears;
 - (ii) if the first mortgagee does not fund such amount, the second mortgagee will have the right (but not the obligation) to fund such amount as an advance under its mortgage at an interest rate accruing at a rate that is the of the higher of (i) the applicable rate under its mortgage; and (ii) 9.5% per annum, calculated in arrears. The amount advanced will have a first-ranking super-priority charge over the applicable Property only. If necessary, this process will continue until all mortgagees on a Property have been given the opportunity to fund;
 - (iii) where no mortgagee funds such amount, the Monitor shall draw such amount on the Standby DIP (defined below);
- (b) with respect to costs not specific to a particular Property (“**General Costs**”) in an amount up to \$400,000 in the aggregate, if there is not sufficient funding through the Applicant’s cash on hand or cash immediately available generated by the sale of any Properties (after repayment of all known debts):
 - (i) each first mortgagee shall have the right (but not the obligation) to fund its pro-rated estimated share of such funding based on the principal amount of its first mortgage as an advance under its mortgage at an interest rate accruing at a rate that is the of the higher of (i) the applicable rate under its mortgage; and (ii) 9.5% per annum, calculated in arrears;

- (ii) if the first mortgagee does not fund such amount, the second mortgagee will have the right (but not the obligation) to fund such amount as an advance under its mortgage at an interest rate accruing at a rate that is the higher of (i) the applicable rate under its mortgage; and (ii) 9.5% per annum, calculated in arrears. The amount advanced will have a first-ranking super-priority charge over the applicable Property only. If necessary, this process will continue until all mortgagees on a Property have been given the opportunity to fund;
- (iii) where no mortgagee funds such amount, the Monitor shall draw such amount on the Standby DIP.

35. **THIS COURT ORDERS** that the Monitor shall be at liberty and it is hereby empowered to cause any Applicant to borrow by way of a revolving credit or otherwise (the “**Standby DIP**”) from such lender as it may arrange in accordance with paragraph 34 (whether an existing mortgagee or otherwise, a “**DIP Lender**”), such monies from time to time as it may consider necessary or desirable to fund Project Specific Costs and General Costs in accordance with paragraph 34.

36. **THIS COURT ORDERS** that the Monitor is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “C” hereto (the “**DIP Certificates**”) for any amount borrowed pursuant to paragraph 35 and, for greater certainty, each DIP Certificate shall indicate the Property to be charged and the amount to be charged pursuant to the DIP Certificate.

37. **THIS COURT ORDERS** that any DIP Lender shall be entitled to the benefit of and is hereby granted a fixed and specific charge on the Property identified in a DIP Certificate (the “**DIP Lender's Charge**”) as security for the payment of the principal amount set out in any DIP Certificate, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, including, without limitation, the Administration Charge, provided however, that the amount of any DIP Lender’s Charge shall attach only to the Property identified in a DIP Certificate with respect to that borrowing.

38. **THIS COURT ORDERS** that the monies from time to time borrowed pursuant to paragraph 35 and any and all DIP Certificates evidencing the same or any part thereof shall rank

on a *pari passu* basis per Property, unless otherwise agreed to by the holders of any prior issued DIP Certificates.

VALIDITY OF CHARGES CREATED BY THIS ORDER

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge and DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the beneficiaries of the applicable Charges or further Order of this Court.

41. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein or by the Proposal Proceedings and the declarations of insolvency made therein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance in connection thereof shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;

- (b) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

42. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SALE PROCESS

43. **THIS COURT ORDERS** that the sale process (the "Sale Process"), as described in Section 3.0 of the Third Supplemental Report be and is hereby approved.

44. **THIS COURT ORDERS** that the Monitor and TD be and are hereby authorized and directed to perform their obligations under and in accordance with the Sale Process, and to take such further steps as they consider necessary or desirable in carrying out the Sale Process as described in the Third Supplemental Report, subject to prior approval of this Court being obtained before completion of any transactions under the Sale Process.

45. **THIS COURT ORDERS** that without limiting the terms of the Sale Process as set out in the Third Supplemental Report, to the extent that a mortgagee will not be paid in cash in full through bids received through the Sale Process, such mortgagee will be entitled to credit bid its indebtedness and purchase the Property over which it has a mortgage provided that such mortgagee pays any prior ranking indebtedness in full in cash (or such other arrangement to which a prior ranking creditor may in its sole discretion agree).

46. **THIS COURT ORDERS** that the Monitor, and its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of performing its obligations under the Sale Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Monitor in performing its obligations under the Sale Process (as determined by this Court).

47. **THIS COURT ORDERS** that in connection with the Sale Process and pursuant to clause 7(3)(c) of the *Personal Information and Electronic Documents Act* (Canada), the Monitor, the Applicants and TD are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a "**Transaction**"). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Monitor, the Applicants or TD, as applicable; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The transacting party with respect to any Property shall be entitled to continue to use the Personal Information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Monitor, the Applicants, or TD, as applicable, or ensure that all other personal information is destroyed.

48. **THIS COURT ORDERS** that to the extent there is equity available in any project of the Applicants (each of the projects is set out in Section 3.0(3) of the Report) after payment of all debts, fees and costs owing or incurred in respect of that project (in each case, the "**Project Equity**"), each mortgagee of that project will be entitled to receive in cash an amount equal to 10% of the principal amount of its mortgage prior to any payment to the project's shareholder (the "**Equity Kicker**"); provided that to the extent there is insufficient Project Equity to pay the Equity Kicker in full, each such mortgagee shall be entitled to its *pro-rata* share of the Equity Kicker based on the principal amount of its mortgage; and further provided that any mortgagee with a collateral mortgage will be entitled to collect its Equity Kicker in respect of any Property where it has a mortgage, provided that (i) in no event will such mortgagee receive in the aggregate an Equity Kicker that is greater than 10% of the principal amount of its mortgage owed by the primary mortgagor, and (ii) the advances it provided were used either for the property subject to the mortgage or for another property in the same project.

SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

50. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<http://www.ksvadvisory.com/insolvency-cases/forme-development-group/>’.

51. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

52. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

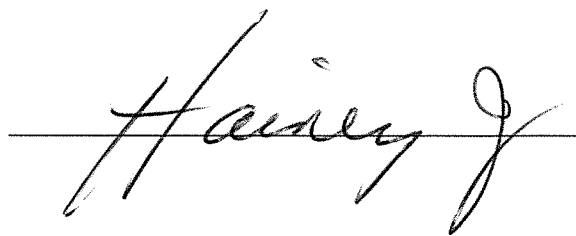
53. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

54. **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 Applicants, the Monitor 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

55. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 30 2018

PER / PAR: RW

Schedule "A" – List of Applicants

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

376 Derry Development Inc.

5507 River Development Inc.

4439 John Development Inc.

9500 Dufferin Development Inc.

2358825 Ontario Ltd.

SCHEDULE "B" – LIST OF PROPERTIES

Block 55 - Dairy Dr., Toronto, ON (PIN 06449-0741)
Block 53 - Bamblett Dr., Toronto, ON (PIN 06449-0739)
Block 54 - Bamblett Dr., Toronto, ON (PIN 06449-0740)
3314 Kingston Rd., Toronto, ON
1296 Kennedy Rd., Toronto, ON
1326 Wilson Ave, Toronto, ON
1328 Wilson Ave, Toronto, ON
376 Derry Rd. W., Mississauga, ON
4439 John St., Niagara Falls, ON
4407 John St., Niagara Falls, ON
4413 John St., Niagara Falls, ON
4427 John St., Niagara Falls, ON
5507 River Rd. Niagara Falls, ON
5471 River Rd., Niagara Falls, ON
5491 River Rd., Niagara Falls, ON
9500 Dufferin St., Maple, ON
1483 Birchmount Rd., Toronto, ON

SCHEDULE "C" – FORM OF DIP CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

AFFECTED PROPERTY _____ (the "**Charged Property**")

1. THIS IS TO CERTIFY that KSV Kofman Inc., the monitor (the "**Monitor**") in the CCAA proceedings of Forme Development Group Inc. and certain of its affiliates (the "**Applicants**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2018 (the "**Initial Order**") made in an action having Court file number CV-18-608313-00CL, has received as such Monitor from the holder of this certificate (the "**DIP Lender**") the principal sum of \$ _____.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the first day of each month after the date hereof at a notional rate of _____ per annum equal.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Monitor pursuant to the Initial Order or to any further order of the Court, a charge upon the Charged Property which charge shall have the priority set out in the Initial Order.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate on the Charge Property shall be issued by the Monitor to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Monitor to deal with the Charged Property as authorized by the Initial Order and as authorized by any further or other order of the Court.

7. The Monitor does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

KSV KOFMAN INC., solely in its capacity
as Monitor in the CCAA proceedings of Forme
Development Group Inc. and the other parties
therein, and not in its personal capacity

Per: _____

Name:

Title:

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

Court File No. CV-18-608313-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

INITIAL ORDER

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Jennifer Stam (LSUC#: 46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicants

Appendix “C”

Appendix “C” – Non-Applicants

4 Don Hillock Development Inc.
7397 Islington Development Inc.
101 Columbia Development Inc.
4208 Kingston Development Inc.
376 Derry Development Inc.
390 Derry Development Inc.
186 Old Kennedy Development Inc.
31 Victory Development Inc.
22 Old Kennedy Development Inc.
35 Thelma Development Inc.
19 Turff Development Inc.
4550 Steeles Development Inc.
9500 Dufferin Development Inc.
2495393 Ontario Inc.

Appendix “D”

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

THE HONOURABLE MR.

)

TUESDAY, THE 22nd

)

JUSTICE HAINEY

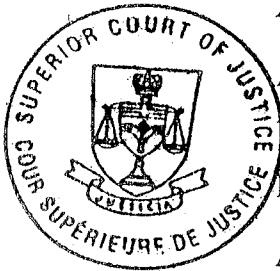
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DAY OF OCTOBER, 2019

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



CLAIMS PROCEDURE ORDER

THIS MOTION, made by KSV Kofman Inc. ("**KSV**"), solely in its capacity as Court-appointed monitor of the Applicants (the "**Monitor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order approving a procedure for the identification, delivery and determination of claims against the Applicants, the NOI Entities (as defined below), the Non-Applicant Entities (as defined below) and Mr. Wang (as defined below), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Monitor's Tenth Report dated October 10, 2019 and the exhibits thereto, and on hearing the submissions of counsel for the Monitor, the Applicants, the NOI Entities, the Non-Applicants, Mr. Wang, and those other counsel listed on the sign-in sheet, no one else appearing for any other person on the service list, although duly served as appears from the affidavit of service of Aiden Nelms sworn October 11, 2019 and filed:

SERVICE

1. **THIS COURT ORDERS** that 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.

DEFINITIONS

2. **THIS COURT ORDERS** that, for the purposes of this Order (the "**Claims Procedure Order**"), in addition to the terms defined elsewhere herein, the following terms shall have the following meanings:

- (a) "**Assessments**" means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of objection, notice of appeal, audit, investigation, demand or similar request from any taxation authority;
- (b) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) "**CCAA Proceedings**" means the proceedings commenced by the Applicants in this Court under Court File No.: CV-18-608313-00CL;
- (d) "**Claimant**" means any Person having or asserting a Claim;
- (e) "**Claims**" means Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims, Wang Claims, and Restructuring Claims, provided that "Claims" shall not include Excluded Claims (each a "**Claim**", and collectively, the "**Claims**");
- (f) "**Claims Bar Date**" means: (i) with respect to a Pre-filing Claim, a D&O Claim, a NOI Claim, a Non-Applicant Claim and a Wang Claim, 5:00 p.m. (Eastern Time) on the later of (A) November 25, 2019, and (B) if applicable, the applicable Sale

Triggered Claims Bar Date; and (ii) with respect to a Restructuring Claim, the Restructuring Claims Bar Date;

- (g) "**Claims Package**" means a document package that contains a copy of the Instruction Letter, the Notice Letter, a Proof of Claim, and such other materials as the Monitor may consider appropriate or desirable (each a "**Claims Package**" and collectively the "**Claims Packages**");
- (h) "**Claims Procedure**" means the procedures outlined in this Claims Procedure Order in connection with the identification, delivery and determination of Claims, as amended or supplemented by further order of the Court;
- (i) "**Claims Officer**" means the individuals designated by the Court pursuant to paragraph 53 of this Order;
- (j) "**Court**" means the Ontario Superior Court of Justice (Commercial List) in the City of Toronto, in the Province of Ontario;
- (k) "**D&O Claimant**" means a Person asserting a D&O Claim;
- (l) "**D&O Claim**" means any existing or future right or claim of any Person against one or more of the Directors and/or Officers of the Applicants, the NOI Entities or the Non-Applicant Entities which arose or arises as a result of such Director's or Officer's position, supervision, management, activities or involvement as a Director or Officer of the Applicants, the NOI Entities or the Non-Applicant Entities, as applicable, up to and including the later of (A) the date of this Claims Procedure Order, and (B) if applicable, the applicable Sale Triggered Date, and whether enforceable in any civil, administrative or criminal proceeding (each a "**D&O Claim**" and collectively, the "**D&O Claims**"), including any right:
 - a. in respect of which a Director or Officer may be liable in his or her capacity as such concerning employee entitlements to wages or other debts for services rendered to the Applicants, the NOI Entities or the Non-Applicant Entities, as applicable, or for vacation pay, pension contributions, benefits

or other amounts related to employment or pension plan rights or benefits or for taxes owing by the Applicants, the NOI Entities or the Non-Applicant Entities or amounts which were required by law to be withheld by the Applicants, the NOI Entities or the Non-Applicant Entities;

- b. in respect of which a Director or Officer may be liable in his or her capacity as such as a result of any act, omission, or breach of a duty (statutory or otherwise); or
 - c. that is or is related to a penalty, fine or claim for damages or costs, provided that for greater certainty "D&O Claims" shall not include Wang Claims or Excluded Claims;
- (m) "**Directors**" means Mr. Wang (as such term is defined herein) in his capacity as a director of the Applicants, the NOI Entities or the Non-Applicant Entities, or persons who may be deemed to be or have been, whether by statute, operation of law or otherwise Directors (each a "**Director**" and collectively, the "**Directors**");
- (n) "**Equity Claim**" has the meaning set forth in Section 2(1) of the CCAA;
- (o) "**Excluded Claims**" means:
- a. claims secured by any of the Charges (as that term is defined in the Initial Order or any subsequent or amended orders of the Court);
 - b. any claim against Yuan (Mike) Hua Wang other than: (i) a claim against him as a result of actions, omissions or breaches of duty in his role as Director or Officer, (ii) a claim against him in his capacity as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity, and (iii) in his capacity as an owner of the Elm Avenue Properties (as defined in the Initial Order) and not in any other capacity;
 - c. subject to paragraph 52 of this Order, any Intercompany Claims;

- d. with the exception of Restructuring Claims, any right or claim of any Person against any of the Applicants or the Elm Avenue Properties, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the Applicants or Elm Avenue Properties arising on or after the Filing Date; and
 - e. for greater certainty, shall include any Excluded Claim arising through subrogation.
- (p) "**Filing Date**" means November 30th, 2018;
 - (q) "**Initial Order**" means the Initial Order under the CCAA dated November 30th, 2018, as amended, restated or varied from time to time;
 - (r) "**Instruction Letter**" means the document substantially in the form attached hereto as Schedule "B";
 - (s) "**Intercompany Claim**" means any claims of the subsidiaries or affiliates of any of the Applicants, the NOI Entities and the Non-Applicant Entities against Mr. Wang, the Applicants, the NOI Entities or the Non-Applicant Entities or any claim of Mr. Wang, the Applicants, the NOI Entities and the Non-Applicant Entities against each other (each a "**Intercompany Claim**" and collectively, the "**Intercompany Claims**");
 - (t) "**Intercompany Claims Report**" means a supplemental report of the Monitor referred to in paragraph 52 of this Order providing, *inter alia*, the Monitor's recommendation and proposed resolution process in respect of the Intercompany Claims;
 - (u) "**Known Creditors**" means with respect to the Applicants, the NOI Entities, the Non-Applicant Entities or any of their Directors or Officers, as applicable, or Mr. Wang:
 - a. any Person that the books and records of the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang disclose is owed monies by the

Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang, as applicable, as of the later of (A) the date of this Claims Procedure Order, and (B) if applicable, the applicable Sale Triggered Date, and for greater certainty, including any trustee acting on behalf of syndicated mortgage investors (each an "SMI" and collectively, "SMIs");

- b. any Person who commenced a legal proceeding against the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang, or one or more of their Directors or Officers, as applicable, in respect of a Claim, which legal proceeding was commenced and served prior to the date of this Claims Procedure Order or, if applicable, the applicable Sale Triggered Date, provided that the Monitor has notice of such legal proceeding; and
 - c. any other Person of whom the Monitor has knowledge as at the date of this Claims Procedure Order or, if applicable, the applicable Sale Triggered Date, as being owed monies by the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang, as applicable, and for whom the Monitor has a current address or other contact information;
- (v) "**Meeting**" means a meeting of the creditors of any or all of the Applicants and related parties called for the purpose of considering and voting in respect of a Plan;
- (w) "**Monitor**" has the meaning set out in the recitals hereto;
- (x) "**Monitor's Website**" means the webpages operated by the Monitor for the purpose of these CCAA Proceedings, which can be found at <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc>;
- (y) "**Mr. Wang**" means Yuan (Mike) Hua Wang, but solely in his capacity (i) as a Director and Officer, (ii) as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity; and (iii) in his capacity as an owner of the Elm Avenue Properties, and not in any other capacity;

- (z) "**NOI Claim**" means any right or claim of any Person against any of the NOI Entities, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the NOI Entities in existence on the NOI Date, whether or not such right or claim is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the NOI Date and any other claims that would have been claims provable in bankruptcy had such NOI Entities become bankrupt on the NOI Date, including for greater certainty any Equity Claim; any costs, damages, or other obligations arising from litigation or legal proceedings; any unpaid employee wages or salaries; and any claim against the NOI Entities for indemnification by any Director or Officer in respect of a D&O Claim, in each case, where such monies remain unpaid as of the date hereof (each, a "**NOI Claim**" and collectively, the "**NOI Claims**");
- (aa) "**NOI Date**" means October 26, 2018;
- (bb) "**NOI Entities**" means 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc (each an "**NOI Entity**", and collectively, the "**NOI Entities**");
- (cc) "**Non-Applicant Claims**" means any right or claim of any Person against any of the Non-Applicant Entities, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the Non-Applicant Entities in existence on the later of (A) the date of this Order and (B) if applicable, the applicable Sale Triggered Date, whether or not such right or claim is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured,

disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the date of this Order or if applicable, the applicable Sale Triggered Date, and any other claims that would have been claims provable in bankruptcy had such Non-Applicant Entities become bankrupt on such date, including for greater certainty any Equity Claim; any costs, damages, or other obligations arising from litigation or legal proceedings; any unpaid employee wages or salaries; and any claim against the Non-Applicant Entities for indemnification by any Director or Officer in respect of a D&O Claim, in each case, where such monies remain unpaid as of the later of (A) the date hereof and (B) if applicable, the applicable Sale Triggered Date (each a "**Non-Applicant Claim**" and collectively, the "**Non-Applicant Claims**");

- (dd) "**Non-Applicant Entities**" means 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. (each an "**Non-Applicant Entity**" and collectively, the "**Non-Applicant Entities**");
- (ee) "**Notice Letter**" means the document substantially in the form attached hereto as Schedule "C";
- (ff) "**Notice of Dispute**" means the notice that may be delivered by a Claimant who received a Notice of Revision or Disallowance disputing such Notice of Revision

or Disallowance, which notice shall be substantially in the form attached hereto as Schedule "F";

- (gg) "**Notice of Revision or Disallowance**" means the notice that may be delivered to a Claimant revising or rejecting such Claimants' Claim as set out in its Proof of Claim in whole or in part, which notice shall be substantially in the form attached hereto as Schedule "E";
- (hh) "**Officers**" means all current and former officers (or their estates) of the Applicants, the NOI Entities or the Non-Applicant Entities in such capacity, or persons who may be deemed to be or have been, whether by statute, operation of law or otherwise, Officers, and "**Officer**" means any one of them;
- (ii) "**Person**" means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other corporate, executive, legislative, judicial, regulatory or administrative entity howsoever designated or constituted, including, any present or former shareholder, supplier, customer, employee, agent, client, contractor, lender, lessor, landlord, sublandlord, tenant, sub-tenant, licensor, licensee, partner or advisor;
- (jj) "**Plan**" means any plan of compromise or arrangement or plan of reorganization filed by or in respect of any or all of the Applicants and related parties (other than in respect of any Wang Claims), as may be amended, supplemented or restated from time to time in accordance with the terms thereof;
- (kk) "**Pre-filing Claim**" means any right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of any of the Applicants in existence on the Filing Date, whether or not such right or claim is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or

anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Filing Date and any other claims that would have been claims provable in bankruptcy had the Applicants become bankrupt on the Filing Date, including for greater certainty any Equity Claim; any costs, damages, or other obligations arising from litigation or legal proceedings; any unpaid employee wages or salaries; and any claim against the Applicants for indemnification by any Director or Officer in respect of a D&O Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge (as defined in the Initial Order), in each case, where such monies remain unpaid as of the date hereof (each, a "**Pre-filing Claim**" and collectively, the "**Pre-filing Claims**");

(ll) "**Proof of Claim**" means a Proof of Claim form in substantially the form attached hereto as Schedule "D";

(mm) "**Proposed Intercompany Resolution Process**" means the process to resolve Intercompany Claims set out in the Intercompany Claims Report;

(nn) "**Proven Claim**" means the amount, status and/or validity of the Claim of a Claimant finally determined in accordance with this Claims Procedure Order which shall be final and binding for all applicable purposes, including any future proceedings to determine the quantum or validity of the Claim;

(oo) "**Restructuring Claim**" means any existing or future right or claim by any Person against any of the Applicants or Elm Avenue Properties in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicants or Elm Avenue Properties to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by the Applicants or the Elm Avenue Properties on or after the Filing Date of any contract, lease or other agreement or arrangement whether written or oral (each, a "**Restructuring Claim**", and collectively, the "**Restructuring Claims**");



- (pp) "**Restructuring Claims Bar Date**" means, with respect to a Restructuring Claim, the later of (i) 5:00 p.m. (Eastern Time) on the Claims Bar Date for Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims (which, for greater certainty, is November 25, 2019) and (ii) the date that is ten (10) Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order;
- (qq) "**Sale Triggered Claims Bar Date**" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, 25 days after the Monitor sends a notice pursuant to paragraph 16(d) advising of the Sale Triggered Date;
- (rr) "**Sale Triggered Date**" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, the date that a sale of the applicable real property has closed;
- (ss) "**Service List**" means the service list maintained by the Monitor in respect of these CCAA Proceedings; and
- (tt) "**Wang Claims**" means any right or claim of any Person against Mr. Wang (as such term is defined herein), whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of Mr. Wang in existence on the later of (A) the date of this Claims Procedure Order and (B) if applicable, the applicable Sale Triggered Date, whether or not such right or claim is the subject of a demand for payment, is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to

advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the later of (A) the date of this Claims Procedure Order and (B) if applicable, the applicable Sale Triggered Date, and any other claims that would have been claims provable in bankruptcy had Mr. Wang become bankrupt on such date; including for greater certainty any costs, damages, or other obligations arising from litigation or legal proceedings, in each case, where such monies remain unpaid as of the date hereof (each, a "**Wang Claim**" and collectively, the "**Wang Claims**"), but for greater certainty, does not include the Excluded Claims;

INTERPRETATION

3. **THIS COURT ORDERS** that all references to time herein shall be measured in the Eastern Time Zone, specifically the City of Toronto, Ontario, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".

5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular and any gender includes the other gender(s).

GENERAL

6. **THIS COURT ORDERS** that the Claims Procedure and the forms attached as schedules to the Claims Procedure Order are hereby approved and, if determined to be advisable by the Monitor, arrangements shall be made for Mandarin translations of any or all of such forms. Notwithstanding the foregoing, the Monitor may, from time to time, make non-substantive changes to the forms as the Monitor, in its sole discretion, may consider necessary or desirable.

7. **THIS COURT ORDERS** that the Monitor is hereby authorized to (a) use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered

hereunder are completed and executed, and may waive strict compliance with the requirements of the Claims Procedure Order as to completion, execution and submission of such forms; and (b) request any such further documentation from a Claimant that the Monitor may reasonably require in order to enable the Monitor to determine the validity and amount of a Claim; provided, however, that the Monitor shall not have any discretion to accept any Claim submitted subsequent to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable.

8. **THIS COURT ORDERS** that Representative Counsel to the Birchmount Purchasers (as those terms are defined in the May 24, 2019 Order of Hainey J.) is entitled to file Claims in the Claims Process on behalf of each ~~Birchmount~~ ^{Birchmount} Purchaser.

9. **THIS COURT ORDERS** that all Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the Filing Date.

10. **THIS COURT ORDERS** that amounts claimed in Assessments, regardless of when issued, shall be subject to this Claims Procedure Order and there shall be no presumption of validity or deeming of the amount due in respect of amounts claimed in any Assessment.

11. **THIS COURT ORDERS** that the books and records of the Non-Applicant Entities, the Elm Avenue Properties and Mr. Wang necessary or desirable to administer the Claims Process are to be delivered to the Monitor promptly upon request by the Monitor.

12. **THIS COURT ORDERS** that where a consent is required of the Non-Applicants or Mr. Wang under this Order, the Non-Applicants' or Mr. Wang's decision to consent must be provided by the Non-Applicants or Mr. Wang, as applicable, to the Monitor within three (3) Business Days of the Monitor so advising the Non-Applicants or Mr. Wang, as applicable, in writing, failing which the Monitor may seek such relief against the Non-Applicants and/or Mr. Wang as it considers necessary or appropriate. Similarly, where the consent is required of the Monitor in relation to the Wang Claims as set out below, the Monitor's decision to consent shall not be unreasonably withheld and must be provided to Mr. Wang within three (3) Business Days.

ROLE OF THE MONITOR

13. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and any other Orders of the Court in the CCAA Proceedings, shall conduct the Claims Procedure provided for herein in accordance with the terms hereof, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order.

14. **THIS COURT ORDERS** that the Monitor shall (a) have all protections afforded to it by the CCAA, this Claims Procedure Order, the Initial Order, any other Orders of the Court in the CCAA Proceedings and other applicable law in connection with its activities in respect of this Claims Procedure Order, including the stay of proceedings in its favour provided pursuant to the Initial Order; and (b) incur no liability or obligation as a result of carrying out the provisions of this Claims Procedure Order, including in respect of its exercise of discretion as to the completion, execution or time of delivery of any documents to be delivered hereunder, other than in respect of gross negligence or willful misconduct.

15. **THIS COURT ORDERS** that the Applicants, the NOI Entities, the Non-Applicant Entities and their respective Officers, Directors and employees, agents, counsel and representatives and any other Person given notice of this Claims Procedure Order, including Mr. Wang, shall fully cooperate with the Monitor in the exercise of its powers and the discharge of its duties and obligations under this Claims Procedure Order.

CLAIMS PROCEDURE

Notice to Claimants

16. **THIS COURT ORDERS** that, in respect of the Claims, including the Wang Claims:
- (a) the Monitor shall cause to be published on or before November 1, 2019, the Notice Letter in The Globe and Mail (National Edition) and a Toronto-based Mandarin publication to be selected by the Monitor in its sole discretion;
 - (b) the Monitor shall post a copy of this Claims Procedure Order, the Monitor's Motion Record in respect of this Claims Procedure Order and the Claims Package on the Monitor's Website as soon as practicable;

- (c) the Monitor shall, within five (5) Business Days following the granting of the Claims Procedure Order send a Claims Package to each Known Creditor by regular prepaid mail, facsimile or email to the address of such Known Creditor;
- (d) the Monitor shall, within five (5) Business Days following each Sale Triggered Date send a Claims Package to each applicable Known Creditor by regular prepaid mail, facsimile or email to the address of such Known Creditor;
- (e) the Monitor shall post on the Monitor's Website a notice of each Sale Triggered Claims Bar Date forthwith after the applicable Sale Triggered Date;
- (f) with respect to the SMIs, only the applicable trustees, or such person or persons designated in writing by the applicable trustees, shall be entitled to file Claims on their behalf. Any Claims filed by an individual SMI will be deemed rejected for the purposes of this Claims Procedure; and
- (g) with respect to Restructuring Claims arising from the restructuring, disclaimer, resiliation, termination or breach of any lease, contract, or other agreement or obligation, on or after the date of this Claims Procedure Order, the Monitor shall send to the counterparty(ies) to such lease, contract or other agreement or obligation a Claims Package no later than five (5) Business Days following the date of the restructuring, disclaimer, resiliation, termination or breach of any lease, contract, or other agreement or obligation.

17. **THIS COURT ORDERS** that upon request by a Claimant for a Claims Package or documents or information relating to the Claims Procedure prior to the Claims Bar Date, as applicable, the Monitor shall forthwith send a Claims Package, direct such Person to the documents posted on the Monitor's Website, or otherwise respond to the request for information or documents as the Monitor considers appropriate in the circumstances.

18. **THIS COURT ORDERS** that the Monitor shall be entitled to rely on the accuracy and completeness of the information obtained from the books and records of the Applicants, the NOI Entities, the Non-Applicant Entities and Mr. Wang regarding the Known Creditors. For greater certainty, the Monitor shall have no liability in respect of the information provided to it or

otherwise obtained by it regarding the Known Creditors and shall not be required to conduct any independent inquiry and/or investigation with respect to that information.

Deadlines for Submitting Claims

19. **THIS COURT ORDERS** that any Person that wishes to assert a Pre-filing Claim, a NOI Claim, a Non-Applicant Claim, a Wang Claim or a D&O Claim must submit a Proof of Claim evidencing such claim, accompanied with all relevant supporting documentation in respect of such Claim, and deliver that Proof of Claim to the Monitor via means permitted by this Order, so that it is actually received by the Monitor by no later than the Claims Bar Date.

20. **THIS COURT ORDERS** that any Person that wishes to assert a Restructuring Claim must submit a Proof of Claim evidencing such claim, accompanied with all relevant supporting documentation in respect of such Claim, and deliver that Proof of Claim to the Monitor via means permitted by this Order, so that it is actually received by the Monitor by no later than the Restructuring Claims Bar Date.

21. **THIS COURT ORDERS** that any Person that does not file a Proof of Claim with respect to a Claim in the manner required by this Claims Procedure Order such that it is actually received by the Monitor on or before the Claims Bar Date or such other date as may be ordered by the Court, as applicable:

- (a) shall not be entitled to attend or vote at a Meeting in respect of such Claim, as applicable;
- (b) shall not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise, as applicable;
- (c) shall not be entitled to any further notice in the CCAA Proceedings (unless it has otherwise sought to be included on the service list); and
- (d) shall be and is hereby forever barred from making or enforcing such Claim against the Applicants, the NOI Entities or the Non-Applicant Entities, their Directors or Officer, or Mr. Wang, as applicable, and such Claim shall be and is hereby extinguished without any further act or notification.

For greater certainty, this paragraph shall not apply to Excluded Claims and the rights of any Person (including the Applicants, the NOI Entities, the Non-Applicant Entities and Mr. Wang) with respect to Excluded Claims are expressly reserved.

TRANSFER OF CLAIMS

22. **THIS COURT ORDERS** that if, after the Filing Date, the NOI Date or the date of this Claims Procedure Order, as applicable, the holder of a Claim transfers or assigns the whole of such Claim to another Person, the Monitor shall not be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Monitor in writing to the assignee and the assignor and thereafter such transferee or assignee shall for the purposes hereof constitute the "Claimant" or "D&O Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to receipt and acknowledgment by the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any defences and rights of set-off to which the Applicants, the NOI Entities, the Non-Applicant Entities, or Mr. Wang may be entitled to with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to any of the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang. Reference to transfer in this Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

23. **THIS COURT ORDERS** that if a Claimant or D&O Claimant or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Monitor as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Monitor shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding

such Claim, provided such Claimant or D&O Claimant may, by notice in writing delivered to the Monitor, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant or D&O Claimant in accordance with the provisions of this Order.

24. **THIS COURT ORDERS** that the Monitor is not under any obligation to give any notice hereunder to any Person holding a security interest, lien or charge in, or a pledge or assignment by way of security in, a Claim.

SERVICE AND NOTICES

25. **THIS COURT ORDERS** that the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver or cause to be served and delivered any letters, notices or other documents to Claimants, D&O Claimants or any other interested Person by forwarding copies by ordinary mail, courier, personal delivery, facsimile or email to such Persons or their counsel (including counsel of record in any ongoing litigation) at the physical or electronic address, as applicable, last shown on the books and records of the Applicants, the NOI Entities, the Non-Applicant Entities or Mr. Wang or as set out in such Claimant's Proof of Claim or D&O Claimant's Proof of Claim.

26. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Claimant or D&O Claimant to the Monitor under this Claims Procedure Order shall be delivered in writing in substantially the form, if any, provided for in this Claims Procedure Order, shall be deemed to be received on the date that the Monitor actually receives such notice or communication, and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile or email addressed to:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Jonathan Joffe and David Sieradzki
Tel: (416) 932-6030 / (416) 932-6253 /
Email: jjoffe@ksvadvisory.com/dsieradzki@ksvadvisory.com

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof before 5:00 p.m. (Eastern Time) on a Business Day or if delivered outside of normal business hours, the next Business Day.

27. **THIS COURT ORDERS** that service and delivery by the Monitor of notices or communications contemplated in this Order shall be deemed to have been received: (a) if sent by ordinary mail, on the third (3) Business Day after mailing within Canada, and the fifth (5) Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by facsimile or email by 5:00 p.m. (Eastern Time) on a Business Day, on such Business Day, or if delivered after 5:00 p.m. (Eastern Time) or on a day other than on a Business Day, on the following Business Day.

28. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Claims Procedure Order, a postal strike or postal work stoppage of general application should occur, such notices, notifications or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile or email in accordance with this Claims Procedure Order.

29. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is amended by further Order of the Court, the Monitor shall post such further Order on the Monitor's Website and such posting shall constitute adequate notice to all Persons of such amended claims procedure.

30. **THIS COURT ORDERS** that the posting of materials on the Monitor's Website pursuant to paragraph 16, the publication of the Notice to Creditors and the mailing of the Claim Packages as set out in this Claims Procedure Order shall constitute good and sufficient notice to Creditors of the Claims Bar Date, the Restructuring Period Claims Bar Date and the other deadlines and procedures set forth herein, and that no other form of notice or service need be given or made on any Person, and no other document or material need be served on any Person in respect of the claims procedure described herein.

31. **THIS COURT ORDERS** that the forms of notice to be provided in accordance with this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of this Claims Procedure Order, the Claims Bar Date and the Restructuring Period Claims Bar Date on all Persons who may be entitled to receive notice and who may assert a Claim and no other notice or service need be given or made and no other documents or material need be sent to or served upon any Person in respect of this Claims Procedure Order.

DETERMINATION OF CLAIMS AND RESTRUCTURING CLAIMS

Review of Proofs of Claim Relating to Pre-Filing Claims, Restructuring Claims, NOI Claims and Non-Applicant Claims

32. **THIS COURT ORDERS** that the Monitor shall review each Proof of Claim received by the Claims Bar Date and the Restructuring Claims Bar Date, as applicable, as follows:

- (a) With respect to Pre-Filing Claims and Restructuring Claims, the Monitor shall either accept, revise or disallow the amount claimed for voting and/or distribution purposes under the Plan;
- (b) With respect to NOI Claims, the Monitor shall either accept, revise or disallow the amount claimed for voting and/or distribution purposes under the Plan; and
- (c) With respect to Non-Applicant Claims, the Monitor shall, with the consent of the Non-Applicant Entities, either accept, revise or disallow the amount claimed for voting and/or distribution purposes under the Plan.

33. **THIS COURT ORDERS** that if the Monitor disputes the amount of a Claim set forth in a Proof of Claim related to Pre-Filing Claims, Restructuring Claims and NOI Claims for voting and/or distribution purposes, the Monitor may attempt to consensually resolve the nature and amount of the Claim for voting and/or distribution purposes under the Plan. The Monitor shall consult with the Non-Applicant Entities regarding Non-Applicant Claims provided, however, that the Non-Applicant Entities shall provide their input within three (3) Business Days from the date it is sought by the Monitor, failing which, the Monitor may seek such relief as it considers necessary or appropriate.

34. **THIS COURT ORDERS** that if the Monitor and the Non-Applicant Entities are unable to reach a mutually agreeable determination of the nature and/or amount of a Claim or Claims for voting and/or distribution purposes under the Plan, then the Monitor shall bring a motion before the Court or the Claims Officer (at the Monitor's sole discretion) as soon as reasonably practicable, to determine the nature and/or amount of the Claim or Claims for voting and/or distribution purposes under the Plan. The applicable Claimant shall be entitled to participate in any such motion in respect of its Claim.

35. **THIS COURT ORDERS** that if the Monitor, with the consent of the Non-Applicant Entities as it relates only to Non-Applicant Claims, accepts the Claim for voting and/or distribution purposes under the Plan, then such Claim shall be a Proven Claim for voting and/or distribution purposes under the Plan.

36. **THIS COURT ORDERS** that notwithstanding anything else herein, where a Proof of Claim is filed related to a Non-Applicant Claim wherein the applicable Non-Applicant Entity does not (or will not) have a surplus of funds after repaying all valid mortgagees of such Non-Applicant Entity, the Monitor is under no obligation to respond to or do anything with such Proof of Claim.

Notices of Revision or Disallowance of Proofs of Claim Relating to Pre-Filing Claims, Restructuring Claims, NOI Claims and Non-Applicant Claims

37. **THIS COURT ORDERS** that if the Monitor, with the consent of the Non-Applicant Entities as it relates only to Non-Applicant Claims, determines to revise or disallow a Claim for voting and/or distribution purposes under the Plan, the Monitor shall send a Notice of Revision or Disallowance of the Claim to the Claimant.

Review of Proofs of Claim Related to Wang Claims

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, nothing in this Order (including the identification, delivery and determination of Wang Claims hereunder) shall have the effect of derogating from any of the provisions of the CCAA. For greater certainty, nothing in this Order shall constitute or be deemed to provide authorization for the compromise of any claims which cannot be compromised pursuant section 5.1(2) of the CCAA.

39. **THIS COURT ORDERS** that the Monitor shall provide Mr. Wang with copies of all Proofs of Claim received in respect of Wang Claims within two (2) Business Days of the Monitor's receipt of the same.

40. **THIS COURT ORDERS** that Mr. Wang shall review each Proof of Claim related to Wang Claims received by the Claims Bar Date, and shall, with the consent of the Monitor, either accept, revise or disallow the amount claimed for the purpose of identifying and quantifying such Wang Claim by the later of (i) 15 days of the Claims Bar Date or (ii) 15 days of the date on which the Monitor provides Mr. Wang with the Proof of Claim, failing which, within an additional 15 days thereafter, the Monitor shall, without consultation with Mr. Wang, accept, revise or disallow the amount claimed for the purpose of identifying and quantifying such Wang Claim.

41. **THIS COURT ORDERS** that if Mr. Wang, with the consent of the Monitor, disputes the amount of a Claim set forth in a Proof of Claim relating to a Wang Claim, Mr. Wang may, with the consent of the Monitor, attempt to consensually resolve the nature and amount of the Wang Claim with the Claimant.

42. **THIS COURT ORDERS** that if Mr. Wang and the Monitor are unable to reach a mutually agreeable determination of the nature and/or amount of a Wang Claim, then Mr. Wang shall bring a motion for the final determination of such Wang Claim before the Court or the Claims Officer, in accordance with the provisions in paragraphs 53-58 ~~(with the agreement of the parties, including the Claimant, or at the Monitor's sole discretion)~~ within 10 Business Days, ~~of the date on which Mr. Wang must either accept, revise or disallow the amount claimed for the purpose of identifying and quantifying such Wang Claim as~~

43. **THIS COURT ORDERS** that if Mr. Wang, with the consent of the Monitor, accepts a Wang Claim, then such Claim shall be a Proven Claim, ~~and shall be binding on Mr. Wang for all purposes and in any future proceedings.~~ ^{established in paragraph 40.}

Notices of Revision or Disallowance of Proofs of Claim Related to Wang Claims

44. **THIS COURT ORDERS** that if Mr. Wang, with the consent of the Monitor, determines to revise or disallow a Wang Claim, Mr. Wang shall send a Notice of Revision or Disallowance of the Claim to the Claimant within 15 days of the applicable Claims Bar Date, with a contemporaneous copy to the Monitor. The Notice of Revision or Disallowance shall be dated the

date on which the Notice of Revision or Disallowance is sent to the applicable Claimant and the Monitor.

Notice of Dispute Relating to Pre-Filing Claims, Restructuring Claims, NOI Claims, Non-Applicant Claims and Wang Claims

45. **THIS COURT ORDERS** that any Claimant who disputes the nature or amount of its Claim for voting and/or distribution purposes under the Plan or, in the case of Wang Claims, for the determination of such Wang Claim, as set forth in a Notice of Revision or Disallowance shall deliver a Notice of Dispute to the Monitor by registered mail, personal delivery, courier, email (in PDF format) or facsimile transmission by 5:00 p.m. (Eastern Time) on the day which is fourteen (14) days after the date of the Notice of Revision or Disallowance. The Monitor shall forthwith provide counsel to Mr. Wang with copies of all Notices of Dispute received in respect of Wang Claims.

46. **THIS COURT ORDERS** that the Monitor shall post a blank Notice of Dispute Form on the Monitor's Website as soon as practicable, and deliver same to any Claimant who requests a copy.

47. **THIS COURT ORDERS** that any Claimant who fails to deliver a Notice of Dispute by the deadline set forth in paragraph 45 hereof shall be deemed to accept the nature and the amount of its Claim as such Claim is revised, disallowed or set out in the Notice of Revision or Disallowance, and such Claim shall constitute a Proven Claim for voting and/or distribution purposes under the Plan or, in the case of Wang Claims, for the determination of such Wang Claim.

Resolution of Claims Relating to Pre-Filing Claims, Restructuring Claims, NOI Claims and Non-Applicant Claims

48. **THIS COURT ORDERS** that upon receipt of a Notice of Dispute, the Monitor may, with the consent of the Non-Applicant Entities as it relates only to Non-Applicant Claims: (i) attempt to consensually resolve the nature and amount of the Claim with the Claimant for voting and/or distribution purposes, or (ii) bring a motion before the Court or the Claims Officer (at the Monitor's sole discretion) in these proceedings to determine the nature and/or amount of the Claim for voting and/or distribution purposes under the Plan.

49. **THIS COURT ORDERS** that if the Monitor, with the consent of the Non-Applicant Entities as it relates only to Non-Applicant Claims, and the Claimant consensually resolve the nature and amount of the Claim, the Monitor may accept a revised Claim, and any such revised Claim will constitute a Proven Claim for voting and/or distribution purposes under the Plan.

Resolution of Claims Related to Wang Claims

50. **THIS COURT ORDERS** that upon receipt of a Notice of Dispute, Mr. Wang may, with the consent of the Monitor: (i) attempt to consensually resolve the nature and amount of the Wang Claim with the Claimant, or (ii) refer the Notice of Dispute to the Court or the Claims Officer (with the agreement of all parties, including the Claimant, or at the Monitor's sole discretion) in these proceedings, within 15 days of the receipt of the Notice of Dispute, to determine the nature and/or amount of the Wang Claim, failing which the Claimant or the Monitor may, in its sole discretion, refer the Notice of Dispute to the Court or the Claims Officer to determine the nature and/or amount of the Wang Claim.

51. **THIS COURT ORDERS** that if Mr. Wang, with the consent of the Monitor, and the Claimant consensually resolve the nature and amount of the Claim, Mr. Wang may accept a revised Wang Claim, and any such revised Wang Claim will constitute a Proven Claim.

Resolution of Intercompany Claims

52. **THIS COURT ORDERS** that the Monitor may, in its sole discretion, serve on the Service List and file with the Court the Intercompany Claims Report setting out the Proposed Intercompany Resolution Process. If any interested party wishes to object to the Proposed Intercompany Resolution Process, such interested party must serve on the Service List a notice of objection within seven (7) days of the date upon which the Monitor serves the Intercompany Claims Report. If a notice of objection is received in accordance with the terms hereof, such objection may be resolved consensually between the Monitor and the objecting party, or by further Order of this Court upon a motion to be brought by the Monitor. If no notice of objection is received in accordance with the terms hereof, the Proposed Intercompany Resolution Process shall be implemented without any need for a further Order of this Court. For greater certainty, if the

Monitor does not serve and file an Intercompany Claims Report, Intercompany Claims will be Excluded Claims under this Order.

CLAIMS OFFICER

53. **THIS COURT ORDERS** that Matthew P. Gottlieb, and such other Persons as may be appointed by the Court from time to time on application of the Monitor, in consultation with the Non-Applicants and Mr. Wang, be and are hereby appointed as Claims Officers for the Claims Procedure.

54. **THIS COURT ORDERS** that the Claims Officer shall determine the validity and amount of disputed Claims, when applicable, in accordance with this Order and shall provide written reasons. The Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced. The Claims Officer, upon submissions of the parties (including for greater certainty the Monitor to the extent the Monitor deems it necessary or appropriate in its sole discretion) shall have the discretion to determine by whom and to what extent the costs of any hearing before the Claims Officer shall be paid. Subject to a further Order of the Court, any costs that are determined to be payable by the Claims Officer by Mr. Wang shall not be paid from any accounts, cash or assets that are subject to the Undertaking attached as Schedule "B" to the Order of this Court dated March 18, 2019, or from any amounts held by the Monitor, or paid from any charge that may exist.

55. **THIS COURT ORDERS** that, with respect to any hearing or procedure before the Claims Officer or the Court in respect of a Wang Claim, Mr. Wang will be the responding party with standing to adduce evidence and make submissions. The Monitor may participate in any such hearing or procedure to the extent the Monitor deems necessary or appropriate in its sole discretion.

56. **THIS COURT ORDERS** that a Claimant, the Monitor, Mr. Wang, the Applicants, the NOI Entities, or the Non-Applicant Entities, or their applicable Directors and Officers in respect of any D&O Claim, as applicable, may, within ten (10) days of such party receiving notice of the Claims Officer's determination of the value of a Claim, appeal such determination or any other matter determined by the Claims Officer in accordance with paragraph 54 or otherwise to the Court

by filing a notice of appeal, and the appeal shall be initially returnable for scheduling purposes within ten (10) days of filing such notice of appeal.

57. **THIS COURT ORDERS** that, in the event of an appeal of a determination in respect of a Wang Claim, the parties shall be the Claimant, Mr. Wang and, to the extent the Monitor deems it necessary or appropriate in its sole discretion, the Monitor.

58. **THIS COURT ORDERS** that, if no party appeals the determination of value of a Claim by the Claims Officer in accordance with the requirements set out in paragraph 56, the decision of the Claims Officer in determining the value of the Claim shall be final and binding upon, as applicable, the Monitor, Mr. Wang, the Applicants, the NOI Entities, the Non-Applicant Entities and their applicable Directors and Officers in respect of a D&O Claim, and the Claimant, and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of a Claim.

59. **THIS COURT ORDERS** that the Claims Officer shall incur no liability or obligation as a result of his or her appointment or in acting as a Claims Officer pursuant to the provisions of this Order. No proceeding or enforcement process in any court or tribunal shall be commenced against or in respect of a Claims Officer, except with the prior leave of this Court granted in the within proceedings.

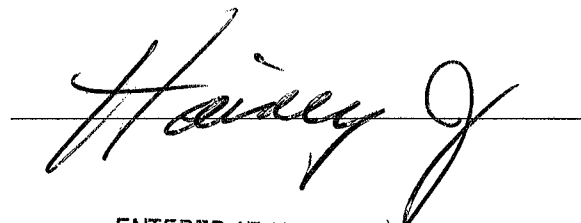
MISCELLANEOUS

60. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claims Procedure Order, the solicitation by the Monitor of Proofs of Claim, the delivery of a Claim Package to a Known Creditor, and the filing by any Person of any Proof of Claim shall not, for that reason only, grant any Person any standing in the CCAA Proceedings or rights under a Plan.

61. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claim Procedure Order, the solicitation by the Monitor of Claims and the filing by any Claimant or D&O Claimant of any Claim shall not, for that reason only, grant any Person any standing in these proceedings.

62. **THIS COURT ORDERS** that, notwithstanding the terms of this Claims Procedure Order, the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of its powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order.

63. **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 and its 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, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Monitor and its agents in carrying out the terms of this Order.

A handwritten signature in cursive script, appearing to read "Haidy J.", is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

OCT 22 2019

PER / PAR: JP

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"

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

INFORMATION LETTER FOR THE CLAIMS PROCEDURE

PARAGRAPH I OF THE PROOF OF CLAIM AND GENERAL COMMENTS

The Claimant must state the full and complete legal name of the Claimant.

- The Claimant must give the complete address (including the postal code) where all notices and correspondence are to be forwarded. In addition, the Claimant and/or the authorized representative must indicate its telephone number, its facsimile and its e-mail address.
- The Claimant must advise as to whether or not the claim was acquired by assignment and, if so, provide full particulars/support evidencing assignment and provide the full legal name of the original creditor(s).

PARAGRAPH II OF THE PROOF OF CLAIM

- If the individual completing the Proof of Claim is not itself the Claimant, he/she must state his/her position or title.
- The Claimant must provide its Claim amount in the appropriate table, indicate whether it is secured, priority unsecured (under section 136 of the *Bankruptcy and Insolvency Act* (Canada)) or unsecured, and provide the value of any security it claims to have.

PARAGRAPH III OF THE PROOF OF CLAIM

- A detailed, complete statement of account must be attached to the Proof of Claim. Provide all particulars of the Claim and supporting documents, including the amount and description of transaction(s) or agreements(s) giving rise to the Claim. The amount on the statement of account must correspond with the amount claimed on the Proof of Claim. The detailed statement of account must show the date, the invoice number(s) and the amount of all invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward. If the Claim cannot be evidenced through a statement of account, the Claimant must provide a sworn affidavit providing all particulars of the Claim, together with all supporting documents.

- With respect to priority claims under section 136 of the *Bankruptcy and Insolvency Act* (Canada), please attach a detailed explanation supporting any priority claim.
- With respect to secured claims, please provide a detailed, complete statement of any particulars of the security, including the date on which the security was given and the value at which you assess the security and attach a copy of the security documents.
- If the Claim is in a foreign currency, it shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate for November 30, 2018: CDN\$1.00/USD\$1.3301.

PARAGRAPH IV OF THE PROOF OF CLAIM

- The Proof of Claim must be received by the Monitor before 5:00 p.m. (Eastern Time), on the Claims Bar Date. For Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims, the Claims Bar Date is 5:00 p.m. (Eastern Time) on the later of (A) November 25, 2019, and (B) if applicable, the applicable Sale Triggered Claims Bar Date¹. For Restructuring Claims, the Claims Bar Date is the Restructuring Claims Bar Date, that being the later of (i) 5:00 p.m (Eastern Time) on the Claims Bar Date for Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims (which, for greater certainty, is November 25, 2019) and (ii) the date that is ten (10) Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.
- Completed forms must be delivered to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or email to the address below:

KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, ON M5H 1J9

Attention: Jonathan Joffe
 Tel: (416) 932-6253
 Email: jjoffe@ksvadvisory.com

- Claimants are responsible for proving receipt of documents by the Monitor.

PLEASE NOTE THAT Mr. Wang has the meaning ascribed to it in the Claims Procedure Order, which for greater certainty means "Yuan (Mike) Hua Wang, but solely in his capacity as (i) a Director and Officer, (ii) as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity, and (iii) in his capacity as an owner of the Elm Avenue Properties and not in any other capacity". Any other claims against Yuan (Mike) Hua Wang are not required to be, and should not be, filed under the Claims Procedure Order.

¹ "Sale Triggered Claims Bar Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, 25 days after the Monitor sends a notice pursuant to paragraph 16(d) of the Claims Procedure Order advising of the Sale Triggered Date. "Sale Triggered Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, the date that a sale of the applicable real property has closed.

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 "C"

NOTICE TO CLAIMANTS FOR THE CLAIMS PROCEDURE OF:

Forme Development Inc., 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. and 29 Anglin Development Inc.

(collectively, the "Applicants"), 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (collectively, the "NOI Entities"), 59 Elm Avenue, Richmond Hill, Ontario and 63 Elm Avenue, Richmond Hill, Ontario (together, the "Elms Avenue Properties"), 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 "Non-Applicant Entities"), Yuan (Mike) Hua Wang solely in his capacity as a Director and Officer, as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity and in his capacity as an owner of the Elm Properties and not in any other capacity ("Mr. Wang") and their former and current Directors (the "Directors") or Officers (the "Officers")

RE: NOTICE OF CLAIMS PROCEDURE, CLAIMS BAR DATE and RESTRUCTURING CLAIMS BAR DATE

NOTICE IS HEREBY GIVEN that this notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) made October 22, 2019 (the "**Claims Procedure Order**"). All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Claims Procedure Order. The Court has authorized the Court-appointed Monitor of the Applicants, KSV Kofman Inc. (in such capacity, the "**Monitor**"), to conduct a claims procedure (the "**Claims Procedure**") with respect to claims against the Applicants, the NOI Entities, the Non-Applicant Entities, Mr. Wang and/or any of their Directors and Officers in accordance with the terms of the Claims Procedure Order.

PLEASE TAKE NOTICE that the Claims Procedure applies only to the Claims described in the Claims Procedure Order. Reference should be made to the Claims Procedure Order for the complete definition of "**Pre-filing Claim**", "**NOI Claim**", "**Non-Applicant Claim**", "**Wang Claim**", "**D&O Claim**" and "**Restructuring Claim**". The Claims Procedure Order and related materials and forms may be accessed from the Monitor's Website at <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc>.

If you believe that you have a Claim against the Applicants, the NOI Entities, the Non-Applicant Entities, Mr. Wang and/or any of their Directors and Officers, as applicable, you must file a Proof of Claim with the Monitor by completing the Proof of Claim form, a copy of which can be obtained from the Monitor's website or by contacting 416-932-6253 (phone) or jjoffe@ksvadvisory.com. All Claimants must submit their Claim to the Monitor (at the address noted below) by the Claims

Bar Date or the Restructuring Claims Bar Date, as applicable, as defined in the Claims Procedure Order.

THE CLAIMS BAR DATE with respect to a Pre-filing Claim, NOI Claim, Non-Applicant Claim, Wang Claim and D&O Claims is 5:00 p.m. (Eastern Time) on the later of (A) November 25, 2019, and (B) if applicable, the applicable Sale Triggered Claims Bar Date². The Claims Bar Date with respect to a Restructuring Claim is the Restructuring Claims Bar Date.

THE RESTRUCTURING CLAIMS BAR DATE is the later of (i) 5:00 p.m (Eastern Time) on the Claims Bar Date for Pre-filing Claims, NOI Claims, Non-Applicant Claims, Wang Claims and D&O Claims (which, for greater certainty, is November 25, 2019) and (ii) the date that is ten (10) Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.

PROOFS OF CLAIM MUST BE COMPLETED AND RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR THE RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.

HOLDERS OF CLAIMS who do not file a Proof of Claim with respect to a Claim by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, will not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan or otherwise in respect of such Claims.

PLEASE NOTE THAT Mr. Wang has the meaning ascribed to it in the Claims Procedure Order which for greater certainty means "Yuan (Mike) Hua Wang, but solely in his capacity (i) as a Director and Officer, (ii) as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity, and (iii) in his capacity as an owner of the Elm Avenue Properties and not in any other capacity". Any other claims against Yuan (Mike) Hua Wang are not required to be, and should not be, filed under the Claims Procedure Order.

The Monitor can be contacted at the following address to request relevant documents or for any other notices or enquiries with respect to the Claims Procedure:

KSV Kofman Inc.

150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Jonathan Joffe
Tel: (416) 932-6253
Email: jjoffe@ksvadvisory.com

DATED at Toronto, Ontario this ____th day of _____, 2019.

² "Sale Triggered Claims Bar Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, 25 days after the Monitor sends a notice pursuant to paragraph 16(d) of the Claims Procedure Order advising of the Sale Triggered Date. "Sale Triggered Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, the date that a sale of the applicable real property has closed.

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 "D"

**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 FORMER 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**

PROOF OF CLAIM

**Please read carefully the enclosed Instruction Letter for completing this Proof of Claim.
All capitalized terms not defined herein have the meanings given to such terms in the
Claims Procedure Order dated October 22, 2019.**

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

_____ (the "Claimant")

2. Full Mailing Address of the Claimant:

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

6. Attention (*Contact Person*): _____

7. Have you acquired this Claim by assignment?

Yes: No: (*if yes, attach documents evidencing assignment*)

If Yes, Full Legal Name of Original Claimant(s):

II. PROOF OF CLAIM:

8. I, _____
(name of Claimant or representative of the Claimant), of _____

_____ do hereby certify:
(city and province)

(a) that I [*check (✓) one*]

am the Claimant; OR

am _____ (state position or title) of

(name of Claimant)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) that one or more of the Applicants, the NOI Entities, the Non-Applicant Entities, Mr. Wang, and/or their Directors or Officers, if applicable, were and still are indebted to the Claimant as follows:³

Applicant	Pre-filing Claim Amount	Restructuring Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
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.				

³ Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada daily average exchange rate for November 30, 2018. The Canadian Dollar/U.S. Dollar daily average exchange rate on that date was CAD\$1/ USD\$1.3301.

159 Carrville Development Inc.				
169 Carrville Development Inc.				
189 Carrville Development Inc.				
27 Anglin Development Inc.				
29 Anglin Development Inc.				
59 Elm Avenue, Richmond Hill, Ontario				
63 Elm Avenue, Richmond Hill, Ontario				
Directors and Officers of the _____ (insert appropriate Applicant)				

<i>(insert names above)</i>				

NOI Entity	NOI Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
58 Old Kennedy Development Inc.			
76 Old Kennedy Development Inc.			
82 Old Kennedy Development Inc.			
Directors and Officers of the _____ (insert appropriate NOI Entity)			

<i>(insert names above)</i>			

Non-Applicant Entity	Non-Applicant Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
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.			
2495393 Ontario Inc.			
Directors and Officers of the _____ (insert appropriate Non-Applicant Entity)			
_____ (insert names above)			

	Wang Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
Mr. Wang ⁴			

III. PARTICULARS OF CLAIM

The particulars of the undersigned's total Claim (including Pre-filing Claims, NOI Claims, Non-Applicant Claims, Wang Claims, D&O Claims and Restructuring Claims) are attached.

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a Claim cannot be evidenced through a statement of account, the Claimant must provide a sworn affidavit attesting to the particulars of the Claim, together with all supporting documents. If a claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against them.)

IV. FILING OF CLAIM

This Proof of Claim must be received by the Monitor on or before the Claims Bar Date.

With respect to Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims, the Claims Bar Date means 5:00 p.m. (Eastern Time) on the later of (A) November 25, 2019, and (B) if applicable, the applicable Sale Triggered Claims Bar Date⁵. With respect to Restructuring Claims, the Restructuring Claims Bar Date means the later of (i) 5:00 p.m (Eastern Time) on the Claims Bar Date for Pre-filing Claims, D&O Claims, NOI Claims, Non-Applicant Claims and Wang Claims (which, for greater certainty, is November 25, 2019) and (ii) the date that is ten (10) Business Days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with the Claims Procedure Order.

In both cases, completed forms must be delivered by prepaid ordinary mail, courier, personal delivery or electronic transmission at the following address:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

⁴ "Mr. Wang" means Yuan (Mike) Hua Wang, but solely in his capacity (i) as a Director and Officer, (ii) as a guarantor, surety or indemnitor of any obligation of an Applicant, NOI Entity or a Non-Applicant Entity, and (iii) in his capacity as an owner of the Elm Avenue Properties and not in any other capacity. Any other claims against Yuan (Mike) Hua Wang are not required to be, and should not be, filed under the Claims Procedure Order.

⁵ "Sale Triggered Claims Bar Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and the 2495393 Ontario Inc. only, 25 days after the Monitor sends a notice pursuant to paragraph 16(d) of the Claims Procedure Order advising of the Sale Triggered Date. "Sale Triggered Date" means, with respect to a Claim against or relating to 186 Old Kennedy Development Inc., 31 Victory Development Inc., 376 Derry Development Inc., 390 Derry Development Inc., 101 Columbia Development Inc., 4 Don Hillock Development Inc., and 2495393 Ontario Inc. only, the date that a sale of the applicable real property has closed.

Attention: Jonathan Joffe
Tel: (416) 932-6253
Email: jjoffe@ksvadvisory.com

Failure to file your Proof of Claim as directed by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, will result in your Claim being extinguished and barred and in you being prevented from making or enforcing a Claim against the Applicants, the NOI Entities, the Non-Applicant Entities, Mr. Wang or any of their Directors and Officers, as applicable.

All future correspondence will be directed to the email designated in the contact details unless you specifically request that hardcopies be provided.

I require hardcopy correspondence.

DATED at _____ this ____ day of _____, 2019.

(Signature of Witness)

(Signature of Claimant or its authorized representative)

(Please print name)

(Please print name)

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 "E"

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

NOTICE OF REVISION OR DISALLOWANCE

TO: [name and address of Claimant]

PLEASE TAKE NOTICE that this Notice of Revision or Disallowance is being sent pursuant to an order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) dated October 22, 2019 (the "**Claims Procedure Order**"). All capitalized terms not otherwise defined in this Notice of Revision or Disallowance shall bear the meaning ascribed to them in the Claims Procedure Order, which is posted on the Monitor's Website.

[The Monitor/Mr. Wang] has reviewed your Proof of Claim dated _____, 2019 bearing the Claim Reference Number _____, and has revised or disallowed your Claim for the following reasons:

Subject to further dispute by you in accordance with the provisions of the Claims Procedure Order, your Claim will be allowed as a Proven Claim as follows:

Name of Applicant, NOI Entity, Non-Applicant Entity, Mr. Wang and/or any of their Directors and Officers, as applicable	Type of Claim per Proof of Claim	Amount of Claim per Proof of Claim	Type of Claim per this Notice of Revision or Disallowance	Amount of Claim per this Notice of Revision or Disallowance
[Insert name of appropriate party]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$

If you intend to dispute this Notice of Revision or Disallowance, you must, **no later than 5:00 p.m. (Eastern Time) on the day that is fourteen (14) Calendar Days after the date of the Notice of Revision or Disallowance**, deliver a Notice of Dispute by registered mail, personal delivery, e-mail (in PDF format), courier or facsimile transmission to the following address:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Jonathan Joffe
Tel: (416) 932-6253
Email: jjoffe@ksvadvisory.com

Any Claimant who fails to deliver a Notice of Dispute by the date and time set out above shall be deemed to accept the classification and the amount of its Claim as set out in this Notice of Revision or Disallowance and such Claim as set out herein shall constitute a Proven Claim and the Claimant will have those rights set out in the Claims Procedure Order with respect to such Proven Claim.

If you do not deliver a Notice of Dispute of Revision or Disallowance by the deadline stated above, you:

- (a) shall be forever barred from making or enforcing any Claim against any of the Applicants, NOI Entities, Non-Applicant Entities, Mr. Wang and/or any of their Directors and their Officers (other than with respect to such Claim as has been allowed in this Notice of Revision or Disallowance), as applicable, and all such Claims will be forever extinguished; and
- (b) as applicable, shall not be entitled to vote on (and/or receive any distribution under) any Plan of Arrangement or entitled to any further notice or distribution under such

a Plan, if any (other than with respect to such Claim as has been allowed in this Notice of Revision or Disallowance).

Dated at Toronto, Ontario, this _____ day of _____, 2019.

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 "F"

**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**

**NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE OF THE CLAIMANT
LISTED HEREIN**

By order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 22, 2019 (as may be amended, restated or supplemented from time to time (the "**Claims Procedure Order**")), in the proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), the Monitor has been authorized to conduct a claims procedure (the "**Claims Procedure**"). A copy of the Claims Procedure Order, with all schedules, may be found on the Monitor's website at: <https://www.ksvadvisory.com/insolvency-cases/case/forme-development-group-inc> (the "**Monitor's Website**"). Capitalized terms used in this Notice of Dispute not otherwise defined herein shall have the meaning ascribed to them in the Claims Procedure Order.

Claim Reference Number:

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

Telephone Number:

Facsimile Number:

Email Address:

Attention (*Contact Person*):

PLEASE TAKE NOTICE THAT, pursuant to the Claims Procedure Order, we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance dated _____, 2019 issued by KSV Kofman Inc., in its capacity as Court-appointed Monitor, in respect of our Claim as set out in the following table:

Name of Applicant, NOI Entity, Non-Applicant Entity, Mr. Wang and/or any of their Directors and Officers, as applicable	Type of Claim in Notice of Revision or Disallowance	Amount of Claim in Notice of Revision or Disallowance	Type of Claim as per this Notice of Dispute	Amount of Claim as per this Notice of Dispute
[Insert name of appropriate party]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CA\$

Reason for the dispute (attach copies of any supporting documentation):

Address for Service of Notice of Dispute of Revision or Disallowance:

KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, ON M5H 1J9

Attention: Jonathan Joffe
Tel: (416) 932-6253
Email: jjoffe@ksvadvisory.com

THIS FORM AND ANY REQUIRED SUPPORTING DOCUMENTATION MUST BE RETURNED TO THE MONITOR BY REGISTERED MAIL, PERSONAL SERVICE, EMAIL (IN PDF FORMAT) OR COURIER TO THE ADDRESS INDICATED ABOVE AND MUST BE ACTUALLY RECEIVED BY THE MONITOR BY 5:00 P.M. (EASTERN TIME) ON THE DAY WHICH IS FOURTEEN (14) CALENDAR DAYS AFTER THE DATE OF THE NOTICE OF REVISION OR DISALLOWANCE.

DATED this ____ day of _____, 2019

Witness

Per: _____

Name of Claimant:

If Claimant is other than an individual, print name and title of authorized signatory

Name: _____

Title: _____

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.

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 FORMER DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO (the "Applicants")

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

BENNETT JONES LLP
3400 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean H. Zweig (LSO #573071)
Tel: (416) 777-6253
Fax: (416) 863-1716

Aiden Nelms (LSO#74170S)
Tel:(416) 777-4642
Fax: (416) 863-1716

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

Appendix “E”



**Supplement to Third Report of
KSV Kofman Inc.
as CCAA Monitor of
Forme Development Group Inc.
and the Companies Listed on
Appendix “A”**

March 12, 2019

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3.0	Developments Since the Third Report.....	2
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COURT FILE NO.:CV-18-608313-00CL

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

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

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

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

**SUPPLEMENT TO THIRD REPORT OF KSV KOFMAN INC.
AS MONITOR**

MARCH 12, 2019

1.0 Introduction

1. This report (the "Supplemental Report") supplements the Monitor's third report to Court dated February 26, 2019 (the "Third Report"). Capitalized terms not otherwise defined herein have the meanings given to them in the Third Report.

1.1 Purposes of this Report

1. The purposes of this Supplemental Report are to:
 - a) provide a high-level summary of the feedback from stakeholders received by the Monitor concerning the relief sought in the Third Report;
 - b) summarize the terms of an undertaking provided by the Non-Applicants and Wang (the "Undertaking"), which provides a consensual resolution to the issues raised by the Monitor in the Third Report; and
 - c) recommend that the Court make an order (i) approving the Undertaking and (ii) granting a priority charge in respect of any intercompany advances made pursuant to Section 5(a) of the Undertaking, which charge would rank immediately subordinate to the existing mortgages of the receiving Non-Applicant.

2.0 Feedback from Stakeholders

1. Following service of the Third Report, the Monitor discussed the Third Report with various stakeholders in these proceedings, including several mortgagees and the representative (the “Representative”) of purchasers of condominiums in the Birchmount Gardens project. Each of the mortgagees with whom the Monitor communicated, and the Representative, expressed support for the Monitor’s relief sought in the Third Report. The Monitor is not aware of any mortgagee which opposes the relief sought by the Monitor in the Third Report. Because the Monitor, the Non-Applicants and Wang have agreed to enter into the Undertaking, the Monitor has not provided copies of the emails and other communications with the mortgagees or the Representative. The Monitor has not yet discussed the terms of the Undertaking with the Representative or any of the mortgagees.

3.0 Developments Since the Third Report

1. Following service of the Third Report, the Monitor learned that Wang had retained new counsel, Jim Grout, to represent him personally. Wang’s prior counsel resigned for reasons unrelated to fees, as noted in the Third Report. As also noted in the Third Report, the Monitor learned while preparing the Third Report that the Non-Applicants had retained Cassels Brock & Blackwell LLP (“CBB”).
2. Since the date of the Third Report, the Monitor and its counsel, Bennett Jones LLP (“Bennett Jones”), have been negotiating the Undertaking with CBB.
3. On March 6, 2019, the Monitor was provided with responses to information requested of the Non-Applicants, particularly as it relates to deposits received in respect of transactions for three properties owned by the Non-Applicants. Based on the information provided, the deposits appear to be non-refundable and were largely used to fund interest obligations owing by the Non-Applicants to certain mortgagees. The use of transaction proceeds by the Non-Applicants was one of the central issues raised in the Third Report.

4.0 The Undertaking¹

1. The Undertaking was executed on March 11, 2019. A copy of the Undertaking is provided in Appendix “B”. The key terms of the Undertaking include the following:
 - a) subject to subsection (h) below, the Non-Applicants and Wang are to market the Non-Applicants’ real property in a commercially reasonable fashion in order to maximize its realizable value. The Non-Applicants are required to keep the Monitor apprised of these efforts on a confidential basis, including providing weekly written updates and copies of all offers;
 - b) the Non-Applicants will work cooperatively and transparently with the Monitor in all respects, including, without limitation, by providing all information required or requested of them on a timely basis;

¹ Capitalized terms in this section have the meanings provided to them in the Undertaking.

- c) the purchase price (including any deposits) in respect of the sale of any NA Project will be delivered by the purchaser(s) to CBB to be held in trust. Upon the closing of such sale, the Non-Applicants and Wang will cause to be repaid the amounts owing to the Mortgagees of that NA Project. If there are funds remaining after repayment of the Mortgagees (“Balance”), the Balance will be held by CBB in trust for that entity's remaining creditors. For greater certainty, the Balance shall not be provided to any member of the Forme Group or Wang without further Court order. CBB will maintain separate trust accounts for each NA Project, and will provide the Monitor with updates concerning the account balances and the accounting for same from time to time upon request by the Monitor;
- d) notwithstanding the foregoing, the Non-Applicants may pay the reasonable professional fees and disbursements of CBB, provided that the Monitor shall receive an accounting of all such amounts forthwith following payment. In addition, with the prior written consent of the Monitor, or upon a further order of the Court, the Balance may be accessed for the following purposes and on the following terms:
- proceeds from the sale of the Non-Applicants' real property may be used to maintain mortgages of other Non-Applicants in good standing and thereby attempt to avoid power of sale proceedings, provided that there is a reasonable prospect that the funding Non-Applicant will be repaid. In the event any such advance of funds is made as between Non-Applicant entities, any such advance will be made on a priority basis ranking immediately subordinate to any mortgages of the receiving Non-Applicant;
 - proceeds from the sale of the Non-Applicants' real property may be used to pay expenses of the Non-Applicants that are conducive to maintaining and maximizing the value of their assets for creditors, provided that there is a reasonable prospect that the funding advanced to the Non-Applicant will be repaid; and
 - proceeds from the sale of the Non-Applicants' real property may be used to pay ordinary course creditors with outstanding claims against that particular Non-Applicant;
- e) each Non-Applicant with a Balance shall participate in a Court-approved claims process to be conducted by the Monitor pursuant to which the claims of creditors of the Non-Applicant will be proven and quantified and the Balance distributed to those creditors, provided that no claims will be accepted without the consent of the Non-Applicants or order of the Court;
- f) in the event that the creditors of a Non-Applicant are paid in full and there are funds remaining (“Surplus”), CBB shall continue to hold the Surplus in trust until the conclusion of the claims process and no amounts will be distributed to the Forme Group, Wang or any other entity without the consent of the Monitor or an order of the Court;

- g) any Surplus, after payment of all claims guaranteed by Wang and payment of all professional fees of KSV, Bennett Jones, CBB and GSNH, shall be distributed to or at the direction of Wang. For greater certainty, absent an agreement or other entitlement to the contrary, there is no requirement to use the Surplus to fund any unsecured deficiency in an entity of the Forme Group where unsecured creditors are not paid in full;
- h) subject to the rights and remedies of any applicable Mortgagee, the Non-Applicants reserve the right to retain such Projects as need not be sold to repay Forme Group creditors; provided, however, that in the event of a deficiency to creditors of the Forme Group, as many Projects as is necessary will be sold or refinanced until sufficient proceeds are available to repay the creditors of the Forme Group;
- i) any dispute arising out of the Undertaking shall be determined by this Court by way of a motion in the CCAA proceeding;
- j) if the Forme Group or Wang breaches the terms of the Undertaking and fails to remedy such breach within three (3) business days, the Monitor shall be entitled to forthwith bring a motion seeking such relief as it deems appropriate;
- k) the Monitor reserves the right to seek an order of the Court compelling the sale of a property for any Non-Applicant's real property that the Forme Group and/or Wang wishes to refinance if the proceeds from the refinancing are not expected to be sufficient to repay in full the guarantee claims;
- l) none of Wang, Jessica Wang, Aimie Yang or any of their respective relatives or proxies shall, directly or indirectly, purchase or acquire any interest in any of the Applicants' properties; and
- m) the Monitor shall provide to Wang or his representatives on a confidential basis timely disclosure of any and all offers received for the purchase of the Applicants' properties, and the Monitor will meet with Wang or his representatives to discuss the Offers.

5.0 Recommendation

1. The Monitor believes that the Undertaking should be approved by this Honourable Court for the following reasons:
 - a) it provides for a result consistent with the stated purpose of the CCAA proceedings, which is to allow for an orderly sale process of the Forme Group's real property so that Wang can maximize recoveries for the benefit of the Forme Group's creditors, including his obligations under his personal guarantees;
 - b) it provides a mechanism to address the Monitor's concerns about Wang and his conduct in these CCAA proceedings as set out in the Third Report, including concerns about the level of transparency and the use of proceeds generated from the sale of the Non-Applicants' real property;

- c) it contemplates that a claims process will be carried out by the Monitor and establishes that any surplus funds that may be required to deal with Wang's guarantee claims are to remain in CBB's trust account until the conclusion of the claims process and/or Wang's guarantee claims are crystalized;
- d) it provides for any permitted intercompany advances to be made on a priority basis in order to avoid any prejudice to creditors of a funding Non-Applicant; and
- e) it does not preclude the Monitor from seeking the relief set out in the Third Report, or other relief as appropriate in the circumstances, should Wang and/or the Forme Group default on their obligations under the Undertaking and not remedy any such default within three (3) business days.

6.0 Conclusion

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

* * *

All of which is respectfully submitted,



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

Appendix “F”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.

JUSTICE HAINEY

)
)
)

MONDAY, THE 18TH

DAY OF MARCH, 2019



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

ORDER

THIS MOTION, made by KSV Kofman Inc. ("**KSV**"), solely in its capacity as Court-appointed monitor (the "**Monitor**") in the proceedings of the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended ("**CCAA**"), was heard this day at 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the Motion Record of the Monitor, including the Third Report of the Monitor dated February 26, 2019 (the "**Third Report**") and the First Supplement to the Third Report of the Monitor dated March 12, 2019, and upon hearing the submissions of counsel for the Monitor and such other parties as were present, no one else appearing although duly served as appears from the affidavit of service of Jason M. Berall sworn February 26, 2019 and the affidavit of service of Aiden Nelms sworn March 12, 2019, filed;

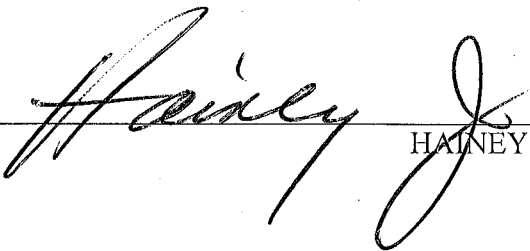
1. **THIS COURT ORDERS** that the Undertaking of the Forme Group (the "**Undertaking**") attached hereto as Schedule "B" be and is hereby approved.
2. **THIS COURT ORDERS** that the Forme Group and the Principal (each as defined in the Undertaking) and all other persons referenced in the Undertaking are authorized and directed to perform their obligations thereunder.
3. **THIS COURT ORDERS** that Confidential Appendix "1" to the Third Report be sealed, kept confidential and not form part of the public record pending further Order of this Court.
4. **THIS COURT ORDERS** that if an intercompany advance is made in accordance with Section 5(a), 5(b) or 5(d) of the Undertaking with the consent of the Monitor or further Order of this Court (each an "**Intercompany Advance**") the funding Non-Applicant shall be entitled to the benefit of a charge (each an "**Intercompany Charge**") on the receiving Non-Applicant's real property, which Intercompany Charge shall not secure an obligation that exists before this Order is made.
5. **THIS COURT ORDERS** that such Intercompany Charge shall be limited to the amount of the Intercompany Advance.
6. **THIS COURT ORDERS** that the filing, registration or perfection of the Intercompany Charge shall not be required, and that the Intercompany Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Intercompany Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

7. **THIS COURT ORDERS** that each Intercompany Charge shall constitute a charge on the receiving Non-Applicant's real property and such Intercompany Charge shall rank immediately subordinate to the mortgages registered against the receiving Non-Applicant's real property as of the date of this Order.

8. **THIS COURT ORDERS** that except as may be approved by this Court, the receiving Non-Applicant shall not grant any mortgages or other encumbrances over the receiving Non-Applicant's real property that rank in priority to, or *pari passu* with the Intercompany Charge, unless the receiving Non-Applicant also obtains the prior written consent of the Monitor.

9. **THIS COURT ORDERS** that the Intercompany Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Intercompany Charge (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the receiving Non-Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Intercompany Charge nor the execution of the Undertaking shall create or be deemed to constitute a breach by the receiving Non-Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the receiving Non-Applicant entering into the Undertaking or by the creation of the Intercompany Charge; and
- (c) the payments made by the receiving Non-Applicant pursuant to this Order, the Undertaking and the granting of the Intercompany Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.


HAYLEY J.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAR 18 2019

PER/PAR: RW

SCHEDULE "A"

2358825 Ontario Ltd.

27 Anglin Development Inc.

29 Anglin Development Inc.

250 Danforth Development Inc.

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

189 Carrville Development Inc.

169 Carrville Development Inc.

159 Carrville Development Inc.

5507 River Development Inc.

4439 John Development Inc.

SCHEDULE "B"

Court File No. CV-18-608313-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF FORME DEVELOPMENT
GROUP INC. AND THE 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

UNDERTAKING OF THE FORME GROUP

TO: THIS HONOURABLE COURT
FROM: THE CORPORATIONS LISTED ON SCHEDULE "B" HERETO
AND FROM: YUAN HUA WANG (a/k/a MIKE WANG) ("**Principal**")

WHEREAS:

- (a) the Principal is the sole shareholder, director and directing mind of the corporations listed on Schedule "B" hereto (collectively the "**Forme Group**")
- (b) the entities in the Forme Group own real property on which the Forme Group intended to develop various real estate projects ("**Projects**");
- (c) the entities in the Forme Group have granted mortgages ("**Mortgages**") to the parties listed on Schedule "C" hereto ("**Mortgagees**");
- (d) the Principal has guaranteed the obligations of the entities of the Forme Group to certain of the Mortgagees ("**Guarantees**");
- (e) the Applicants are subject to proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**"). The Applicants are represented by Goldman, Sloan, Nash & Haber LLP ("**GSNH**");
- (f) the Initial Order granted in the CCAA proceedings provides the Monitor (as defined below) with powers and duties beyond those contemplated by the model Initial Order;

- (g) within the CCAA proceedings, a sale process is being conducted by KSV Kofman Inc. ("KSV"), as Monitor ("Monitor"), under the supervision of this Honourable Court pursuant to which the Projects owned by the Applicants will be sold;
- (h) three entities of the Forme Group, 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., and 82 Old Kennedy Development Inc. (collectively, the "NOI Entities"), filed notices of intention to make proposals under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA") and transactions were completed for the sale of the real properties owned by the NOI Entities. The NOI Entities are represented by GSNH;
- (i) the proceeds from the sale of the property owned by the NOI Entities are being held by KSV as Proposal Trustee ("Trustee");
- (j) the remaining members of the Forme Group other than the Applicants and the NOI Entities ("Non-Applicants") are not subject to proceedings under the CCAA or the BIA. The Non-Applicants are represented by Cassels Brock & Blackwell LLP ("CBB");
- (k) the Non-Applicants are in default of certain of the mortgages granted by them to their respective Mortgagees;
- (l) the Non-Applicants are marketing their respective Projects for sale in order to generate funds to pay their respective creditors;
- (m) certain of the Mortgagees of the Non-Applicants have commenced power of sale proceedings;
- (n) the Principal anticipates that the sale of certain entities or their real property will generate more than sufficient funds to pay the creditors of those entities in full;
- (o) the Principal also anticipates that the sale of certain other entities or their real property will not generate sufficient funds to pay the creditors of those entities in full;
- (p) the Principal anticipates that the proceeds of the sale of those entities or real property that are sold or refinanced will generate sufficient proceeds to pay all secured claims and guarantee obligations of the Forme Group and the Principal;
- (q) for greater certainty, absent an agreement or other entitlement to the contrary, the unsecured creditors of each Non-Applicant shall only have recourse to the sale proceeds of that Non-Applicant's property, net of the claims of secured creditors of that Non-Applicant, and not to any sale proceeds generated by the sale of other Non-Applicants' property;
- (r) a claims process is required to determine all of the claims that may exist against the Forme Group and the Principal in order to determine whether

the proceeds are sufficient to satisfy the amount owing to creditors, including creditors with guarantee claims;

- (s) the Principal has advised this Honourable Court that he intends to ensure that the funds received from the sale of the Projects (including those owned by the Non-Applicants) are used to repay the creditors of the Forme Group and of the Principal, in accordance with the intentions expressed above, before any amounts are distributed to the Principal; and
- (t) the Forme Group and the Principal are giving this Undertaking to this Honourable Court in order to effectuate such intention.

The Non-Applicants and the Principal hereby undertake to this Honourable Court as follows:

1. Subject to paragraph 9 below or any earlier sale by a Mortgagee pursuant to its enforcement rights, they will sell the Projects owned by the Non-Applicants ("NA Projects", and each a "NA Project") in a commercially reasonable fashion with the intention of maximizing the sale proceeds;
2. They will work cooperatively and transparently with the Monitor/Trustee in all respects, including, without limitation, by providing all information required or requested of them on a timely basis and by providing and executing such documents as are required to close the sale of the Birchmount condominiums;
3. Without limiting the generality of the foregoing, they will (A) keep the Monitor/Trustee apprised, on a confidential basis, of their efforts to sell the NA Projects (including, without limitation, providing a weekly written update each Tuesday by noon detailing the status of each NA Project, with the first update to be provided on March 19, 2019), (B) forthwith provide copies of all offers (whether binding or otherwise) to purchase the NA Projects to the Monitor/Trustee on a confidential basis, and (C) advise the Monitor/Trustee in advance of any expecting closing dates;
4. The purchase price (including any deposits) in respect of the sale of any NA Project will be delivered by the purchaser(s) to CBB. Upon the closing of such sale, the Non-Applicants and the Principal will cause to be repaid the amounts owing to the Mortgagees of that NA Project. If there are funds remaining after repayment of the Mortgagees ("**Balance**"), the Balance will be held by CBB in trust for that entity's remaining creditors. For greater certainty, the Balance shall not be provided to any member of the Forme Group or the Principal without further Order of this Honourable Court. CBB will maintain separate trust accounts and will account separately for each NA Project, and will provide the Monitor with updates concerning the account balances and the accounting for same from time to time upon request by the Monitor;
5. Notwithstanding paragraph 4, above, it is understood and agreed that the Balance may be accessed for the following purposes and on the following terms:

- a. with the prior written consent of the Monitor, or upon a further order of this Honourable Court, proceeds from the sale of the Non-Applicants' real property may be used to maintain mortgages of other Non-Applicants in good standing and thereby attempt to avoid power of sale proceedings; provided that there is a reasonable prospect that the funding Non-Applicant will be repaid. In the event any such advance of funds is made as between Non-Applicant entities, any such advance will be made on a priority basis ranking immediately subordinate to any mortgages of the receiving Non-Applicant;
 - b. with the prior written consent of the Monitor, or upon a further order of this Honourable Court, proceeds from the sale of the Non-Applicants' real property may be used to pay other expenses of the Non-Applicants that are conducive to maintaining and maximizing the value of their assets for creditors; provided that there is a reasonable prospect that the funding Non-Applicant will be repaid;
 - c. with the prior written consent of the Monitor, or upon a further order of this Honourable Court, proceeds from the sale of the Non-Applicants' real property may be used to pay ordinary course creditors with outstanding claims against the relevant Non-Applicant; and
 - d. the Non-Applicants may pay the reasonable professional fees and disbursements of CBB, provided that the Monitor shall receive an accounting of all amounts so paid forthwith following payment;
6. Each Non-Applicant with a Balance shall participate in a Court-approved claims process conducted by the Monitor pursuant to which the claims of creditors of the Non-Applicant will be proven and quantified and the Balance distributed to those creditors, provided that no claims will be accepted without the consent of the Non-Applicants or order of the Court. Such proceedings include the BIA proceedings already underway;
 7. In the event that the creditors of a Non-Applicant are paid in full and there are funds remaining ("**Surplus**"), CBB shall continue to hold the Surplus in trust until the conclusion of the claims process and no amounts will be distributed to the Forme Group, the Principal or any other entity without the consent of the Monitor/Trustee or an order of the Court;
 8. Any Surplus, after payment of all claims guaranteed by the Principal and payment of all professional fees of KSV, its counsel Bennett Jones LLP, CBB, and GSNH, shall be distributed to or at the direction of the Principal. For greater certainty, absent an agreement or other entitlement to the contrary, there is no requirement to use the Surplus to fund any unsecured deficiency in an entity of the Forme Group where unsecured creditors are not paid in full;
 9. Subject to the rights and remedies of any applicable Mortgagee, the Non-Applicants reserve the right to retain such Projects as need not be sold to repay Forme Group creditors; provided, however, that in the event of a

deficiency to creditors of the Forme Group, as many Projects as is necessary will be sold or refinanced until sufficient proceeds are available to repay the creditors of the Forme Group as detailed above;

10. It is understood and agreed that the professional fees and disbursements of Cassels Brock & Blackwell LLP, counsel for the Non-Applicants, will be paid from the proceeds of sale of the NA Projects;
11. Any distributions to be made will be made net of any tax liabilities that may exist;
12. GSNH and KSV shall discharge their mortgage registrations as against each of the Non-Applicant properties upon Court approval of this Undertaking;
13. Any dispute arising out of this Undertaking shall be determined by this Honourable Court by way of a motion in the CCAA proceeding;
14. If the Forme Group or its Principal breaches the terms of this Undertaking and fails to remedy such breach within three business days, the Monitor/Trustee shall forthwith bring a motion seeking such relief as it deems appropriate;
15. The Monitor/Trustee reserves the right to seek an order of the Court compelling the sale of a property for any Non-Applicant's real property that the Forme Group and/or the Principal wishes to refinance if the proceeds from the refinancing are not expected to be sufficient to repay in full the guarantee claims;
16. None of the Principal, Jessica Wang, Aimie Yang or any their respective relatives or proxies shall, directly or indirectly, purchase or acquire any interest in any of the Applicants' properties;
17. The Monitor shall provide timely disclosure of any and all offers received for the purchase of the Applicants' properties ("**Offers**") to the Principal or his representatives, and will meet with them to discuss the Offers; and
18. The Principal, Jessica Wang and Aimie Yang, and their agents, advisors and representatives, shall keep the terms of the Offers strictly confidential.


DATED at Toronto this 11th day of March, 2019

101 Columbia Development Inc.


By: _____

Name: Yuan Hua Wang
Title: President


186 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


19 Turff Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


22 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


31 Victory Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


35 Thelma Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


376 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


390 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

4 Don Hillock Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


4208 Kingston Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


4550 Steeles Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

7397 Islington Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

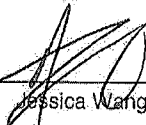
9500 Dufferin Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

Yuan Hua Wang (a/k/a Mike Wang)



Witness


Name: Jessica Wang

SCHEDULE "A"

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"

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.
Forme Development Group Inc.
4 Don Hillock Development Inc.
7397 Islington Development Inc.
101 Columbia Development Inc.
4208 Kingston Development Inc.
376 Derry Development Inc.
390 Derry Development Inc.
186 Old Kennedy Development Inc.
31 Victory Development Inc.
76 Old Kennedy Development Inc.
82 Old Kennedy Development Inc.
58 Old Kennedy Development Inc.
22 Old Kennedy Development Inc.

35 Thelma Development Inc

19 Turff Development Inc.

4550 Steeles Development Inc.

9500 Dufferin Development Inc.

SCHEDULE "C"

Former Group Entity	Municipal Address(es)	Mortgagees
3310 Kingston Development Inc.	3314 Kingston Rd., Toronto, ON	First Source Financial Management Inc. Ferina Construction Limited Yuce Baykara & Olympia Trust Company Yi Zhou, Jack Ya Jyue Chen, Wei Zhu, Yu Wang, Hong Xie, Zhengxie Yu, Vera Kevic, Community Trust Company, Shuxin Liu, & Li Hu
1296 Kennedy Development Inc.	1296 Kennedy Rd., Toronto, ON	First Source Financial Management Inc. Yi Zhou, Community Trust Company, Yu Kai Wong, & Lenny Wong
1326 Wilson Development Inc.	1326-1328 Wilson Ave., Toronto, ON	Morrison Financial Mortgage Corporation 2586614 Ontario Inc. 2348793 Ontario Ltd. & JYR Real Capital Mortgage Investment Corporation
5507 River Development Inc.	5471, 5491 & 5507 River Rd., Niagara Falls, ON	Home Trust Company Niagara Falls Pointe General Partner, Inc.
4439 John Development Inc.	4439 John St., Niagara Falls, ON, 4407 John St., Niagara Falls, ON, 4413 John St., Niagara Falls, ON & 4427 John St., Niagara Falls, ON	Home Trust Company Sentrix Financial Corporation
2358825 Ontario Ltd. (Birchmount)	1483 Birchmount Rd., Toronto, ON	MCAP Financial Corporation HMT Holdings Inc. Trisura Guarantee Insurance Company
250 Danforth Development Inc.	250 Danforth Rd. E., Toronto, ON, Three Parcels (Block 53, 54, 55), 0 Dairy Dr., Toronto, ON, 0 Bamblett Dr., Toronto, ON, & 23 Bamblett Dr., Toronto, ON	First Source Financial Management Inc. & Community Trust Company Yuce Baykara, Olympia Trust Company, & Community Trust Company Yi Zhou, Dunliang Zhang, Liying Zhao, Yong Jiang, Rensong Dou, Xuefen Song, Jinxi Liu, Min He, Lin Li, CX Financial Investing Inc., Wen

		Wei Zhang, Jun Wang, Zhengxie Yu, Hsing Ching Fan, Kung Chan Fan, Martin Zamora, Hao Li, Lijie Wang, Yifei Wang, and Xuemei Yuan
		Trisura Guarantee Insurance Company
159 Carrville Development Inc.	159 Carrville Rd., Richmond Hill, ON	2611809 Ontario Inc. 2611622 Ontario Inc. 2612316 Ontario Inc.
169 Carrville Development Inc.	169 Carrville Rd., Richmond Hill, ON	Home Trust 2557725 Ontario Inc. 10226190 Canada Ltd 2611622 Ontario Inc. 2612316 Ontario Inc.
189 Carrville Development Inc.	177 Carrville Rd., Richmond Hill, ON, 181 Carrville Rd., Richmond Hill, ON & 189 Carrville Rd., Richmond Hill, ON	Home Trust 2557725 Ontario Inc. 10226190 Canada Ltd 2611622 Ontario Inc. 2612316 Ontario Inc.
27 Anglin Development Inc.	27 Anglin Dr., Richmond Hill, ON	Home Trust Company 2603616 Ontario Inc.
29 Anglin Development Inc.	29 Anglin Dr., Richmond Hill, ON & 31 Anglin Dr., Richmond Hill, ON	Home Trust Company 2603616 Ontario Inc.
4 Don Hillock Development Inc.	4 Don Hillock Dr., Aurora, ON	Perdy Building Corporation Canada Access Capital Ltd.
7397 Islington Development Inc.	7397 Islington Ave., Vaughan, ON	739572 Ontario Limited Empirical Capital Corp. Yuce Baykara & Computershare Trust Company of Canada
101 Columbia Development Inc.	93-101 Columbia St. W., Waterloo, ON	Foremost Mortgage Holding Corporation Ivy Hong Chih-Huang Lin
4208 Kingston Development Inc.	4206-4208 Kingston Rd., Toronto, ON & 4212 Kingston Rd., Toronto, ON	Foremost Mortgage Holding Corporation Xin Cai, Dingping Cheng, Weiguo Dai, Qing Ying Wu, Hongbing Xie, Linghong Kong & Shepherd Estate Limited Partnership
		Royal Bank of Canada

376 Derry Development Inc.	376 Derry Rd. W., Mississauga, ON	2348793 Ontario Ltd. & JYR Real Capital Mortgage Investment Corporation 2348793 Ontario Ltd., 5F Secondary Investment Group Inc. & JYR Real Capital MIC
390 Derry Development Inc.	390 Derry Rd. W., Mississauga, ON	Firm Capital Mortgage Fund Inc. Lora & Steve Papaikononmou 2592898 Ontario Inc. 2620094 Ontario Inc.
186 Old Kennedy Development Inc.	186 Old Kennedy Rd., Markham, ON & 51 Victory Ave., Markham, ON	Krashnik Investments Limited & Gabel Investments Limited 2592898 Ontario Inc., 2620094 Ontario Inc., 2627235 Ontario Inc. 2638796 Ontario Inc., & 2646429 Ontario Inc. Yi Zhou, Jin Fen Zheng, Xiang Hong Zheng, BAI (Bild Alternative Investment) Corporation, Dong Hui Wang, Guifang Wang & Community Trust Company Matthew Franklin Santiso
31 Victory Development Inc.	31 Victory Ave., Markham, ON	Vector Financial Services Limited 10226190 Canada Ltd.
76 Old Kennedy Development Inc.	64-76 Old Kennedy Rd., Markham, ON	Matthew Castelli Matthew Castelli
82 Old Kennedy Development Inc.	82 Old Kennedy Rd., Markham, ON	Wu's International Group Inc. Matthew Castelli
58 Old Kennedy Development Inc.	58 Old Kennedy Rd., Markham, ON & 20 Thelma Ave., Markham, ON	All Season Recycle Inc. & Sasikala Sivasorusban Matthew Castelli
22 Old Kennedy Development Inc.	16 & 22 Old Kennedy Rd., Markham, ON	Vector Financial Services Limited Wenguang Liu & Yan Yan
35 Thelma Development Inc. & 19 Turff Development Inc.	35 Thelma Ave., Markham, ON & 19 Turff Ave., Markham, ON	U-Feel Inc. Xin Cai, Dingping Cheng, Weiguo Dai, Qing Ying Wu, Honbing Xie, Linghong Kong, & Shepherd Estate Limited Partnership
4550 Steeles Development Inc.	4550 Steeles Ave. E., Markham, ON & 31 Old Kennedy Rd., Markham, ON	Windsor Family Credit Union Limited 2586614 Ontario Inc.

		2348793 Ontario Ltd., 5F Secondary Investment Group Inc., & JYR Real Capital MIC
9500 Dufferin Development Inc.	9500 Dufferin St., Maple, ON	Solaris Holdings Inc.
Yuan Hua Wang & Hua Qin Zhang (in their personal capacity)	59 Elm Ave., Richmond Hill, ON	Home Trust Company, 348 Mortgage Investments Ltd., & 2603616 Ontario Inc.
Yuan Hua Wang & Hua Qin Zhang (in their personal capacity)	63 Elm Ave., Richmond Hill, ON	Home Trust Company, 348 Mortgage Investments Ltd., & 2603616 Ontario Inc.

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")

Court File No: CV-18-608313-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

BENNETT JONES LLP
Suite 3400, One First Canadian Place
Toronto, ON M5X 1A4

Jonathan G. Bell (#55457P)
Email: bellj@bennettjones.com

Sean Zweig (#57307I)
Email: zweigs@bennettjones.com

Jason Berall (#68011F)
Email: berallj@bennettjones.com

Tel: (416) 863-1200
Fax: (416) 863-1716

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

Appendix “G”

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

THE HONOURABLE MR.
JUSTICE HAINEY

)
)
)

FRIDAY, THE
31st DAY OF JANUARY 2020

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

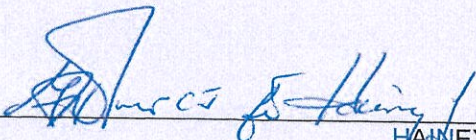
ORDER

THIS MOTION, made by the non-applicant companies listed on Schedule "B" hereto ("**Non-Applicants**") in the proceedings of the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended ("**CCAA**"), was heard this day at 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the Motion Record of the Non-Applicants, and upon hearing the submissions of counsel for the Non-Applicants and such other parties as were present, no one else appearing;

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and are hereby abridged and validated so that the Motion is property returnable today.


2. **THIS COURT ORDERS** that the Undertaking of the Non-Applicants and Yuan Hua Wang (Mike Wang) dated March 11, 2019 and approved by this Court on March 18, 2019 ("**Undertaking**") be amended in accordance with Schedule "C" attached hereto.
3. **THIS COURT ORDERS** that notwithstanding any amendments made to the Undertaking pursuant to this Order, the Non-Applicants shall continue to be entitled to pay the reasonable professional fees and disbursements of Cassels Brock and Blackwell LLP ("**Cassels**"), in accordance with the terms of the Undertaking up to and including the date of the Order.
4. **THIS COURT ORDERS** that the Non-Applicants are directed, including authorizing its former solicitors, Cassels, to transfer the trust funds held by Cassels pursuant to the Undertaking to Gardiner Roberts LLP, in trust.
5. **THIS COURT ORDERS** that there shall be no costs for this motion.



HAYNEY J.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

FEB 03 2020

PER / PAR: 

SCHEDULE "A"

2358825 Ontario Ltd.

27 Anglin Development Inc.

29 Anglin Development Inc.

250 Danforth Development Inc.

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

189 Carrville Development Inc.

169 Carrville Development Inc.

159 Carrville Development Inc.

5507 River Development Inc.

4439 John Development Inc.

SCHEDULE "B"

- 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.
- 68 Elm Development Inc.

SCHEDULE "C"

Amended Undertaking

See attached.

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

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
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AND IN THE MATTER OF A PLAN OF COMPROMISE
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APPLICATION UNDER THE *COMPANIES' CREDITORS
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AMENDED

UNDERTAKING OF THE FORME GROUP

TO: THIS HONOURABLE COURT
FROM: THE CORPORATIONS LISTED ON SCHEDULE "B" HERETO
AND FROM: YUAN HUA WANG (a/k/a MIKE WANG) ("**Principal**")

WHEREAS:

- (a) the Principal is the sole shareholder, director and directing mind of the corporations listed on Schedule "B" hereto (collectively the "**Forme Group**")
- (b) the entities in the Forme Group own real property on which the Forme Group intended to develop various real estate projects ("**Projects**");
- (c) the entities in the Forme Group have granted mortgages ("**Mortgages**") to the parties listed on Schedule "C" hereto ("**Mortgagees**");
- (d) the Principal has guaranteed the obligations of the entities of the Forme Group to certain of the Mortgagees ("**Guarantees**");
- (e) the Applicants are subject to proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**"). The Applicants are represented by Goldman, Sloan, Nash & Haber LLP ("**GSNH**");
- (f) the Initial Order granted in the CCAA proceedings provides the Monitor (as defined below) with powers and duties beyond those contemplated by the model Initial Order;

- (g) within the CCAA proceedings, a sale process is being conducted by KSV Kofman Inc. ("**KSV**"), as Monitor ("**Monitor**"), under the supervision of this Honourable Court pursuant to which the Projects owned by the Applicants will be sold;
- (h) three entities of the Forme Group, 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., and 82 Old Kennedy Development Inc. (collectively, the "**NOI Entities**"), filed notices of intention to make proposals under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("**BIA**") and transactions were completed for the sale of the real properties owned by the NOI Entities. The NOI Entities are represented by GSNH;
- (i) the proceeds from the sale of the property owned by the NOI Entities are being held by KSV as Proposal Trustee ("**Trustee**");
- (j) the remaining members of the Forme Group other than the Applicants and the NOI Entities ("**Non-Applicants**") are not subject to proceedings under the CCAA or the BIA. The Non-Applicants are represented by Gardiner Roberts LLP ("**Gardiner Roberts**");
- (k) the Non-Applicants are in default of certain of the mortgages granted by them to their respective Mortgagees;
- (l) the Non-Applicants are marketing their respective Projects for sale in order to generate funds to pay their respective creditors;
- (m) certain of the Mortgagees of the Non-Applicants have commenced power of sale proceedings;
- (n) the Principal anticipates that the sale of certain entities or their real property will generate more than sufficient funds to pay the creditors of those entities in full;
- (o) the Principal also anticipates that the sale of certain other entities or their real property will not generate sufficient funds to pay the creditors of those entities in full;
- (p) the Principal anticipates that the proceeds of the sale of those entities or real property that are sold or refinanced will generate sufficient proceeds to pay all secured claims and guarantee obligations of the Forme Group and the Principal;
- (q) for greater certainty, absent an agreement or other entitlement to the contrary, the unsecured creditors of each Non-Applicant shall only have recourse to the sale proceeds of that Non-Applicant's property, net of the claims of secured creditors of that Non-Applicant, and not to any sale proceeds generated by the sale of other Non-Applicants' property;
- (r) a claims process is required to determine all of the claims that may exist against the Forme Group and the Principal in order to determine whether

the proceeds are sufficient to satisfy the amount owing to creditors, including creditors with guarantee claims;

- (s) the Principal has advised this Honourable Court that he intends to ensure that the funds received from the sale of the Projects (including those owned by the Non-Applicants) are used to repay the creditors of the Forme Group and of the Principal, in accordance with the intentions expressed above, before any amounts are distributed to the Principal; and
- (t) the Forme Group and the Principal are giving this Undertaking to this Honourable Court in order to effectuate such intention.

The Non-Applicants and the Principal hereby undertake to this Honourable Court as follows:

1. Subject to paragraph 9 below or any earlier sale by a Mortgagee pursuant to its enforcement rights, they will sell the Projects owned by the Non-Applicants ("**NA Projects**", and each a "**NA Project**") in a commercially reasonable fashion with the intention of maximizing the sale proceeds;
2. They will work cooperatively and transparently with the Monitor/Trustee in all respects, including, without limitation, by providing all information required or requested of them on a timely basis and by providing and executing such documents as are required to close the sale of the Birchmount condominiums;
3. Without limiting the generality of the foregoing, they will (A) keep the Monitor/Trustee apprised, on a confidential basis, of their efforts to sell the NA Projects (including, without limitation, providing a weekly written update each Tuesday by noon detailing the status of each NA Project, with the first update to be provided on March 19, 2019), (B) forthwith provide copies of all offers (whether binding or otherwise) to purchase the NA Projects to the Monitor/Trustee on a confidential basis, and (C) advise the Monitor/Trustee in advance of any expecting closing dates;
4. The purchase price (including any deposits) in respect of the sale of any NA Project will be delivered by the purchaser(s) to Gardiner Roberts. Upon the closing of such sale, the Non-Applicants and the Principal will cause to be repaid the amounts owing to the Mortgagees of that NA Project. If there are funds remaining after repayment of the Mortgagees ("**Balance**"), the Balance will be held by Gardiner Roberts in trust for that entity's remaining creditors. For greater certainty, the Balance shall not be provided to any member of the Forme Group or the Principal without further Order of this Honourable Court. Gardiner Roberts will maintain separate trust accounts and will account separately for each NA Project, and will provide the Monitor with updates concerning the account balances and the accounting for same from time to time upon request by the Monitor;
5. Notwithstanding paragraph 4, above, it is understood and agreed that the Balance may be accessed for the following purposes and on the following terms:

- a. with the prior written consent of the Monitor, or upon a further order of this Honourable Court, proceeds from the sale of the Non-Applicants' real property may be used to maintain mortgages of other Non-Applicants in good standing and thereby attempt to avoid power of sale proceedings; provided that there is a reasonable prospect that the funding Non-Applicant will be repaid. In the event any such advance of funds is made as between Non-Applicant entities, any such advance will be made on a priority basis ranking immediately subordinate to any mortgages of the receiving Non-Applicant;
 - b. with the prior written consent of the Monitor, or upon a further order of this Honourable Court, proceeds from the sale of the Non-Applicants' real property may be used to pay other expenses of the Non-Applicants that are conducive to maintaining and maximizing the value of their assets for creditors; provided that there is a reasonable prospect that the funding Non-Applicant will be repaid;
 - c. with the prior written consent of the Monitor, or upon a further order of this Honourable Court, proceeds from the sale of the Non-Applicants' real property may be used to pay ordinary course creditors with outstanding claims against the relevant Non-Applicant; and
 - d. the Non-Applicants may pay the reasonable professional fees and disbursements of Gardiner Roberts, provided that the Monitor shall receive an accounting of all amounts so paid forthwith following payment;
6. Each Non-Applicant with a Balance shall participate in a Court-approved claims process conducted by the Monitor pursuant to which the claims of creditors of the Non-Applicant will be proven and quantified and the Balance distributed to those creditors, provided that no claims will be accepted without the consent of the Non-Applicants or order of the Court. Such proceedings include the BIA proceedings already underway;
 7. In the event that the creditors of a Non-Applicant are paid in full and there are funds remaining ("**Surplus**"), Gardiner Roberts shall continue to hold the Surplus in trust until the conclusion of the claims process and no amounts will be distributed to the Forme Group, the Principal or any other entity without the consent of the Monitor/Trustee or an order of the Court;
 8. Any Surplus, after payment of all claims guaranteed by the Principal and payment of all professional fees of KSV, its counsel Bennett Jones LLP, Gardiner Roberts, and GSNH, shall be distributed to or at the direction of the Principal. For greater certainty, absent an agreement or other entitlement to the contrary, there is no requirement to use the Surplus to fund any unsecured deficiency in an entity of the Forme Group where unsecured creditors are not paid in full;
 9. Subject to the rights and remedies of any applicable Mortgagee, the Non-Applicants reserve the right to retain such Projects as need not be sold to repay Forme Group creditors; provided, however, that in the event of a

deficiency to creditors of the Forme Group, as many Projects as is necessary will be sold or refinanced until sufficient proceeds are available to repay the creditors of the Forme Group as detailed above;

10. It is understood and agreed that the professional fees and disbursements of Cassels Brock & Blackwell LLP, counsel for the Non-Applicants, will be paid from the proceeds of sale of the NA Projects;
11. Any distributions to be made will be made net of any tax liabilities that may exist;
12. GSNH and KSV shall discharge their mortgage registrations as against each of the Non-Applicant properties upon Court approval of this Undertaking;
13. Any dispute arising out of this Undertaking shall be determined by this Honourable Court by way of a motion in the CCAA proceeding;
14. If the Forme Group or its Principal breaches the terms of this Undertaking and fails to remedy such breach within three business days, the Monitor/Trustee shall forthwith bring a motion seeking such relief as it deems appropriate;
15. The Monitor/Trustee reserves the right to seek an order of the Court compelling the sale of a property for any Non-Applicant's real property that the Forme Group and/or the Principal wishes to refinance if the proceeds from the refinancing are not expected to be sufficient to repay in full the guarantee claims;
16. None of the Principal, Jessica Wang, Aimie Yang or any their respective relatives or proxies shall, directly or indirectly, purchase or acquire any interest in any of the Applicants' properties;
17. The Monitor shall provide timely disclosure of any and all offers received for the purchase of the Applicants' properties ("**Offers**") to the Principal or his representatives, and will meet with them to discuss the Offers; and
18. The Principal, Jessica Wang and Aimie Yang, and their agents, advisors and representatives, shall keep the terms of the Offers strictly confidential.

DATED at Toronto this 30th day of January, 2020

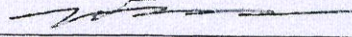
101 Columbia Development Inc.

By: _____


Name: Yuan Hua Wang

Title: President


186 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


19 Turff Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


22 Old Kennedy Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


31 Victory Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

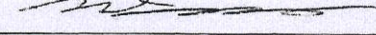
35 Thelma Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


376 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


390 Derry Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


4 Don Hillock Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

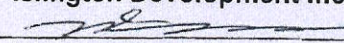
4208 Kingston Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

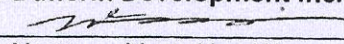
4550 Steeles Development Inc.


By: 
Name: Yuan Hua Wang
Title: President


7397 Islington Development Inc.

By: 
Name: Yuan Hua Wang
Title: President

9500 Dufferin Development Inc.

By: 
Name: Yuan Hua Wang
Title: President


Witness signature
Name: Danielle Yapp

} 
Yuan Hua Wang (a/k/a Mike Wang)

SCHEDULE "A"

2358825 Ontario Ltd.

27 Anglin Development Inc.

29 Anglin Development Inc.

250 Danforth Development Inc.

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

189 Carrville Development Inc.

169 Carrville Development Inc.

159 Carrville Development Inc.

5507 River Development Inc.

4439 John Development Inc.

SCHEDULE "B"

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.
68 Elm Development Inc.

SCHEDULE "C"

Forme Group Entity	Municipal Address(es)	Mortgagees
3310 Kingston Development Inc.	3314 Kingston Rd., Toronto, ON	First Source Financial Management Inc.
		Ferina Construction Limited
		Yuce Baykara & Olympia Trust Company
		Yi Zhou, Jack Ya Jyue Chen, Wei Zhu, Yu Wang, Hong Xie, Zhengxie Yu, Vera Kevic, Community Trust Company, Shuxin Liu, & Li Hu
1296 Kennedy Development Inc.	1296 Kennedy Rd., Toronto, ON	First Source Financial Management Inc.
		Yi Zhou, Community Trust Company, Yu Kai Wong, & Lenny Wong
1326 Wilson Development Inc.	1326-1328 Wilson Ave., Toronto, ON	Morrison Financial Mortgage Corporation
		2586614 Ontario Inc.
		2348793 Ontario Ltd. & JYR Real Capital Mortgage Investment Corporation
5507 River Development Inc.	5471, 5491 & 5507 River Rd., Niagara Falls, ON	Home Trust Company
		Niagara Falls Pointe General Partner, Inc.
4439 John Development Inc.	4439 John St., Niagara Falls, ON, 4407 John St., Niagara Falls, ON, 4413 John St., Niagara Falls, ON & 4427 John St., Niagara Falls, ON	Home Trust Company
		Sentrix Financial Corporation
2358825 Ontario Ltd. (Birchmount)	1483 Birchmount Rd., Toronto, ON	MCAP Financial Corporation
		HMT Holdings Inc.
		Trisura Guarantee Insurance Company
250 Danforth Development Inc.	250 Danforth Rd. E., Toronto, ON, Three Parcels (Block 53, 54, 55), 0 Dairy Dr., Toronto, ON, 0 Bamblett Dr., Toronto, ON, & 23 Bamblett Dr., Toronto, ON	First Source Financial Management Inc. & Community Trust Company
		Yuce Baykara, Olympia Trust Company, & Community Trust Company
		Yi Zhou, Dunliang Zhang, Liying Zhao, Yong Jiang, Rensong Dou, Xuefen Song, Jinxi Liu, Min He, Lin Li, CX Financial Investing Inc., Wen

		Wei Zhang, Jun Wang, Zhengxie Yu, Hsing Ching Fan, Kung Chan Fan, Martin Zamora, Hao Li, Lijie Wang, Yifei Wang, and Xuemei Yuan
		Trisura Guarantee Insurance Company
159 Carrville Development Inc.	159 Carrville Rd., Richmond Hill, ON	2611809 Ontario Inc.
		2611622 Ontario Inc.
		2612316 Ontario Inc.
169 Carrville Development Inc.	169 Carrville Rd., Richmond Hill, ON	Home Trust
		2557725 Ontario Inc.
		10226190 Canada Ltd
		2611622 Ontario Inc.
		2612316 Ontario Inc.
189 Carrville Development Inc.	177 Carrville Rd., Richmond Hill, ON, 181 Carrville Rd., Richmond Hill, ON & 189 Carrville Rd., Richmond Hill, ON	Home Trust

		2557725 Ontario Inc.
		10226190 Canada Ltd
		2611622 Ontario Inc.
		2612316 Ontario Inc.
27 Anglin Development Inc.	27 Anglin Dr., Richmond Hill, ON	Home Trust Company
		2603616 Ontario Inc.
29 Anglin Development Inc.	29 Anglin Dr., Richmond Hill, ON & 31 Anglin Dr., Richmond Hill, ON	Home Trust Company
		2603616 Ontario Inc.
4 Don Hillock Development Inc.	4 Don Hillock Dr., Aurora, ON	Perdy Building Corporation
		Canada Access Capital Ltd.
7397 Islington Development Inc.	7397 Islington Ave., Vaughan, ON	739572 Ontario Limited

		Empirical Capital Corp.
		Yuce Baykara & Computershare Trust Company of Canada
101 Columbia Development Inc.	93-101 Columbia St. W., Waterloo, ON	Foremost Mortgage Holding Corporation
		Ivy Hong
		Chih-Huang Lin
4208 Kingston Development Inc.	4206-4208 Kingston Rd., Toronto, ON & 4212 Kingston Rd., Toronto, ON	Foremost Mortgage Holding Corporation
		Xin Cai, Dingping Cheng, Weiguo Dai, Qing Ying Wu, Hongbing Xie, Lingsong Kong & Shepherd Estate Limited Partnership
		Royal Bank of Canada
		2348793 Ontario Ltd., 5F Secondary Investment Group Inc., & JYR Real Capital MIC
9500 Dufferin Development Inc.	9500 Dufferin St., Maple, ON	Solaris Holdings Inc.
376 Derry Development Inc.	376 Derry Rd. W., Mississauga, ON	2348793 Ontario Ltd. & JYR Real Capital Mortgage Investment Corporation 2348793 Ontario Ltd., 5F Secondary Investment Group Inc. & JYR Real Capital MIC
390 Derry Development Inc.	390 Derry Rd. W., Mississauga, ON	Firm Capital Mortgage Fund Inc. Lora & Steve Papaikonou

		2592898 Ontario Inc.
		2620094 Ontario Inc.
186 Old Kennedy Development Inc.	186 Old Kennedy Rd., Markham, ON & 51 Victory Ave., Markham, ON	Krashnik Investments Limited & Gabel Investments Limited
		2592898 Ontario Inc., 2620094 Ontario Inc., 2627235 Ontario Inc. 2638796 Ontario Inc., & 2646429 Ontario Inc.
		Yi Zhou, Jin Fen Zheng, Xiang Hong Zheng, BAI (Bild Alternative Investment) Corporation, Dong Hui Wang, Guifang Wang & Community Trust Company
		Matthew Franklin Santiso
31 Victory Development Inc.	31 Victory Ave., Markham, ON	Vector Financial Services Limited
		10226190 Canada Ltd.
76 Old Kennedy Development Inc.	64-76 Old Kennedy Rd., Markham, ON	Matthew Castelli
		Matthew Castelli
82 Old Kennedy Development Inc.	82 Old Kennedy Rd., Markham, ON	Wu's International Group Inc.
		Matthew Castelli
58 Old Kennedy Development Inc.	58 Old Kennedy Rd., Markham, ON & 20 Thelma Ave., Markham, ON	All Season Recycle Inc. & Sasikala Sivasorusban
		Matthew Castelli
22 Old Kennedy Development Inc.	16 & 22 Old Kennedy Rd., Markham, ON	Vector Financial Services Limited
		Wenguang Liu & Yan Yan
35 Thelma Development Inc. & 19 Turff Development Inc.	35 Thelma Ave., Markham, ON & 19 Turff Ave., Markham, ON	U-Feel Inc.
		Xin Cai, Dingping Cheng, Weiguo Dai, Qing Ying Wu, Honbing Xie, Linghong Kong, & Shepherd Estate Limited Partnership
4550 Steeles Development Inc.	4550 Steeles Ave. E., Markham, ON & 31 Old Kennedy Rd., Markham, ON	Windsor Family Credit Union Limited
		2586614 Ontario Inc.
		2348793 Ontario Ltd., 5F Secondary Investment Group Inc., & JYR Real Capital MIC
9500 Dufferin Development Inc.	9500 Dufferin St., Maple, ON	Solaris Holdings Inc.

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")

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

ORDER

CASSELS BROCK & BLACKWELL LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Larry Ellis LSO #: 49313K
Tel: 416.869.5406
Fax: 416.640.3004
lellis@cassels.com

Jeremy Bornstein LSO #: 65425C
Tel: 416.869.5386
Fax: 416.640.3001
jbornstein@cassels.com

Lawyers for the Non-Applicants

Appendix “H”

David Sieradzki

From: Ellis, Larry <lellis@cassels.com>
Sent: February 4, 2020 11:17 AM
To: zweigs@bennettjones.com
Cc: Dietrich, Jane; Birch, John; Bobby Kofman; David Sieradzki; Aiden Nelms
Subject: RE: Forme
Attachments: 44666968_1_Motion Record .PDF; Exhibit B - Blackline - Forme - Undertaking (amended).PDF

Sean,

Gardner Roberts scheduled a 9:30 appointment for the purpose of providing His Honour with an update on Non-Applicant issues. Gardiner Roberts asked that Cassels and the Trustee attend. During the course of the 9:30 appointment I advised the Judge that the Non Applicants and Cassels reached the mutual understanding that Cassels would no longer act for the Non Applicant entities and that an amendment to the Undertaking would have to be made to reflect this. His Honour agreed to sign an order to this affect.

After the 9:30 Cassels prepared basic material to cause an amendment to the undertaking whereby references to Cassels were replaced with Gardiner Roberts. The order was delivered for signature on Friday, picked up Monday and entered Monday afternoon. We filed our motion at the same time that we entered the order.

A blackline of the amended undertaking is attached. The blackline changes noted in Schedule A are caused by the formatting differences between BJ documents and CBB documents.

A copy of our motion record is attached.

Larry



Cassels Brock & Blackwell LLP | cassels.com
Suite 2100, Scotia Plaza, 40 King St. W.
Toronto, ON M5H 3C2 Canada
Services provided through a professional corporation

From: Sean Zweig <ZweigS@bennettjones.com>
Sent: Monday, February 03, 2020 6:23 PM
To: Ellis, Larry <lellis@cassels.com>
Cc: Dietrich, Jane <jdietrich@cassels.com>; Birch, John <jbirch@cassels.com>; Robert D. Kofman (bkofman@ksv advisory.com) <bkofman@ksv advisory.com>; 'David Sieradzki (dsieradzki@ksv advisory.com)' <dsieradzki@ksv advisory.com>; Aiden Nelms <NelmsA@bennettjones.com>
Subject: RE: Forme

Larry,

Despite the Monitor's obvious interest in the Undertaking – the Undertaking was entered into to resolve a motion brought by the Monitor - we were not provided any notice of this motion. Can you please advise why not?

To assist in our review and consideration, please send us (i) the motion record that was before the Court for this motion, and (ii) a blackline showing all changes to the Undertaking. In the interim, no funds should leave Cassels' trust account.



Sean Zweig
*Partner**, **Bennett Jones LLP**
*Denotes Professional Corporation

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
T. [416 777 6254](tel:4167776254) | F. [416 863 1716](tel:4168631716)
E. zweigs@bennettjones.com

From: Ellis, Larry <lellis@cassels.com>
Date: Monday, Feb 03, 2020, 4:27 PM
To: Sean Zweig <ZweigS@bennettjones.com>
Cc: Dietrich, Jane <jdietrich@cassels.com>, Birch, John <jbirch@cassels.com>, Robert D. Kofman (bkofman@ksvadvisory.com) <bkofman@ksvadvisory.com>
Subject: Forme

Sean,

On Thursday, January 30, 2020, Justice Hainey, at a 9:30 Chambers appointment, agreed to sign an order amending the Undertaking to replace all references of "Cassels Brock & Blackwell LLP" to "Gardiner Roberts LLP". On Friday January 31, 2020, we were advised Justice Morawetz signed the attached order giving effect to Justice Hainey's decision (the "Order").

The effect of the Order is that effective end of day January 30, 2020, Cassels is no longer counsel to the Forme Non Applicant entities. Additionally, Cassels is to transfer the trust funds it is holding pursuant to the Undertaking (the "Trust Funds") to Gardiner Roberts LLP.

Cassels has not yet acted on the order. Out of an abundance of caution, Cassels proposes that it hold the Trust Funds until the earlier of the Court confirming where Cassels should send the Trust Funds or until an agreement can be reached between the Monitor and Non Applicant Forme entities.

Please confirm this is acceptable. Once we hear from you we will immediately follow up with counsel for the Forme Non Applicant entities to confirm same.

Sincerely,

Larry

Cassels | **LARRY ELLIS**
t: +1 416 869 5406
m: +1 416 262 3543
e: lellis@cassels.com

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Toronto, ON M5H 3C2 Canada
Services provided through a professional corporation

Appendix “I”

David Sieradzki

From: Sean Zweig <ZweigS@bennettjones.com>
Sent: February 10, 2020 9:51 AM
To: Sachdeva, Bobby
Cc: Aiden Nelms; De Caria, Stephanie; Wootton, Daniel; Bobby Kofman; David Sieradzki
Subject: RE: Forme Development Group [MTDMS-Legal.FID8793468]

Bobby,

Thank you for your email.

I am not sure where the miscommunication stemmed from. We proposed the call, and at no time did we suggest it would be an "off the record" call. It was intended to be a call between Court officers (and their counsel), and we were candidly surprised that there was a suggestion that the call would be "off the record". We were also surprised that Mr. Besant was on the call (and took the lead on the call). He was not on the email chain setting up the call, nor was he included in the calendar invite circulated by Mr. Wootton. Again, this was intended to be a call between two Court officers. The Monitor was interested in the Trustee's views; not those of the Non-Applicants' counsel.

In any event, we appreciate now receiving the Trustee's response. Please see our comments/questions inset in red your email below.



Sean Zweig
*Partner**, Bennett Jones LLP
*Denotes Professional Corporation

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
T. [416 777 6254](tel:4167776254) | F. [416 863 1716](tel:4168631716)
E. zweigs@bennettjones.com

From: Sachdeva, Bobby <bsachdeva@millerthomson.com>
Sent: 09 February 2020 2:19 PM
To: Sean Zweig <ZweigS@bennettjones.com>
Cc: Aiden Nelms <NelmsA@bennettjones.com>; De Caria, Stephanie <sdecaria@millerthomson.com>; Wootton, Daniel <Dan.Wootton@ca.gt.com>
Subject: Forme Development Group [MTDMS-Legal.FID8793468]

Dear Sean

We are writing further to what turned out to be a largely unproductive conference call on the afternoon of Thursday, February 6, 2020.

Coming into the call the Trustee was under the impression that this would be an "off the record" discussion as to where the various processes were leading. The call was a courtesy and in response to your request for a discussion.

At the outset of the call I asked if the call was "on" or "off the record". Mr. Kofman interjected at that point and advised that not only was the call "on the record", our responses to his questions would go into the Monitor's next Report. I will not get into the rest of the discussion other than to say that Mr. Kofman repeated a number of times that he wanted the Trustee to answer one question – "What is the purpose of the bankruptcy." The Trustee's response to that question is as follows:

1. The reasons for the bankruptcy of any company are determined by its board of directors, not a trustee in bankruptcy. In the present case, the reasons for the bankruptcy are those of the Companies, not the Trustee. Please be mindful that the sole member of the Board of Directors of each entity in the Forme Group is Mr. Wang. Mr. Wang did not oppose the Claims Procedure Order nor the Undertaking, which are, at this point in time, the foundation for these proceedings, nor has he opposed any other Order issued in these proceedings. The Monitor will oppose any effort to further amend the Undertaking, terminate the Claims Process or alter the direction of these proceedings. We expect the Monitor's positions will be supported by stakeholders. Please also note that the Monitor is of the view that none of the costs of the bankruptcies, including those of the Trustee, Miller Thomson or Gardiner Roberts should be paid from the monies in trust at CBB (the "Surplus"). Mr. Wang's former counsel, Jim Grout and Lerner, were seeking funding from the Surplus for certain amounts they have invoiced. As a result of concerns raised by stakeholders, the Court required evidence that Mr. Wang does not have the ability to pay these fees from a source other than the Surplus. As a result, Mr. Wang provided a declaration as to his financial position. The Monitor wished to examine Mr. Wang on the declaration but Mr. Wang refused. Accordingly, the amounts owing to Grout and Lerner have not yet been paid.
2. Upon being advised by the Companies that they wished to make assignments in Bankruptcy, the Trustee was satisfied that the bankruptcies were not for an improper purpose.
3. Reasons provided by the Companies to the Trustee for the bankruptcy filings include:
 - (a) Given all of the circumstances, the Companies viewed the bankruptcy filings as being in the best interests of all of the given stakeholders; Did the Trustee inquire what stakeholders are being referred to? Were those stakeholders consulted with? The only feedback the Monitor has received from stakeholders to the bankruptcy filings has been very negative. As with the *ex parte* amendment to the Undertaking, we are not aware of a consultative process with stakeholders. If there was, please advise.
 - (b) The Companies had already liquidated their principal assets, and their principal remaining tasks are to determine claims, make tax and other filings and review and realize on tax and intangible assets where that would benefit the estates. There is already a process in place to determine the claims of the Companies. That process was established in a Claims Procedure Order that was not opposed by the Companies, and is consistent with the Undertaking provided by the Companies to the Court. Tax returns will need to be prepared for those entities and KSV would not object to funding for that purpose. There have been a myriad of issues obtaining information from the Forme Group for tax purposes.
 - (c) Despite having substantial realization proceeds, the Companies access to funding to carry out their remaining tasks was insufficient as the CCAA Monitor has not permitted the Companies to adequately fund their existing or future obligations and requirements; We are not aware what "remaining tasks" and "existing or future funding obligations and requirements" are being referred to. Please advise. The Undertaking, which was voluntarily signed by the Companies, contemplates that funding is available with the consent of the Monitor or Order of the Court. The Companies have not sought any Order of the Court for funding.
 - (c) There is a potential conflict between the CCAA administration and the Non Applicant Companies. The Monitor is reviewing whether to advance an intercompany claim by the CCAA Companies against the Non Applicant companies and the bankrupt entities may have claims against the CCAA Companies and its administration; We do not understand the conflict that is being suggested to potentially exist. It is not uncommon for a Court-appointed officer to deal with intercompany claims. To the extent there is a conflict here necessitating separate processes and Court officers, then it would be equally problematic for the Trustee to be the trustee in bankruptcy of each of the Companies as they may have claims against one another as well. Each member of the Forme Group would need its own process and Court officer. That

is of course ridiculous. Simply put, there is no potential conflict here. Additionally, the comment does not address that the Forme Group in the normal course transferred monies from one entity to another, likely in contravention of the relevant documents entered into when the money was raised. Any intercompany claim filed by the Monitor will be fully supported by evidence of advances or other appropriate evidence.

(e) The relationship between the Monitor and the NACs and their principal has broken down. The Companies and their principal have the following concerns:

- i. There has been unnecessary acrimony between the Monitor, the Companies and their principal, which they attribute to the Monitor. They are not satisfied that the Monitor has treated the Forme Development Group fairly, and no longer trust processes run by the Monitor. As you can imagine, the Monitor has a different perspective. The Monitor is a Court officer and has no interest or reason to treat the Forme Development Group unfairly. Every major step of the CCAA proceeding has been Court-approved.
- ii. The Companies are of the view that the CCAA process, as run by the Monitor, has seriously underperformed to the detriment of stakeholders. Again, every major step of the CCAA proceeding has been Court-approved, including each of the sale transactions. At no time did Mr. Wang or the Non-Applicants oppose any of the sales. In addition, Mr. Wang had every opportunity to assist the Monitor and TD in the sale processes.
- iii. They further consider that the NAC realization process to be more successful than the CCAA realization process (from both a cost and recovery perspective) and that the CCAA process has impaired the stakeholders. The Monitor disagrees with their assessment, from both a cost and recovery perspective. With respect to costs, those incurred by the Non-Applicants have been very significant and remain subject to potential dispute by the stakeholders. With respect to recoveries, the Monitor notes that many of the Non-Applicant properties remain unsold, and those that were sold to generate the surplus in the CBB trust account were always thought by everyone (including the Monitor) to be the "crown jewels" of the portfolio.
- iv. They consider that the administration of the Claims Process by the Monitor has been unsatisfactory and that the process is not working. This comment is incomprehensible. What does this mean? Did the Trustee inquire? The Monitor has conducted the Claims Process strictly in accordance with the Claims Procedure Order, which Order included significant input from Mr. Wang. Claims were filed as expected. The suggestion that the process is not working is simply without merit. Is Mr. Wang concerned by the number of claims filed, including against him personally?
- v. They consider that the CCAA process has been cumbersome, unnecessarily adversarial, far too expensive and detrimental to the financial position of stakeholders, including the shareholder. Given all of this the Companies were of the view that in the selection of process for the Companies to accomplish their remaining tasks, the Bankruptcy Act was a preferable alternative. The Monitor agrees that the process has been cumbersome, unnecessarily adversarial, far too expensive and detrimental to the financial position of the stakeholders. It has been all of those things because of the actions of Mr. Wang throughout the process. The Monitor's view and the view of other stakeholders is that the bankruptcy filings are yet another costly and unnecessary step by Mr. Wang intended to delay conclusion of the claims process. It is actions like these, which are contrary to the Orders issued in these proceedings, that have caused these proceedings to be more cumbersome, adversarial and expensive than necessary. Mr. Wang has caused the Non-Applicants to spend hundreds of thousands of dollars in professional costs unnecessarily, all of which have been paid from funds that would otherwise be

distributable to his creditors. Mr. Wang and the Non-Applicants have retained at least six different law firms in these proceedings.

- vi. They further consider more generally that the CCAA Process has run its course. The last remaining property in the CCAA process is about to be sold. The acrimony with the Monitor is not adding value. There is no restructuring plan and the remaining tasks can be better accomplished in other ways. **Suggesting that the CCAA should be terminated part way through a court-approved claims process is a challenge to understand. Given the time and cost invested by stakeholders and the Monitor in the process – which Mr. Wang did not oppose – it is hard to see this position being supported by stakeholders.**
- vii. There are a limited number of remaining stakeholders with an interest in the Companies, including the principal who has filed a Notice of Intention to make a Proposal and who will look to address the personal guarantees or other claims against him that may exist, and the maximization of value to satisfy claims, through that process. **There are a significant number of remaining stakeholders, as is evident from the number of claims filed in the claims process, including those against Mr. Wang personally. At this stage, it is not clear whether or not Mr. Wang is even an economic stakeholder of the Non-Applicants given the significant guarantee claims that have been asserted against him (which must be paid before Mr. Wang is entitled to anything as a shareholder).**

We would add that the Trustee has not made any determination as to the validity of the Companies' positions on these points but is satisfied that the positions are held in good faith and that the purpose of the filing is to advance the interest of the stakeholders. **To the extent you would like to discuss any of the foregoing, we and the Monitor would be pleased to meet with you to discuss. We believe it will become clear to you that the positions of the Non-Applicants are not held in good faith and that the purpose of the filings was not to advance the interest of the stakeholders.**

Regards

Bobby

BOBBY H. SACHDEVA

Partner

Miller Thomson LLP

100 New Park Place, Suite 700

Vaughan, Ontario L4K 0H9

Direct Line: +1 905.532.6670

Fax: +1 905.660.0139

Email: bsachdeva@millert Thomson.com

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Appendix “J”

David Sieradzki

From: Bobby Kofman
Sent: January 28, 2020 2:31 PM
To: Mike Wang
Cc: David Sieradzki; Jonathan Joffe; zweigs@bennettjones.com
Subject: RE: Wang Claims #6 to #18

Dear Mike,

Its not constructive to engage in a discussion with you on these topics and accordingly, I will reply succinctly.

You are aware of the issues concerning retention of counsel.

All of the "Wang Claims" have been provided in accordance with the terms of the Claims Procedure Order. The rest of the Claims will be provided to you shortly, but there are not the same timelines with respect to those other Claims.

The portion of the email in yellow appears to be drafted by legal counsel. Alternatively, you do not seem to have challenges with English.

We will soon send you how we recommend dealing with each of the "Wang Claims". To the extent we have a disagreement over certain claims, in accordance with the Claims Procedure Order, those claims will need to be determined by the Claims Officer. You (or your counsel) will need to argue for your position in front of the Claims Officer.

We will continue to conduct the Claims Process as set out pursuant to the court orders in these proceedings.

If you have concerns, you may bring a motion in the proceedings.

Best,

Bobby

Bobby Kofman
KSV Advisory Inc.
(o) 416 932 6228
(c) 647 282 6228
bkofman@ksvadvisory.com

From: Mike Wang <mike@formeddevelopmentgroup.com>
Sent: January 27, 2020 4:41 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Cc: David Sieradzki <dsieradzki@ksvadvisory.com>; Jonathan Joffe <jjoffe@ksvadvisory.com>; zweigs@bennettjones.com
Subject: Re: Wang Claims #6 to #18

Bobby

As I told you last week, my English is not good and I have no lawyer to protect my interest and to review the claims properly .

You not allowed funding for counsel, which I do not agree with, and is different from the process you asked me to agree to.

I review the CPO and saw in the order that I was supposed to receive copies of the claims in order for the review period to commence. I received nothing, the claims not has been delivered to me since claims bar date, Jan 10 2020. David gave me a link for the claims and I have to print it all out. I did not agree to this way, because the copies is required by CPO.

When I reviewed the claims submitted there are 23 claims against me plus 2 director and officer claims.

As I have no lawyer, no legal advice for this complicated CPO processing, and my English is not very good for legal material, other problem in the CCAA process, my reply to all the claims submitted is that each should be disallowed at this stage, for the following reasons:

1. the claims appear to be incorrect and/or invalid
2. the claims are overstated in amount. In particular many if not all include incorrect and/or invalid interest and default fees and other calculation and legal issues affecting the amount.
3. the claims are complex and require further review and additional documentation to properly assess them.
4. Various claims including 1, 6, and 17-19 are not the subject of guarantees at all, and it is unclear what they pertain to.
5. The basis of the two director and officer claims is not specified adequately to permit them to be evaluated at this stage.

All of the above requires advice from appropriate professionals, and the responses are provisional only and are subject to change.

I object to the allowance or further consideration of any claims until I have professional assistance and a fair opportunity to review each claim.

Also I did not receive any copies of the claims against all Forme Development Group entities. The KSV website only has Wang claims and D& O claims. Please provide claims against Forme Development Group companies. I can not properly assess personal claims without seeing the corporate claims to see how and where they come from.

Thanks,
Mike

Mike Wang
President

Forme Development Group
7100 Woodbine Avenue, Suite 206
Markham, ON L3R 5J2

T +1-905-604-5766 x108 C +1-416-728-8813

F +1-905-604-5768

E mike@formedevelopmentgroup.com

W formedevelopmentgroup.com

FORN

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On Wed, Jan 22, 2020 at 2:20 PM Bobby Kofman <bkofman@ksvadvisory.com> wrote:

Mike,

Thank you for your response. You have retained several lawyers throughout the CCAA proceedings and you have been advised by them throughout. Additionally, to the extent that you have any issues with English, it is our experience that Aimee and Jessica do not. They can assist you with the documents should that actually be required. You are fully aware of the terms established by the Court for the costs of your lawyer to be funded from the proceeds in trust with Cassels Brock. You can also retain a lawyer to assist you at your cost.

We look forward to hearing from you as required by January 27, 202, failing which KSV will proceed as contemplated by the claims procedure order.

Best,

Bobby

Bobby Kofman

KSV Advisory Inc.

(o) 416 932 6228

(c) 647 282 6228

bkofman@ksvadvisory.com

From: Mike Wang <mike@formeddevelopmentgroup.com>

Sent: January 22, 2020 2:05 PM

To: David Sieradzki <dsieradzki@ksvadvisory.com>

Cc: Bobby Kofman <bkofman@ksvadvisory.com>; Jonathan Joffe <jjoffe@ksvadvisory.com>;

zweigs@bennettjones.com

Subject: Re: Wang Claims #6 to #18

Thanks David.

Noticed. My English not good and I have no lawyer to protect my interests, I can not review anything myself.

This complicated processing I do not understand. I have no idea how to review. How to do? Please advise.

Thanks,

Mike

David Sieradzki <dsieradzki@ksvadvisory.com>于2020年1月22日 周三10:52写道 :

Mike –

This is a courtesy reminder of the January 27, 2020 deadline for you to provide your proposed treatment of all 23 Wang Claims filed in the Claims Procedure. We look forward to receiving your response in accordance with the Claims Procedure Order.

Thank you,
David

David Sieradzki

Managing Director

KSV Advisory Inc.

Appendix “K”



TD Securities

TD Securities Inc.
TD Tower
66 Wellington Street West, 9th Floor
Toronto, Ontario M5K 1A2

April 2, 2019

Attn: Bobby Kofman (MD) / David Sieradzki (MD)

KSV Advisors
150 King St. W. (2308),
Toronto, ON, M5H 1J9

RE: PROCESS OVERVIEW AND MARKET FEEDBACK

All –

As requested, please find below an overview of the FORME Development CCAA process for your reference:

The marketing program was launched on February 6th, 2019, with the marketing Teaser and Confidentiality Agreement ("CA") being distributed by email to TD's subscriber list of approximately 2,000 market participants. In addition, to ensure that the offering received the highest visibility to the market, TD completed the following: 1) each project was listed on the Toronto Multiple Listing Service ("MLS") system (Niagara Falls was also posted to the Niagara Region's MLS system); 2) print advertisements were placed in the Globe and Mail; and, 3) advertisements were placed in two online development focused publications - Novae Res Urbis GTA and Toronto editions as well as Urban Toronto. We also understand that KSV posted the Teaser on its web site for those accessing the insolvency case materials.

In advance of the process launch, TD prepared a comprehensive marketing package, providing an in-depth description of each site, the proposed development and where each project stood within its respective re-entitlement process, which was made available to potential purchasers who signed a CA. TD also compiled an online Data Room with all available information on the sites, which was made available to prospective purchasers to assist them with their diligence.

The launch was well received with approximately 120 potential purchasers submitting CAs. The interested parties comprised a broad spectrum of buyer profiles including local developers, private investors, large scale regional developers, investment conglomerates and purchaser representatives. TD followed up with personal calls or emails to all interested parties and provided additional support to assist with their respective pre-bid due diligence.

Initial feedback was generally positive, however, as the process progressed, the reoccurring commentary received was that the offering comprised a mix of good locations, along with "B" / "C" class locations. Additional soundbites from purchasers were focused on market softening in the GTA residential sector and the resulting shift in purchasers' appetite for addition risk on sites without solid fundamentals. Nevertheless, TD responded to numerous inquiries from interested parties regarding the site specific diligence information, which was made available in the online Data Room for the process.

Interested parties conducted in-depth diligence on the properties, reviewing the documentation provided in the Data Room, reaching out to city planners, and in some cases, commissioning their own third party consultants to verify the viability of the proposed projects. Upon further diligence, several parties identified functional deficiencies with two of the development site plans (Carrville and Kingston) which, in their view, may require amendments to the development plans and could result in a decrease in total units for both projects. Additionally, parties spent considerable effort understanding the impact of contamination at several of the sites, which added an additional layer



TD Securities

of complexity to the process. Other general comments related to the appropriateness of some of the proposed built-forms and status with respect to the re-entitlement process.

Bids were received for all properties with multiple offers being registered for each project. Multiple competitive bids were received for Danforth, Carrville, Anglin and Niagara, with limited interest for Wilson (mainly due to the small size of the development) and opportunistic buyers bidding on Kingston and Kennedy (due to the location, contamination on both sites and site plan complications on Kingston). TD has provided top bidders for Danforth, Carrville, Anglin and Wilson with invitations to a Round Two submission, with the intent to maximize pricing and minimize conditionality. A deal has been negotiated with the top bidder for Niagara who submitted a strong firm offer.

If you have any questions regarding the above or would like to discuss in further detail, please let us know.

Sincerely,

TD Securities

Appendix “L”



David Sieradzki

ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6030

F +1 416 932 6266

dsieradzki@ksvadvisory.com

ksvadvisory.com

January 11, 2019

DELIVERED BY EMAIL

To: Mortgagees of 3310 Kingston Development Inc., 1296 Kennedy Development Inc., 1326 Wilson Development Inc., 5507 River Development Inc., 4439 John Development Inc., 250 Danforth Development Inc., 159/169/189 Carville Development Inc. and 27/29 Anglin Development Inc. (collectively, the "Companies")

Dear Sirs:

KSV Kofman Inc. ("KSV") is the monitor ("Monitor") in the Companies' proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on November 30, 2018, as amended and restated, TD Cornerstone Commercial Realty Inc. ("TD") has been engaged to carry out a Court-approved sale process ("Sale Process") for the Companies' real property.

In order for the Monitor to provide any mortgagee with Sale Process updates, the Monitor requires such mortgagee execute a confidentiality agreement ("CA"), a copy of which is attached as Appendix "A". Any mortgagee who receives updates during the Sale Process will be precluded from being a bidder in the Sale Process. This does not affect a mortgagee's right to credit bid or otherwise make an offer for the subject property once the Sale Process for the subject property has terminated.

Should you have any questions on the CA, please contact the undersigned or Sean Zweig of Bennett Jones LLP, the Monitor's legal counsel. Otherwise, kindly return the executed version at your earliest convenience.

TD has provided a brief update on the current status of its underwriting process, a copy of which is attached as Appendix "B". The Monitor does not expect to have material updates in the Sale Process until the Sale Process launch date of February 6, 2019.

Please note that KSV is also the proposal trustee in respect of various entities related to the Companies. The sale process for those properties launched on January 9, 2019.

Yours very truly,

**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS CCAA MONITOR OF
THE COMPANIES
AND NOT IN ITS PERSONAL CAPACITY**

Per: David Sieradzki

DS:rk

Encl.

Appendix “A”



Bobby Kofman
KSV Kofman Inc.

150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6228
F +1 416 932 6266
bkofman@ksvadvisory.com

ksvadvisory.com

January 10, 2019

Dear Sir/Madam:

Re: Confidentiality Agreement

Pursuant to an order of the Ontario Superior Court of Justice (the "Court") made on November 30, 2018, as amended and restated (the "Initial Order"), Forme Development Group Inc. and those other parties listed on Schedule "A" (collectively, the "Applicants") were granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and KSV Kofman Inc. was appointed as Monitor (the "Monitor"). Pursuant to the Initial Order, a sales process was approved (the "Sales Process").

In connection with your mortgage or mortgages in respect of certain property of one or more of the Applicants listed on Schedule "B" (the "Property") which are subject to the Sales Process, you have requested certain oral and written information from the Applicants and the Monitor on the basis that you do not intend to be a bidder ("Bidder") in the Sales Process and that throughout the Sales Process you shall not be a Bidder. You reserve your right to speak with potential Bidders provided that you do not disclose any confidential information obtained as a result of this Agreement or that is otherwise the subject of this Agreement, including, without limitation, the number of bidders, the identity of any bidders, or the amounts/structure of any potential bid. References to the "Information Parties" herein shall mean the Monitor, the Applicants, TD Cornerstone Commercial Realty Inc. ("TD") and their respective employees, principals, advisors and/or agents. All such information furnished to you or your Representatives (as defined below) by or on behalf of the Information Parties (irrespective of the form of communication and whether such information is so furnished before, on or after the date hereof), and all analyses, compilations, data, studies, notes, interpretations, memoranda or other documents prepared by you or your Representatives containing or based in whole or in part on any such furnished information are collectively referred to herein as the "Information".

In consideration of furnishing you with the Information, the Monitor requests your agreement to, and you agree to and will cause your Representatives to comply with, the following:

1. The Information will be used solely for the purpose of remaining informed in respect of the Sales Process, and the Information will be kept strictly confidential and will not be disclosed by you or your Representatives to any party, including any party expressing an interest in the Property, except that you may disclose the Information or portions thereof to those of your directors, officers, shareholders and employees and representatives of your legal, accounting and financial advisors (the persons to whom such disclosure is permissible being collectively referred to herein as the "Representatives") who need to know such information for the purpose of this agreement (the "Agreement"); provided that such Representatives are informed of the confidential and proprietary nature of the Information and agree to comply with the terms of this Agreement. You agree to be responsible for any breach of this Agreement by your Representatives (it being understood that such responsibility shall be in addition to and not by way of limitation of any right or remedy the Monitor and/or other beneficiaries of this Agreement may have against such Representatives with respect to any such breach).
2. The term "person" as used in this Agreement will be interpreted broadly to include the media and any corporation, company, group, partnership, limited liability company, trust or other entity or individual.

3. If you or any of your Representatives become legally compelled (including by deposition, discovery, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Information, you shall provide the Monitor with prompt prior written notice of such requirement so that the Monitor may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement. If such protective order or other remedy is not obtained, or if the Monitor waives compliance with the provisions hereof, both you and your Representatives shall disclose only that portion of the Information which is legally required to be disclosed and shall take all reasonable steps to attempt to preserve the confidentiality of the Information.
4. The term "Information" does not include any information which (i) at the time of disclosure is generally available to the public (other than as a result of a disclosure directly or indirectly by you or your Representatives or a person that disclosed such information in breach of a confidentiality obligation owed to the Monitor) or (ii) was available to you on a non-confidential basis from a source other than any of the Information Parties or their respective advisors, provided that such source was not known by you to be bound by a confidentiality obligation owed to the Monitor.
5. If you are no longer a mortgagee to any Property, you will promptly notify the Monitor and its counsel. At the time of such notice, or if, at any earlier time, the Monitor so directs, you and your Representatives will promptly return to the Monitor (whether or not prepared by the Information Parties or otherwise on their behalf), or destroy, all Information and all copies, extracts or other reproductions in whole or in part thereof. Notwithstanding the return of the Information, you and your Representatives will continue to be bound by this Agreement.
6. You understand and acknowledge that none of the Information Parties, or any of their officers, directors, employees, shareholders, representatives or agents is making any representation or warranty, express or implied, as to the accuracy or completeness of the Information, and none of the Information Parties, or any of their officers, directors, shareholders, employees, representatives or agents, will have any liability or legal obligation of any kind to you or any other person resulting from your use of the Information.
7. You agree that you are not entitled to be a Bidder of the Property for the purposes of the Sales Process. This Agreement, however, shall not affect your rights as a mortgagee, including any right to credit bid, once the Sales Process has been terminated.
8. No provision in this Agreement can be waived or amended except by written consent of the Monitor, which consent shall specifically refer to this paragraph and explicitly make such waiver or amendment.
9. You agree that monetary damages would not be a sufficient remedy for any breach of this Agreement by you and that the Monitor and/or the Applicants shall be entitled to, and you shall not oppose the granting of, equitable relief, including injunction and specific performance, in the event of any such breach, in addition to all other remedies available to the Monitor and/or the Applicants at law or in equity or otherwise.
10. You agree that no failure or delay by the Monitor and/or the Applicants in exercising any right, power or privilege hereunder will operate as a waiver thereof or an estoppel thereto, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
11. If any provision of this Agreement is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity shall not be deemed to affect any other provision hereof or the validity of the remainder of this Agreement, and such invalid provision shall be deemed deleted herefrom to the minimum extent necessary to cure such violation.

12. Any requirement for you to provide notice or other communication shall be in writing and may be delivered personally or transmitted by fax or email, addressed as follows:

If to the Monitor:

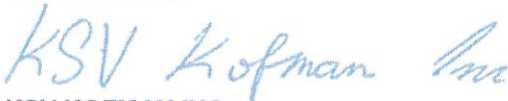
KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9
Attention: Bobby Kofman
Fax: 416.932.6262
Email: bkofman@ksvadvisory.com

with a copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4
Attention: Sean Zweig
Fax: 416.863.1716
Email: zweigs@bennettjones.com

13. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to the conflicts of law principles thereof.
14. If you agree with the foregoing, please sign and return a copy of this letter, which will constitute our agreement with respect to the subject matter hereof.

Yours very truly,



KSV KOFMAN INC.

**IN ITS CAPACITY AS COURT APPOINTED CCAA MONITOR OF
THE APPLICANTS
AND NOT IN ITS PERSONAL CAPACITY**

CONFIRMED AND AGREED

Per:

Name of Mortgagee

Schedule "A" – List of 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" – List of Properties

250 Danforth Rd. E

Block 55 - Dairy Dr., Toronto, ON (PIN 06449-0741)

Block 53 - Bamblett Dr., Toronto, ON (PIN 06449-0739)

Block 54 - Bamblett Dr., Toronto, ON (PIN 06449-0740)

3314 Kingston Rd., Toronto, ON

1296 Kennedy Rd., Toronto, ON

1326 Wilson Ave, Toronto, ON

1328 Wilson Ave, Toronto, ON

4439 John St., Niagara Falls, ON

4407 John St., Niagara Falls, ON

4413 John St., Niagara Falls, ON

4427 John St., Niagara Falls, ON

5507 River Rd. Niagara Falls, ON

5471 River Rd., Niagara Falls, ON

5491 River Rd., Niagara Falls, ON

1483 Birchmount Rd., Toronto, ON

159 Carrville Road, Richmond Hill, ON

169 Carville Road, Richmond Hill, ON

177 Carrville Road, Richmond Hill, ON

181 Carrville Road, Richmond Hill, ON

189 Carrville Road, Richmond Hill, ON

27 Anglin Drive, Richmond Hill, ON

29 & 31 Anglin Drive, Richmond Hill, ON

Appendix “B”

David Sieradzki

From: Carter, Thaine <Thaine.Carter@tdsecurities.com>
Sent: January 10, 2019 8:58 PM
To: Bobby Kofman; David Sieradzki; Jonathan Joffe
Cc: Martis, Ashley (Investment Banking); Pithayachariyakul, Kwang; Balachandar, Karan
Subject: Process Update - FORME - CCAA Portfolio

Good Evening All –

For your reference, please find below a brief summary of our progress on the CCAA Process preparation:

We continue to make progress on our marketing materials and have been working with FORME to gather the few diligence items still outstanding. To date, we have received a substantial amount of the requested information from FORME and are in the process of finalizing the Online Data Room. We are also in the process of completing the content for the draft Offering Summary, with our internal design team integrating any imagery of the various sites/projects into their respective sections within the marketing materials.

We have had several pre-marketing conversations with potential purchasers, and overall feedback received has been positive. We've also fielded several inbound calls from developers eager to participate in the process, and anticipate that there will be considerable interest from the market.

We continue to be on pace to meet our target launch date of February 6th, 2019, and look forward to circulating our draft materials for your review in the coming days.

Regards,

L. Thaine Carter | Vice President | TD Securities
T: 416 308 0289 | C: 416 846 0536

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Appendix “M”

AGREEMENT OF PURCHASE AND SALE

BETWEEN

KSV KOFMAN INC.

solely in its capacity as court-appointed monitor of
1296 Kennedy Development Inc., and not in its personal capacity or in any other capacity

- and -

SUNRAY GROUP OF HOTELS INC.,
in trust for a new company to be incorporated

Dated: February 7, 2020

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 7th day of February, 2020.

BETWEEN:

KSV KOFMAN INC. ("KSV"), solely in its capacity as court-appointed monitor of 1296 Kennedy Development Inc., and not in its personal capacity or in any other capacity

(in such capacity, the "**Monitor**")

- and -

SUNRAY GROUP OF HOTELS, in trust for a new company to be incorporated

(the "**Purchaser**")

RECITALS

- A. **WHEREAS** on November 30, 2018, Forme Development Group Inc., 1296 Kennedy Development Inc. (the "**Owner Applicant**") and the other companies on Schedule "A" hereto (collectively, the "**Applicants**"), were granted creditor protection pursuant to an Initial Order granted by the Honorable Mr. Justice Hainey (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36 (the "**CCAA**");
- B. **AND WHEREAS** pursuant to the Initial Order, KSV Kofman Inc. ("**KSV**") was appointed as monitor (the "**Monitor**") of the Applicants;
- C. **AND WHEREAS** pursuant to the Initial Order, the Monitor was authorized to, among other things, market the Purchased Assets (as defined hereafter) and apply for an order of the Court approving the sale of the Purchased Assets and vesting in and to a purchaser all the Owner Applicant's right, title and interest in and to the Purchased Assets;
- D. **AND WHEREAS** pursuant to the Initial Order, a sales process was approved by the Court and implemented by the Monitor;
- E. **AND WHEREAS** the Purchaser wishes to purchase and the Monitor wishes to sell the Purchased Assets upon the terms and subject to the conditions set out herein.

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties (as defined hereafter), the Parties agree as follows:

ARTICLE 1
DEFINED TERMS

1.1 Definitions

In this Agreement:

"**Acceptance Date**" means the date that this Agreement is executed by and delivered to all Parties hereunder;

"**Accounts Payable**" means all amounts relating to the Business owing to any Person which are incurred in connection with the purchase of goods or services in the ordinary course of business;

"**Agreement**" means this agreement of purchase and sale, including all schedules and all amendments or restatements, as permitted, and references to "**article**", "**section**" or "**schedule**" mean the specified article, section of, or schedule to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

"**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

"**Applicants**" has the meaning set out in the recitals hereof;

"**Approval and Vesting Order**" means the approval and vesting order issued by the Court approving this Agreement and the transactions contemplated by this Agreement, and authorizing and directing the Monitor to complete the Transaction and conveying to the Purchaser all of the Owner Applicant's right, title and interest, if any, in and to the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, and which order shall be in a form and substance substantively similar to the draft order attached as Schedule "B" hereto;

"**Books and Records**" means the files, documents, instruments, surveys, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) pertaining to the Purchased Assets in the possession or control of the Owner Applicant and that have been or will be delivered by the Monitor to the Purchaser at or before Closing; provided, however, that "Books and Records" shall not include any bank or accounting records;

"**Business**" means the business' carried on by the Owner Applicant with respect to the Real Property;

"**Business Day**" means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

"**Claims**" means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses,

contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing, related to the Owner Applicant or the Real Property, and "**Claim**" means any one of them;

"**Closing**" means the successful completion of the Transaction;

"**Closing Date**" means the later of March 4, 2020 and the first Business Day which is Two (2) Business Days after receipt of the Approval and Vesting Order;

"**Closing Time**" means 4:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

"**Confidential Information**" has the meaning given in Section 6.1 herein;

"**Court**" has the meaning set out in the recitals hereof;

"**Deposit**" has the meaning given in Section 4.2 herein;

"**Direction re: Title**" has the meaning given in Section 16.10 herein;

"**Encumbrances**" means all liens, charges, security interests (whether contractual, statutory or otherwise), pledges, leases, offers to lease, title retention agreements, mortgages, restrictions on use, development or similar agreements, easements, rights-of-way, title defects, options or adverse claims or encumbrances of any kind or character whatsoever;

"**ETA**" means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

"**Excluded Assets**" means the Owner Applicant's right, title and interest in and to any asset of the Owner Applicant other than the Purchased Assets, which Excluded Assets include the Owner Applicant's right, title and interest in and to the following:

- (a) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Owner Applicant that do not relate exclusively or primarily to any of the Purchased Assets; and
- (b) the benefit of any refundable Taxes payable or paid by the Owner Applicant in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Owner Applicant to any refund, rebate, or credit of Taxes for the period prior to the Closing Date.

"**Excluded Liabilities**" has the meaning given in Section 3.3 herein;

"**Governmental Authority**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts,

bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and "**Governmental Authority**" means any one of them;

"**HST**" means harmonized sales tax imposed under Part IX of the ETA;

"**Initial Order**" has the meaning set out in the recitals hereof;

"**ITA**" means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

"**Lands**" means, those certain parcels or tracts of land and premises situate, lying and being in the City of Toronto in the Province of Ontario, as legally described in Schedule "D" hereto, and includes all rights and benefits appurtenant thereto;

"**LRO**" means the Land Registry Office for the Land Titles Division of Toronto (No. 66);

"**Monitor's Certificate**" means the certificate referred to in the Approval and Vesting Order, which, when delivered to the Purchaser, has the effect of invoking the foreclosure and vesting order provisions contained in the Approval and Vesting Order;

"**Monitor's Solicitors**" means Bennett Jones LLP;

"**Notice**" has the meaning given in Section 16.3 herein;

"**Owner Applicant**" has the meaning set out in the recitals hereof;

"**Parties**" means the Monitor and the Purchaser;

"**Permitted Encumbrances**" means all those Encumbrances described in Schedule "C" hereto;

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

"**Purchase Price**" has the meaning set out in Section 4.1 herein;

"**Purchased Assets**" means all of the Owner Applicant's right, title and interest in and to the Real Property, provided, however, that the Purchased Assets shall not include the Excluded Assets or the Excluded Liabilities;

"**Purchaser**" means Sunray Group of Hotels, in trust for a new company to be incorporated;

"**Purchaser Representatives**" has the meaning given in Section 6.1 herein;

"**Real Property**" means the Lands, together with all buildings, improvements and structures thereon) and the fixtures affixed thereto;

"**Taxes**" means all taxes, HST, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not; and

"**Transaction**" means the transaction of purchase and sale of the Purchased Assets as contemplated by this Agreement.

ARTICLE 2 **SCHEDULES**

2.1 Schedules

The following schedules are incorporated in and form part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule "A"	List of Applicants
Schedule "B"	Approval and Vesting Order
Schedule "C"	Permitted Encumbrances
Schedule "D"	Legal Description of Lands

ARTICLE 3 **AGREEMENT TO PURCHASE**

3.1 Purchase and Sale of Purchased Assets

Relying on the representations and warranties herein, the Monitor hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, all right, title and interest of the Owner Applicant in and to the Purchased Assets free and clear of all Encumbrances, other than the Permitted Encumbrances. Subject to the Closing, the Monitor hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, claims and demands whatsoever in the Purchased Assets. The provisions of this Section 3.1 shall not merge but shall survive the completion of the Transaction. Notwithstanding the forgoing, nothing herein shall prohibit the Monitor, in its sole, absolute and unfettered discretion, from seeking to be discharged as monitor of the Owner Applicant at any time after Closing. The parties hereto hereby acknowledge and agree that the covenants of the Monitor contained in this Section 3.1 shall terminate concurrently with the discharge of the Monitor as monitor of the Owner Applicant.

3.2 Excluded Assets

Notwithstanding anything else in this Agreement, the Purchased Assets shall not include the Excluded Assets.

3.3 Excluded Liabilities

The Purchaser is not assuming, and shall not be deemed to have assumed any liabilities, obligations or commitments of the Owner Applicant or of any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Business or the Owner Applicant's ownership or interest therein, whether pursuant to this Agreement or as a result of the Transaction (collectively, the "**Excluded Liabilities**"). For greater certainty, the Excluded Liabilities shall include, but not be limited to, the following:

- (a) except as otherwise agreed in this Agreement, all Taxes payable by the Owner Applicant arising with respect to any period prior to the Closing Date and all Taxes payable relating to any matters or assets other than the Purchased Assets arising with respect to the period from and after the Closing Date;
- (b) any liability, obligation or commitment associated with: (i) the Accounts Payable and incurred prior to Closing; or (ii) any employees of the Owner Applicant;
- (c) any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;
- (d) any liability, obligation or commitment associated with any of the Excluded Assets; and
- (e) any liability, obligation or commitment in respect to Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date.

ARTICLE 4

PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price

The purchase price for the Purchased Assets shall be the aggregate of [REDACTED] (the "**Purchase Price**"), plus all applicable Taxes payable in respect of the Transaction.

4.2 Deposit

Concurrently with the execution of this Agreement, the Purchaser shall pay to the Monitor's Solicitors, in trust, a deposit by wire or certified cheque of TWO HUNDRED TWENTY-FIVE THOUSAND (\$225,000.00) dollars (the "**Deposit**"), which Deposit shall be held by the

Monitor's Solicitors in accordance with the provisions of this Agreement pending completion or other termination of this Agreement and shall be applied against and towards the Purchase Price due on completion of the Transaction on the Closing Date.

4.3 Satisfaction of Purchase Price

The Purchaser shall indefeasibly pay and satisfy the Purchase Price as follows:

- (a) the Deposit shall be applied against the Purchase Price; and
- (b) the balance of the Purchase Price, subject to the adjustments contemplated in this Agreement, shall be paid by wire or certified cheque on Closing by the Purchaser to the Monitor's Solicitors or as the Monitor's Solicitors may otherwise direct in writing.

4.4 Allocation of Purchase Price

The Parties, acting reasonably and in good faith, covenant to use commercially reasonable efforts to agree to allocate the Purchase Price among the Purchased Assets in a mutually agreeable manner on or prior to the Closing Time, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but rather shall result in the nullity of the application of this Section 4.4 of the Agreement such that each of the Parties shall be free to make its own reasonable allocation.

4.5 Adjustment of Purchase Price

The Purchase Price shall be adjusted as of January 31, 2020 for any realty taxes and local improvement rates and charges (including interest thereon), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets as contemplated by this Agreement. The Monitor shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval no later than five (5) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date (reflecting an adjustment date of January 31, 2020), an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties as of the Closing Date, each Party acting reasonably, and such estimate shall serve as a final determination. Other than as provided for in this Section 4.5, there shall be no adjustments to the Purchase Price.

ARTICLE 5 **TAXES**

5.1 Taxes

In addition to the Purchase Price, the Purchaser shall be responsible for all federal and provincial sales taxes, land transfer tax, goods and services, HST and other similar taxes and duties and all registration fees payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser. If the sale of the Purchased Assets is subject to HST, then such tax shall

be in addition to the Purchase Price. The Monitor will not collect HST if the Purchaser provides to the Monitor a warranty that it is registered under the ETA, together with a copy of the required ETA registration at least five (5) Business Days prior to Closing, a warranty that the Purchaser shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Monitor in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

ARTICLE 6

ACCESS AND CONFIDENTIALITY

6.1 Confidentiality

Prior to Closing, the Purchaser shall maintain in confidence and not disclose to any Person this Agreement or the terms thereof or any information or documentation obtained, prepared or summarized by the Purchaser or its representatives (collectively, the "**Confidential Information**"), except, on a need to know basis, to those individuals employed by the Purchaser, its professional consultants, including the Purchaser's legal counsel, and to those Persons who have agreed in writing in favour of the Monitor and Purchaser not to disclose any Confidential Information (collectively, the "**Purchaser Representatives**"). The Purchaser will ensure that each Purchaser Representative treats the Confidential Information as confidential and any failure of a Purchaser Representative to do so will be a breach of this Agreement by the Purchaser.

6.2 Authorizations

Upon request, the Monitor shall provide the Purchaser with authorizations executed by the Monitor and addressed to the appropriate municipal building department, zoning department and fire department and to any other Governmental Authority, authorizing the release of any and all information on file in respect of the Purchased Assets, but such authorization shall not authorize any inspections by any Governmental Authority.

ARTICLE 7

CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place at the Closing Time at the offices of the Monitor's Solicitors, located in Toronto or at such other time or at such other place as the Parties may agree in writing.

7.2 Tender

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party. The Monitor and the Purchaser acknowledge and agree that insofar as the tender of any documents to be electronically registered is concerned, the tender of same will be deemed to be effective and proper when the solicitor for the party tendering has completed all steps required by Teraview in order to complete the Transaction that can be performed or undertaken by the tendering party's solicitor without the cooperation or

participation of the other party's solicitor, and specifically when the tendering party's solicitor has electronically "signed" the transfer/deed and any other Closing document, if any, to be electronically registered for completeness and granted access to the other party's solicitor to same, but without the necessity of the tendering party's solicitor actually releasing such document(s) to the other party's solicitor for registration.

7.3 Monitor's Closing Deliverables

The Monitor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date as expressly provided herein:

- (a) a copy of the issued and entered Approval and Vesting Order and the attached Monitor's Certificate;
- (b) a statement of adjustments prepared in accordance with Section 4.5 hereof, to be delivered not less than five (5) Business Days prior to Closing;
- (c) a certificate signed by the Monitor confirming that, to the best of the Monitor's knowledge, the Owner Applicant is not a non-resident of Canada within the meaning of the said section 116;
- (d) a certificate from the Monitor, dated as of the Closing Date, certifying that all representations, warranties and covenants of the Monitor contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;
- (e) an acknowledgement, dated as of the Closing Date, that each of the conditions in Section 8.1 hereof have been fulfilled, performed or waived as of the Closing Time; and
- (f) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Purchaser, acting reasonably, or by Applicable Law or any Governmental Authority.

7.4 Purchaser's Closing Deliverables

The Purchaser covenants to execute, where applicable, and deliver the following to the Monitor at Closing or on such other date as expressly provided herein:

- (a) the indefeasible payment and satisfaction in full of the Purchase Price according to Section 4.3 hereof;
- (b) a certificate from the Purchaser, dated as of the Closing Date, certifying that all representations, warranties and covenants of the Purchaser contained in Article 10 are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;

- (c) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, appropriate tax exemption certificates with respect to HST in accordance with Article 5 hereof;
- (d) if desired, a direction directing the Monitor to convey title to any of the Purchased Assets to an entity other than the Purchaser; and
- (e) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Monitor, acting reasonably, or by Applicable Law or any Governmental Authority.

7.5 Monitor's Certificate

Upon receipt of written confirmation from the Purchaser that all of the conditions contained in Section 8.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Monitor of all of the conditions contained in Section 8.1, the Monitor shall forthwith deliver to the Purchaser the Monitor's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

ARTICLE 8 **CONDITIONS PRECEDENT TO CLOSING**

8.1 Conditions in Favour of the Monitor

The obligation of the Monitor to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (a) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Purchaser contained in Article 10 to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (c) there shall be no order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets enjoining, preventing or restraining the completion of the Transaction; and
- (d) the Court shall have issued the Approval and Vesting Order.

8.2 Conditions in Favour of Monitor Not Fulfilled

If any of the conditions contained in Section 8.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Monitor, then the Monitor may, at its sole discretion (other than as stipulated below) and without limiting any rights or remedies available to it at law or in equity:

- (a) terminate this Agreement by notice to the Purchaser, in which event the Monitor shall be released from its obligations under this Agreement to complete the

Transaction, provided that if this Agreement is so terminated because of the conditions set out in Section 8.1(a) or Section 8.1(b) not being satisfied or waived, the Purchaser shall forfeit the Deposit to the Owner Applicants; or

- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

8.3 Conditions in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date, which conditions are inserted for the sole benefit of the Purchaser and may be waived in whole or in part at the Purchaser's sole option:

- (a) all the representations and warranties of the Monitor contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Monitor under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Monitor;
- (c) there shall be no order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets enjoining, preventing or restraining the completion of the Transaction;
- (d) from the Acceptance Date to Closing, there shall have been no new Encumbrances registered on title to the Lands or matters affecting the title to the Lands arising or registered after the Acceptance Date, in each case which are not otherwise vested-out pursuant to the Approval and Vesting Order; and
- (e) the Court shall have issued the Approval and Vesting Order.

8.4 Conditions in Favour of Purchaser Not Fulfilled

If any of the conditions contained in Section 8.3 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion and without limiting its rights or remedies available at law or in equity:

- (a) terminate this Agreement by notice to the Monitor, in which event the Purchaser and the Monitor shall be released from their obligations under this Agreement to complete the Transaction and the Deposit and all interest accrued thereon shall be immediately returned to the Purchaser without deduction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

ARTICLE 9
REPRESENTATIONS & WARRANTIES OF THE MONITOR

The Monitor represents and warrants to the Purchaser as follows, with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

- (a) the Monitor has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Monitor, subject to the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Monitor enforceable in accordance with its terms;
- (b) the Monitor has been duly appointed as the monitor of the Applicants by the Initial Order and such Initial Order is in full force and effect and has not been stayed, and, subject to obtaining the Approval and Vesting Order, the Monitor has the full right, power and authority to enter into this Agreement, perform its obligations hereunder and convey all right, title and interest of the Owner Applicant in and to the Purchased Assets;
- (c) to the best of the Monitor's knowledge, the Owner Applicant is not a non-resident of Canada for the purposes of the ITA; and
- (d) subject to any charges created by the Initial Order, the Monitor has done no act itself to encumber or dispose of the Purchased Assets and is not aware of any action or process pending or threatened against the Owner Applicant that may affect its ability to convey any of the Purchased Assets as contemplated herein.

ARTICLE 10
REPRESENTATIONS & WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Monitor as follows, with the knowledge and expectation that the Monitor is placing complete reliance thereon and, but for such representations and warranties, the Monitor would not have entered into this Agreement:

- (a) the Purchaser is a corporation duly formed and validly subsisting under the laws of the Province of Ontario;
- (b) the Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Governmental Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This

Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;

- (c) the Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date; and
- (d) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

ARTICLE 11 **COVENANTS**

11.1 Mutual Covenants

Each of the Monitor and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all such actions as are necessary to have the Transaction approved in the Approval and Vesting Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions set forth in Article 8 hereof.

11.2 Monitor Covenants

The Monitor hereby covenants and agrees that, from the date hereof until Closing, it shall use commercially reasonable efforts to provide to the Purchaser all necessary information in respect of the Owner Applicant and the Purchased Assets reasonably required to complete the applicable tax elections in accordance with Article 5 hereof and to execute all necessary forms related thereto.

ARTICLE 12 **POSSESSION AND ACCESS PRIOR TO CLOSING**

12.1 Possession of Purchased Assets

The Monitor shall remain in possession of the Purchased Assets until the Closing Time, at which time the Purchaser shall take possession of the Purchased Assets where situated. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in this Agreement and the Approval and Vesting Order have been satisfied or waived and the Purchaser has satisfied or the Monitor has waived all the delivery requirements outlined in Section 8.1 hereof.

12.2 Risk

- (a) The Purchased Assets shall be and remain at the risk of the Monitor until Closing and at the risk of the Purchaser from and after Closing.
- (b) If, prior to the Closing Date, all or a material part of any of the Real Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of any of the Real Property is issued by any Governmental Authority, the Monitor shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three (3) Business Days after the Purchaser receives Notice in writing from the Monitor of such expropriation, elect to either (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation of any of the Real Property shall be payable to the Purchaser and all right, title and interest of the Owner Applicant to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis, or (ii) terminate this Agreement as it relates solely to the Purchased Assets with respect to such Real Property and not complete the Transaction, in which case all rights and obligations of the Monitor and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit shall be returned to the Purchaser forthwith.
- (c) If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire, casualty or otherwise, then, the transaction shall be completed without deduction or set-off.

ARTICLE 13 **AS IS, WHERE IS**

13.1 Condition of the Purchased Assets

The Purchaser acknowledges that the Monitor is selling and the Purchaser is purchasing the Purchased Assets on an "*as is, where is*" and "*without recourse*" basis as the Purchased Assets shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Monitor nor the Owner Applicant has guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser will conduct such inspections of the condition and title to the Purchased Assets as it deems appropriate and will satisfy itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Monitor to sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.O. 1990, c. S.1, do not apply hereto and/or have been waived by the Purchaser. The description of the Purchased Assets contained in this

Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Monitor concerning the accuracy of such description.

ARTICLE 14
POST-CLOSING MATTERS

14.1 Books and Records

The Purchaser shall keep and maintain the Books and Records for a period of two (2) years from the Closing Date, or for any longer period as may be required by Applicable Law or Governmental Authority or as requested by the Monitor, the Owner Applicant or the Owner Applicant's trustee in bankruptcy (the "**Retention Period**"). Upon reasonable advance notice, during such two (2) year period after the Closing Date, the Purchaser will grant the Monitor and the Owner Applicant and, in the event the Owner Applicant is adjudged bankrupt, any trustee of the estate of the Owner Applicant and their respective representatives, reasonable access during normal business hours to use and copy the Books and Records at the sole cost of the Monitor, Owner Applicant or bankruptcy trustee of the estate of the Owner Applicant, as the case may be, and at no cost to the Purchaser. After the Retention Period, the Purchaser shall give the Monitor, the Owner Applicant or bankruptcy trustee of the estate of the Owner Applicant, as the case may be, thirty (30) days' prior written notice of its intent to destroy the Books and Records. The Parties agree that the covenants of the Purchaser in this Section 14.1 shall survive the closing of the Transaction.

ARTICLE 15
TERMINATION

15.1 Termination of this Agreement

This Agreement may be validly terminated:

- (a) upon the mutual written agreement of the Parties;
- (b) pursuant to Section 8.2 hereof by the Monitor;
- (c) pursuant to Section 8.4 hereof by the Purchaser; or
- (d) pursuant to Section 12.2 hereof.

15.2 Remedies for Breach of Agreement

Notwithstanding any other term or condition of this Agreement, if this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Monitor, the Purchaser shall be entitled to the return of the Deposit without deduction, which shall be returned to the Purchaser forthwith, and this shall be the Purchaser's sole right and remedy pursuant to this Agreement or at law as a result of the Monitor's breach. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, the Deposit shall be forfeited to the Monitor as liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Monitor would

suffer in such circumstances, and this shall be the Monitor's sole right and remedy pursuant to this Agreement or at law as a result of the Purchaser's breach.

15.3 Termination If No Breach of Agreement

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then the parties hereto shall be released from all obligations and liabilities hereunder, other than their obligations under Article 6, and the Deposit shall be forthwith returned to the Purchaser without deduction.

ARTICLE 16 GENERAL CONTRACT PROVISIONS

16.1 Further Assurances

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof, including, at the Purchaser's request and expense, the Monitor shall execute and deliver such additional conveyances, transfers and other assurances as may, in the opinion of the Parties or their counsel, acting reasonably, be reasonably required to effectually carry out the intent of this Agreement and transfer the Purchased Assets to the Purchaser.

16.2 Survival Following Completion

Notwithstanding any other provision of this Agreement, Article 9, Article 10, Section 15.2 and Section 15.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of the Monitor, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

16.3 Notice

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "Notice") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

- (a) to the Monitor:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Robert Kofman and David Sieradzki
Tel: (416) 932-6228 / (416) 932-6030
Email: bkofman@ksvadvisory.com / dsieradzki@ksvadvisory.com

and a copy to the Monitor's counsel to:

Bennett Jones LLP
3400 One First Canadian Place
Toronto, ON M5X 1A5

Attention: Sean Zweig and John van Gent
Tel: (416) 777-6254 / (416) 777-6522
Email: zweigs@bennettjones.com / vangentj@bennettjones.com

(b) to the Applicants

c/o Goldman Sloan Nash & Haber LLP
480 University Avenue, Suite 1600
Toronto, ON M5G 1V2

Attention: Mario Forte/Jennifer Stam
Tel: (416) 597-6477/(416) 597-5017
Email: forte@gsnh.com/stam@gsnh.com

(c) to the Purchaser:

Sunray Group of Hotels, in trust for a new company to be incorporated
515 Consumers Road, Suite 701
Toronto, ON M2J 4Z2

Attention: Ray Gupta
Telephone: (416) 492-1200
Email: ray.gupta@sunraygroup.ca

and a copy to the Purchaser's counsel to:

Shapiro, Real Estate & Business Lawyer
333 Sheppard Avenue East, Suite 201
Toronto, ON M2N 3B3

Attention: Garry Shapiro
Tel: (416) 224-0808
Email: gshapiro@garryshapirolaw.com

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third (3rd) Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email will be deemed given and received on the first (1st) Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth (4th) Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

16.4 Waiver

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

16.5 Consent

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Approval and Vesting Order, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

16.6 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario sitting in Toronto. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes among them, regardless of whether or not such disputes arose under this Agreement.

16.7 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

16.8 Time of the Essence

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

16.9 Time Periods

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

16.10 Assignment

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may not assign this Agreement without the Monitor's prior written approval, which approval shall be in the Monitor's sole, absolute and unfettered discretion. Notwithstanding the foregoing, up until February 11, 2020 the Purchaser shall have the right to direct that title to the Lands be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) that is an affiliate of the Purchaser (a "**Direction re: Title**"), provided that the Purchaser shall not be released from any and all obligations and liabilities hereunder until after the Closing of the Transaction. The foregoing right may only be exercised once by the Purchaser. Any other requested direction of title shall require the Monitor's prior written approval, which approval shall be in the Monitor's sole, absolute and unfettered discretion. If the Monitor does not receive a Direction re: Title on or before February 11, 2020 the Approval and Vesting Order will vest title in the Purchased Assets in the name of Sunray Group of Hotels Inc., provided that if the Monitor does receive a Direction re: Title on or before February 11, 2020 the Approval and Vesting Order will vest title in the Purchased Assets in the name of the entity set forth in such Direction re: Title.

16.11 Expenses

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

16.12 Severability

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

16.13 No Strict Construction

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

16.14 Cumulative Remedies

Unless otherwise expressly stated in this Agreement, no remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

16.15 Currency

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

16.16 Monitor's Capacity

It is acknowledged by the Purchaser that the Monitor is entering into this Agreement solely in its capacity as Court-appointed monitor and that the Monitor shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

16.17 No Third Party Beneficiaries

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. No other person or entity shall be regarded as a third party beneficiary of this Agreement.

16.18 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

16.19 Counterparts

This Agreement may be executed in counterparts and by facsimile or PDF, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF the Monitor has duly executed this Agreement as of the date first above written.

KSV KOFMAN INC., solely in its capacity as court appointed monitor of 1296 Kennedy Development Inc., and not in its personal capacity or in any other capacity

Per: 

Name: Robert Kofman

Title: President and Managing Director

ACCEPTED by the Purchaser this 7th day of February, 2020

SUNRAY GROUP OF HOTELS INC.,
in trust for a new company to be incorporated

Per: 

Name: Ray Gupta

Title: President and CEO

IN WITNESS WHEREOF the Monitor has duly executed this Agreement as of the date first above written.

KSV KOFMAN INC., solely in its capacity as court appointed monitor of 1296 Kennedy Development Inc., and not in its personal capacity or in any other capacity

Per: _____
Name: Robert Kofman
Title: President and Managing Director

ACCEPTED by the Purchaser this ___ day of February, 2020

SUNRAY GROUP OF HOTELS INC.,
in trust for a new company to be incorporated

Per: _____
Name: Ray Gupta
Title: President and CEO

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"
APPROVAL AND VESTING ORDER**

Court File No. CV-18-608313-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	<*>	THE	<*>	DAY
)				
JUSTICE)	OF <*>			2020

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

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

**APPROVAL AND VESTING ORDER
(Kennedy Road Property)**

THIS MOTION, made by KSV Kofman Inc., in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") of 1296 Kennedy Development Inc. (the "**Owner Applicant**") for an order, *inter alia*, approving the sale transaction (the "**Transaction**") with respect to all of the lands and premises municipally described as 1296 Kennedy Road, Toronto, Ontario (collectively, the "**Lands**") and all of the present and after-acquired assets, undertaking and properties of the Owner Applicant related thereto (collectively, together with the Lands, the "**Property**") contemplated by an agreement of purchase and sale between the Monitor, as

vendor, and Sunray Group of Hotels Inc., in trust for a new company to be incorporated (the "Purchaser"), as purchaser, dated <*>, 2020 (the "Sale Agreement"), a copy of which is attached as Confidential Appendix "<*>" to the <*> Report of the Monitor dated <*>, 2020 (the "<*> Report"), and vesting in <*> all of the Owner Applicant's right, title and interest in and to the property described as the "Purchased Assets" in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the <*> Report and appendices thereto, and on hearing the submissions of counsel for the Monitor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of <*> sworn <*>, 2020, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Monitor is hereby authorized and approved, with such minor amendments as the Monitor may deem necessary. The Monitor is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, or as it may direct.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as **Schedule "B"** hereto (the "**Monitor's Certificate**"), all of the Owner Applicant's right, title and interest in and to the Purchased Assets, including without limitation the subject real property identified in **Schedule "C"** hereto (the "**Real Property**"), shall vest absolutely in <*> free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages,

trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any agreements of purchase and sale to acquire individual units intended to be constructed on the Real Property and any deposits paid with respect to same; (ii) any encumbrances or charges created by the Amended and Restated Order of the Honorable Justice Hainey dated November 30, 2018; (iii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iv) those Claims listed on **Schedule "D"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "E"**) and, for greater certainty, this Court orders and declares that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Toronto (No. 66) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser, or as it may direct, as the owner of the subject real property identified in **Schedule "C"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "D"** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Owner Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Owner Applicant,

the vesting of the Purchased Assets in the Purchaser, or as it may direct, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Owner Applicant and shall not be void or voidable by creditors of the Owner Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or 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 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 and its 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, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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"
FORM OF MONITOR'S CERTIFICATE

Court File No. CV-18-608313-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

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

MONITOR'S CERTIFICATE

RECITALS

I. Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 30, 2018 (as amended, the "**Initial Order**"), KSV Kofman Inc. was appointed as monitor (in such capacity, the "**Monitor**") of 1296 Kennedy Development Inc. Pursuant to the Initial Order the Monitor was granted certain expanded powers.

II. Pursuant to an Order of the Court dated <*>, 2020, the Court approved the agreement of purchase and sale between the Monitor, as vendor, and Sunray Group of Hotels Inc., in trust for a new company to be incorporated (the "**Purchaser**"), as purchaser, dated <*>, 2020 (the "**Sale Agreement**"), and provided for the vesting in <*> of all of 1296 Kennedy Development Inc.'s (the "**Owner Applicant**") right, title and interest in and to the Purchased Assets (as defined in

the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Monitor.

III. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received, the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser in accordance with their terms;
3. The transaction has been completed to the satisfaction of the Monitor; and
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

KSV KOFMAN INC., solely in its capacity as court appointed monitor of 1296 Kennedy Development Inc., and not in its personal capacity or in any other capacity

Per: _____
Name:
Title:

SCHEDULE "A"
APPLICANTS

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

5507 River Development Inc.

4439 John Development Inc.

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29 Anglin Development Inc.

SCHEDULE "C"
LEGAL DESCRIPTION OF THE REAL PROPERTY

1296 Kennedy Road, Toronto, Ontario

PIN 06305-0093 (LT)

BLOCK C ON PLAN 5318 DESIGNATED AS PART 1 ON PLAN 66R28896; SUBJECT TO AN EASEMENT AS IN AT4394995; CITY OF TORONTO

SCHEDULE "D"
INSTRUMENTS TO BE DELETED FROM PIN NO. 06305-0093 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT4427759	2016/12/07	Charge	\$3,000,000	1296 Kennedy Development Inc.	Zhou, Yi
AT4427902	2016/12/07	Transfer of Charge	N/A	Zhou, Yi	Xie, Hong Ng, Gordon Wieland, Lucy
AT4479347	2017/02/03	Transfer of Charge	N/A	Zhou, Yi	Community Trust Company
AT4515292	2017/03/20	Transfer of Charge	N/A	Xie, Hong Ng, Gordon Wieland, Lucy	Zhou, Yi
AT4520239	2017/03/27	Charge	\$6,000,000	1296 Kennedy Development Inc.	First Source Financial Management Inc.
AT4520240	2017/03/27	Notice of Assignment of Rents - General	N/A	1296 Kennedy Development Inc.	First Source Financial Management Inc.
AT4520267	2017/03/27	Postponement	N/A	Zhou, Yi Community Trust Company	First Source Financial Management Inc.
AT4541346	2017/04/20	Transfer of Charge	N/A	Zhou, Yi	Zhou, Yi
AT4702523	2017/10/10	Transfer of Charge	N/A	Zhou, Yi	Wong, Yu Kai Wong, Lenny
AT4714820	2017/10/24	Transfer of Charge	N/A	Zhou, Yi	Community Trust Company

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT4761682	2017/12/15	Transfer of Charge	N/A	Zhou, Yi	Community Trust Company
AT4780933	2018/01/16	Transfer of Charge	N/A	Zhou, Yi	Community Trust Company

SCHEDULE "E"
PERMITTED ENCUMBRANCES FROM PIN NO. 06305-0093 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
SC204862	1957/09/06	Certificate	N/A		
SC205041	1957/09/10	Agreement	N/A		Township of Scarborough
TB50802	1982/11/04	Agreement	N/A		Borough of Scarborough
AT2180561	2009/09/18	Application to Annex Restrictive Covenant	N/A	1467778 Ontario Inc.	
AT4320675	2016/08/24	Application General	N/A	1296 Kennedy Development Inc.	
AT4341235	2016/09/14	Application for Absolute Title	N/A	1296 Kennedy Development Inc.	
AT4394995	2016/11/08	Transfer Easement	N/A	1296 Kennedy Development Inc.	Rogers Communications Inc.

SCHEDULE "C"
PERMITTED ENCUMBRANCES

PART I: GENERAL PERMITTED ENCUMBRANCES

1. Any inchoate lien accrued but not yet due and payable for provincial taxes, municipal taxes, charges, rates or assessments, school rates or water rates to the extent adjusted for under this Agreement;
2. Any municipal by-laws or regulations affecting the Land or its use and any other municipal land use instruments including without limitation, official plans and zoning and building by-laws, as well as decisions of the Committee of Adjustment or any other competent authority permitting variances therefrom, and all applicable building codes;
3. Registered agreements with any municipal, provincial or federal governments or authorities and any public utilities or private suppliers of services, including without limitation, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements; provided same have been complied with or security has been posted to ensure compliance and completion as evidenced by a letter from the relevant Authority or regulated utility;
4. Any unregistered easement, right-of-way, agreements or other unregistered interest of claims not disclosed by registered title provided same does not materially impact the Purchaser's intended use of the Real Property;
5. Any encroachments or other discrepancies that might be revealed by an up-to-date plan of survey of the Real Property;
6. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Real Property or any part thereof, or materially impair the value thereof;
7. Any reservations, limitations, provisos and conditions expressed in the original grant from the Crown as the same may be varied by statute; and
8. The following exceptions and qualifications contained in Section 44(1) of the Land Titles Act: paragraphs 7, 8, 9, 10, 12 and 14.

PART II: SPECIFIC PERMITTED ENCUMBRANCES

1. Instrument No. SC204862 registered September 6, 1957 being a Certificate;
2. Instrument No. SC205041 registered September 10, 1957 being an Agreement with the Township of Scarborough;
3. Instrument No. TB50802 registered November 4, 1982 being an Agreement with the Borough of Scarborough;

4. Instrument No. AT2180561 registered September 18, 2009 being an Application to Annex Restrictive Covenant granted by 1467778 Ontario Inc.;
5. Instrument No. AT4320675 registered August 24, 2016 being an Application General by 1296 Kennedy Development Inc.;
6. Instrument No. AT4341235 registered September 14, 2016 being an Application for Absolute Title by 1296 Kennedy Development Inc.;
7. Instrument No. AT4394995 registered November 8, 2016 being a Transfer Easement by 1296 Kennedy Development Inc. to and in favour of Rogers Communications Inc.

SCHEDULE "D"
LEGAL DESCRIPTION OF LANDS

1296 Kennedy Road, Toronto, Ontario

PIN 06305-0093 (LT)

BLOCK C ON PLAN 5318 DESIGNATED AS PART 1 ON PLAN 66R28896; SUBJECT TO AN EASEMENT AS IN AT4394995; CITY OF TORONTO

Appendix “N”

Forme Development Group Inc. and the other companies listed on Schedule "A"

Projected Cash Flow

For the Period Ending May 31, 2020

(Unaudited; C\$)

Notes	Week Ending														Total
	01-Mar-20	08-Mar-20	15-Mar-20	22-Mar-20	29-Mar-20	05-Apr-20	12-Apr-20	19-Apr-20	26-Apr-20	03-May-20	10-May-20	17-May-20	24-May-20	31-May-20	
1															
<i>Receipts</i>															
Collections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Total Receipts</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Disbursements</i>															
Miscellaneous	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	32,500
<i>Total Disbursements</i>	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	32,500
<i>Net Cash Flow before the undernoted</i>	-	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(32,500)
2															
Professional fees	-	175,000	-	-	-	175,000	-	-	-	175,000	-	-	-	-	525,000
<i>Net Cash Flow</i>	-	(177,500)	(2,500)	(2,500)	(2,500)	(177,500)	(2,500)	(2,500)	(2,500)	(177,500)	(2,500)	(2,500)	(2,500)	(2,500)	(557,500)
3															
Opening cash balance	5,976,355	5,976,355	5,798,855	5,796,355	5,793,855	5,791,355	5,613,855	5,611,355	5,608,855	5,606,355	5,428,855	5,426,355	5,423,855	5,421,355	5,976,355
Net cash flow	-	(177,500)	(2,500)	(2,500)	(2,500)	(177,500)	(2,500)	(2,500)	(2,500)	(177,500)	(2,500)	(2,500)	(2,500)	(2,500)	(557,500)
Closing cash balance	5,976,355	5,798,855	5,796,355	5,793,855	5,791,355	5,613,855	5,611,355	5,608,855	5,606,355	5,428,855	5,426,355	5,423,855	5,421,355	5,418,855	5,418,855

Forme Development Group Inc. and the other companies listed on Schedule "A"

Notes to Projected Statement of Cash Flow

For the Period Ending May 31, 2020

(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of Forme Development Group Inc. and the companies listed on Schedule "A" (together, the "Applicants") for the period March 1, 2020 to May 31, 2020 (the "Period") in respect of their proceedings under the *Companies' Creditors Arrangement Act*.

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical and Most Probable Assumptions

2. Represents the estimated fees of the Monitor and its counsel during the Period.
3. The opening cash balance represents the funds on deposit in the trust accounts of the Monitor and the Proposal Trustee as at March 1, 2020.

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF FORME DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES
LISTED ON SCHEDULE "A" HERETO
MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)**

Forme Development Group Inc. and those other entities listed on Schedule "A" hereto (collectively, the "Applicants") have developed the assumptions and prepared the attached statement of projected cash flow as of the 11th day February, 2020 for the period March 1, 2020 to May 31, 2020 ("Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow.

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

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 11th day of February, 2020.

A handwritten signature in blue ink that reads "KSV Kofman Inc".

**KSV KOFMAN INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE APPLICANTS
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “O”

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FORME DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES LISTED ON
SCHEDULE "A" HERETO
MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)**

The attached statement of projected cash-flow of Forme Development Group and those other entities listed on Schedule "A" hereto (collectively, the "Applicants"), as of the 11th day February, 2020, consisting of a weekly projected cash flow statement for the period March 1, 2020, to May 31, 2020 ("Cash Flow") has been prepared by the management of the Applicants for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow.

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

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

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

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

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

Dated at Toronto this 11th day of February, 2020.

KSV Kofman Inc

**KSV KOFMAN INC.
IN ITS CAPACITY AS CCAA MONITOR OF
THE APPLICANTS
AND NOT IN ITS PERSONAL CAPACITY**

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.

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. AND
82 OLD KENNEDY DEVELOPMENT INC.,
ALL CORPORATIONS INCORPORATED UNDER THE LAWS OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

Motion Record
(Volume 1 of 2)

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Counsel to KSV Kofman Inc., solely in its capacity as Court-
appointed monitor and Proposal Trustee and not in its personal
capacity