

**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 2 of 2)**

February 12, 2020

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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

TO: THE SERVICE LIST

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 20th DAY
)
JUSTICE HAINEY) OF FEBRUARY, 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 the newly incorporated 1296 Kennedy Road Inc. (the "**Purchaser**"), as purchaser, dated February 7, 2020 (the "**Sale Agreement**"), a copy of which is attached as Confidential Appendix "3" to the Twelfth Report of the Monitor and the Eighth Report of the Proposal Trustee dated February [●], 2020 (the "**Report**"), and vesting in the Purchaser 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 Aiden Nelms sworn February [●], 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 the Purchaser 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 February [●], 2020, the Court approved the 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 "**Sale Agreement**"), and provided for the vesting in the Purchaser 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.

2358825 Ontario Ltd.

250 Danforth Development Inc.

159 Carrville Development Inc.

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27 Anglin Development Inc.

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
AT4761682	2017/12/15	Transfer of Charge	N/A	Zhou, Yi	Community Trust Company

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
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.

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

APPROVAL AND VESTING ORDER

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

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE _____) _____ THURSDAY, THE 20th DAY
JUSTICE HAINEY _____) _____ OF FEBRUARY, 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

~~THE HONOURABLE _____) _____ WEEKDAY, THE #
JUSTICE _____) _____ DAY OF MONTH, 20YR~~

~~BETWEEN:-~~

~~PLAINTIFF~~

Plaintiff

~~-and-~~

~~DEFENDANT~~

Defendant

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

THIS MOTION, made by ~~[RECEIVER'S NAME]~~KSV Kofman Inc., in its capacity as ~~the~~ Court-appointed ~~receiver~~ ~~(monitor (in such capacity,~~ the "ReceiverMonitor") of ~~the undertaking,~~ ~~property and assets of~~ ~~[DEBTOR]~~1296 Kennedy Development Inc. (the "~~Debtor~~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 (~~the "Sale Agreement"~~) between the ~~Receiver and~~ ~~[NAME OF PURCHASER]~~Monitor, as vendor, and Sunray Group of Hotels Inc., in trust for the newly incorporated 1296 Kennedy Road Inc. (the "Purchaser"), as purchaser, dated ~~[DATE]~~ and appended February 7, 2020 (the "Sale Agreement"), a copy of which is attached as Confidential Appendix "3" to the Twelfth Report of the ~~Receiver~~Monitor and the Eighth Report of the Proposal Trustee dated ~~[DATE]~~February [●], 2020 (the "Report"), and vesting in the Purchaser all of the Debtor'Owner Applicant's right, title and interest in and to the ~~assets~~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 ~~Receiver, [NAMES OF OTHER PARTIES APPEARING]~~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 ~~[NAME]~~Aiden Nelms sworn ~~[DATE]~~February [●], 2020, filed,

~~1.1.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the Sale Agreement by the ~~Receiver~~³ **Monitor** is hereby authorized and approved, with such minor amendments as the ~~Receiver~~**Monitor** may deem necessary. The ~~Receiver~~**Monitor** is hereby authorized ~~and directed~~ 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.

~~2.2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a ~~Receiver~~³ **Monitor's** certificate to the Purchaser substantially in the form attached as **Schedule A"B"** hereto (the "~~Receiver~~**Monitor's** Certificate"), all of the ~~Debtor~~**Owner Applicant's** right, title and interest in and to the Purchased Assets ~~described in the Sale Agreement [and listed on, including without limitation the subject real property identified in Schedule B"C"~~ hereto]⁴ (the "Real Property"), shall vest absolutely in the Purchaser, 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,

¹ ~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

² ~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³ ~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

⁴ ~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵), 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 Honourable Justice [NAME]Hainey dated [DATE]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 C"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 D"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.

~~3.3. THIS COURT ORDERS~~ that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver]~~ Land Titles Division of ~~{LOCATION}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*⁶, 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 B"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 C"D"** hereto.

⁵~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

⁶~~Select the language appropriate to the land registry system (Registry vs. Land Titles).~~

~~4.4.~~ **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ 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 ~~Receiver~~**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 sale⁸, 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.

~~5.5.~~ **THIS COURT ORDERS AND DIRECTS** the ~~Receiver~~**Monitor** to file with the Court a copy of the ~~Receiver~~**Monitor's** Certificate, forthwith after delivery thereof.

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(e) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "A" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

~~7.6.~~ **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;

~~⁷The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

~~⁸This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the ~~Debtor~~Owner Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the ~~Debtor~~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 ~~Debtor~~Owner Applicant and shall not be void or voidable by creditors of the ~~Debtor~~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.

~~8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

~~9.7.~~ **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 ~~Receiver~~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 ~~Receiver~~Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Monitor and its agents in carrying out the terms of this Order.

Revised: January 21, 2014

~~Schedule A—Form of Receiver's Certificate~~ 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.

DOCSTOR: 120192714

SCHEDULE "B"
FORM OF MONITOR'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

~~BETWEEN:~~

~~PLAINTIFF~~

Plaintiff

~~—and—~~

~~DEFENDANT~~

Defendant

~~RECEIVER'~~

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

~~A1.~~ Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ~~[DATE OF ORDER],~~ ~~[NAME OF RECEIVER]~~ November 30, 2018 (as amended, the "Initial Order), KSV Kofman Inc. was appointed as monitor (in such capacity, the ~~receiver (the "Receiver"~~ Monitor) of ~~the~~

~~undertaking, property and assets of [DEBTOR] (the "Debtor")~~ 1296 Kennedy Development Inc.
Pursuant to the Initial Order the Monitor was granted certain expanded powers.

~~BII.~~ Pursuant to an Order of the Court dated ~~[DATE]~~ February [●], 2020, the Court approved the agreement of purchase and sale ~~made as of [DATE OF AGREEMENT] (the "Sale Agreement")~~ between the ~~Receiver [Debtor] and [NAME OF PURCHASER]~~ 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 "Sale Agreement"), and provided for the vesting in the Purchaser of ~~the Debtor's~~ 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 ~~Receiver~~ Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the ~~P~~purchase ~~P~~price for the Purchased Assets; (ii) that the conditions to ~~C~~closing as set out in ~~section ● of~~ the Sale Agreement have been satisfied or waived by the ~~Receiver~~ Monitor and the Purchaser; and (iii) the ~~T~~ransaction has been completed to the satisfaction of the ~~Receiver~~ Monitor.

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

THE ~~RECEIVER~~ MONITOR CERTIFIES the following:

1. The Purchaser has paid and the ~~Receiver~~ Monitor has received, the ~~P~~purchase ~~P~~price for the Purchased Assets payable on the ~~C~~closing ~~D~~date pursuant to the Sale Agreement;
2. The conditions to ~~C~~closing as set out in ~~section ● of~~ the Sale Agreement have been satisfied or waived by the ~~Receiver~~ Monitor and the Purchaser in accordance with their terms; and

3. The ~~T~~ransaction has been completed to the satisfaction of the ~~Receiver~~ Monitor; and

4. This Certificate was delivered by the ~~Receiver~~ Monitor at _____ [TIME] on
_____ [DATE].

~~[NAME OF RECEIVER]~~ KSV KOFMAN INC.,
solely in its capacity as ~~Receiver of the~~
~~undertaking, property and assets of~~
~~{DEBTOR}~~ court appointed monitor of 1296
Kennedy Development Inc., and not in its personal
capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE "A"
~~Schedule B—Purchased Assets~~

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.

Revised: January 21, 2014

SCHEDULE "C"
LEGAL DESCRIPTION OF THE REAL PROPERTY

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

DOCSTOR: 120192714

~~Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property~~

~~(unaffected by the Vesting Order)~~

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)

<u>Reg. No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Parties From</u>	<u>Parties To</u>
<u>AT4427759</u>	<u>2016/12/07</u>	<u>Charge</u>	<u>\$3,000,000</u>	<u>1296 Kennedy Development Inc.</u>	<u>Zhou, Yi</u>
<u>AT4427902</u>	<u>2016/12/07</u>	<u>Transfer of Charge</u>	<u>N/A</u>	<u>Zhou, Yi</u>	<u>Xie, Hong</u> <u>Ng, Gordon</u> <u>Wieland, Lucy</u>
<u>AT4479347</u>	<u>2017/02/03</u>	<u>Transfer of Charge</u>	<u>N/A</u>	<u>Zhou, Yi</u>	<u>Community Trust Company</u>
<u>AT4515292</u>	<u>2017/03/20</u>	<u>Transfer of Charge</u>	<u>N/A</u>	<u>Xie, Hong</u> <u>Ng, Gordon</u> <u>Wieland, Lucy</u>	<u>Zhou, Yi</u>
<u>AT4520239</u>	<u>2017/03/27</u>	<u>Charge</u>	<u>\$6,000,000</u>	<u>1296 Kennedy Development Inc.</u>	<u>First Source Financial Management Inc.</u>
<u>AT4520240</u>	<u>2017/03/27</u>	<u>Notice of Assignment of Rents – General</u>	<u>N/A</u>	<u>1296 Kennedy Development Inc.</u>	<u>First Source Financial Management Inc.</u>
<u>AT4520267</u>	<u>2017/03/27</u>	<u>Postponement</u>	<u>N/A</u>	<u>Zhou, Yi</u> <u>Community Trust Company</u>	<u>First Source Financial Management Inc.</u>
<u>AT4541346</u>	<u>2017/04/20</u>	<u>Transfer of Charge</u>	<u>N/A</u>	<u>Zhou, Yi</u>	<u>Zhou, Yi</u>
<u>AT4702523</u>	<u>2017/10/10</u>	<u>Transfer of Charge</u>	<u>N/A</u>	<u>Zhou, Yi</u>	<u>Wong, Yu Kai</u> <u>Wong, Lenny</u>
<u>AT4714820</u>	<u>2017/10/24</u>	<u>Transfer of Charge</u>	<u>N/A</u>	<u>Zhou, Yi</u>	<u>Community Trust Company</u>
<u>AT4761682</u>	<u>2017/12/15</u>	<u>Transfer of Charge</u>	<u>N/A</u>	<u>Zhou, Yi</u>	<u>Community Trust Company</u>

<u>Reg. No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Parties From</u>	<u>Parties To</u>
<u>AT4780933</u>	<u>2018/01/16</u>	<u>Transfer of Charge</u>	<u>N/A</u>	<u>Zhou, Yi</u>	<u>Community Trust Company</u>

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

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

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

APPROVAL AND VESTING ORDER

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

Sean H. Zweig (LSO #57307I)
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

TAB 5

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 20th DAY
)
JUSTICE HAINEY) OF FEBRUARY 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

**DISTRIBUTION ORDER
(Kennedy)**

THIS MOTION, made by 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**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Twelfth Report of the Monitor and the Eighth Report of the Proposal Trustee dated February 12, 2020 (the "**Report**"), together with the 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 Aiden Nelms sworn February [●], 2020, filed,

1. **THIS COURT ORDERS** that following the delivery of the Monitor's Certificate contemplated by the Kennedy Approval and Vesting Order granted on the date hereof, the Monitor is authorized and directed to:

- (a) first, make one or more distributions to pay in full all of the property tax arrears relating to the Property (as defined in the Kennedy Approval and Vesting Order);
- (b) second, create and hold a reserve in the amount of the Holdback (as defined in the Report);
- (c) third, make one or more distributions to First Source Financial Management Inc. ("**First Source**"), or as it may direct, up to the amount owing under its registered mortgage on the Property; provided, however, that the Holdback shall not be distributed;
- (d) fourth, with the agreement of the Monitor and First Source, or upon further Order of the Court, to distribute to First Source, or as it may direct, any amount of the Holdback as is agreed or ordered by this Court to be payable to First Source;
- (e) fifth, make one or more distributions to pay the fees and expenses owing to the Monitor and counsel for the Monitor relating to the administration of the CCAA proceedings for the Owner Applicant (as defined in the Kennedy Approval and Vesting Order); and
- (f) sixth, to the extent any funds are remaining, make one or more distributions of all remaining proceeds 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 registered mortgage on the Property.

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")

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

Proceeding commenced at Toronto

**DISTRIBUTION ORDER
(Kennedy)**

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

Sean H. Zweig (LSO #57307I)
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

TAB 6

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 20th DAY
)
JUSTICE HAINEY) OF FEBRUARY 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

ANCILLARY ORDER

THIS MOTION, made by 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**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Twelfth Report of the Monitor and the Eighth Report of the Proposal Trustee dated February 12, 2020 (the "**Report**"), together with the 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 Aiden Nelms sworn February [●], 2020, filed,

SERVICE

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 properly returnable today.

STAY EXTENSION

2. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including May 31, 2020.

SEALING

3. **THIS COURT ORDERS** that the Confidential Appendices to the Report shall be sealed and kept confidential pending further Order of this Court.

ANCILLARY RELIEF

4. **THIS COURT ORDERS** that the Undertaking (as defined in the Report) executed by the companies listed on Schedule "B" hereto (the "**Non-Applicants**") and Yuan Hua Wang ("**Mr. Wang**") dated March 11, 2019 and approved by this Court on March 18, 2019 and amended pursuant to a Court Order dated January 31, 2020 be and is hereby deemed further amended in accordance with Schedule "C" hereto.

5. **THIS COURT ORDERS** that Cassels Brock & Blackwell LLP ("**CBB**") is hereby authorized and directed to transfer the surplus funds presently on deposit in CBB's trust account (the "**Surplus**") as well as any further realizations, if any, from the Non-Applicants' unsold real property to Bennett Jones LLP without deduction.

6. **THIS COURT ORDERS** that Gardiner Roberts LLP, or any other present or future counsel to the Non-Applicants, Mr. Wang or any other party, are precluded from being paid from the Surplus without further Order of the Court.

7. **THIS COURT ORDERS** that the bankruptcy proceedings of the Bankrupt Non-Applicants (as defined in the Report) bearing Estate Numbers 31-2610122, 31- 2610116, 31-2610109 and 31-2610098 are hereby annulled.

8. **THIS COURT ORDERS** that the Claims Procedure (as defined in the Report) will continue and that proven Wang Claims (as defined in the Claims Procedure Order in the within proceedings dated October 22, 2019) will be admitted as proven claims in the proceedings related to Mr. Wang's Notice of Intention to Make a Proposal filed on January 24, 2020.

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"

THE NON-APPLICANTS

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"

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. The Monitor is represented by Bennett Jones LLP (“**Bennett Jones**”);
- (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**”); The Trustee is represented by Bennett Jones;
- (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 Bennett Jones. Upon the closing of such sale, Bennett Jones 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 Bennett Jones 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. Bennett Jones will maintain separate trust accounts and will account separately for each NA Project, and will provide the Non-Applicants with updates concerning the account balances and the accounting for same from time to time upon request by the Non-Applicants;
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; and

- 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;
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**”), Bennett Jones 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 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. Any distributions to be made will be made net of any tax liabilities that may exist;
11. GSNH and KSV shall discharge their mortgage registrations as against each of the Non-Applicant properties upon Court approval of this Undertaking;
12. Any dispute arising out of this Undertaking shall be determined by this Honourable Court by way of a motion in the CCAA proceeding;
13. 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;
14. 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;

15. 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;
16. 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
17. 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:
Title:

186 Old Kennedy Development Inc.

By: _____
Name:
Title:

19 Turff Development Inc.

By: _____
Name:
Title:

22 Old Kennedy Development Inc.

By: _____
Name:
Title:

31 Victory Development Inc.

By: _____
Name:
Title:

35 Thelma Development Inc.

By: _____
Name:
Title:

376 Derry Development Inc.

By: _____
Name:
Title:

390 Derry Development Inc.

By: _____
Name:
Title:

4 Don Hillock Development Inc.

By: _____
Name:
Title:

4208 Kingston Development Inc.

By: _____
Name:
Title:

4550 Steeles Development Inc.

By: _____
Name:
Title:

7397 Islington Development Inc.

By: _____
Name:
Title:

9500 Dufferin Development Inc.

By: _____
Name:
Title:

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

Witness

Name:

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"

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, Linghong Kong & Shepherd Estate Limited Partnership
376 Derry Development Inc.	376 Derry Rd. W., Mississauga, ON	Royal Bank of Canada 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 Papaikonomou
		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")

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ANCILLARY ORDER

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Counsel to KSV Kofman Inc., solely in its capacity as Court-appointed monitor 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 2 of 2)

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appointed monitor and Proposal Trustee and not in its personal
capacity