

COURT OF APPEAL FOR ONTARIO

BETWEEN:

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant
(Respondent in Appeal)

- and -

GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.

Respondents
(Appellants in Appeal)

**MOTION RECORD OF THE COURT-APPOINTED RECEIVER,
DELOITTE RESTRUCTURING INC.**

*(Motion before a single Judge of the Court of Appeal for Ontario
returnable November 4, 2019 at 10:00 a.m.)*

October 30, 2019

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TAB 1

Court File No. CV-17-73967
Court of Appeal File No. C●

COURT OF APPEAL FOR ONTARIO

B E T W E E N:

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant/Moving Party
(Respondent in Appeal)

- and -

GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.

Respondents/Responding Parties
(Appellants in Appeal)

NOTICE OF MOTION

DELOITTE RESTRUCTURING INC., in its capacity as receiver and manager (the “**Receiver**”) of certain real property of Golden Dragon Ho 10 Inc. municipally known as 347 Barber Street, Ottawa, Ontario (“**347 Barber**”) and of certain real property of Golden Dragon Ho 11 Inc. municipally known as 345 Barber Street, Ottawa, Ontario (“**345 Barber**”) (collectively, with 347 Barber, the “**Property**”) will make a Motion to a single Judge of the Court of Appeal for Ontario on Monday, November 4, 2019 at 10:00 a.m. or as soon after that time as the Motion can be heard at Osgoode Hall, 130 Queen Street West, Toronto, Ontario.

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

THE MOTION IS FOR:

- (a) an Order abridging the time for service and validating service of this Notice of Motion and Motion Record, and dispensing with further service hereof such that this Motion is properly returnable on November 4, 2019;
- (b) a Declaration that the *Bankruptcy and Insolvency Act* RSC 1985, c. B-3 (the “**BIA**”) governs the appeal by the appellants Golden Dragon Ho Inc. 10 and Golden Dragon Ho Inc. 11 (collectively, the “**Appellants**”) of the Amended and Restated Approval and Vesting Order of Justice Hackland (the “**Motion Judge**”) dated October 11, 2019 (the “**Approval and Vesting Order**”);
- (c) a Declaration that there is no automatic right of appeal with respect to the Approval and Vesting Order) pursuant to subsections 193(a)-(d) of the *BIA*;
- (d) a Declaration that the Approval and Vesting Order is not stayed pursuant to section 195 of the *BIA*, or, alternatively, pursuant to the *Courts of Justice Act*, R.S.O. 1990 c. C.43 (the “**CJA**”) and the *Rules of Civil Procedure*, R.R.O. 1990 Reg. 194 (the “**Rules**”);
- (e) in the alternative, if the Approval and Vesting Order is stayed, an Order cancelling the stay to permit the sale transaction contemplated under the Approval and Vesting Order to be completed on November 5, 2019; and
- (f) such further relief as counsel may advise and this Honourable Court permits.

THE GROUNDS FOR THE MOTION ARE:

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- (a) On October 11, 2019, the Motion Judge approved a sale transaction (the “**Transaction**”) contemplated under an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Royal United Investments Limited (“**Royal United**”) with respect to the Property;
- (b) The Motion Judge accepted the Receiver’s recommendation in its Seventh Report and held that the Transaction should be approved because the Receiver followed a fair process in marketing and selling the Property, in strict accordance with the Court’s previous directions and sound business practices, and fair market value had been achieved in the sale;
- (c) Under the terms of the Sale Agreement, the Transaction was required to be completed on October 21, 2019 (the “**Closing Date**”), which was a Jewish holiday. The Purchaser asked to extend the closing in order to observe the holiday. The Receiver declined because it did not wish to incur the cost of a further month of property insurance. The Purchaser and the Receiver, therefore, agreed to complete the transaction on October 18, 2019. The parties on the service list were so notified because the Receiver did not wish to be seen to be racing to closing in order to subvert any stakeholders’ rights to seek leave to appeal;
- (d) On October 17, 2019, the Appellants served the their Notice of Appeal;
- (e) Following receipt of the Notice of Appeal, the Receiver obtained the agreement of Royal United to extend the Closing Date to November 5, 2019 in order to

accommodate the hearing of this Motion;

- (f) The appeal is governed by the regime under the *BIA*;
- (g) The Appellants do not have an automatic right of appeal under subsections 193(a) through (d) of the *BIA* and have not sought leave to appeal the Approval and Vesting Order pursuant to subsection 193(e) of the *BIA*;
- (h) The Approval and Vesting Order is, therefore, not automatically stayed pursuant to section 195 the *BIA*;
- (i) If the Appellants were to seek leave to appeal pursuant to subsection 193(e) of the *BIA*, they would not satisfy the test for leave, because the proposed appeal: (i) does not raise an issue of general importance to the practice in bankruptcy and insolvency matters or to the administration of justice as a whole; (ii) is not *prima facie* meritorious; and (iii) would unduly hinder the progress of the underlying receivership proceeding;
- (j) If the Approval and Vesting is automatically stayed under the *BIA*, or if the Appellants could satisfy the test for leave to appeal under the *BIA*, the stay should be cancelled;
- (k) Alternatively, if the appeal regime under the *CJA* applies, the Approval and Vesting Order is not stayed by Rule 63.01 of the *Rules* because it is not an order for payment of money;
- (l) If the appeal regime under the *CJA* applies, and the Appellants were to seek a

stay pursuant to section 106 of the *CJA* and/or Rule 63.02, they could not meet the test for a stay because the appeal has no reasonable prospect of success, the balance of convenience weighs against a stay and a stay will result in irreparable harm to the Appellants' estates;

- (m) Sections 193 and 195 of the *BIA*, sections 106 of the *CJA*, Rules 1.04, 2.01, 3.02, 3.03, 16.08, 41.05, 63.01 and 63.02 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and
- (n) Such further and other grounds as counsel may advise and this Honorable Court permit.

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

- (a) The Eighth Report of the Receiver dated October 30, 2019;
- (b) The Appellants' Notice of Appeal dated October 17, 2019;
- (c) Such further and other material as counsel may advise and this Honourable Court may permit.

October 30, 2019

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FIRST NATIONAL FINANCIAL GP CORPORATION
Applicant (Respondent in Appeal)

-and-

GOLDEN DRAGON HO 10 INC. et. al.
Respondent (Appellant in Appeal)
Court File No. CV-17-73967
Court of Appeal File No. C●

COURT OF APPEAL FOR ONTARIO

PROCEEDING COMMENCED AT
TORONTO

**FACTUM OF
THE COURT-APPOINTED RECEIVER,
DELOITTE RESTRUCTURING INC.**

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TAB 2

Court File No. 17-73967

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant

and

GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.

Respondents

EIGHTH REPORT OF THE RECEIVER & MANAGER

DATED OCTOBER 30, 2019

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Appendix “B”	Expanded Powers Order of Justice Hackland dated May 21, 2019
Appendix “C”	Amended and Restated Approval and Vesting Order of Justice Hackland dated October 11, 2019
Appendix “D”	Endorsement of Justice Hackland dated October 23, 2019
Appendix “E”	Debtors’ Notice of Appeal

PURPOSE OF THIS REPORT

1. This Eighth Report of Deloitte Restructuring Inc. ("**Deloitte**"), the Court-appointed receiver and manager in this proceeding (the "**Receiver**"), is being filed in connection with an urgent motion regarding an appeal of a Court-approved sale of an apartment complex in Ottawa, which is scheduled to be completed on November 5, 2019.
2. Specifically, the Receiver moves for: (i) a declaration that the appeal of the Amended and Restated Approval and Vesting Order of the Honourable Mr. Justice Hackland dated October 11, 2019 (the "**Approval and Vesting Order**") is governed by the federal regime under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") rather than the provincial regime under the *Court of Justice Act*, R.S.O. 1990, Chap. C.43 (the "**CJA**"); (ii) a declaration that there is no automatic right of appeal with respect to the Approval and Vesting Order under subsection 193(a) through (d) of the *BIA*; (iii) a declaration that the Approval and Vesting Order is not automatically stayed pursuant to section 195 of the *BIA*, or pursuant to the *CJA* (if applicable) by the filing of the Notice of Appeal; and (iv) alternatively, if the Approval and Vesting Order is stayed, an Order cancelling the stay so as to enable the Transaction (hereafter defined) to be completed on November 5, 2019.

TERMS OF REFERENCE

3. In preparing this Eighth Report, the Receiver has reviewed unaudited financial information and other records related to the Property provided by its property manager, information provided by its listing agent CBRE Group Inc. ("**CBRE**") and other third-party sources, and has held discussions with individuals involved in administering the Property (hereafter defined). The foregoing information is hereafter referred to, collectively, as the "**Information**". Except as described in this report:
 - (a) the Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a

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manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information;

- (b) some of the information referred to in this Eighth Report consists of forecasts and projections which were prepared based on estimates and assumptions. Such estimates and assumptions are, by their nature, not ascertainable and as a consequence no assurance can be provided regarding the forecasted or projected results. Accordingly, the reader is cautioned that the actual results will likely vary from the forecasts or projections, even if the assumptions materialize, and the variations could be significant; and
 - (c) the Receiver has prepared this Eighth Report in its capacity as a Court-appointed officer in connection with the declarations it seeks from this Honourable Court. Parties using this report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
4. Unless otherwise stated, all dollar amounts contained in this Eighth Report are expressed in Canadian dollars.

APPOINTMENT OF INTERIM RECEIVER

5. By Order of Justice Hackland dated September 22, 2017 (the “**Appointment Order**”), Deloitte was appointed as the interim receiver, pursuant to section 47 of the *BIA*, of certain real property of Golden Dragon Ho 10 Inc. (“**GDH 10**”) municipally known as 347 Barber Street, Ottawa, Ontario (“**347 Barber**”) and of certain real property of Golden Dragon Ho 11 Inc. (“**GDH 11**”, and combined with GDH 10, the “**Debtors**”) municipally known as 345 Barber Street, Ottawa, Ontario (“**345 Barber**” and, collectively, with 347 Barber, the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
6. The Appointment Order authorized the Receiver to, among other things:

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- (a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) undertake any renovations and make any repairs to the Property necessary to ensure that the Property is well maintained and rentable and is in compliance with the applicable laws and building codes; and
- (c) market available rental units, enter into new rental agreements or renew expiring rental agreements where applicable.

THE PROPERTY

7. The Property is comprised of two adjoining six-storey multi-unit apartment buildings that consist of 110 units in total. Eighty of the units are located in 345 Barber, and the remaining 30 units are located in 347 Barber. The buildings operate as one complex as they are connected on every floor except the basement, and share common areas and facilities. Of the 110 units, 30 units are to be used for affordable housing purposes pursuant to agreements with the City of Ottawa (the "City") and the Ontario Ministry of Housing (the "Ministry").
8. The Property is subject to the following mortgages in the following order of priority:

Lender	Property	Priority	Amount Owed on Mortgage
First National Financial GP Corporation	345 Barber	First Charge	\$6,724,279.86
First National Financial GP Corporation	347 Barber	First Charge	\$2,542,220.17
First National Financial GP Corporation	347 Barber	Second Charge	\$795,930.25
Liahona Mortgage Investment Corp.	345 Barber	Second Charge	\$3,859,453.38
City of Ottawa & Ministry of Municipal Affairs & Housing	347 Barber	Third Charge	\$1,805,004.00

9. At the time of the Receiver's appointment, the Property was approximately 60% occupied. The low occupancy was due primarily to the Debtors' plan (without the knowledge or consent of First National Financial GP Corporation ("FN"), the first-ranking secured creditor against the Property) to convert 345 Barber to student housing by increasing the number of

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bedrooms in certain units and by making certain modifications to the lobby and the basement. In order to carry out this plan, the Debtors arranged for certain market rate tenants to move from 345 Barber to 347 Barber in order to free up units so that renovations could be undertaken. In addition, alterations to the building had been started in the lobby, the basement, and certain units on the upper floors of 345 Barber. Much of this work remained substantially unfinished as of the date of the Appointment Order.

RECEIVER'S STABILIZATION ACTIVITIES

10. Pursuant to a series of Orders made by Justice Hackland in 2017 and 2018, the Receiver stabilized the Property, undertook repairs to the roof, the lobby and other common areas and renovations to bring units back into rentable condition with the goal of increasing occupancy. Those efforts resulted in an increase in occupancy to over 100 units by February 2019 which, subject to typical occupancy fluctuations, has since been maintained.

RECEIVER'S POWERS EXPANDED TO MARKET AND SELL

11. On May 26, 2019, on motions by Liahona Mortgage Investment Corp. ("**Liahona**"), the second mortgagee of 345 Barber, and the Receiver, Justice Hackland expanded the Receiver's powers pursuant to s. 101 of the *CJA*, to those of a 'full blown' receiver and manager, approved a marketing and sale process for the Property (the "**Marketing and Sale Process**"), and authorized the Receiver to enter into a listing agreement with CBRE (the "**Expanded Powers Order**"). A copy of the Expanded Powers Order is attached hereto as Appendix "**B**".

MARKETING AND SALE PROCESS IMPLEMENTED

12. The Marketing and Sale Process commenced on June 27, 2019, with CBRE distributing a brochure to its database of over 3,500 prospective purchasers which is comprised of a mix of pension funds, fund advisors, REITs and private investors. CBRE distributed the brochure a second time on July 9, 2019. CBRE also undertook a calling campaign to communicate the opportunity directly to their prioritized targeted list of buyers.

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13. Prior to the offer deadline date of July 30, 2019 (the “**Initial Offer Deadline**”), CBRE received 20 executed confidentiality agreements from interested parties who were then provided access to the online data room, which contained a confidential information memorandum as well as other due diligence information. Of those 20 parties, eight completed site tours, which CBRE considered to represent average interest for an opportunity of this profile, size and location.
14. By the Initial Offer Deadline, the Receiver received four offers for the Property. A summary and comparison of those offers was attached as Confidential Appendix “A” to the Seventh Report of the Receiver dated September 27, 2019 (the “**Seventh Report**”).
15. The Receiver identified 3 offerors as “**Qualified Offerors**”. On August 1, 2019, Qualified Offerors were asked to: i) resubmit their offers with improved terms, an improved purchase price, and to provide further details concerning their ability to complete a transaction. The Receiver set August 7, 2019 as the deadline for resubmission of offers (the “**Resubmission Deadline**”).
16. By the Resubmission Deadline, the Receiver received revised offers from all of the Qualified Offerors. A summary and comparison of the revised offers was attached as Confidential Appendix “B” to the Seventh Report.
17. The Receiver identified the offer from Royal United Investments Limited (the “**Purchaser**”) as the best offer in terms of price and conditions as it involved the least amount of further due diligence, thereby suggesting little risk of purchase price grind as compared to the other offers.

AGREEMENT OF PURCHASE AND SALE

18. On August 11, 2019, the Receiver advised FN and Liahona of its intention to proceed with the Purchaser’s offer, subject to certain minor amendments. Both lenders agreed. CBRE then advised the other Qualified Offerors that the Receiver had selected another offer. On August 27, 2019, with the parties having agreed to minor amendments, the Receiver and the Purchaser entered into an agreement of purchase and sale (the “**APS**”), an unredacted copy

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of which was attached as Confidential Appendix "C" of the Seventh Report. The APS provides that the Property is being purchased on an "as is, where is" and "without recourse" basis.

19. In assessing the sufficiency of the price in the Purchaser's offer, the Receiver consulted two appraisals that were commissioned by FN in early 2019 (the "**Appraisals**"), copies of which were attached as Confidential Appendices "D" and "E" to the Seventh Report. The Receiver analyzed the price in the Purchaser's offer in the context of the Appraisals. Based on that analysis, which was attached as Confidential Appendix "F" to the Seventh Report, the Receiver was of the view that the price in the APS represented fair market value.
20. The sole condition in favour of the Purchaser under the APS was the receipt by the Purchaser of a Phase I Environmental Site Assessment ("**ESA**") which disclosed no new environmental risk or contaminants beyond what was identified in an ESA prepared in 2017 (the "**Purchaser's Condition**"). On September 26, 2019, the Purchaser waived the Purchaser's Condition.
21. On September 26, 2019, the Purchaser also delivered a written direction to the Receiver directing title to the Property to be placed in the Purchaser's designees, 347 Barber Street Ltd. and 345 Barber Street Ltd., upon closing.
22. The APS is subject to the Court issuing an Approval and Vesting Order, approving the APS and vesting title to the Property in the Purchaser free and clear of certain encumbrances. The APS requires that the Approval and Vesting Order be granted within 21 days of the Purchaser's waiver of the Purchaser's Condition. The closing of the Transaction is to occur 10 days following the issuance of the Approval and Vesting Order. The Receiver may, however, postpone the closing date from time to time but in no event shall the closing date be more than 60 days after the original closing date.
23. In its Seventh Report, the Receiver expressed the view that the APS represented the best transaction in the circumstances.

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24. Although initially the Purchaser advised the Receiver that it did not wish to assume the affordable housing agreements with the City and the Ministry, after the Receiver served its motion record to approve the sale, an agreement was reached between the Purchaser, the City and the Ministry for the continuation of the affordable housing program at 347 Barber.

DEBTORS' OBJECTIONS

25. The Receiver's motion to approve the Transaction was originally returnable before Justice Hackland on October 3, 2019. On October 2, 2019, the Receiver was notified that the Debtors would be seeking an adjournment and opposing the Transaction on the basis that the Debtors' principal, Chi Van Ho, had obtained a higher offer, for \$16.5 million, from Abad Hamam, which had been delivered to the Receiver on September 19, 2019 (the "Late Offer").
26. To deal with the Debtors' adjournment request, the Receiver filed a Supplemental Report to the Seventh Report dated October 2, 2019 (the "First Supplemental Report"). A copy of the Late Offer was attached as Appendix "B" to the First Supplemental Report.
27. In the First Supplemental Report, the Receiver confirmed that after receiving the Late Offer, it advised the Debtors that it was not in a position to deal with an offer from another buyer, by virtue of the Court's approval, in the Expanded Powers Order, of the Marketing and Sale Process. In connection with the Marketing and Sale Process, the Initial Offer Deadline was July 30, 2019 and the Resubmission Deadline was August 7, 2019.
28. Quite apart from the Late Offer being delivered to the Receiver after the expiry of the Initial Offer Deadline Offer, the Resubmission Deadline and the Receiver's acceptance of the APS, the APS imposes a contractual obligation on the Receiver to forthwith, after waiver of the Purchaser's Condition, move and "diligently pursue" Court approval of the APS. As such, the Receiver was contractually precluded from dealing with the Late Offer.
29. The Receiver also did not consider the Late Offer to be credible. The buyer under the Late Offer is a director of a company that registered a collateral third mortgage over 345 Barber five days after the Appointment Order was made, and which on June 11, 2018, Justice

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Hackland ordered be discharged and deleted. The terms of the Late Offer were also not credible. The deposit was only \$50,000. It was conditional upon the buyer obtaining mortgage financing. The closing date was not until December 2, 2019 and it required the vendor to deliver estoppel certificates signed by all tenants. The Receiver did not consider those terms to be consistent with a serious, creditworthy buyer of a large, multi-unit apartment complex such as the Property.

30. In support of the Debtors' adjournment request, Mr. Ho swore an Affidavit dated October 3, 2019 in which he complained that the Property had not been listed for sale on MLS. In its Second Supplemental Report to the Seventh Report dated October 8, 2019 (the "**Second Supplemental Report**"), the Receiver explained that the Marketing and Sale Process, which was approved in the Expanded Powers Order, did not contemplate that the Property would be listed on the MLS. When the Marketing and Sale Process was developed, CBRE did not recommend marketing the Property through MLS, as qualified buyers of multi-residential apartment properties over \$10 million do not source deals on MLS. CBRE also confirmed to the Receiver that it had previously marketed a property on Blake Street, in Ottawa, and another property on Cobourg Street, in Ottawa, on behalf of Mr. Ho and neither of those properties were listed for sale on MLS.
31. In its Second Supplemental Report, the Receiver further reported that on October 4, 2019, it received a revised offer to purchase the Property (the "**Revised Late Offer**") from Mr. Hamam. Although the Revised Late Offer was substantially in the same form of the Late Offer, the price offered was \$15 million, as compared to \$16.5 million under the Late Offer; the deposit was \$100,000, as compared to \$50,000 under the Late Offer; and the closing date was November 15, 2019, as compared to December 2, 2019 under the Late Offer. The Revised Late Offer was also conditional upon the buyer obtaining approval from FN and Liahona to their existing mortgages over the Property being assumed. On October 8, 2019, the Receiver was informed that FN was not prepared to consider an application from the buyer to assume FN's mortgages over the Property.

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32. In his Affidavit, Mr. Ho also asserted that per unit value that would be achieved under the Transaction was lower than the comparable sales referred to in the Appraisals.
33. On the original return date of October 4, 2019, Justice Hackland adjourned the Receiver's motion to approve the Transaction and vest title in the Property in the Purchaser's designees to October 11, 2019, for a full day. Prior thereto, all of the parties received the confidential appendices to the Seventh Report in unredacted form upon undertaking, though their lawyers, to hold them in confidence. The adjournment was granted to permit Justice Hackland to hear fulsome arguments on two primary issues, namely, whether the Transaction should be approved and whether FN should receive a yield maintenance penalty from the sale proceeds, as a result of its mortgages being paid out prior to maturity.

DECISION OF JUSTICE HACKLAND

34. The Receiver's motion proceeded on October 11, 2019. Justice Hackland heard submissions from lawyers for seven parties, including the Receiver, FN, Liahona, the Debtors, the Purchaser and the City. At the conclusion of the hearing, Justice Hackland ruled from the bench and approved the Transaction, with reasons to follow. A copy of the Approval and Vesting Order is attached hereto as **Appendix "C"**.¹
35. Justice Hackland's Endorsement, a copy of which is attached hereto as **Appendix "D"**, was released on October 23, 2019.
36. Although Justice Hackland decided that the issue of FN's yield maintenance claim should be determined by a trial of the issue, in approving the Transaction he found that a fair process had been followed by the Receiver in marketing and selling the Property, in strict accordance with the Court's previous directions and sound business practices, and he was satisfied by the evidence filed in the Seventh Report that fair market value had been achieved in the sale. He rejected the Debtors' argument that the Property should have been marketed on MLS and

¹ The Order was amended and restated due to a typographical error in the original Approval and Vesting Order that was signed and entered.

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accepted the Receiver's evidence that MLS was not a suitable means to attract buyers of multi-residential apartment buildings of a size such as the Property, as qualified buyers for properties over \$10 million do not source deals on MLS. He did not consider the per unit price achieved on the Transaction to be determinative of the adequacy of the sale price and noted that the overall price achieved for the Property was supported by the Appraisals. He further noted that the Revised Late Offer was problematic because it was conditional on the buyer assuming FN's mortgages, which FN was not prepared to agree to. Lastly, His Honour considered the considerable effort expended by the Purchaser in pursuing the Transaction and successfully negotiating an arrangement with the City and the Ministry with respect to the affordable housing agreements.

CLOSING SCHEDULED

37. On October 17, 2019 at 6:26 pm, counsel for the Receiver wrote to the parties on the service list. The parties were advised that the outside closing date for the Transaction was October 21, 2019, which was a Jewish holiday. The Purchaser asked to extend the closing in order to observe the holiday. The Receiver declined because it did not wish to incur the cost of a further month of property insurance. The Purchaser and the Receiver, therefore, agreed to complete the transaction on October 18, 2019. The parties were so notified because the Receiver did not wish to be seen to be racing to closing in order to subvert any stakeholders' rights to seek leave to appeal.

NOTICE OF APPEAL IS SERVED

38. Later that evening at 9:28 pm, the Debtors served their Notice of Appeal, a copy of which is attached hereto as **Appendix "E"**.²

² As of this date, it does not appear that the Notice of Appeal has been filed with the Court of Appeal. The Debtors' counsel has not notified the Receiver of the Court of Appeal File No. notwithstanding repeated enquiries from the Receiver's counsel.

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CLOSING EXTENDED TO NOVEMBER 5, 2019

39. The closing date was subsequently extended to November 5, 2019 to enable the Receiver to move for directions before a single Judge of the Court of Appeal,

PREJUDICE ASSOCIATED WITH A STAY OF APPROVAL AND VESTING ORDER

40. The prejudice associated with a stay of the Approval and Vesting Order would include:
- *Accruing interest.* According to the most recent payout statements provided by FN and Liahona *per diem* interest of \$1,171.06 is accruing under FN's mortgages and *per diem* interest of is \$794.52 is accruing under Liahona's mortgage. Collectively, that is approximately \$60,000 a month.
 - *Significantly higher insurance costs.* The policy of insurance which the Receiver originally arranged for the Property expired on September 22, 2019 and the previous insurer refused to renew coverage. The Receiver was able to obtain replacement coverage with Chubb Insurance through Firstbrooke, Cassie & Anderson, who manages Deloitte Restructuring Inc.'s insolvency insurance program, but only on a month-to-month, fully earned premium basis of \$22,101 per month, a fourfold increase over what the Receiver was paying for previous coverage. The first month of coverage with Chubb expired on October 21, 2019 at which point a second payment of \$22,101 was paid. If the Transaction is not completed before November 21, 2019 a further monthly premium will be payable.
 - *Increased operating costs.* Utility costs will increase significantly as winter approaches.
 - *Increased professional costs and property management costs.*
 - *The risk of unforeseeable costs.* For example, in the past three weeks there have been two acts of theft and vandalism to the coin operated washers and dryers at the

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Property. The machines are currently inoperable and the Receiver is attempting to determine the costs of repair.

- The loss of the Transaction if the APS is not completed within 60 days of October 21, 2019.
- The risk that a second Court-supervised marketing and sale process is likely to have a serious chilling on the market for the Property, if the Transaction is lost.
- The risk that another buyer for the Property may not be prepared to assume the affordable housing agreements.

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All of which is respectfully submitted at Toronto, Ontario this 30th day of October, 2019.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the Court-
appointed Receiver and Manager of
certain real property of Golden Dragon Ho
10 Inc. and Golden Dragon Ho 11 Inc., and
without personal or corporate liability

Deloitte Restructuring Inc.

Paul Casey, CPA, CA, FCIRP, LIT
Senior Vice-President

John Saunders, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix “A”

Appointment Order of Justice Hackland dated September 22, 2017

Court File No. 17-73967

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	FRIDAY, THE 22 nd
JUSTICE <i>C.T. Hackland</i>)	DAY OF SEPTEMBER, 2017
BETWEEN:		

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant

- and -

GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.

Respondents

APPLICATION UNDER Section 47 of the
Bankruptcy and Insolvency Act R.S.C. 1985, C. B-3, as amended

**APPOINTMENT ORDER
(Interim Receiver)**

THIS APPLICATION made by First National Financial GP Corporation (the “**Applicant**”) for an Order pursuant to section 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “*BIA*”) appointing Deloitte Restructuring Inc. (“**Deloitte**”) as interim receiver (in such capacity, the “**Receiver**”) of certain property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc. (the “**Respondents**”) identified on the attached Schedule “A” (collectively, the “**Property**”), and sealing Confidential Exhibit “42”, being an Appraisal Report of Juteau Johnson Comba Inc. dated August 15, 2017, including Schedule “A” thereto, and Confidential

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Exhibit "45", being the Agreement of Purchase and Sale dated August 31, 2017 (collectively, the "Confidential Exhibits") of the Affidavit of Christopher Sebben sworn September 19, 2017 (the "Sebben Affidavit") from the public record until further Order of the Court, was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Sebben Affidavit and the Exhibits thereto, including the Confidential Exhibits, and on reading the Consent of Deloitte to act as the Receiver, *and on hearing submissions of applicants counsel, no one else appearing at*
SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 47 of the *BIA*, Deloitte is hereby appointed interim receiver of the Property.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

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- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage to engage contractors, tradespersons, quantity surveyors, consultants, appraisers, agents, experts, auditors, accountants, managers, including a property manager, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to undertake any renovations and make any repairs to the Property necessary to ensure the Property is well maintained and rentable and is in compliance with the applicable laws and building codes;
- (e) to market available rental units, enter into new rental agreements or renew expiring rental agreements where applicable;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Respondents in respect of the Property and to exercise all remedies of the Respondents in collecting such monies, including, without limitation, to enforce any security held by the Respondents in respect of the Property;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondents, for any purpose pursuant to this Order;

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- (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Property and to settle or compromise any such proceedings, and the authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (i) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (j) to register a copy of this Order against title to the Property;
- (k) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority in respect of the Property and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondents;
- (l) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Respondents, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Respondents, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any aspect(s) or portion(s) of the Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondents in respect of the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents in respect of the Property or against the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently

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under way against or in respect of the Respondents in respect of the Property or against the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (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 THE RECEIVER

10. **THIS COURT ORDERS** that 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 Respondents in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services,

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centralized banking services, payroll services, insurance, transportation services, utility or other services to the Respondents in respect of the Property 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 Receiver, and that the Receiver shall be entitled to the continued use of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names in respect of the Property, 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 Receiver in accordance with normal payment practices of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part in respect of the Property, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in, section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of

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any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

15. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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18. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, 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, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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21. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

22. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a pari passu basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

23. **THIS COURT ORDERS** that the service of documents shall be made by way of an HTML link to the documents as posted by the serving party on either the Case Website (set out below) or if time does not permit, on the serving party's own website, or as a PDF attachment where the party serving the documents is unable to create an HTML link, with HTML Links to the website for cross-referenced documents already posted there (the "**Protocol**"), and such service 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, 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 'www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11'.

24. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by

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forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents 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

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

26. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents.

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

28. **THIS COURT ORDERS** that the Receiver 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 Receiver is authorized and empowered to act as a representative in respect of the within

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proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Respondents' estate, with such priority and at such time as this Court may determine.

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

31. **THIS COURT ORDERS** that notwithstanding the commencement of the within Application and the appointment of the Receiver, the Applicant shall be deemed to be protecting its security, shall not be deemed to have resorted to realizing upon its security over the Property, and the equitable right of redemption in respect of the Applicant's mortgages over the real property of the Respondents identified on the attached Schedule "A" shall not be triggered.

32. **THIS COURT ORDERS** that the Confidential Exhibits shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

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33. **THIS COURT ORDERS** that the Confidential Exhibits shall remain under seal until further Order of the Court.

Hackel J.

ENTERED AT OTTAWA	
INSCRIT A OTTAWA	
ON/LE	SEP 22 2017
DOCUMENT #	0411
IN BOOK NO. 73-13	
AU REGISTRE NO. 73-13	

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SCHEDULE "A"

THE PROPERTY

Golden Dragon Ho 10 Inc.

PIN 04213-0302 LT in LRO #4

Description: PART OF LOT 18 PLAN 43586 N/S CLARENCE STREET BEING PART 1 ON 4R21669; OTTAWA. T/W RIGHT-OF-WAY AND EASEMENT OVER PART LOTS 16,17 & 18 PLAN 43586 PT 3 PLAN 4R21669 AS IN OC699531. T/W EASEMENT OVER PART LOTS 16,17 & 18 PLAN 43586 PART 4 ON 4R21669 AS IN OC699531. T/W RIGHT-OF-WAY OVER PART LOTS 16, 17 & 18 PLAN 43586 PART 2 ON 4R21669 AS IN OC699531. S/T RIGHT-OF-WAY AND EASEMENT OVER PART 1 ON 4R21669 IN FAVOUR OF PART LOTS 16, 17 & 18 PLAN 43586 PARTS 2,3 & 4 ON 4R21669 AS IN OC699531.

Golden Dragon Ho 11 Inc.

PIN 04213-0303 LT in LRO #4

Description: PART LOTS 16,17 & 18 PLAN 43586 N/S CLARENCE STREET BEING PARTS 2,3 & 4 ON 4R21669; OTTAWA S/T RIGHT-OF-WAY AND EASEMENT OVER PART 3 ON 4R21669 IN FAVOUR OF PART LOT 18 PLAN 43586 PART 1 ON 4R21669 AS IN OC699531. S/T EASEMENT OVER PART 4 ON 4R21669 IN FAVOUR OF PART LOT 18 PLAN 43586 PART 1 ON 4R21669 AS IN OC699531. S/T RIGHT-OF-WAY OVER PART 2 PLAN 4R21669 IN FAVOUR OF PART LOT 18 PLAN 43586 PART 1 ON 4R21669 AS IN OC699531. T/W RIGHT-OF-WAY AND EASEMENT OVER PART 1 ON 4R21669 IN FAVOUR OF PART LOTS 16, 17 & 18 PLAN 43586 PARTS 2,3 & 4 ON 4R21669 AS IN OC699531.

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SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the interim receiver (the "Receiver") of the real property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc. identified on Schedule "A" to the Appointment Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 22nd day of September, 2017 (the "Order") made in an action having Court file number _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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 1st day of each month after the date hereof at a notional rate per annum equal to the rate of two per cent above the prime commercial lending rate of Royal Bank of Canada from time to time.

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 Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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 shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

7. The Receiver 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__.

DELOITTE RESTRUCTURING INC., solely in
its capacity as Receiver of the Property, and not
in its personal or corporate capacity

Per: _____
Name:
Title:

Per: _____
Name:
Title:

FIRST NATIONAL FINANCIAL GP CORPORATION and **GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.**

Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at OTTAWA

**APPOINTMENT ORDER
(Interim Receiver)**

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

Eric Golden (LSUC #38239M)
(416) 593-3927 (Tel)
(416) 596-2049 (Fax)
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Chad Kopach (LSUC #48084G)
(416) 593-2985 (Tel)
(416) 594-0957 (Fax)
Email: ckopach@blaney.com

Lawyers for the Applicant

Appendix “B”

Expanded Powers Order of Justice Hackland dated May 21, 2019

Court File No. 17-73967

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	TUESDAY, THE 21 st
)	
JUSTICE HACKLAND)	DAY OF MAY, 2019

B E T W E E N:

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant

- and -

GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.

Respondents

APPLICATION UNDER Section 47 of the *Bankruptcy and Insolvency Act*
R.S.C. 1985, C. B-3, as amended

EXPANDED POWERS ORDER

THESE MOTIONS by: (a) Liahona Mortgage Investment Corp. “**Liahona**”; and (b) Deloitte Restructuring Inc., in its capacity as interim receiver of certain real property of the Respondent Golden Dragon Ho 10 Inc., municipally known as 347 Barber Street, Ottawa, Ontario, and of certain real property of the Respondent Golden Dragon Ho 11 Inc., municipally known as 345 Barber Street, Ottawa, Ontario, were heard this day at 161 Elgin Street, in Ottawa, Ontario.

ON READING Liahona’s Motion Record and the Affidavit of Aaron Rumley sworn May 13, 2019 and the Motion Record and Sixth Report of Deloitte Restructuring Inc. dated May 6, 2019 (the “**Sixth Report**”), and upon hearing the submissions of counsel for Liahona, counsel for

-2-

Deloitte Restructuring Inc., counsel for First National Financial GP Corporation (“FN”) and counsel for the Respondents, no one else appearing, although served as set out in the affidavit of service of Sharron Eaton sworn May 14, 2019, filed, and the affidavit of service of Laura Micoli sworn May 10, 2019, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of Liahona’s Notice of Motion and Motion Record is hereby abridged and validated so that Liahona’s motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record of Deloitte Restructuring Inc. is hereby abridged and validated so that the motion of Deloitte Restructuring Inc. is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

3. **THIS COURT ORDERS** that the status and mandate of Deloitte Restructuring Inc. as interim receiver pursuant to the Appointment Order dated September 22, 2017 (the “**Appointment Order**”), as extended by the Order dated October 20, 2017, is hereby varied and amended as hereinafter set out.

4. **THIS COURT ORDERS** that pursuant to section 101 of the *Court of Justice Act*, Deloitte Restructuring Inc. is hereby appointed as receiver and manager (in such capacities, the “**Receiver**”), without security, of the lands and premises legally described in Schedule “A” of the Appointment Order, the business operated thereon (the “**Business**”), and all proceeds thereof

-3-

(collectively, the “**Property**”). For greater certainty, all references to the “Receiver” in the Appointment Order shall be deemed to refer to the “Receiver” as defined herein and all references to “Property” in the Appointment Order shall be deemed to refer to “Property” as defined herein.

SIXTH REPORT

5. **THIS COURT ORDERS** that the marketing and sale process in respect of the Property described in the Sixth Report, including the engagement of CBRE Limited as listing broker, is hereby approved.

6. **THIS COURT ORDERS** that the activities and proposed activities of the Receiver described in the Sixth Report are hereby approved.

7. **THIS COURT ORDERS** that Receiver’s interim statement of receipts and disbursements for the period September 22, 2017 to March 31, 2019 contained in the Sixth Report is hereby approved.

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver as set out in the Affidavit of Hartley Bricks, sworn May 1, 2019 contained in the Sixth Report and the fees and disbursements of Blaney McMurty LLP as set out in the Affidavit of Chad Kopach sworn May 6, 2019 contained in the Sixth Report are hereby approved.

RECEIVER’S POWERS

9. **THIS COURT ORDERS** that in addition to the powers set out in paragraph 3 of the Appointment Order, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

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- (a) to manage, operate, and carry on the Business, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Business, or cease to perform any contracts of the Respondents in relation to the Property;
- (b) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the Business or any part or parts thereof;
- (c) to settle, extend or compromise any indebtedness owing to the Respondents in relation to the Property;
- (d) subject to paragraphs 5 and 6 hereof, to market any or all of the Property, advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (e) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (f) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

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- (g) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondents in relation to the Property, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondents in relation to the Property;
- (h) to exercise any shareholder, partnership, joint venture or other rights which the Respondents may have in relation to the Property; and
- (i) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of any other Person or Persons (as those terms are defined in the Appointment Order), including the Respondents, and without interference from any other Person.

PIPEDA

10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of 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

-6-

identical to the prior use of such information by the Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

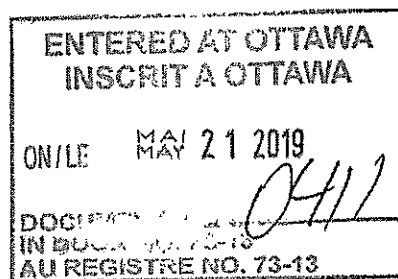
CONTINUING EFFECT OF APPOINTMENT ORDER

11. **THIS COURT ORDERS** that except as otherwise varied and amended by this Order, all other terms of the Appointment Order shall remain in full force and effect.

12. **THIS COURT ORDERS** that notwithstanding (i) the variation and amendment of the status and mandate of the interim receiver Deloitte Restructuring Inc. as provided for in this Order, (ii) any other term(s) of this Order, and (iii) FN not opposing this Order, FN shall still be deemed to be protecting its security over the Property, shall not be deemed to have resorted to realizing upon its security over the Property, and the equitable right of redemption in respect of FN's mortgages over the lands and premises legally described in Schedule "A" to the Appointment Order shall not be triggered.

Harold S.

TORONTO 58347-2 1605135v10



FIRST NATIONAL FINANCIAL GP CORPORATION
Applicant

-and- **GOLDEN DRAGON HO 10 INC. et al.**
Respondents

Court File No. 17-73967

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

EXPANDED POWERS ORDER

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

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Email: scadili@dickinsonwright.com
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Fax: (844) 670-6009

Lawyers for the Receiver, Deloitte Restructuring Inc.

TORONTO 58347-2 1601560v8

Appendix “C”

Amended and Restated Approval and Vesting Order of Justice Hackland dated October 11, 2019

Court File No. 17-73967

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	FRIDAY, THE 11TH
)	
JUSTICE HACKLAND)	DAY OF OCTOBER, 2019

B E T W E E N:

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant

- and -

GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.

Respondents

AMENDED AND RESTATED APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the lands and premises owned by Golden Dragon Ho 10 Inc. (the “**GDH 10 Debtor**”) legally described in Schedule “B1” hereto and the lands and premises owned by Golden Dragon Ho 11 Inc. (the “**GDH 11 Debtor**”) legally described in Schedule “B2” hereto, for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver and Royal United Investments Limited (“**RUIL**”) dated August 27, 2019 (the “**APS**”) and appended to the Seventh Report of the Receiver dated September 27, 2019 (the “**Seventh Report**”), as amended by an Amendment to Agreement of Purchase and Sale dated October 2, 2019 to be executed by the Receiver (the “**Amendment**” and, together with the APS, the “**Sale Agreement**”) and appended to the Receiver’s Supplemental Report to the Seventh Report dated

- 2 -

October 2, 2019 (the "**Supplemental Report**") and vesting in 347 Barber Street Ltd. the GDH 10 Debtor's right, title and interest in and to the assets of the GDH 10 Debtor described in the Sale Agreement (the "**GDH 10 Assets**") and vesting in 345 Barber Street Ltd. the GDH 11 Debtor's right, title and interest in and to the assets of GDH 11 described in the Sale Agreement (the "**GDH 11 Assets**"), was heard this day at 161 Elgin Street, in Ottawa, Ontario.

ON READING the Seventh Report, the Supplemental Report, the Receiver's Second Supplemental Report to the Seventh Report dated October 9, 2019 (the "**Second Supplemental Report**"), the Affidavit of Chad Kopach sworn October 3, 2019, the Affidavit of Eric Golden sworn October 7, 2019, the Affidavit of Christopher Sebben sworn October 7, 2019, the Affidavit of Chi Van Ho sworn October 3, 2019, the Affidavit of Aaron Rumley sworn October 4, 2019, the Affidavit of Aaron Rumley sworn October 9, 2019 and the Affidavit of Stephanie Baldwin sworn October 9, 2019 and on hearing the submissions of counsel for the Receiver, counsel for First National Financial GP Corporation, counsel for Liahona Mortgage Investment Corp., counsel for the City of Ottawa, counsel for Quex Property Corporation, counsel for the GDH 10 Debtor and the GDH Debtor and counsel for RUIL, 347 Barber Street Ltd. and 345 Barber Street Ltd., no one appearing for anyone else on the service list, although properly served, as appears from the affidavit of Jennifer Samuels sworn September 27, 2019, filed:

1. THIS COURT ORDERS AND DECLARES that the time for service of the Receiver's Notice of Motion and Motion Record, including the Seventh Report, the Supplemental Report and the Second Supplemental Report, is hereby abridged and validated so that the motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver 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 GDH 10 Assets to 347 Barber Street Ltd. and for the conveyance of the GDH 11 Assets to 345 Barber Street Ltd.

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3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to 347 Barber Street Ltd. and 345 Barber Street Ltd. substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"):

- (a) all of the GDH 10 Debtor's right, title and interest in and to the GDH 10 Assets described in the Sale Agreement, including the lands and premises listed on Schedule "B1" hereto, shall vest absolutely in 347 Barber Street Ltd., 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, 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 Order of the Honourable Justice Hackland dated September 22, 2017; (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 "C1" hereto (all of which are collectively referred to as the "**GDH 10 Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D1" hereto and, for greater certainty, this Court orders that all of the GDH 10 Encumbrances affecting or relating to the GDH 10 Assets are hereby expunged and discharged as against the GDH 10 Assets; and
- (b) all of the GDH 11 Debtor's right, title and interest in and to the GDH 11 Assets described in the Sale Agreement, including the lands and premises listed on Schedule "B2" hereto, shall vest absolutely in 345 Barber Street Ltd., free and clear of and from any and all Claims, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hackland dated September 22, 2017; (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 "C2" hereto (all of which are collectively referred

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to as the "GDH 11 Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D2" hereto and, for greater certainty, this Court orders that all of the GDH 11 Encumbrances affecting or relating to the GDH 11 Assets are hereby expunged and discharged as against the GDH 11 Assets.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office of Ottawa-Carleton of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario), the Land Registrar is hereby directed to enter:

- (a) 347 Barber Street Ltd. as the owner of the subject real property identified in Schedule "B1" hereto (the "GDH 10 Real Property") in fee simple, and is hereby directed to delete and expunge from title to the GDH 10 Real Property all of the Claims listed in Schedule "C1" hereto.
- (b) 345 Barber Street Ltd. as the owner of the subject real property identified in Schedule "B2" hereto (the "GDH 11 Real Property") in fee simple, and is hereby directed to delete and expunge from title to the GDH 11 Real Property all of the Claims listed in Schedule "C2" hereto.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver'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 GDH 10 Debtor or the GDH 11 Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the GDH 10 Debtor or the GDH 11 Debtor;

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the vesting of the GDH 10 Assets in 347 Barber Street Ltd. and the vesting of the GDH 11 Assets in 345 Barber Street Ltd. pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the GDH 10 Debtor or the GDH 11 Debtor and shall not be void or voidable by creditors of the GDH 10 Debtor or the GDH 11 Debtor, nor shall they constitute nor be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, or other reviewable transactions under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they 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 Receiver 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, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Hackland J.

ENTERED AT OTTAWA	
INSCRIT A OTTAWA	
ON/LE	OCT 17 2019
DOCUMENT #	0411
IN BOOK NO. 73-13	
AU REGISTRE NO. 73-13	

Schedule "A" – Form of Receiver's Certificate

Court File No. 17-73967

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant

- and -

GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Expanded Powers Order of the Honourable Justice Hackland of the Ontario Superior Court of Justice (the "**Court**") dated May 21, 2019, Deloitte Restructuring Inc. was appointed as the receiver and manager (the "**Receiver**") of lands and premises owned by Golden Dragon Ho 10 Inc. (the "**GDH 10 Debtor**") and lands and premises owned by Golden Dragon Ho 11 Inc. (the "**GDH 11 Debtor**").

B. Pursuant to an Amended and Restated Approval and Vesting Order of the Court dated October 11, 2019 (the "**Amended and Restated Approval and Vesting Order**"), the Court approved the agreement of purchase and sale made as of August 27, 2019 and an Amendment to Agreement of Purchase and Sale dated October 2, 2019 (collectively, the "**Sale Agreement**") between the Receiver and Royal United Investments Limited (the "**Purchaser**") and provided

- 2 -

for the vesting in 347 Barber Street Ltd. of the GDH 10 Debtor's right, title and interest in and to the GDH 10 Assets and the vesting in 345 Barber Street Ltd. of the GDH 11 Debtor's right, title and interest in and to the GDH 11 Assets, which vesting is to be effective with respect to the GDH 10 Assets and the GDH 11 Assets upon the delivery by the Receiver to 347 Barber Street Ltd. and 345 Barber Street Ltd. of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the GDH 10 Assets and the GDH 11 Assets; (ii) that the conditions to Closing in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement and the Amended and Restated Approval and Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the GDH 10 Assets and the GDH 11 Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**Deloitte Restructuring Inc., in its capacity as
Receiver of certain lands and premises of
Golden Dragon Ho 10 Inc. and Golden
Dragon Ho 11 Inc., and not in its personal
capacity**

Per: _____

Name:

Title:

Schedule "B1" – The GDH 10 Real Property

PIN 04213-0302 (LT)

PART OF LOT 18 PLAN 43586 N/S CLARENCE STREET BEING PART 1 ON 4R21669; OTTAWA. T/W RIGHT-OF-WAY AND EASEMENT OVER PART LOTS 16, 17 & 18 PLAN 43586 PT 3 PLAN 4R21669 AS IN OC699531. T/W EASEMENT OVER PART LOTS 16, 17 & 18 PLAN 43586 PART 4 ON 4R21669 AS IN OC699531. T/W RIGHT-OF-WAY OVER PART LOTS 16, 17 & 18 PLAN 43586 PART 2 ON 4R21669 AS IN OC699531. S/T RIGHT-OF-WAY AND EASEMENT OVER PART 1 ON 4R21669 IN FAV OUR OF PART LOTS 16, 17 & 18 PLAN 43586 PARTS 2, 3 & 4 ON 4R21669 AS IN OC699531.

Schedule "B2" – The GDH 11 Real Property

PIN 04213-0303 (LT)

PART LOTS 16,17 & 18 PLAN 43586 N/S CLARENCE STREET BEING PARTS 2,3 & 4 ON 4R21669; OTTAWA S/T RIGHT-OF-WAY AND EASEMENT OVER PART 3 ON 4R21669 IN FAVOUR OF PART LOT 18 PLAN 43586 PART 1 ON 4R21669 AS IN OC699531. S/T EASEMENT OVER PART 4 ON 4R21669 IN FAVOUR OF PART LOT 18 PLAN 43586 PART 1 ON 4R21669 AS IN OC699531. S/T RIGHT-OF-WAY OVER PART 2 PLAN 4R21669 IN FAVOUR OF PART LOT 18 PLAN 43586 PART 1 ON 4R216 69 AS IN OC699531. T/W RIGHT-OF-WAY AND EASEMENT OVER PART 1 ON 4R21669 IN FAVOUR OF PART LOTS 16, 17 & 18 PLAN 43586 PARTS 2,3 & 4 ON 4R21669 AS IN OC699531.

**Schedule "C1" – Claims to be deleted and expunged from title to the GDH 10 Real
Property (PIN 04213 – 0302 (LT))**

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
LT1219325	1999/08/11	NOTICE		QUEX PROPERTY CORPORATION	THE CONSUMER'S GAS COMPANY LTD.
OC839857	2008/04/09	CHARGE	\$1,584,000	QUEX PROPERTY CORPORATION	FIRST NATIONAL FINANCIAL GP CORPORATION
OC839858	2008/04/09	NOTICE		QUEX PROPERTY CORPORATION	FIRST NATIONAL FINANCIAL GP CORPORATION
OC839868	2008/04/09	NOTICE	\$2	FIRST NATIONAL FINANCIAL GP CORPORATION	
OC839869	2008/04/09	CHARGE	\$1,080,000	QUEX PROPERTY CORPORATION	FIRST NATIONAL FINANCIAL GP CORPORATION
OC839870	2008/04/09	NOTICE		QUEX PROPERTY CORPORATION	FIRST NATIONAL FINANCIAL GP CORPORATION
OC839879	2008/04/09	NOTICE	\$2	FIRST NATIONAL FINANCIAL GP CORPORATION	
OC1474005	2013/05/03	POSTPONEMENT		CITY OF OTTAWA HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING	FIRST NATIONAL FINANCIAL GP CORPORATION
OC1474006	2013/05/03	POSTPONEMENT		CITY OF OTTAWA HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF	FIRST NATIONAL FINANCIAL GP CORPORATION

				MUNICIPAL AFFAIRS AND HOUSING	
OC1474007	2013/05/03	POSTPONEMENT		CITY OF OTTAWA	FIRST NATIONAL FINANCIAL GP CORPORATION
OC1474008	2013/05/03	POSTPONEMENT		CITY OF OTTAWA HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING	FIRST NATIONAL FINANCIAL GP CORPORATION
OC1474009	2013/05/03	POSTPONEMENT		CITY OF OTTAWA HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING	FIRST NATIONAL FINANCIAL GP CORPORATION
OC1474010	2013/05/03	POSTPONEMENT		CITY OF OTTAWA HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING	FIRST NATIONAL FINANCIAL GP CORPORATION

**Schedule "C2" -- Claims to be deleted and expunged from title to the GDH 11 Real
Property (PIN 04213-0303 (LT))**

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
LT1219325	1999/08/11	NOTICE		QUEX PROPERTY CORPORATION	THE CONSUMER'S GAS COMPANY LTD.
OC702787	2007/04/02	CHARGE	\$4,882,240	QUEX PROPERTY CORPORATION	FIRST NATIONAL FINANCIAL GP CORPORATION
OC702788	2007/04/02	NOTICE		QUEX PROPERTY CORPORATION	FIRST NATIONAL FINANCIAL GP CORPORATION
OC702792	2007/04/02	NOTICE	\$2	FIRST NATIONAL FINANCIAL GP CORPORATION	
OC1818749	2016/08/19	CHARGE	\$2,900,000	GOLDEN DRAGON HO 11 INC.	LIAHONA MORTGAGE INVESTMENT CORP.
OC1818750	2016/08/19	NOTICE		GOLDEN DRAGON HO 11 INC.	LIAHONA MORTGAGE INVESTMENT CORP.

**Schedule "D1" – Permitted Encumbrances, Easements and Restrictive Covenants
related to the GDH 10 Real Property (PIN 04213 – 0302 (LT))**

(unaffected by the Vesting Order)

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
OC578037	2006/04/03	NOTICE		CITY OF OTTAWA	QUEX PROPERTY CORPORATION
OC654524	2006/10/27	CHARGE	\$1,805,004	QUEX PROPERTY CORPORATION	CITY OF OTTAWA HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING
OC654525	2006/10/27	NOTICE		QUEX PROPERTY CORPORATION	CITY OF OTTAWA HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING
OC654527	2006/10/27	NOTICE	\$1	CITY OF OTTAWA HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING	
4R21669	2007/01/02	PLAN REFERENCE			
OC697767	2007/03/19	NOTICE	\$1	CITY OF OTTAWA	QUEX PROPERTY CORPORATION
OC699554	2007/03/22	NOTICE		QUEX PROPERTY CORPORATION	
OC708277	2007/04/18	NOTICE	\$1	CITY OF OTTAWA	QUEX PROPERTY CORPORATION
OC709181	2007/04/20	NOTICE	\$14	CITY OF OTTAWA	QUEX PROPERTY CORPORATION

OC830819	2008/03/07	NOTICE	\$2	QUEX PROPERTY CORPORATION	
OC1453861	2013/02/15	NOTICE	\$1	QUEX PROPERTY CORPORATION	QUEX BEAUSOLEIL LTD.
OC1512213	2013/08/27	NOTICE		QUEX PROPERTY CORPORATION	TM MOBILE INC.
OC1789072	2016/05/24	TRANSFER	\$2,911,072	QUEX PROPERTY CORPORATION	GOLDEN DRAGON 10 INC.
OC1939617	2017/10/13	APPLICATION COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	FIRST NATIONAL FINANCIAL GP CORPORATION

**Schedule "D2" – Permitted Encumbrances, Easements and Restrictive Covenants
related to the GDH 11 Real Property (PIN 04213-0303 (LT))**

(unaffected by the Vesting Order)

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
OC578037	2006/04/03	NOTICE		CITY OF OTTAWA	QUEX PROPERTY CORPORATION
OC697767	2007/03/19	NOTICE	\$1	CITY OF OTTAWA	QUEX PROPERTY CORPORATION
4R21669	2007/01/02	PLAN REFERENCE			
OC697767	2007/03/19	NOTICE	\$1	CITY OF OTTAWA	QUEX PROPERTY CORPORATION
OC699554	2007/03/22	NOTICE		QUEX PROPERTY CORPORATION	
OC708277	2007/04/18	NOTICE	\$1	CITY OF OTTAWA	QUEX PROPERTY CORPORATION
OC709181	2007/04/20	NOTICE	\$14	CITY OF OTTAWA	QUEX PROPERTY CORPORATION
OC1453861	2013/02/15	NOTICE	\$1	QUEX PROPERTY CORPORATION	QUEX BEAUSOLEIL LTD.
OC1512213	2013/08/27	NOTICE		QUEX PROPERTY CORPORATION	TM MOBILE INC.
OC1789073	2016/05/24	TRANSFER	\$7,763,928	QUEX PROPERTY CORPORATION	GOLDEN DRAGON 11 INC.
OC1939617	2017/10/13	APPLICATION COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	FIRST NATIONAL FINANCIAL GP CORPORATION

FIRST NATIONAL FINANCIAL GP CORPORATION
Applicant

-and-

GOLDEN DRAGON HO 10 INC. et al.
Respondents

Court File No. 17-73967

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

AMENDED AND RESTATED
APPROVAL AND VESTING ORDER

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Lawyers for the Receiver, Deloitte Restructuring Inc.

Appendix “D”

Endorsement of Justice Hackland dated October 23, 2019

CITATION:, 2019 ONSC 6127
 First National Financial GP Corporation and
 Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.
COURT FILE NO.: 17-73967
DATE: 20191023

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: First National Financial GP Corporation, Applicant

AND

Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc., Respondent

BEFORE: The Honourable Justice C. T. Hackland

COUNSEL: S. Dewart, for First National Financial GP Corporation

D. Preger, for Deloitte Restructuring Inc. Court Appointed Receiver

M. Deigel, for the Respondents

T. Conway and K. Caron for Liahona Mortgage Investment Corp.

K. Perron for Royal United Investments Limited

R. Garrett for Quex Property Corporation

Genevieve Langlais for City of Ottawa Affordable Housing

HEARD: October 11, 2019

ENDORSEMENT

[1] At the conclusion of argument on this motion on October 11, 2019, I granted approval to the court appointed receiver, Deloitte Restructuring Inc. to proceed to close an Agreement of Purchase and Sale ("APS") by which the purchaser Royal United Investments Limited ("Royal United"), is to acquire two properties, 345 and 347 Barber Street, (referred to as "345" or "347"), Ottawa, which are subject to the receivership. I further ordered the receiver or its counsel to hold

Page: 2

in trust out of the net proceeds of sale, the sum of \$1.7 million pending the court's further ruling on a disputed prepayment penalty claimed by First National GP Corporation ("F.N.") which holds a first mortgage on both properties,

[2] For reasons outlined below, I have concluded that there must be a trial of an issue with respect to F.N.'s entitlement to payment of this penalty from the proceeds of sale, which I will refer to as "the yield maintenance penalty".

[3] The court appointed receiver recommended that the court approve the APS. I granted approval on the receiver's recommendation and on the basis of my finding that a fair process had been followed, in strict accordance with the court's previous directions and sound business practices, and upon being satisfied by the evidence filed in the Receiver's Seventh Report to the court, that fair market value had been achieved in this sale.

[4] Two parties opposed the sale. F.N.'s opposition had nothing to do with the fairness of the process, nor the sale price, both matters about which they were completely satisfied. Rather, F.N.'s position was that its agreement to have the receiver sell the properties upon motion by Liahona Mortgage Investment Corporation ("Liahona"), which holds a second mortgage on 345, was premised on F.N. receiving payment from the sale proceeds of its yield maintenance penalty. F.N. submits that if it is precluded from receiving the yield maintenance penalty, (about \$1.7 million), it wishes in that event, to maintain the mortgage in place until the end of its term (approximately another 8 years) or until such time as the properties are sold by the mortgagors. F.N. points out that the rental income from these two properties is now sufficient to pay the current arrears on the F.N. mortgages and receiver's costs and other charges,, and to return the mortgages to good standing. The proceeds of sale in the proposed transaction are sufficient to pay out the principal

Page: 3

and interest on F.N.'s mortgages and receivership costs, including the yield maintenance penalty. Clearly, the approval of the sale will preclude F.N. from maintaining the mortgage in place, but as noted, the proceeds of sale are sufficient to cover any claim for F.N.'s yield maintenance penalty.

[5] The other objector to the approval of the APS is the mortgagor Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc., both controlled by Mr. Chi Van Ho. The mortgagor did not file any materials challenging the process or the purchase price. Mr. Ho did file an affidavit making reference to a late offer from a third party that has since been revoked. He also offered the opinion that the properties should have been marketed on the MLS service and further, in his opinion, the per unit (i.e. rental unit) value on this proposed sale is lower than in the sales referenced in the appraisals relied on by CBRE, and the receiver. I do not accept Mr. Ho's opinion that the per unit price achieved is determinative of the adequacy of the sale price in this transaction.

[6] The receiver filed a "Supplemental Report to the Seventh Report of the Receiver" as well as a "Second Supplemental Report", both of which adequately respond to Mr. Ho's concerns. The receiver noted that its agent conducting the marketing and sale of the properties CBRE, "confirmed that when the marketing process was being developed, it did not recommend marketing the Property through MLS because MLS is not a suitable means to attract buyers of multi-residential apartment buildings of a size such as the Property, as qualified buyers for properties over \$10 million do not source deals on MLS."

[7] As to the revised late offer referred to by Mr. Ho, among other problematic aspects, it was conditional on the buyer obtaining approval from F.N. and Liahona to their existing mortgages on the property being assumed whereas F.N.'s counsel advised the receiver that F.N. would not consider an application from this purchaser to assume the F.N. mortgage.

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[8] In oral submissions Mr. Ho's counsel reiterated his client's concern that the sale price was too low when calculated on a per unit basis, notwithstanding that the overall price for the properties was supported by the appraisals commissioned by the mortgagees.

[9] The receiver advised the court (via its Seventh Report of the Receiver dated September 27, 2019), that the expected allocation of sale proceeds, net of sales commission to CBRE, (the commercial real estate firm retained to handle the marketing and sale of the properties) was approximately \$12.8 million of which \$10.1 million would be distributed to F.N. This would be sufficient to pay out F.N.'s mortgages, all arrears and receiver's charges as well as the yield maintenance penalty. On this scenario, a further \$2.6 million would then be paid out to Liahona, leaving a shortfall on Liahona's second mortgage of approximately \$1.2 million. I would observe that F.N.'s distribution would be reduced by approximately \$1.7 million in the event the yield maintenance penalty is found to not be payable, in which event this sum would flow to Liahona and the debtors.

[10] In summary, the receiver's recommendation to the court to approve the APS with Royal United is fully justified on the evidence before the court, both in terms of the fairness of the sale process carried out by CBRE under the receiver's direction as well as the sale price and terms achieved. There was no credible evidence to the contrary.

[11] The Court of Appeal in *Royal Bank v Soundair Corp.* 1991 Carswell Ont 205 held that when a receiver has followed a court mandated process to liquidate a security and agreed to a reasonable market price, the efficacy of the court receivership process mandates the transaction being approved. Galligan J.A. stated at para 42 and 43:

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42. While it is accepted that the primary concern of a receiver is the protecting of the interests of the creditors, there is a secondary but very important consideration, and that is the integrity of the process by which the sale is effected.

43. The importance of a court protecting the integrity of the process has been stated in a number of cases. First, I refer to *Re Selkirk*, supra, where Saunders J. said at p. 246 [C.B.R.]:

In dealing with the request for approval, the court has to be concerned primarily with protecting the interest of the creditors of the former bankrupt. A secondary but important consideration is that the process under which the sale agreement is arrived at should be consistent with commercial efficacy and integrity.

In that connection I adopt the principles stated by Macdonald J.A. of the Nova Scotia Supreme Court (Appeal Division) in *Cameron v. Bank of N.S.* (1981), 38 C.B.R. (N.S.), where he said at p. 11:

In my opinion if the decision of the receiver to enter into an Agreement of sale, subject to court approval, with respect to certain assets is reasonable and sound under the circumstances at the time existing it should not be set aside simply because a later and higher bid is made. To do so would literally create chaos in the commercial world and receivers and purchasers would never be sure they had a binding agreement. On the contrary, they would know that other bids could be received and considered up until the application for court approval is heard – this would be an intolerable situation.

[12] Counsel for the proposed purchaser Royal United pointed out that her client had expended considerable amounts in the pursuit of this transaction and had successfully negotiated an arrangement with the City of Ottawa and the Government of Ontario to deal with the affordable housing security registered on title, as a grant had originally been received to support the construction of affordable housing units in the building. This security will remain in place and be assumed by Royal United in this transaction. This is to the advantage of all parties. As stated by Galligan J.A. in *Soundair*, "...where a purchaser has bargained at some length and doubtless at considerable expense with the receiver, the interests of the purchaser ought to be taken into

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account. ... I think (case references omitted) clearly imply that the interests of a person who has negotiated an agreement with a court-appointed receiver are very important.”

[13] As noted, I acknowledge that approval of the APS will foreclose F.N.’s option to maintain its mortgages after terminating the receivership. I have given this factor due consideration, but I find off-setting factors carry more weight in the present circumstances, i.e.:

- The sale process, although initiated by Liahona, was agreed to and encouraged by F.N.
- F.N. further supported the sale process by consenting to have the receiver include the 347 property in the sale to maximize the recovery (Liahona has no security on 347).
- F.N., on the evidence, was reluctant to re-establish a relationship with the debtor with whom there had been a litany of disputes and where a clear lack of trust existed. F.N.’s counsel put this reason forward during negotiations between the mortgagees to explain F.N.’s support for selling the properties.
- With or without a sale of the properties, F.N.’s full legal entitlement will be paid out. The issue of the payment of the yield maintenance penalty primarily impacts Liahona’s recovery as second mortgagee and the recovery of the debtor.

[14] For all these reasons the APS was approved. I will also approve a distribution order subject to the proviso, noted previously, that the amount of the yield maintenance penalty claimed by F.N. be withheld in trust by the receiver or its counsel from the net proceeds of sale, pending a determination by the court as to whether this penalty or some other compensatory amount is payable to F.N. on this sale.

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[15] I will now outline the basis of the dispute which has arisen concerning the yield maintenance penalty. I do so only briefly because I have determined that the trial of an issue is required to properly determine this issue. The questions to be tried can be stated as follows, although counsel may agree to revise my suggested wording:

1. Is the yield maintenance penalty (approximately \$1.7) due to F.N. on the closing of the court-appointed receiver's sale of the properties herein?
2. Was there an agreement between F.N. and Liahona that the yield maintenance penalty be payable and if so, should the agreement be enforced by the court and does such agreement bind subsequent creditors or the debtor?
3. If the yield maintenance penalty is not payable, is F.N. entitled to compensation resulting from the court-appointed receiver's sale of the properties, and if so, on what basis and in what amount?

[16] With respect to the yield maintenance agreement, F.N. contends that the sale herein by the court appointed receiver terminates this closed mortgage which had a remaining term of approximately 8 years. F.N. submits it is entitled to compensation for the lost interest which would have been earned over the balance of the term. This is payable pursuant to the yield maintenance agreement which is part of the mortgage contractual documentation and is also due at common law. F.N. points out that it made its claim for the yield maintenance penalty explicitly clear to Liahona from the commencement of discussions leading to the Expanded Powers Order in May 2019, which authorized the receiver to proceed to market and sell the properties. This order provided that F.N. is deemed not to be realizing on its security by participating in the sale. F.N. then carefully refrained from taking steps itself to realize on its security, so as not to trigger an equity of redemption, reiterated this claim to the yield maintenance penalty before agreeing with Liahona to instruct the receiver to accept the APS with Royal United and then specifically agreed

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with Liahona on the distribution of the proceeds of this sale, which included the payment of the yield maintenance penalty.

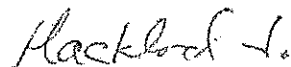
[17] Liahona's basic position is that there is no contractual or other legal basis to support F.N.'s claim for the yield maintenance penalty. Further Liahona submits the termination of F.N.'s mortgages will not create a loss to F.N. so far as the evidence on this motion demonstrates because upon payment to F.N. of the full principal and interest due under its mortgages it can mitigate and avoid any loss from the early termination of its mortgage, by lending out its money at current interest rates. Liahona further claims that on a close view of the course of negotiations and communications between Liahona and F.N., Liahona did not specifically address the issue of F.N.'s entitlement to the yield maintenance penalty nor explicitly agree to the inclusion of the penalty in the distribution of the proceeds of sale.

[18] The debtor's counsel maintained in his oral submissions that in substance F.N. must be said to have realized on their security in all the circumstances leading to this sale so that an equity of redemption arises by operation of law and no penalty is payable. Counsel submits that his clients, the debtors, are not bound by any agreements made between the mortgagees without the debtor's explicit concurrence.

[19] The parties have raised serious questions, as set out previously, which require evidence not presently before the court and also raise certain credibility issues.

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[20] I request counsel to arrange a case conference before me to agree on a timetable for a trial of the above noted questions pertaining to the claimed yield maintenance penalty and to resolve any ancillary issues.



Justice Charles T. Hackland

Date: October 23, 2019.

CITATION:, 2019 ONSC 6127
First National Financial GP Corporation and
Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.
COURT FILE NO.: 17-73967
DATE: 20191023

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: First National Financial GP Corporation, Applicant

AND

Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc., Respondent

BEFORE: The Honourable Justice C. T. Hackland

COUNSEL: S. Dewart, for First National Financial GP Corporation

D. Preger, for Deloitte Restructuring Inc. Court Appointed Receiver

M. Deigel for the Respondents

T. Conway and K. Caron for Liahona Mortgage Investment Corp.

K. Perron for Royal United Investments Limited

R. Garrett for Quex Property Corporation

Genevieve Langlais for City of Ottawa Affordable Housing

ENDORSEMENT

Justice C.T. Hackland

Released: October 23, 2019.

Appendix “E”

Debtors’ Notice of Appeal

Court of Appeal File No.

COURT OF APPEAL FOR ONTARIO

BETWEEN:

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant
(Respondent in Appeal)

- and -

GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC.

Respondent
(Appellant)

NOTICE OF APPEAL

THE APPELLANTS GOLDEN DRAGON HO 10 INC. and GOLDEN DRAGON HO 11 INC. APPEAL to the Ontario Court of Appeal from the Amended and Restated Approval and Vesting Order of the Honourable Justice Hackland dated October 11, 2019 made on an Application/Motion by Deloitte Restructuring Inc., in its capacity as Court appointed receiver and manager of lands owned by the Appellants, for a vesting order and approval at the Ontario Superior Court of Justice at Ottawa, Ontario.

THE APPELLANTS ASK that the Order be set aside and an order granted as follows:

1. An Order setting aside the Amended and Restated Approval and Vesting Order issued by

the Honourable Justice Hackland issued October 11, 2019 and dismissing the Application/Motion for a Vesting Order, and other relief

2. Costs

THE GROUNDS FOR APPEAL are as follows:

1. The Application/Motion Judge erred in granting a vesting order
2. The Application/Motion Judge erred in approving the various accounts of the receiver, and of various counsel.
3. The Application/Motion Judge erred in not considering that an 8-10% vacancy rate in the subject properties, when surrounding properties were at 1.2%, raised an issue of mismanagement and artificially depressed the properties' value.
4. The Application/Motion Judge erred in not finding that an offer of \$13,000,000.00 was materially below fair market value when an offer of \$16,500,000.00 had been presented.
5. The Application/Motion Judge erred in not finding that the failure of the real estate broker to post the properties on the internet was a fundamental error in exposing the properties for sale, notwithstanding the scheme for marketing that had been approved.
6. The Application/Motion Judge erred in failing to find that the penalties claimed to discharge the mortgages on title were improper, and not allowing them rather than

allowing for a reserve.

7. Such further and other grounds as may otherwise be raised.

THE BASIS OF THE APPELLATE COURT'S JURISDICTION IS:

1. The Order appealed from is a Vesting Order in accordance with Section 100 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, and as such is a final order
2. The Order involves real property valued in the amount of at least \$13,000,000.00, and as such is appealable to the Court of Appeal.
3. Leave to appeal is not required on a Vesting Order.

Date: October 17, 2019

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FIRST NATIONAL FINANCIAL GP CORPORATION
Applicant (Respondent in Appeal)

-and-

GOLDEN DRAGON HO 10 INC. et al.
Respondents (Appellants in Appeal)

Court File No. 17-73967
Court of Appeal File No:

COURT OF APPEAL FOR ONTARIO

PROCEEDING COMMENCED AT
OTTAWA

**MOTION RECORD OF THE COURT-
APPOINTED RECEIVER, DELOITTE
RESTRUCTURING INC.**

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