

ON READING the Seventh Report of the Receiver dated September 27, 2019 (the “**Seventh Report**”), the Receiver’s Supplemental Report to the Seventh Report dated October 2, 2019 (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, on hearing the submissions of counsel for the Receiver, counsel for First National Financial GP Corporation (“**FN**”), counsel for Liahona Mortgage Investment Corp. (“**Liahona**”), counsel for the City of Ottawa, counsel for Quex Property Corporation and counsel for the GDH 10 Debtor and the GDH 11 Debtor, and counsel for Royal United Investments Limited, 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, and for reasons issued October 23, 2019:

SERVICE

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.

RECEIVER’S ACTIVITIES

2. **THIS COURT ORDERS AND DECLARES** that the activities and proposed activities of the Receiver described in the Seventh Report, the Supplemental Report and the Second Supplemental Report are hereby approved.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

3. **THIS COURT ORDERS AND DECLARES** that Receiver’s Interim Statement of Receipts and Disbursements for the period September 22, 2017 to August 31, 2019 contained in the Seventh Report is hereby approved.

PROFESSIONAL FEES

4. **THIS COURT ORDERS AND DECLARES** that the fees and disbursements of the Receiver as set out in the Fee Affidavit of Hartley Bricks, sworn September 26, 2019 contained in the Seventh Report, the fees and disbursements of Dickinson Wright LLP as set out the Fee Affidavit of David Preger, sworn September 9, 2019 contained in the Seventh Report, and the fees and disbursements of Blaney McMurty LLP as set out in the Fee Affidavit of Chad Kopach sworn September 26, 2019 contained in the Seventh Report, are hereby approved.

SEALING

5. **THIS COURT ORDERS AND DECLARES** that the Receiver is authorized and directed, *nunc pro tunc*, to redact from the Seventh Report served on the parties named in the service list Confidential Appendices "A", "B", "C", "D", "E", "F" and "G".

6. **THIS COURT ORDERS AND DECLARES** that the unredacted version of the Seventh Report, including the Confidential Appendices "A" through "G" shall be sealed, kept confidential, and shall not form part of the public record, but shall rather be placed separate and apart from all other contents of the Court File in a separately sealed envelope on which is affixed a notice setting out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be unsealed after the Transaction (as defined in the Amended and Restated Approval and Vesting Order dated October 11, 2019 (the "AVO")) is completed, or further Order of this Court

DISTRIBUTION

7. **THIS COURT ORDERS**, on consent, that upon the completion of the Transaction:
- (a) the Receiver shall pay to CBRE Group Inc., its commission of 1.25% (plus HST) of the purchase price payable under the APS (as defined in the AVO) (the "Commission");
 - (b) on an interim basis, the Commission shall be allocated on the basis of 73% to 345 Barber and 27% to 347 Barber;

- (c) on an interim basis, FN's expenses with respect to its charges over the Property shall be allocated on the basis of 73% to 345 Barber and 27% to 347 Barber;
- (d) the Receiver shall repay the amount outstanding under the Receiver's Borrowing Charge (as defined in the Appointment Order (Interim Receiver) dated September 22, 2017) (the "**Receiver's Borrowings**");
- (e) on an interim basis, the Receiver's Borrowings shall be allocated on the basis of 81.43% to 345 Barber and 18.57% to 347 Barber;
- (f) on an interim basis, the Receiver shall set aside a reserve (hereinafter the "**Reserve**") for:
 - (i) the outstanding and future fees and disbursements of the Receiver and its counsel in administering the receivership, including the Trial of Issues (hereinafter defined);
 - (ii) the prepayment amounts claimed by FN arising from the early payment of its charges against the Property (individually, a "**Yield Maintenance Penalty**" and, collectively the "**Yield Maintenance Penalties**");
 - (iii) an amount equivalent to one (1) year of interest at 1.6% *per annum* on the Yield Maintenance Penalties, commencing from the date the Transaction is completed; and
 - (iv) the future legal fees and disbursements of FN in connection with the receivership, including the Trial of Issues.

8. **THIS COURT ORDERS**, on consent, that subparagraph 7(f) of this Order with respect to the Reserve is made without prejudice to the right of any interested stakeholder to dispute the reasonableness of any component of the Reserve, including any amount(s) claimed in connection therewith.

9. **THIS COURT ORDERS**, on consent, that subject to paying and allocating the amounts referred to in paragraph 7 and retaining the Reserve, the net sale proceeds and any excess funds

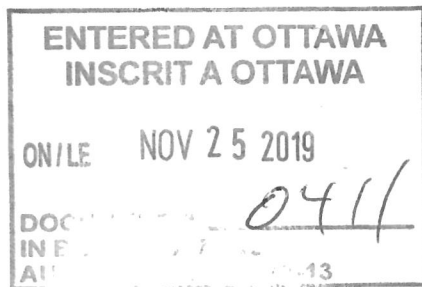
in the Receiver's hands shall be allocated on the basis of 73% to 345 Barber and 27% to 347 Barber and distributed as follows:

- (a) with respect to 345 Barber:
 - (i) to fully satisfy FN's first ranking charge over 345 Barber, save and except for the Yield Maintenance Penalty related thereto; and
 - (ii) the balance to Liahona in partial satisfaction of its second charge over 345 Barber;

- (b) with respect to 347 Barber:
 - (i) to fully satisfy FN's first ranking charge over 347 Barber and FN's second ranking charge over 347 Barber, save and except for the Yield Maintenance Penalties related thereto; and
 - (ii) the balance remaining in the Receiver's hands attributable to 347 Barber shall be retained by the Receiver until further Order of this Court.

TRIAL OF ISSUES

10. **THIS COURT ORDERS** that counsel shall arrange a case conference to agree on a timetable for a trial of the Yield Maintenance Penalties and any ancillary issues (the "Trial of Issues").



Mackenzie J.

FIRST NATIONAL FINANCIAL GP CORPORATION
Applicant

-and-
Respondents

GOLDEN DRAGON HO 10 INC. et. al.

Court File No. CV-17-73967

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

ADMINISTRATION AND DISTRIBUTION ORDER

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