

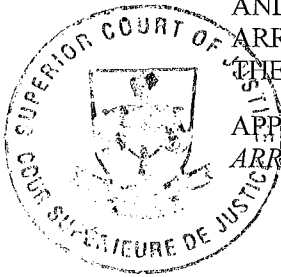
**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) TUESDAY, THE 2nd DAY
)
JUSTICE HAINEY) OF JULY, 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

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



**APPROVAL AND VESTING ORDER
(Kingston Road)**

THIS MOTION, made by KSV Kofman Inc., in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") of 3310 Kingston Development Inc. (the "**Owner Applicant**") for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Monitor, as vendor, and Caishen Capital Group LTD. (the "**Purchaser**"), as purchaser, dated June 6, 2019 (the "**Sale Agreement**"), a copy of which is attached as Confidential Appendix "7" to the Seventh Report of the Monitor dated June 21, 2019 (the "**Seventh Report**") for all of the Owner Applicant's right, title and interest in and to the property described as the "Purchased Assets" in the Sale Agreement including all of the lands and premises municipally described as 3310, 3312 & 3314 Kingston Road, Toronto, Ontario (collectively, the "**Purchased Assets**") and vesting in the Purchaser, or as it may direct in accordance with the Sale Agreement, the Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Seventh Report and appendices thereto, and on hearing the submissions of counsel for the Monitor, counsel for Ferina Construction Limited as second mortgagee of the Property, 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 service of Aiden Nelms sworn June 21, 2019, 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, or as it may direct, 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 encumbrances or charges created by the Amended and Restated Order of the Honorable Justice Hainey dated November 30, 2018; (ii) 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 (iii) 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 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** that nothing in this Order shall derogate from, or vary, the rights of any creditor, or obligations of any obligor: (i) in respect of any guarantee given by Yuan Hua Wang a/k/a Mike Wang in connection with any Encumbrance of the Real Property, or (ii) in connection with the Undertaking dated March 11, 2019 annexed as Schedule "B" to the Order of this Court dated March 18, 2019 save and except that no such rights shall affect the Purchased Assets transferred to the Purchaser hereunder.

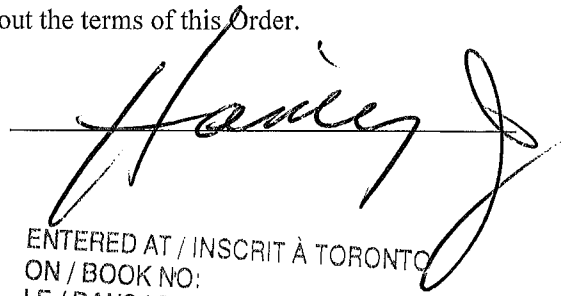
6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

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

- (i) the pendency of these proceedings;
- (ii) 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
- (iii) 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.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor 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.



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

JUL 02 2019

PER / PAR: 

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 3310 Kingston Development Inc. Pursuant to the Initial Order the Monitor was granted certain expanded powers.

II. Pursuant to an Order of the Court dated [REDACTED], 2019, the Court approved the agreement of purchase and sale between the Monitor, as vendor, and [REDACTED] (the "**Purchaser**"), as purchaser, dated [REDACTED], 2019 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser, or as it may direct in accordance with the Sale Agreement, of all of 3310 Kingston 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 3310 Kingston 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.

169 Carrville Development Inc.

189 Carrville Development Inc.

27 Anglin Development Inc.

29 Anglin Development Inc.

SCHEDULE "C"
LEGAL DESCRIPTION OF THE REAL PROPERTY

3310 Kingston Avenue, Toronto, Ontario

FIRSTLY: PIN 06407-0225 (LT)

PART OF LOT I PLAN 1834 SCARBOROUGH PART 2, PLAN 66R28678; SUBJECT TO AN EASEMENT AS IN AT4153357; CITY OF TORONTO

SECONDLY: PIN 06407-0226 (LT)

PART OF LOT I PLAN 1834 SCARBOROUGH PART 1, PLAN 66R28678; SUBJECT TO AN EASEMENT AS IN AT4153357; CITY OF TORONTO

SCHEDULE "D"
INSTRUMENTS TO BE DELETED FROM PIN NOS. 06407-0225 (LT) & 06407-0226 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT4252137	2016/06/17	Charge	\$5,000,000	3310 Kingston Development Inc.	Fletcher, John Paul
AT4294166	2016/07/29	Charge	\$5,700,000	3310 Kingston Development Inc.	First Source Financial Management Inc.
AT4294167	2016/07/29	Notice of Assignment of Rents – General	N/A	3310 Kingston Development Inc.	First Source Financial Management Inc.
AT4294168	2016/07/29	Postponement	N/A	Fletcher, John Paul	First Source Financial Management Inc.
AT4297240	2016/08/02	Charge	\$2,000,000	3310 Kingston Development Inc.	Ferina Construction Limited
AT4297241	2016/08/02	Notice of Assignment of Rents – General	N/A	3310 Kingston Development Inc.	Ferina Construction Limited
AT4297248	2016/08/02	Postponement	N/A	Fletcher, John Paul	Ferina Construction Limited
AT4304181	2016/08/09	Transfer of Charge	N/A	Fletcher, John Paul	Olympia Trust Company
AT4312612	2016/08/17	Notice	N/A	3310 Kingston Development Inc.	Fletcher, John Paul Olympia Trust Company
AT4312613	2016/08/17	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4324147	2016/08/26	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4352483	2016/09/26	Charge	\$5,000,000	3310 Kingston Development Inc.	Zhou, Yi

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT4352561	2016/09/26	Transfer of Charge	N/A	Zhou, Yi	Chen, Jack Ya Jyue Zhu, Wei Wang, Yu Xie, Hong Yu, Zhengxie
AT4366592	2016/10/07	Postponement	N/A	Zhou, Yi	Fletcher, John Paul Olympia Trust Company
AT4367219	2016/11/01	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4388863	2016/11/01	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4399110	2016/11/14	Transfer of Charge	N/A	Fletcher, John Paul	Fletcher, John Paul
AT4414212	2016/11/28	Transfer of Charge	N/A	Zhou, Yi	Yu, Zhengxie Wang, Yu Kevic, Vera
AT4426825	2016/12/06	Transfer of Charge	N/A	Zhou, Yi	Community Trust Company
AT4426875	2016/12/06	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4429949	2016/12/09	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT4443843	2016/12/23	Notice	N/A	3310 Kingston Development Inc.	Fletcher, John Paul Olympia Trust Company
AT4443844	2016/12/23	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4451959	2017/01/09	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4458201	2017/01/12	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4475009	2017/01/31	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4490056	2017/02/17	Transfer of Charge	N/A	Zhou, Yi	Liu, Shuxin Hu, Li Community Trust Company
AT4491938	2017/02/22	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4503005	2017/03/03	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4514872	2017/03/17	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT4526974	2017/03/31	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4546310	2017/04/26	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4554741	2017/05/03	Transfer of Charge	N/A	Zhou, Yi	Zhou, Yi
AT4558903	2017/05/05	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Fletcher, John Paul Olympia Trust Company
AT4654070	2017/08/15	Transfer of Charge	N/A	Fletcher, John Paul Olympia Trust Company	Olympia Trust Company Baykara, Yuce
AT4722390	2017/11/01	Notice	N/A	3310 Kingston Development Inc.	First Source Financial Management Inc.

SCHEDULE "E"
PERMITTED ENCUMBRANCES FROM PIN NOS. 06407-0225 (LT) & 06407-0226 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT4153357	2016/02/25	Transfer Easement	N/A	3310 Kingston Development Inc.	Rogers Communications Inc.

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

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**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 #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