

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

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

**MOTION RECORD  
(returnable December 20, 2017)**

December 13, 2017

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capacity as interim court appointed receiver

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

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# **TAB 1**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

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

**NOTICE OF MOTION**

The Applicant, First National Financial GP Corporation (“FN”), and the Interim Receiver, Deloitte Restructuring Inc. (“**Deloitte**” or the “**Interim Receiver**”), will make a Motion to The Honourable Justice Hackland on Wednesday, December 20, 2017, at 2:00 p.m., or as soon after that time as the Motion can be heard at 161 Elgin Street, 2<sup>nd</sup> Floor, Ottawa, Ontario.

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

**THE MOTION IS FOR** an Order substantially in the form of the draft attached as Schedule “A” hereto:

1. if necessary, abridging the time for service of the Notice of Motion and Motion Record herein, validating service of the Notice of Motion and Motion Record, and dispensing with further service thereof;

2. approving the Second Report to the Court of the Interim Receiver dated December 13, 2017 (the “**Second Report**”), and the Interim Receiver’s actions and activities as set out in the Second Report;
3. approving and accepting the Interim Receiver’s Interim Statement of Receipts and Disbursements for the period from September 22, 2017, to November 30, 2017, as set out in Appendix “J” to the Second Report;
4. approving the fees and disbursements of the Interim Receiver for the period from September 18, 2017, to December 1, 2017, the fees and disbursements of Dickinson Wright LLP (“**Dickinson**”, independent counsel to the Interim Receiver) for the period from September 20, 2017, to October 17, 2017, and the fees and disbursements of Blaney McMurtry LLP (“**Blaneys**”) for the period from July 4, 2017, to November 30, 2017; and,
5. such further and other relief as to this Honourable Court seem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. pursuant to an Order (the “**Appointment Order**”) of Justice Hackland of the Ontario Superior Court of Justice (the “**Court**”) dated September 22, 2017 (the “**Interim Receivership Date**”), following an application made on behalf FN, Deloitte was appointed as Interim Receiver of certain real property of Golden Dragon Ho 10 Inc. (“**GDH 10**”) municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street) (“**347 Barber**”), and of certain real property of Golden Dragon Ho 11 Inc. (“**GDH 11**”) municipally known as 345 Barber Street, Ottawa, Ontario (formerly known as 345 Clarence Street) (“**345 Barber**”) (collectively, with 347 Barber, referred to herein as the “**Property**”);

2. the Appointment Order authorizes the Interim Receiver to, among other things:
  - (i) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (ii) 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,
  - (iii) market available rental units, enter into new rental agreements or renew expiring rental agreements where applicable;
  
3. on October 20, 2017, FN brought a motion to, among other things, extend the appointment of the Interim Receiver as permitted under section 47(1)(c) of the *Bankruptcy and Insolvency Act* (the “*BIA*”). In support of that motion, the Interim Receiver filed with the Court its First Report of the Interim Receiver dated October 17, 2017 (the “**First Report**”). Based on the First Report and submissions made to the Court by counsel for FN and the Interim Receiver on October 20, 2017, the Court granted an order (the “**October 20 Order**”) approving the Interim Receiver’s actions as described in the First Report, approving the Interim Receiver’s Interim Statement of Receipts and Disbursements for the period from September 22 to October 13, 2017, and extending the appointment of the Interim Receiver until further order of this Court;

#### **Repairing the Property and Preparing Units for Rent**

4. the Property was originally comprised of two adjoining six-story multi-unit apartment buildings that consisted of a total of 110 units. 80 of these units were located in 345 Barber, and 30 units were (and still are) located in 347 Barber. Although there are two

separate municipal addresses for this Property (345 Barber and 347 Barber), they operate as one complex as the two buildings are connected on every floor (except the basement) and they share common areas and facilities (such as the lobby, laundry room, mailroom and the one elevator). Of the 110 original units, 30 units are to be rented out at below market rents (the “**BMR Units**”) for affordable housing purposes pursuant to agreements with the City of Ottawa (the “**City**”) and the Ontario Ministry of Housing (the “**Ministry**”);

5. the First Report detailed, among other things, work undertaken by the Interim Receiver in the weeks following the Appointment Order, including securing the Property, arranging for the completion of some unfinished work in the lobby, implementing an inspection and maintenance program for the systems at the Property (i.e. fire safety, emergency generator, boiler heating, electrical, dryer venting, elevator and roof), and retaining CLV Group Inc. (“**CLV**”) as property manager;
6. upon the appointment of the Interim Receiver, the Property was approximately 60% occupied. The low occupancy was primarily the result of the Respondents’ plan to convert 345 Barber to student housing by increasing the number of bedrooms in certain units and by making certain modifications to the lobby and the basement. In order to carry out this plan, the Respondent 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;

7. the Interim Receiver has undertaken significant activities in accordance with the terms of the Appointment Order and the October 20 Order, which are detailed in the Second Report.

Among other things, the Interim Receiver has:

- (i) approved certain work to repair the roof where leaks have been occurring;
- (ii) solicited quotes for work to complete most of the planned renovations to the lobby that had been started by the Respondents;
- (iii) communicated with the City to determine whether the student housing renovations commenced by the Respondents meet building code requirements;
- (iv) participated in conference calls with the City and the Ministry regarding the status of the Interim Receivership and the status of the BMR Units;
- (v) developed a strategy to offer up vacant units in 345 Barber to non-BMR Unit tenants in 347 Barber, including, subject to Court approval, incentives of one-month's free rent and moving costs of up to \$500;
- (vi) prepared a summary of the vacant units in the Property and developed a strategy for repair of those units so they can be rented out;
- (vii) organized and held a tenants meeting on November 14, 2017, at which, among other things, tenants identified deficiencies that CLV is following up on;
- (viii) responded to inquiries from a real estate broker and other parties interested in the Property; and,
- (ix) prepared a cash flow forecast and determined the Receiver's anticipated funding requirements.

### **The Third Mortgage**

8. on or about October 17, 2017, the Receiver became aware that a collateral third mortgage for \$678,000.00 in favour of 3942783 Canada Inc. (the “**Third Mortgagee**”) had been registered against 345 Barber on September 27, 2017, five days after the Appointment Order was made (the “**Third Mortgage**”);
9. Harland Tanner of Piazza Tanner LLP, the lawyer for the Third Mortgagee, has advised that he expects his client will instruct him to discharge the Third Mortgage, though it remained on title as of the date of the Second Report;
10. in the event that the Third Mortgage is not removed from title prior to the return of the within motion, the Interim Receiver intends to bring a subsequent motion to the Court to have the Third Mortgage removed from title;

### **Receipts and Disbursements**

11. the interim statement of receipts and disbursements of the Interim Receiver (the “**R&D**”) is attached as Appendix “J” to the Second Report. The R&D separates out the receipts and disbursements between September 22 and October 13, 2017, which receipts and disbursements were accepted and approved in the October 20 Order, and the receipts and disbursements between October 14 and November 30, which reflects the interim receivership activity since the First Report. The R&D is a fair and accurate representation of the funds received and disbursed directly by the Receiver since the Interim Receivership Date;

12. the fees and disbursements of the Interim Receiver, its independent counsel Dickinson, and of Blaneys, are fair and reasonable in the circumstances;
13. the *BIA*;
14. Rule 3.02 of the *Rules of Civil Procedure*; and,
15. such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. the Second Report to the Court of the Interim Receiver dated December 13, 2017;
2. the Affidavit of Hartley Bricks sworn December 11, 2017;
3. the Affidavit of David Preger sworn December 8, 2017;
4. the Affidavit of Eric Golden sworn December 13, 2017; and,
5. such further and other evidence as counsel may advise and this Honourable Court permit.



December 13, 2017

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Lawyers for the Applicant and  
the Interim Receiver

TO: **SERVICE LIST**

**FIRST NATIONAL FINANCIAL GP CORPORATION** and

**GOLDEN DRAGON HO 10 INC. et al.**

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at **OTTAWA**

**NOTICE OF MOTION**

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Lawyers for the Applicant and  
the Interim Receiver

# **TAB A**

Schedule "A"

Court File No. 17-73967

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE	)	WEDNESDAY, THE 20 <sup>th</sup>
	)	
JUSTICE HACKLAND	)	DAY OF DECEMBER, 2017

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

**ORDER**

**THIS MOTION** made by First National Financial GP Corporation (the "**Applicant**") and by the Interim Receiver, Deloitte Restructuring Inc. (the "**Interim Receiver**"), for an Order (i) abridging the time for service of the notice of motion and motion record herein, (ii) approving the Second Report of the Interim Receiver dated December 13, 2017 (the "**Second Report**"), and the activities described therein, (iii) approving and accepting the Interim Receiver's Interim Statement of Receipts and Disbursements for the period from September 22, 2017, to November 30, 2017, (v) approving and accepting the fees and disbursements of the

Interim Receiver for the period from September 18, 2017, to December 1, 2017, (vi) approving and accepting the fees and disbursements of Dickinson Wright LLP (“**Dickinson**”), independent counsel to the Interim Receiver, for the period from September 20, 2017, to October 17, 2017, and, (vii) approving and accepting the fees and disbursements of Blaney McMurtry LLP (“**Blaneys**”) for the period from July 4, 2017, to November 30, 2017, was heard this day at Ottawa.

**ON READING** the moving parties’ Motion Record dated December 13, 2017, the Second Report and the appendices thereto, including the Affidavit of Hartley Bricks sworn December 11, 2017, the Affidavit of David Preger sworn December 8, 2017, and the Affidavit of Eric Golden sworn December 13, 2017, and upon hearing the submissions of counsel for FN and the Interim Receiver, no one else appearing, although duly served as set out in the affidavit of service of Patricia Keane sworn December 14, 2017, filed.

1. **THIS COURT ORDERS** that the time for service of the moving parties’ Notice of Motion returnable December 20, 2017 (the “**NOM**”), and related motion material filed in support of that NOM (the “**Motion Material**”) be and is hereby abridged, that service of the NOM and Motion Material is hereby validated, and that further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that the Second Report dated December 13, 2017, and the actions of the Interim Receiver described therein, be and are hereby approved.
3. **THIS COURT ORDERS** that the Interim Receiver’s Interim Statement of Receipts and Disbursements for the period from September 22, 2017, to November 30, 2017, as set out in Appendix “J” to the Second Report, be and is hereby accepted and approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Interim Receiver for the period from September 18, 2017, to December 1, 2017, the fees and disbursements of Dickinson for the period from September 20, 2017, to October 17, 2017, and the fees and disbursements of Blaneys for the period from July 4, 2017, to November 30, 2017, be and are hereby approved.

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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

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**SECOND REPORT OF THE INTERIM RECEIVER**

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**DATED DECEMBER 13, 2017**



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**APPENDICES**

- A** Appointment Order of Justice Hackland of the Ontario Superior Court of Justice dated September 22, 2017
- B** First Report of the Interim Receiver dated October 17, 2017 (without appendices)
- C** Order of Justice Hackland of the Ontario Superior Court of Justice dated October 20, 2017
- D** Agenda for Tenants' Meeting held on November 14, 2017
- E** A sample redacted letter sent by CLV to BMR tenants on November 22, 2017
- F** A sample redacted letter sent by CLV to non-BMR tenants on November 21, 2017
- G** Mortgage for \$678,000 registered in favour of 3924783 Canada Inc. against 345 Clarence Street including Additional Provisions
- H** Letter dated October 17, 2017 from Blaney McMurtry LLP to 3942783 Canada Inc., Abad Haman and Hamam Nizar
- I** Email correspondence from November 8 through December 5, 2007 between Blaney McMurtry LLP and Harland Tanner of Piazza Tanner LLP
- J** Interim Statement of Receipts and Disbursements for the Interim Receivership for the period from September 22 to November 30, 2017
- K** Affidavit of Hartley Bricks of Deloitte Restructuring Inc. sworn December 8, 2017
- L** Affidavit of David Preger of Dickinson Wright LLP sworn December 8, 2017
- M** Affidavit of Eric Golden of Blaney McMurtry LLP sworn December 13, 2017

## INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated September 22, 2017 (the “**Appointment Order**”), Deloitte Restructuring Inc. was appointed as the interim receiver (the “**Receiver**”) of certain real property of Golden Dragon Ho 10 Inc. (“**GDH 10**”) municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) (“**347 Barber**”) and of certain real property of Golden Dragon Ho 11 Inc. (“**GDH 11**”) municipally known as 345 Barber Street Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) (“**345 Barber**”) (collectively, with 347 Barber, referred to herein as the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix "A"**.
2. The Appointment Order authorized the Receiver to, among other things:
  - (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.
3. On October 20, 2017, the Applicant, First National Financial GP Corporation (“**FN**”), brought a motion to, among other things, extend the appointment of the Receiver as permitted under section 47(1)(c) of the *Bankruptcy and Insolvency Act*. In support of that motion, the Receiver filed with the Court its First Report of the Interim Receiver dated October 17, 2017 (the “**First Report**”). Based on the First Report and submissions made to the Court by counsel for FN and the Receiver on October 20, 2017, the Court granted an order (the “**October 20 Order**”) approving the Receiver’s actions as described in the First Report, approving the Receiver’s Interim Statement of Receipts and Disbursements for the period from September 22 to October 13, 2017, and extending the appointment of the Receiver until

further order of this Court. Copies of the First Report and the October 20 Order are attached hereto as **Appendix “B”** and **Appendix “C”**, respectively.

4. The Appointment Order, the October 20 Order, the First Report, this the Receiver’s Second Report to the Court (the **“Second Report”**) and other key documents have been posted on the Receiver’s website at [www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11](http://www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11).

#### **PURPOSE OF REPORT**

5. The purpose of the Second Report is to:
  - (a) provide the Court with information on the current status of the Property and the repairs being undertaken;
  - (b) provide the Court with the Receiver’s strategy for the rental of vacant units at the Property;
  - (c) provide the Court with the evidentiary basis to make an order:
    - (i) approving the activities of the Receiver as described in this Second Report, including the Receiver’s course of action with respect to the repairs to the Property and the strategy for leasing vacant units;
    - (ii) approving the Receiver’s Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to November 30, 2017; and
    - (iii) approving the fees and disbursements of the Receiver, of Blaney McMurtry LLP (**“Blaneys”**), and of the Receiver’s independent counsel, Dickinson Wright LLP (**“Dickinson”**).

#### **TERMS OF REFERENCE**

6. In preparing this Second Report, the Receiver and/or its property manager CLV Group Inc. (**“CLV”**), have reviewed unaudited financial information and other records related to the Property provided by Chi Suites Inc. (the management company for GDH 10 and GDH 11) (**“Chi Suites”**), information provided by third-party sources, and have held discussions with

individuals involved in administering the Property (including the building superintendent) (collectively, 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 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; and
  - (b) the Receiver has prepared this Second Report in its capacity as a Court-appointed officer to support the Court’s approval of the Receiver’s activities to date, its course of action with respect to the repairs to the Property, the strategy for leasing vacant units, and the other relief being sought. Parties using this report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
7. Unless otherwise stated, all dollar amounts contained in this Second Report are expressed in Canadian dollars.
  8. Unless otherwise provided, all other capitalized terms not otherwise defined in this Second Report are as defined in the Appointment Order.
  9. The Receiver has sought the advice of Blaneys, counsel to the Applicant, for general legal matters that have arisen in respect of the interim receivership. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Dickinson.

## **BACKGROUND**

10. As noted in the First Report, the Property is comprised of two adjoining six-story multi-unit apartment buildings that originally consisted of a total of 110 units. Eighty of these units were located in 345 Barber, and 30 units were (and still are) located in 347 Barber. These buildings operate as one complex as they are connected on every floor except the basement, and they 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 “MOH”) as discussed further below. These 30 units are referred to as below market rent (“BMR”) units.

11. Upon the appointment of the Receiver, the property was approximately 60% occupied. The low occupancy was primarily the result of the Respondents’ plan to convert 345 Barber to student housing by increasing the number of bedrooms in certain units and by making certain modifications to the lobby and the basement. In order to carry out this plan, the Respondent 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, alternations to the building had also been started in the lobby and the basement of 345 Barber, which work remained substantially unfinished as of the date of the Appointment Order.

#### **RECEIVER’S ACTIVITIES SINCE ITS FIRST REPORT TO COURT**

12. Since the date of the First Report, the Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
  - (a) Followed up with CLV to ensure that inspections, by qualified professionals, have been completed for all systems at the Property (such as fire safety, emergency generator, boiler heating, electrical, dryer venting, elevator, and the roof). The Receiver continues to follow up with CLV to ensure that all deficiencies identified through the inspections are properly dealt with;
  - (b) Discussed with CLV the repairs required for the roof, lobby, and the many vacant units in the Property and provided instructions related thereto. With respect to the roof, the Receiver has approved certain work to repair areas where leaks have been occurring. With respect to the lobby, the Receiver, through CLV, has solicited three quotes for work to complete most of the planned renovations that had been started by the Respondents. The Receiver is awaiting a third quote before making a determination on proceeding. As reported in the First Report, the Receiver had previously approved the completion of certain tile work in the lobby (which had been prepaid prior to the interim

receivership) which has now been completed. Work with respect to the vacant units is discussed further below;

- (c) Prepared a summary of the vacant units in the Property and developed a strategy for repair of those units. The strategy for dealing with the vacant units is discussed further below;
- (d) Discussed with Canada Revenue Agency the HST account for the Property and undertook research with respect to HST issues. The Receiver determined that the Property represents an exempt rental property such that there is no entitlement to claim Input Tax Credits;
- (e) Responded to questions and information requests from parties interested in the Property including a sales representative from Century 21 Explorer Realty Inc., a real estate broker who had been engaged by the Respondents prior to the date of the Appointment Order to list the Property for sale;
- (f) Participated in conference calls with the City and the MOH regarding the status of the interim receivership and the status of the BMR units. The Receiver's proposed strategy for dealing with the BMR units is discussed further below;
- (g) Organized and held a tenants meeting on November 14, 2017, after allowing some time for the Receiver and/or CLV to deal with the most pressing issues at the Property. Twenty-seven residents attended the meeting, which was held in a meeting room at a nearby hotel. A copy of the agenda for the meeting is attached as **Appendix "D"**. At the meeting, the residents appeared pleased that maintenance and repair issues were now being dealt with on a timely basis. Some expressed concern over the uncertainty of the interim receivership process and the timing for when a new owner might take over from the Receiver. They also identified several deficiencies that CLV made note of and subsequently followed up on. CLV also took this opportunity to distribute new secure keys to the residents as the electronic fob entry system is being discontinued (as discussed in paragraph 14(a) of the First Report).
- (h) Reviewed the Property accounting prepared by CLV and prepared the Receiver's Interim Statement of Receipts and Disbursements;

- (i) Prepared a cash flow forecast and determined the Receiver's anticipated funding requirements. The Receiver determined that, given the low rental revenue as a result of the number of vacancies at the Property, combined with forecast disbursements for operating costs, property repairs and professional fees, third party funding of \$200,000 was required to meet its obligations until the end of January 2018. As a result, the Receiver borrowed \$200,000 from FN by way of Receiver's Certificate. The funds were received by the Receiver on November 28, 2017;
- (j) Responded to information requests from the Applicant and Desjardins Global Asset Management, the lender to which the FN mortgages had been assigned; and
- (k) Responded to tenant and creditor inquiries.

#### **RENTAL STATUS OF THE PROPERTY**

- 13. As at the date of the Appointment Order, there were 65 occupied units (out of 110 original total units, but as per above and below, a number of units in 345 Barber are not rentable until renovations are complete) generating monthly rental income of \$50,655 (not including monthly affordability payments payable by the City and the MOH, which are monthly subsidies paid in respect of the BMR units).
- 14. On a related note, the monthly affordability payments have not been made to the Receiver or FN since the Appointment Order, and the Receiver will be following up with the City and MOH in this regard.
- 15. As of December 1, 2017, as the result of one tenant vacating its unit in 345 Barber (unit 501) and one tenant vacating its unit in 347 Barber (unit 214), there are 63 occupied units generating a rent roll of \$48,976 (excluding affordability payments). As a result, there are currently 45 units which are vacant in 345 Barber, of which seven (units 209, 210, 309, 311, 402, 404, and 606) are available for rent (the rest of which require repairs before they can be rentable, as discussed further below), while two units are vacant in 347 Barber (units 214 and 314) both of which are available for rent.



**BMR UNITS**

16. As set out in paragraphs 11 and 12 of the Sebben Affidavit, the Municipal Housing Project Facilities Agreement with the City and the Provincial Contribution Agreement with the MOH, as amended (collectively, the “**BMR Agreements**”), require that 30 of the units in the Property are to be used for affordable housing purposes. However, as at the date of the Appointment Order, only 23 units contained BMR tenants, of which three were located in 345 Barber and 20 were located in 347 Barber (this is an updated amount from the 21 BMR tenants that was reported in the First Report based on additional information subsequently obtained by CLV). As at December 1, 2017, the number of units with BMR tenants dropped to 22 because, as noted above, a tenant in 347 Barber (unit 214) moved out on November 30, 2017.
17. The BMR Agreements provide that reasonable efforts be made to relocate all BMR tenants currently in 345 Barber into 347 Barber once vacancies arise. In that regard, and given the two vacancies in 347 Barber, the Receiver directed CLV to write to two of the three BMR tenants in 345 Barber and offer to transfer them to one of the two vacant units in 347 Barber. A sample redacted letter sent by CLV on November 22, 2017 is attached hereto as **Appendix “E”**. This letter was not sent to one of the three BMR tenants in 345 Barber because of health and safety concerns regarding that tenant’s unit. None of the other two BMR units in 345 Barber elected to transfer to 347 Barber. As a result, the Receiver directed CLV to seek new BMR tenants through the affordable housing registry to fill the vacancies in 347 Barber.
18. In order to free up further units in 347 Barber for BMR tenants, the Receiver directed CLV to write to non-BMR tenants in 347 Barber offering to transfer them to vacant units in 345 Barber. The letters dated November 21, 2017 (a sample redacted version of which is attached hereto as **Appendix “F”**) allowed those tenants until December 15, 2017 to notify CLV should they desire to move. CLV did not send this letter to one of the nine non-BMR tenants in 347 Barber, as this tenant at that time was three months arrears in rent.
19. As of the date of this Second Report, none of the non-BMR tenants in 347 Barber has accepted the offer to move. As a result, subject to approval of this Court, after December 15, 2017, the Receiver proposes to offer the non-BMR tenants in 347 Barber, on a first-come,

first-served basis, an incentive of one-month's free rent and moving costs of up to \$500. The Receiver proposes that this will be the final offer to the non-BMR tenants in 347 Barber.

## UNIT REPAIRS

20. As noted in the First Report:

- a) the Receiver determined that most of the vacant units were in various stages of renovation, some of which required only minimal work to restore them to a rentable condition, and others (which had been completely gutted) requiring substantial work to restore them; and
- b) the Receiver was concerned that some of the renovations may not meet building code requirements.

21. Based on further inspections of the vacant units by CLV, the units were divided into the following six groups based on the estimated cost of restoration required per unit:

Group No.	Estimated Cost per Unit	Total No. of Units	Unit Numbers
1	Under \$750	9	205, 209, 210, 309, 311, 314, 402, 404, 605
2	\$750 to \$1,500	10	204, 208, 211, 304, 310, 409, 603, 604, 610, 703.
3	\$1,500 to \$2,000	6	207, 403, 411, 511, 612, 701
4	\$2,000 to \$3,000	2	609, 712
5	\$5,000 to \$10,000	9	101, 102, 105, 107, 202, 510, 607, 707, 708
6	Over \$10,000	9	100, 103, 106, 108, 305, 601, 602, 705, 709

22. At the direction of the Receiver, the nine Group No. 1 units listed above in paragraph 21 were restored to rentable condition by CLV which used its own handyman to make minor repairs where necessary, and who retained a painting contractor to paint all or parts of the

units. The total cost to restore these units was approximately \$3,300. These nine units are ready to be rented again, except for unit 205, which had been converted into student housing (by adding an additional bedroom). The Receiver is waiting to confirm that the renovation of unit 205 meets building code requirements before renting it.

23. For the ten Group No. 2 units listed in paragraph 21, which require similar but additional work than Group No. 1 units, the Receiver has directed CLV to first obtain (1) a price quote from the painting contractor, and (2) an estimate of repair costs from CLV's handyman. Provided that these price quotes are below \$10,000, the Receiver will proceed with this work.
24. The next four groups of units listed above in paragraph 21 require more extensive repairs, and, in some cases, electrical and plumbing work. For these groups, the Receiver has instructed CLV to obtain price quotes from at least three contractors to restore the units to rentable condition. This work will be performed in order of least expensive to most expensive groups in order to get units back into a rentable state as quickly as possible. Some of the units in Group No. 5 were in the process of being converted into student housing; thus, the Receiver is waiting to confirm that the renovations meet building code requirements in order to determine whether to finish the renovations of these units, or to convert them back to their original layouts.
25. In order to confirm whether the incomplete renovations of certain units met building code requirements, both the Receiver and CLV have contacted the City to request a copy of the renovation drawings that supported the three building permits issued by the City (as there were no drawings found in the records provided by Chi Suites). On December 6, 2017, the Receiver was advised by the City that the drawings were being pulled from storage.

### **THIRD MORTGAGE**

26. On or about October 17, 2017, the Receiver became aware that a collateral third mortgage for \$678,000.00 in favour of 3942783 Canada Inc. (the "**Third Mortgage**") had been registered against 345 Clarence Street on September 27, 2017, five days after the Appointment Order was made (the "**Third Mortgage**"). A copy of the Third Mortgage and the Additional Provisions which form part of the charge is attached hereto as **Appendix "G"**.

27. The Third Mortgage was also registered over the following municipal addresses: 701 Somerset Street West, Ottawa; 219 Kent Street, Ottawa; and a property with no municipal address located at "Forward Avenue and Burnside Avenue" in Ottawa.
28. The Third Mortgage states that it was provided to "secure the obligations of Golden Dragon Ho 10 Inc. under a guarantee dated May 26, 2017 (the "**Guarantee**") granted by Golden Dragon Ho 10 Inc. to the Chargee in respect of a promissory note dated June 14, 2016 granted by Golden Dragon Ho 7 Inc. (the "**Borrower**") to the Chargee". Notwithstanding this provision, the Third Mortgage was not registered against 347 Clarence Street (the property owned by GDH 10), but instead was registered against 345 Clarence Street (the property owned by GDH 11).
29. The Third Mortgage was not only granted by GDH 11, but also by GDH 10, Golden Dragon Ho Commercial Holdings, M.Y. Residential Inc. ("**M.Y. Residential**"), Golden Dragon Ho 3 Inc., Golden Dragon Ho 5 Inc. ("**GDH 5**") and Golden Dragon Ho 9 Inc. ("**GDH 9**").
30. As set out in paragraph 71 of the affidavit of Chris Sebben sworn in support of the Appointment Order, real property owned by GDH 5, GDH 9 and M.Y. Residential was also the subject of receivership proceedings.
31. By way of letter to the Third Mortgagee and its officer and director dated October 17, 2017, Blaneys requested that the Third Mortgage be discharged. A copy of the October 17, 2017 letter is attached hereto as **Appendix "H"**.
32. The Third Mortgage was not discharged, and on November 8, 2017, the lawyer for the Third Mortgagee, Harland Tanner of Piazza Tanner LLP, contacted Blaneys and requested the relevant materials, which were provided to him the next day.
33. By way of email dated November 29, 2017, Blaneys set out its position why the Third Mortgage should be discharged. While Mr. Tanner responded by email to Blaneys on November 30, 2017 advising that he expected his client would instruct him to discharge the Third Mortgage, it remains on title as of the date of this Second Report. A copy of the email correspondence from November 8 through December 5, 2017 between Blaneys and Mr. Tanner is attached hereto as **Appendix "I"**.

34. In the event that the Third Mortgage is not removed from title prior to the date of the motion in respect of the relief sought herein, the Receiver intends to bring a motion to the Court to have the Third Mortgage removed from title.

#### STATEMENT OF RECEIPTS AND DISBURSEMENTS

35. Attached hereto as **Appendix "J"** is the Interim Statement of Receipts and Disbursements for the interim receivership for the period September 22 to November 30, 2017 (the "**R&D**"). The R&D includes the rental receipts received into the property management account and the disbursements made by the Receiver from its trust account. The R&D separates out the receipts and disbursements between September 22 and October 13, 2017, which receipts and disbursements were accepted and approved in the October 20 Order, and the receipts and disbursements between October 14 and November 30, which reflects the interim receivership activity since the First Report.

#### PROFESSIONAL FEES

36. The Receiver and its legal counsel have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraph 17 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before a judge of the Court.
37. The total fees of the Receiver during the period from September 18 to November 30, 2017, amount to \$109,445.00 together with disbursements in the sum of \$1,580.00 plus HST of \$14,433.25, totaling \$125,458.25. The time spent by the Receiver is more particularly described in the Affidavit of Hartley Bricks, a Senior Vice-President of Deloitte, sworn December 11, 2017 in support hereof and attached hereto as **Appendix "K"**.
38. The total legal fees incurred by the Receiver during the period from September 18 to November 30, 2017, for services provided by its independent counsel Dickinson amount to \$11,567.50 together with disbursements in the sum of \$376.28 and HST in the amount of \$1,552.69 totaling \$13,496.47 (the "**Dickinson Fees**"). The time spent by Dickinson

personnel is more particularly described in the Affidavit of David Preger, a partner of Dickinson, sworn December 8, 2017 in support hereof and attached hereto as **Appendix "L"**.

39. The total legal fees and disbursements of Blaneys, in its capacity as counsel to FN from July 4, 2017 to the date Appointment Order, and in its capacity as counsel to FN and to the Receiver in respect of work performed for FN and for the Receiver from the date of the Appointment Order to November 30, 2017, are particularized in the Affidavit of Eric Golden, a partner of Blaneys, sworn December 13, 2017 in support hereof and attached hereto as **Appendix "M"**. The total amount of the invoices for this period is \$167,582.70 inclusive of HST (the "**Blaneys Fees**"). The Blaneys Fees have been paid directly by FN which amounts have been added to FN's outstanding indebtedness.
40. The Receiver has reviewed the Dickenson Fees and the Blaneys Fees as set out in the fee affidavits and finds the work performed and charges to be appropriate and reasonable in the circumstances.

## RECEIVER'S REQUESTS

41. For the reasons set out above, the Receiver requests that the Court make an Order:
- (a) approving the activities of the Receiver as described in this Second Report, including the Receiver's course of action with respect to the repairs to the Property and the strategy for leasing vacant units;
  - (b) approving the Receiver's Interim Statement of Receipts and Disbursements for the period from September 22 to November 30, 2017;
  - (c) approving the professional fees and disbursements of the Receiver, of Blaneys, and of Dickinson, as set out in the fee affidavits, and authorizing the Receiver to pay all such fees and disbursements from available funds; and
  - (d) such further and other relief as counsel may advise and this Honourable Court may permit.

All of which is respectfully submitted at Ottawa, Ontario this 13<sup>th</sup> day of December, 2017.

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

Per:



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

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

# **TAB A**



Court File No. 17-73967

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) FRIDAY, THE 22<sup>nd</sup>  
JUSTICE C.T. Hackland ) 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

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

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](http://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

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.

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

*Hackel J.*

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ENTERED AT OTTAWA  
INSCRIT A OTTAWA  
ON/LE SEP 22 2017  
DOCUMENT # 0911  
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 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.



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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 22<sup>nd</sup> 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

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**Chad Kopach** (LSUC #48084G)  
(416) 593-2985 (Tel)  
(416) 594-0957 (Fax)  
Email: [ckopach@blaney.com](mailto:ckopach@blaney.com)

Lawyers for the Applicant

# **TAB B**

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

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**FIRST REPORT OF THE INTERIM RECEIVER**

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**DATED OCTOBER 17, 2017**

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## APPENDICES

- A** Order of Justice Hackland of the Ontario Superior Court of Justice dated September 22, 2017
- B** Notice to Tenants
- C** Notice and Statement of the Receiver
- D** Notice of Breach from the Ontario Ministry of Housing dated October 2, 2017
- E** Notice of Breach from the City of Ottawa dated September 21, 2017
- F** Interim Statement of Receipts and Disbursements for the Interim Receivership for the period from September 22 to October 13, 2017

## INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated September 22, 2017 (the “**Appointment Order**”), Deloitte Restructuring Inc. was appointed as the interim receiver (the “**Receiver**”) of certain real property of Golden Dragon Ho 10 Inc. (“**GDH 10**”) municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) (“**347 Barber**”) and of certain real property of Golden Dragon Ho 11 Inc. (“**GDH 11**”) municipally known as 345 Barber St. Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) (“**345 Barber**”) (collectively, with 347 Barber, referred to herein as the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix "A"**.
2. The Appointment Order authorizes the Receiver to, among other things:
  - (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.
3. The Appointment Order, together with this report and other key documents have been posted on the Receiver's website at [www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11](http://www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11).
4. Section 47(1)(c) of the *Bankruptcy and Insolvency Act* (“**BIA**”) provides that an interim receiver is to be appointed until the earliest of:
  - (a) the taking of possession by a receiver, within the meaning of subsection 243(2), of the debtor's property over which the interim receiver was appointed,
  - (b) the taking of possession by a trustee of the debtor's property over which the interim receiver was appointed, and
  - (c) the expiry of 30 days after the day on which the interim receiver was appointed or of any period specified by the court.

5. This 30-day period is set to expire on October 21, 2017. The Applicant, First National Financial GP Corporation (“FN”), has advised the Receiver that it wishes to extend the interim receivership as permitted under section 47(1)(c).

#### **PURPOSE OF REPORT**

6. The purpose of this first report of the Receiver (the “**First Report**”) is to:
- (a) provide the Court with information on the current status of the Property;
  - (b) provide the Court with a description of the Receiver’s activities to date in dealing with the numerous issues related to the Property;
  - (c) provide the Court with the evidentiary basis to make an order:
    - (i) extending the expiry date of the interim receivership until further order of this court;
    - (ii) approving the activities of the Receiver as described in this First Report; and
    - (iii) approving the Receiver’s Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to October 13, 2017;

#### **TERMS OF REFERENCE**

7. In preparing this First Report, the Receiver and/or CLV Group Inc. (“**CLV**”), its property manager, have reviewed unaudited financial information and other records related to the Property provided by Chi Suites Inc. (the management company for GDH 10 and GDH 11) (“**Chi Suites**”), information provided by third-party sources, and have held discussions with individuals involved in administering the Property (including the building superintendent) (collectively, 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 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; and

(b) the Receiver has prepared this First Report in its capacity as a Court-appointed officer to support the Court's approval of an extension to the expiry date of the interim receivership, and the other relief being sought. Parties using this report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.

8. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian dollars.
9. Unless otherwise provided, all other capitalized terms not otherwise defined in this First Report are as defined in the Appointment Order.
10. The Receiver has sought the advice of Blaney McMurtry LLP ("**Blaneys**"), counsel to the Applicant, for general legal matters that have arisen in respect of the interim receivership. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Dickinson Wright LLP ("**Dickinson**").

## **BACKGROUND**

11. As noted in the Application Record dated September 19, 2017 (the "**Application Record**"), the Property is comprised of two adjoining six-story multi-unit apartment buildings that consisted of a total of 110 units when FN made the mortgage loans to the Respondents that are the genesis of the interim receivership application. Eighty of these units were located in 345 Barber, and 30 units were (and still are) located in 347 Barber. Even though there are two separate municipal addresses for this Property (345 Barber and 347 Barber), they operate as one complex as the two buildings are connected on every floor (except the basement) and they share common areas and facilities (such as the lobby, laundry room, mailroom and the one elevator). 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 “MOH”) as discussed further below.

12. As set out in paragraphs 62 through 70 of the Affidavit of Chris Sebben of FN sworn September 19, 2017 in support of FN’s Application Record for the Appointment Order (the “**Sebben Affidavit**”), the Respondents had planned to convert 345 Barber to student housing. As of the date of the Appointment Order, alternations to the building had been undertaken to the lobby and the basement; however, work remains substantially unfinished and the units unoccupied. As a result, the number of units in 345 Barber that are rentable remains uncertain until an assessment is completed of the work completed to date and a course of action is determined for the units.
13. Due to both monetary and non-monetary defaults, FN (which holds the first mortgages over the Property) applied to the Court for the appointment of an interim receiver in order to stabilize the operations of the Property, improve the vacant units to a condition where they could be leased again, and reduce the 40% vacancy rate to an acceptable level so that sufficient revenues are generated to pay the operating and financing costs of the Property and to repair the deficiencies identified at the Property (as detailed in the Application Record).

#### **RECEIVER’S ACTIVITIES TO DATE**

14. The Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
  - (a) Attended at the Property on the Appointment Date to inspect the apartment building, including its common areas, vacant units, service rooms, outside grounds, areas of access, etc., to ensure the Property was reasonably secure. As a result of this review, the Receiver has directed the property manager to replace the current electronic fob entry system with secure keys that cannot be copied as it has proven even in the first three weeks of the interim receivership to be unreliable;
  - (b) Posted a Notice to Tenants on the door of every unit at the Property, as well as in the common areas. This notice, a copy of which is attached hereto as **Appendix “B”**,

among other things informed the tenants of the interim receivership and the address of the Receiver's website, and directed the tenants to pay all amounts payable under their lease to CLV;

- (c) Ensured that the Property was adequately insured. The Receiver contacted the broker who had placed the previous insurance on the Property and was advised that the coverage for the Property was part of a larger policy that included properties owned by the principal of GDH 10 and GDH 11. The broker further advised that the insurer was willing to provide coverage against the Property only through a new policy (essentially by extracting the Property from the larger policy) with the Receiver but at the same rates as was being offered under the larger policy. The Receiver obtained details of the coverage and the proposed costs and discussed the terms with its independent insurance consultant who advised that the premiums were in line with market rates for similar properties given the coverage limits and the risk level. As a result, the Receiver entered into new insurance arrangements with the existing broker and insurer under a new policy;
- (d) Contacted Chi Van Ho, the owner of GDH 10, GDH 11 and Chi Suites, on September 22, 2017 to request access to all books and records related to the Property. Chi Suites initially provided some utility and other invoices, as well as rent information, by e-mail. It subsequently provided two boxes of records on September 27, 2017, which it advised represented all records related to the Property that it could locate. The Receiver copied all of these records, which included leases for all of the tenants, but included only minimal maintenance/repair/renovation records;

- (e) Contacted the utility providers for the Property to advise of the interim receivership and to set up new accounts;
- (f) Retained CLV as property manager. CLV had been engaged by FN prior to the Appointment Date to attorn the rents for the Property, which it had commenced for the month of September 2017. FN advised the Receiver that it selected CLV after contacting three property management companies, two of which submitted proposals both to attorn the rents and to act as property manager. The Receiver obtained copies of those proposals and, based on CLV's proposed fee structure and CLV's familiarity with the Property (it acted as property manager for the Property prior to the purchase by GDH 10 and GDH 11), the Receiver entered into negotiations resulting in the execution of a Property Management Agreement dated September 29, 2017 to be effective October 1, 2017;
- (g) Established two bank accounts in the Receiver's name. The first account is the Receiver's trust account and the second account is a property management account established for the operation of the Property into which rent payments are deposited and property-related disbursements are paid. The Receiver has sole signing authority over both accounts;
- (h) Established a purchase order system with the property manager wherein proposed disbursements exceeding a certain dollar limit require the Receiver's pre-approval before the property manager can proceed;
- (i) Established a webpage on the Receiver's website to post all Court Orders, Receiver's reports and other important documents related to the interim receivership;
- (j) Arranged to register the Appointment Order on title for the Property;
- (k) Issued a Notice and Statement of the Receiver pursuant to subsections 245(1) and 246(1) of the *BIA*. A copy of this notice is attached hereto as **Appendix "C"**;

- (l) Worked with CLV to implement an inspection and regular maintenance program, by qualified professionals, for all systems at the Property (such as fire safety, emergency generator, boiler heating, electrical, dryer venting, elevator, and the roof). Where significant repairs are deemed required, CLV will review the proposed work with the Receiver and obtain several competing quotes from qualified professionals;
- (m) In concert with CLV, reviewed and assessed the status of the vacant units. As a result of that review, twelve units were identified as capable of being restored to a rentable condition in a relatively quick timeframe at minimal cost. The Receiver has instructed CLV to obtain quotes for this work, and plans to proceed with repairs as soon as possible. The remaining 33 vacant units are still being assessed, including whether the proposed renovations intended to convert 345 Barber to student housing by adding additional bedrooms to certain units meet local building codes and other requirements (see paragraphs 12 above & 19 below);
- (n) Contacted the Canada Revenue Agency to obtain a new HST number for the Receiver;
- (o) Making arrangements for a meeting of tenants to be held in order to further explain the interim receivership and answer any questions;
- (p) Directed CLV to determine the extent of any rent arrears and take appropriate collection measures. As of October 13, unpaid rent for October 2017 totaled \$23,653 resulting in a collection rate of approximately 53%;
- (q) Made arrangements for the coin boxes in the laundry machines to be re-keyed as neither Chi Van Ho nor Chi Suites have been able to provide the keys to these machines. If the coin boxes are not re-keyed and emptied, they will clog up with coins rendering the machines inoperable;

- (r) Permitted the re-tiling of the lobby area to be completed. The lobby is currently in a state of renovation, and the re-tiling was approximately half-finished on the date of the Appointment Order. Given that the contractor for the tiling work had already been prepaid, and that the completion of the re-tiling would improve the value of the Property, the Receiver agreed to the work being completed;
- (s) Responded to questions and information requests from a sales representative from Century 21 Explorer Realty Inc., a real estate broker who had been engaged by the Respondents prior to the Appointment Date to list the Property for sale;
- (t) Retained Dickinson to act as legal counsel in the event the Receiver requires independent legal advice; and
- (u) Responded to tenant and creditor inquiries.

#### **CURRENT STATUS OF THE PROPERTY AND THE RECEIVER'S INTENDED COURSE OF ACTION**

15. As at October 1, 2017, there were 65 occupied units (out of 110 original total units, but as per above and below, a number of units in 345 Barber are not rentable until renovations are complete) generating monthly rental income of \$50,655 (not including monthly affordability payments payable by the City and the MOH, which are monthly subsidies paid in respect of the affordable housing units). The Receiver estimates that the current monthly operating costs of the Property (excluding financing costs) are approximately \$31,000, not including repair and maintenance costs, expenditures related to the renovation of the units, or Receiver fees and disbursements (including legal fees). This estimate may change as additional invoices are received from utilities and suppliers.

16. As discussed in paragraph 14(p) above, there are significant rental arrears at the Property (approximately 47% of rental payments due for October 2017). The Receiver suspects that the high amount of arrears may be due to uncertainty surrounding the ownership of the Property as a result of conflicting information tenants received from the Respondents prior to the date of the Appointment Order when FN attorned September rents. The Receiver has directed CLV to fully determine the extent of all arrears and take appropriate collection measures to collect any rental arrears.
17. There were 44 vacant units at the Property as at the date of the Appointment Order. This number has since increased to 45 due to the eviction of one of the tenants on September 30, 2017.
18. As touched upon in paragraph 11 above, the Property is subject to a Municipal Housing Project Facilities Agreement with the City and a Provincial Contribution Agreement with the Ministry which requires that 30 of the units in the Property be used for affordable housing purposes. However, as at the date of the Appointment Order, only 21 units contain affordable housing tenants. As a result of this breach (and others), the Ministry issued a Notice of Breach to GDH 10 on October 2, 2017 (a copy of which is attached hereto as **Appendix "D"**). This followed a similar notice from the City dated September 21, 2017, attached hereto as **Appendix "E"**. The Receiver's legal counsel is currently following up with the Ministry to arrange for the remittance of the affordability payments for the 21 occupied units to the Receiver.
19. Based on an inspection of the Property with CLV, the Receiver identified most of the vacant units in various stages of renovation. In addition to the renovations to the basement and the conversion of several basement apartments into student housing (see paragraph 66 to 68 of the Sebben Affidavit), six other one-bedroom and two-bedroom units at 345 Barber were in the process of being converted into two-, three- and four-bedroom apartments (units 202, 205, 601, 602, 705 and 708). In addition, as mentioned above in paragraph 12, extensive but incomplete renovations had been made to the lobby of 345 Barber. As set out in the Application Record, these renovations were undertaken without FN's knowledge, consent, or subsequent approval.

20. As discussed above in paragraph 14(m), the Receiver and CLV identified 12 units that require only minimal work to restore them to a rentable condition. As set out in paragraphs 12 and 19 above, other units have been completely gutted and will require substantial work to restore them. Based on documentation provided at Exhibit 38 of the Sebben Affidavit, which includes correspondence from the City regarding past stop work orders, some of the renovations to the units may not meet building code or other requirements. The Receiver will be investigating this matter further before deciding on a course of action for these units.
21. In addition to the incomplete renovations, there are other deficiencies with the Property as identified in Pinchin's Baseline Property Condition Assessment (Exhibit 34 of the Sebben Affidavit) and as noted by CLV. These included leaks in the roof, damage from the leaks (including mold) in certain units on the sixth floor of 345 Barber, elevator issues, a malfunctioning front door entry system (which as per discussed above in paragraph 14(a) is being attended to), improperly performed renovations, and a lack of inspection and maintenance records. As mentioned above in paragraph 14(m), the Receiver has directed CLV to solicit quotations from various contractors and professionals to address the deficiencies that have been identified.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

22. Attached hereto as **Appendix "F"** is the Interim Statement of Receipts and Disbursements for the interim receivership for the period September 22 to October 13, 2017 (the "**R&D**"). The R&D includes the rental receipts received into the property management account and the disbursements made by the Receiver from its trust account. As of the date of this report, no disbursements have yet been made for operating costs relating to the Property.



## RECEIVER'S REQUESTS

23. As described above, there is still substantial work required to stabilize the operations of the Property, correct deficiencies, and restore the vacant units to a rentable condition in order to reduce the vacancy rate to a more reasonable level. For these reasons, the Receiver requests that the Court make an Order:
- (a) extending the expiry date of the Interim Receivership until further order of this Court;
  - (b) approving the activities of the Receiver as described in this First Report;
  - (c) approving the Receiver's Interim Statement of Receipts and Disbursements for the period from September 22 to October 13, 2017; and
  - (d) such further and other relief as counsel may advise and this Honourable Court may permit.

All of which is respectfully submitted at Ottawa, Ontario this 17<sup>th</sup> day of October, 2017.

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

Per:

*Deloitte Restructuring Inc.*

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

Hartley Bricks, MBA, CPA, CA, CIRP, LIT  
*Senior Vice-President*

# **TAB C**

Court File No. 17-73967

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE	)	FRIDAY, THE 20 <sup>th</sup>
	)	
JUSTICE HACKLAND	)	DAY OF OCTOBER, 2017

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

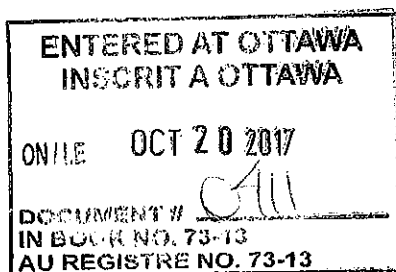
**ORDER**

**THIS MOTION** made by First National Financial GP Corporation (the “**Applicant**”) for an Order (i) abridging the time for service of the notice of motion and motion record herein, (ii) approving the First Report of the Interim Receiver, Deloitte Restructuring Inc. (the “**Interim Receiver**”) dated October 17, 2017 (the “**First Report**”) and the activities described therein, (iii) approving and accepting the Interim Receiver’s Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to October 13, 2017, and (iv) that the Interim Receivership shall continue until further order of this Court, was heard this day at Ottawa.

-2-

ON READING FN's Motion Record dated October 17, 2017, and the First Report, and upon hearing the submissions of counsel for FN, no one else appearing, although duly served as set out in the affidavit of service of Patricia Keane sworn October 17, 2017, filed.

1. **THIS COURT ORDERS** that the time for service of FN's Notice of Motion returnable October 20, 2017 (the "NOM"), and related motion material filed in support of that NOM (the "Motion Material") be and is hereby abridged, that service of the NOM and Motion Material is hereby validated, and that further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that the First Report dated October 17, 2017, and the actions of the Interim Receiver described therein, be and are hereby approved.
3. **THIS COURT ORDERS** that the Interim Receiver's Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to October 13, 2017, as set out in Appendix "F" to the First Report, be and is hereby accepted and approved.
4. **THIS COURT ORDERS** that the appointment of Deloitte Restructuring Inc. as Interim Receiver as set out in the Appointment Order of Justice Hackland dated September 22, 2017, shall continue until further order of this Court.



Hackland J.

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at **OTTAWA**

**ORDER**

**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)  
Email: [egolden@blaney.com](mailto:egolden@blaney.com)

**Chad Kopach** (LSUC #48084G)  
(416) 593-2985 (Tel)  
(416) 594-5095 (Fax)  
Email: [ckopach@blaney.com](mailto:ckopach@blaney.com)

Lawyers for the Applicant

# **TAB D**



Deloitte Restructuring Inc.  
1600 - 100 Queen Street  
Ottawa ON K1P 5T8  
Canada  
Tel: (613) 236-2442  
Fax: (613) 714-9660  
[www.deloitte.ca](http://www.deloitte.ca)

**In the Matter of the Interim Receivership of  
345 and 347 Barber Street,  
owned by Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.**

**Meeting of Tenants**

**Agenda**

1. Introductions
2. Explanation of Interim Receivership and the role of Deloitte Restructuring Inc.
3. Interim Receiver's objectives for the property and activities to date
4. Status of repair and maintenance issues
5. Requests from property manager, CLV Group Inc.
6. Question Period

# **TAB E**





CLV GROUP

11/22/2017

[Redacted]  
Ottawa, ON  
K1N 5R5

Dear Ms Tiscompere,

RE: Agreement to Relocate Affordable Housing Units

In reference to the above Agreement with the City of Ottawa, we, The Housing Provider, are required to use reasonable efforts to relocate Below Market Rent Units (BMR) to 347 Barber Street when units become available.

According to our records, you are currently residing in a BMR unit in 345 Barber Street and as such, we are advising you of the availability of a one (1) bedroom unit in 347 Barber Street. This offer is being made on a first come basis.

The advantages of your transfer are that the apartments are larger, have been freshly painted and have a dishwasher included. In addition, your current lease term and rent will remain the same.

If you choose to transfer, you are required to notify CLV Group Inc. within seven (7) days of the date of this letter.

Arrangements can be made to view the available unit by notifying the undersigned.

Yours truly,

Benjamin Harley  
Leasing Administrator

CLV Group Inc.  
485 Bank Street, Suite 200  
Ottawa, Ontario, K2P 1Z2  
t 613-722-6004  
w [www.clvgroup.com](http://www.clvgroup.com)  
e [benjamin.harley@clvgroup.com](mailto:benjamin.harley@clvgroup.com)

COPY

Complete Real Estate Solutions

Property Management

Real Estate Brokerage

Mortgage Brokerage

Hotel Management

Construction & Development

Head Office  
485 Bank Street - Suite 200  
Ottawa, ON K2P 1Z2  
613-722-2000 (tel)  
613-728-1107 (fax)  
[info@clvgroup.com](mailto:info@clvgroup.com)  
[www.clvgroup.com](http://www.clvgroup.com)

# **TAB F**



PROFESSIONALLY  
MANAGED

Complete Real  
Estate Solutions

Property Management

Real Estate Brokerage

Residential Rentals

Financial Services

Construction

November 21 2017

██████████ Barber Street  
Ottawa, Ontario  
K1N 5R5

**RE: Limited Time Transfer Offer 345 Clarence**

Dear ██████████

We would like to take this opportunity to present an apartment transfer to you.

As you may be aware, 347 Barber Street was originally designated to be BMR units only (Below Market Rent Units), but over a period of time, the building has transitioned to both market rent and below market rent housing.

We would like to restore 347 Barber Street to the original intent, which is strictly below market rent units

If you are interested, at your convenience we can arrange for you to view an apartment located in 345 Clarence. The advantages of your transfer is that the apartments are larger, have been freshly painted and have a balcony. In addition, your current lease term and rent will remain the same.

If you have any questions, or if you would like to give consideration to relocating, please let us know no later than Friday December 15, 2017 by contacting myself at 613.604.0618 or by email [roseanne.holtman@clvgroup.com](mailto:roseanne.holtman@clvgroup.com)

We look forward to hearing from you.

Sincerely,  
CLV Group

  
Roseanne MacDonald-Holtman  
Community Relations Manager

485 BANK STREET  
SUITE 200  
OTTAWA, ON  
K2P 1Z2

T 613-728-2000  
F 613-728-2978

[info@clvgroup.com](mailto:info@clvgroup.com)  
[www.clvgroup.com](http://www.clvgroup.com)

# **TAB G**

**Properties**

*PIN* 04213 - 0303 LT *Interest/Estate* Fee Simple  
*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.  
*Address* 345 CLARENCE STREET  
 OTTAWA

*PIN* 04111 - 0214 LT *Interest/Estate* Fee Simple  
*Description* LT 64, PL 3459 ; S/T N327925 OTTAWA/NEPEAN  
*Address* 701 SOMERSET ST W  
 OTTAWA

*PIN* 04119 - 0007 LT *Interest/Estate* Fee Simple  
*Description* PT LT 5, PL 12281 , W/S OF BANK ST ; PT LT 33, PL 12281 , N/S OF SOMERSET ST ; PT LT 34, PL 12281 , NW ANGLE OF BANK ST. AND SOMERSET ST. ; ALL AS IN CR606829 ; OTTAWA/NEPEAN  
*Address* OTTAWA

*PIN* 04096 - 0012 LT *Interest/Estate* Fee Simple  
*Description* LTS 1 & 2, PL 35 , W FORWARD AV ; OTTAWA/NEPEAN  
*Address* FORWARD AVENUE & BURNSIDE AVENUE  
 OTTAWA

*PIN* 04114 - 0080 LT *Interest/Estate* Fee Simple  
*Description* PT LT 27, PL 2996 , PART 2 , 5R9297 , S/S OF GLOUCESTER ST; T/W NS247585 ; OTTAWA/NEPEAN  
*Address* 219 KENT ST  
 OTTAWA

*PIN* 04650 - 0187 LT *Interest/Estate* Fee Simple  
*Description* PART BLOCK C PLAN 378656, AS IN CR645330(2NDLY) EXCEPT PARTS 3, 4 AND 5 PLAN 4R2325, PARTS 1, 2 AND 4 PLAN 4R16800; OTTAWA. SUBJECT TO AN EASEMENT IN FAVOUR OF THE CORPORATION OF THE TOWNSHIP OF NEPEAN OVER PART 3 PLAN 4R16800 AS IN CR503095. SUBJECT TO AN EASEMENT IN FAVOUR OF CITY OF OTTAWA OVER PART 3 PLAN 4R16800 AS IN LT1407067. S/T EASEMENT IN GROSS AS IN OC530259. S/T AN EASEMENT AS IN OC686680.  
*Address* OTTAWA

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

*Name* GOLDEN DRAGON HO 11 INC.  
*Address for Service* 110-532 Montreal Rd.  
 Ottawa, ON K1K 4R4

I, Chi Van Ho, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

*Name* GOLDEN DRAGON HO COMMERCIAL HOLDINGS INC.  
*Address for Service* 110-532 Montreal Rd.  
 Ottawa, ON K1K 4R4

I, Chi Van Ho, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

*Name* GOLDEN DRAGON HO 10 INC.  
*Address for Service* 110-532 Montreal Rd.  
 Ottawa, ON K1K 4R4

LRO # 4 Charge/Mortgage

Registered as OC1933770 on 2017 09 27 at 11:44

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 6

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

I, Chi Van Ho, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name M.Y. RESIDENTIAL INC.  
Address for Service 110-532 Montreal Rd.  
Ottawa, ON K1K 4R4

I, Chi Van Ho, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name GOLDEN DRAGON HO 3 INC  
Address for Service 110-532 Montreal Rd.  
Ottawa, ON K1K 4R4

I, Chi Van Ho, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name GOLDEN DRAGON HO 9 INC.  
Address for Service 110-532 Montreal Rd.  
Ottawa, ON K1K 4R4

I, Chi Van Ho, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

**Chargee(s)***Capacity**Share*

Name 3942783 CANADA INC.  
Address for Service 2692 Sheffield Road, Ottawa, ON K1B 3V9

**Statements**

Schedule: See Schedules

**Provisions**

Principal \$678,000.00 Currency CDN  
Calculation Period  
Balance Due Date  
Interest Rate  
Payments  
Interest Adjustment Date  
Payment Date  
First Payment Date  
Last Payment Date  
Standard Charge Terms 200033  
Insurance Amount full insurable value  
Guarantor

**Signed By**

Pierre Harold Crichton

54 Second Ave  
Ottawa  
K1S 2H3acting for  
Chargor(s)

Signed 2017 09 26

Tel 613-912-1973

Fax

LRO # 4 Charge/Mortgage

Registered as OC1933770 on 2017 09 27 at 11:44

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 3 of 6

**Signed By**

I have the authority to sign and register the document on behalf of the Chargor(s).

**Submitted By**

PIERRE HAROLD CRICHTON 54 Second Ave 2017 09 27

Ottawa  
K1S 2H3

Tel 613-912-1973

Fax

**Fees/Taxes/Payment**

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

**File Number**

Chargee Client File Number : 47148

## ADDITIONAL PROVISIONS

This is a Schedule to a Charge between:

**GOLDEN DRAGON HO 11 INC.,**  
**GOLDEN DRAGON HO COMMERCIAL HOLDINGS INC.,**  
**GOLDEN DRAGON HO 10 INC.**  
**M.Y. RESIDENTIAL INC.,**  
**GOLDEN DRAGON HO 3 INC.,**  
**GOLDEN DRAGON HO 9 INC. and**  
**GOLDEN DRAGON HO 5 INC.**  
 (the "Chargors")

-and-

**3942783 CANADA INC.**  
 (the "Chargee")

WHEREAS to secure the obligations of Golden Dragon Ho 10 Inc. under a guarantee dated May 26, 2017 (the "**Guarantee**") granted by Golden Dragon Ho 10 Inc. to the Chargee in respect of a promissory note dated June 14, 2016 granted by Golden Dragon Ho 7 Inc. (the "Borrower") to the Chargee, the Chargors grant this Charge under the provisions which are incorporated into the Charge as follows:

### 1. COLLATERAL SECURITY

The Chargors covenant and agrees that this Charge is granted and taken as additional and continuing collateral security for the fulfillment of all liabilities and all obligations in the Guarantee from the Chargors to the Chargee with the same terms and conditions and all payments under the Guarantee shall be the same as if given under this Charge and all payments under this Charge shall be the same as if given under the Guarantee and default in any of the payments shall entitle the Chargee to exercise its remedies under either this Charge or under the Guarantee.

### 2. PLACE OF PAYMENT

The payment of the Principal Amount due hereunder is to be made to the Chargee at 2692 Sheffield Road, Ottawa, Ontario K1B 3V9, or at such other address as the Chargee may from time to time designate in writing.

### 3. PREPAYMENT PRIVILEGE

The Chargors shall be entitled to prepay, at any time and from time to time, the Principal Amount, in whole or in part, without notice, bonus or penalty by remitting such amount to the Chargee's solicitors, In Trust, by certified cheque or bank draft.



#### **4. SALE OF LAND**

In the event the Chargors sell, conveys, transfers or otherwise disposes of the whole or any part of the subject properties without the Chargee's prior written consent, then all monies hereby secured shall forthwith become due and payable upon demand.

#### **5. DISCHARGE**

At such time as the Chargee's solicitors confirm receipt of the full amount to repay the Guarantee and this Charge, the Chargee shall deliver to the Chargors a discharge of this Charge, in registerable form, for registration at the Chargors' expense.

#### **6. COLLECTION COSTS**

The Chargors agree that in the event that it becomes necessary for the Chargee to incur any expense or to engage the services of a solicitor, bailiff, collection agent or other person to recover any sum of money due to the Chargee under the terms of this Charge or to enforce any obligation to the Chargors hereunder, then all such sums expended by the Chargee shall be a charge upon the subject properties in favour of the Chargee and shall bear interest at the rate of interest set out herein.

#### **7. PRIOR ENCUMBRANCES**

The Chargors covenant and agree that default in the payment of any prior mortgage, lien or encumbrance, or in event of default of taxes of every nature or kind whatsoever, and failure to remedy such default within ten (10) days of being advised of such default, shall constitute default under the terms of this Charge and shall entitle the Chargee to exercise all of the Chargee's right hereunder or any of them. The Chargee, at the Chargee's option, shall be entitled to cure any default thereunder or part thereof, charge interest at the rate set forth in the within Charge and the amount so paid or incurred and the costs of so doing (together with all solicitor-client legal costs) shall be added to the principal sum hereunder, in the event of which payment of the within mortgage shall automatically become immediately due and payable.

#### **8. TAXES**

The Chargors covenant and agree to pay as they fall due all taxes, rates and assessments, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the subject property. The Chargors shall provide satisfactory evidence of payment of the foregoing amounts upon request of the Chargee provided such evidence shall not be requested by the Chargee more often than annually.

#### **9. APPOINTMENT OF RECEIVER/MANAGER**

Whenever the security hereby constituted shall become enforceable, and so long as it shall remain enforceable, the Chargee may, by instrument or instruments in writing or by proceedings in any court of competent jurisdiction, appoint any person to be a Receiver (which term shall include a Receiver and Manager) of all or part of the property hereby charged, including any rents and profits therefrom, and may remove any Receiver and appoint another in his stead, and such Receiver so appointed shall have power to take possession of the property and assets charged hereunder (and, if applicable, to carry on and be in charge of any further construction or completion of the property charged hereunder) and to sell and charge, or concur in the selling or charging, of all or any of the property and to lease or rent any or all of the property and to collect such rents and apply same against the indebtedness due to the Chargee hereunder, and to take such proceedings which the Receiver may deem necessary or desirable in the name of the Chargors, or otherwise, provided that nothing herein shall constitute the Chargee herein a chargee in possession or an "Owner" within the

meaning of the Construction Lien Act (Ontario) or otherwise. The rights and powers conferred by this paragraph are in addition to and not in substitution for any other right of the Chargee herein, and for all purposes and powers of the Receiver, the Receiver shall have and may in the discretion of the Chargee be vested with all or any of the rights and powers of the Chargee. Any such Receiver shall, for all purposes, be deemed the agent of the Chargors and not the agent of the Chargee, and the Chargee shall not in any way be responsible for any misconduct, negligence or non-feasance on the part of such Receiver. The Chargee may from time to time fix the remuneration of such Receiver and direct the payment thereof out of the money received from the property charged hereunder, and all such remuneration and any and all reasonable costs of any Receiver shall be added to the debt hereby secured and shall bear interest at the rate provided for in the Charge to be paid. Any such Receiver may be vested with all or any of the powers and discretions of the Chargee, and except as otherwise may be directed by the Chargee, all the moneys from time to time received by the Receiver shall be held in trust for and paid over to the Chargee. The Chargee, in appointing or refraining from appointing such Receiver, shall not incur any liability to the Receiver, or to the Chargors.

#### **10. ELECTRONIC REGISTRATION**

The delivery of this Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargors and any other party to the Charge agree not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for electronic registration to do so.

#### **11. CONFLICT**

The provisions provided in this schedule must be read and interpreted together with the Standard Charge Terms applicable to this Charge and, in the event of a conflict between the two, the provisions of this Schedule shall prevail.

#### **12. SUCCESSORS AND ASSIGNS**

The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.

**TAB H**

Chad Kopach  
416-593-2985  
ckopach@blaney.com

October 17, 2017

**BY COURIER**

3942783 Canada Inc.  
2692 Sheffield Road  
Ottawa, ON K1B 3V9

Abad Hamam  
2692 Sheffield Road  
Ottawa, ON K1B 3V9

Hamam Nizar  
2430 Bank Street  
Suite 209  
Ottawa, ON K1V 0T7

Dear Sirs:

**RE: First National Financial GP Corporation ("FN") v. Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.  
Interim Receivership Application Court File No. 17-73967  
345 Clarence Street, Ottawa ("345 Clarence")  
347 Clarence Street, Ottawa ("347 Clarence")**

We are lawyers for First National Financial GP Corporation ("FN") with respect to the above referenced application. By way of Order of Justice Hackland dated September 22, 2017 (the "**Interim Receivership Appointment Order**"), a copy of which is attached, Deloitte Restructuring Inc. was appointed interim receiver over 345 Clarence and 347 Clarence.

As you know, 3942783 Canada Inc. ("**394 Canada**") registered a mortgage over title to 345 Clarence on or about September 27, 2017 in the amount of \$678,000.00 as instrument no. OC1933770 (the "**394 Canada Mortgage**").

The 394 Canada Mortgage was registered contrary to the terms of FN's registered mortgage security (which prohibits subsequent encumbrances without its consent, which was neither sought nor given in respect of the September 27 Mortgage). The 394 Canada Mortgage was also registered contrary to the terms of the Interim Receivership Appointment Order. Among other things, paragraph 9 of the Order prohibits the exercise of rights and remedies against the Property without the written consent of the Interim Receiver, or leave of the court (neither of which was obtained).

If by 5:00 pm on October 25, 2017, I am not in receipt of confirmation that the 394 Canada Mortgage has been discharged from title to 345 Clarence, FN will forthwith move for an order that it be discharged. If FN is forced to take this step, it will seek its full indemnity costs of the motion, and will rely on this letter, among other things, in its submissions that it should be awarded its costs on a full-indemnity basis.

- 2 -

Finally, I enclose a copy of FN's Motion Record for its motion returnable in Ottawa on Friday, October 20, 2017, which is served upon 394 Canada pursuant to the *Rules of Civil Procedure*.

Yours very truly,

**Blaney McMurtry LLP**

A handwritten signature in black ink, appearing to read 'Chad Kopach', written over a horizontal line.

Chad Kopach  
CK/ep  
Encls.

# **TAB I**

---

**From:** Eric Golden  
**Sent:** December 05, 2017 11:26 AM  
**To:** 'Harland Tanner'  
**Cc:** Chad Kopach  
**Subject:** RE: First Nation v. Golden Dragon

Hi Harland,

Did you receive the instructions to discharge the third mortgage. I have to book the motion date today.

Eric Golden  
Partner  
Co-chair, Business Reorganization & Insolvency Group  
egolden@blaney.com  
☎ 416-593-3927 | ☎ 416-596-2049

---

**From:** Harland Tanner [<mailto:htanner@piazalaw.com>]  
**Sent:** November 30, 2017 12:56 PM  
**To:** Eric Golden  
**Cc:** Chad Kopach  
**Subject:** RE: First Nation v. Golden Dragon

Hi Eric,

I expect my client will instruct me to discharge it. I should know by end of day.

**Harland I. Tanner**  
Lawyer



**225 Metcalfe Street, Suite 600**  
**Ottawa, ON K2P 1P9**

T : 613-238-2244 x27  
F : 613-238-3382

[www.piazalaw.com](http://www.piazalaw.com)

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---

**From:** Eric Golden [<mailto:egolden@blaney.com>]  
**Sent:** November-30-17 8:58 AM  
**To:** Harland Tanner  
**Cc:** Chad Kopach  
**Subject:** RE: First Nation v. Golden Dragon

I heard back from the Court this am and Justice Hackland is sitting all week. He also told us when the Appointment Order was taken out that he is prepared to hear this matter later in his day since Toronto counsel is involved. So let me know by tomorrow what works for you scheduling-wise if your client wishes to argue a motion on the validity of his mortgage registration against 345 Clarence.

**Eric Golden**

Partner

Co-chair, Business Reorganization & Insolvency Group

egolden@blaney.com

📞 416-593-3927 | 📠 416-596-2049

**From:** Eric Golden

**Sent:** November 29, 2017 11:49 PM

**To:** 'htanner@piazzalaw.com'

**Cc:** Chad Kopach

**Subject:** RE: First Nation v. Golden Dragon

Hello Harland,

How are you?

I think we came across each other when you were acting for the mortgagor Axim last year on a First National commercial mortgage in Ottawa.

In any event, Chad has forwarded your email below.

Your client's third mortgage was registered after the Receivership Order. Paragraph 9 of the IR Order is clearly intended to preclude the registration of mortgage security, as confirmed by the exceptions to the stay provision at the end of paragraph 9.

Your client will also have to prove that its third mortgage was not a preference, which based on the attached mortgage and its related schedule does not appear possible. It appears that the mortgage was security for past advances. On a related note, your client's mortgage was only registered against 345 Clarence (owned by GDH 11) and not 347 Clarence (owned by GDH 10, and to whom your client's advances were allegedly initially made). My understanding is that GDH 11 is a sole source entity which owns 1 asset (345 Clarence) – it did not receive any consideration for granting the third mortgage to your client (neither did GDH 10).

Also, FN's first mortgage requires its consent before any additional mortgages are registered on title. Your client did not seek nor obtain that consent from FN.

Furthermore, the second mortgagee over 345 Clarence is most certainly looking at a shortfall on its mortgage. As a result, your client's mortgage has no value as an encumbrance. While title needs to be as cleaned up as soon possible in the event a purchaser wishes to purchase the mortgaged properties (345 Clarence and 347 Clarence), why would your client risk a costs Order on a mortgage that is worthless?

Finally, I expect that your client's third mortgage over 345 Clarence will also face opposition from stakeholders with an interest in the remaining properties it was registered against. If a motion is required to strike the third mortgage from title over 345 Clarence, questions will probably be asked of those stakeholders to determine factual similarities to 345 Clarence. Those stakeholders would then surely take an interest in the outcome of the 345 Clarence motion, which as set out above is one with no upside to your client given that its mortgage over 345 Clarence is practically worthless even if it remains on title.

Be that as it may, if your client insists on keeping its mortgage on title, I am waiting to hear back from the Ottawa court re: Justice Hackland's availability the week of Dec. 18, 2017, for a motion to deal with various admin issues in the Interim Receivership, and for a motion to strike this third mortgage off title. What is your availability that week? If a motion to have your client's mortgage struck off title is required, it will be brought by the Receiver's independent counsel, Dickenson Wright. I expect that the Receiver will seek its full indemnity costs on any such motion.



On the other hand, if your client is prepared to discharge its mortgage from title, please advise by this Friday.

Eric Golden  
 Partner  
 Co-chair, Business Reorganization & Insolvency Group  
 egolden@blaney.com  
 416-593-3927 | 416-596-2049

**From:** Harland Tanner <>  
**Date:** November 27, 2017 at 8:53:50 AM EST  
**To:** Chad Kopach <ckopach@blaney.com>  
**Subject:** RE: First Nation v. Golden Dragon

Mr. Kopach,

My client's charge was registered prior to the registration of Justice Hackland's Order. Please explain to me how paragraph 9 of the Order prevents my client from registering security?

**Harland I. Tanner**  
 Lawyer



**225 Metcalfe Street, Suite 600**  
**Ottawa, ON K2P 1P9**

T : 613-238-2244 x27  
 F : 613-238-3382

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**From:** Chad Kopach [mailto:ckopach@blaney.com]  
**Sent:** November-09-17 11:24 AM  
**To:** Harland Tanner  
**Subject:** RE: First Nation v. Golden Dragon

Mr. Tanner,

A copy of the Motion Record is attached.

The Receiver's website should have all material filed with the court at the below link:

<http://www.insolvencies.deloitte.ca/en-ca/Pages/goldendragonho10incandgoldendragonho11inc.aspx?searchpage=Search-Insolvencies.aspx>

Chad Kopach  
 Partner

ckopach@blaney.com  
☎ 416-593-2985 | ☎ 416-594-5095

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**From:** Harland Tanner [<mailto:htanner@piazzalaw.com>]  
**Sent:** Wednesday, November 08, 2017 8:40 AM  
**To:** Chad Kopach  
**Subject:** First Nation v. Golden Dragon

Mr. Kopach,

I represent Abad Hamam. My client has provided me a copy of your Oct. 17 correspondence. Please provide me the documentation referred to in your correspondence.

Thank you,

**Harland I. Tanner**  
Lawyer



**PIAZZA TANNER**<sup>LLP</sup>  
LAWYERS | AVOCATS

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# **TAB J**

**In the Matter of the Interim Receivership of certain real property of  
Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.**

**Interim Receiver's Statement of Receipts and Disbursements (consolidated)  
For the period September 22, 2017 to November 30, 2017**

	Beginning Ending	22-Sep-17 13-Oct-17	14-Oct-17 30-Nov-17	Cumulative 22-Sep-17 30-Nov-17
<b>Receipts</b>				
Rent		\$ 55,274	\$ 70,733	\$ 126,007
Funding via Receiver's Certificate			200,000	200,000
<b>Total Receipts</b>		<b>55,274</b>	<b>270,733</b>	<b>326,007</b>
<b>Disbursements</b>				
Filing fees paid to Official Receiver		70	-	70
Receiver's Fees			82,599	82,599
Legal Fees			11,944	11,944
GST/HST Paid		36	18,086	18,122
PST Paid			2,412	2,412
Bank charges			126	126
Operating Expenses:			-	-
Postage		21	-	21
Signage			95	95
Enterphones			205	205
Insurance			30,151	30,151
Propert Manger Fees			19,000	19,000
Repairs & Maintenance			15,186	15,186
Janitorial			7,677	7,677
Gas & Heating			2,208	2,208
Electricity			178	178
General Expense			288	288
Other		284	(284)	-
<b>Total Disbursements</b>		<b>411</b>	<b>189,870</b>	<b>190,281</b>
<b>Excess of Receipts and Disbursements</b>		<b>\$ 54,863</b>	<b>\$ 80,863</b>	<b>\$ 135,726</b>

# **TAB K**

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

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**AFFIDAVIT OF HARTLEY M. BRICKS  
(Sworn December 11, 2017)**

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**I, Hartley M. Bricks** of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

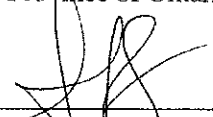
1. I am a Senior Vice-President of Deloitte Restructuring Inc., the court appointed interim receiver (the "**Receiver**") of certain real property of Golden Dragon Ho 10 Inc. municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) ("**347 Barber**") and of certain real property of Golden Dragon Ho 11 Inc. municipally known as 345 Barber St. Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) ("**345 Barber**") (collectively, with 347 Barber, referred to herein as the "**Property**"). As such, I have personal knowledge of the matters to which I hereinafter refer.
2. Attached hereto as **Exhibit "A"** is a summary of the accounts issued by the Receiver for services rendered during the period September 18, 2017 to December 1, 2017 (the "**Period**").
3. Attached hereto as **Exhibit "B"** are true copies of the accounts of the Receiver with respect to the Property for the Period, including a detailed description of the activities, number of hours worked, applicable hourly rates, and totals. The Receiver's average hourly rate charged

over the Period is approximately \$405. I confirm that these accounts accurately reflect the services provided by the Receiver in this proceeding for the Period.

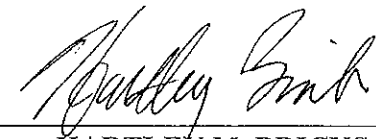
4. Based on my review of the accounts referred to herein and my personal knowledge of this matter, the accounts referred to herein represent a fair and accurate description of the services provided and the amounts charged by the Receiver.

5. I swear this affidavit in support of the Receiver's Motion for, among other things, approval of its fees and disbursements and for no other or improper purpose.

SWORN before me at the City of Toronto,  
in the Province of Ontario, on December 11,  
2017

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

)  
)  
)  
)

  
\_\_\_\_\_  
HARTLEY M. BRICKS

Anna Koronaos, a Commissioner, etc.,  
Province of Ontario  
for Deloitte Restructuring Inc.,  
Licensed Insolvency Trustee,  
Expires June 3, 2019.

## Exhibit "A"

**Summary of Invoices Issued by the Interim Receiver of certain real property of  
Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.**

<u>Invoice Date</u>	<u>Invoice Period</u>	<u>Fees</u>	<u>Disbursements</u>	<u>HST</u>	<u>Total</u>
26-Oct-17	19-Sep-17 to 20-Oct-17	\$ 81,342.50	\$1,277.31	\$10,740.58	\$ 93,360.39
04-Dec-17	23-Oct-17 to 01-Dec-17	28,102.50	302.69	3,692.67	32,097.86
		<u>\$109,445.00</u>	<u>\$1,580.00</u>	<u>\$14,433.25</u>	<u>\$125,458.25</u>

This is Exhibit "A"  
 in the Interim Receiver's Report  
 dated 11<sup>th</sup> day of  
 December 2017.  
 Anna Koroneos

Anna Koroneos, a Commissioner, etc.,  
 Province of Ontario  
 for Deloitte Restructuring Inc.,  
 Licensed Insolvency Trustee,  
 Expires June 3, 2019.





Wills in Exhibit C  
in the Affidavit of Hartley M. Bricks  
 sworn before me on December 11<sup>th</sup> 2017  
 at 11:00 am

Deloitte Restructuring Inc.  
Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto, ON, M5H 0A9

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Anna Koroneos, a Commissioner, etc.  
Province of Ontario  
for Deloitte Restructuring Inc.,  
Licensed Insolvency Trustee.  
Expires June 3, 2019.

**Private and Confidential**

Golden Dragon Ho 10 Inc. & Golden Dragon Ho 11 Inc.  
c/o Deloitte Restructuring Inc., Interim Receiver  
8 Adelaide St. West, Suite 200  
Toronto ON M5H 0A9

Date: October 26, 2017  
Invoice Number: 4515283  
Client/Mandate Number: 887159.1000008  
Billing Partner: Paul Casey

GST/HST Registration Number: 12289 3605

## Invoice #1

For professional services rendered by Deloitte Restructuring Inc. in its capacity as Court-appointed interim receiver of certain of the real property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc. for the period ending October 20, 2017.

### Summary of Fees

Professional	Position	Hours	Rate		
Paul Casey	Senior Vice President	2.6	\$600.00	\$	1,560.00
Hartley Bricks	Senior Vice President	33.6	\$500.00		16,800.00
John Saunders	Senior Vice President	60.5	\$500.00		30,250.00
Anna Koroneos	Vice President	28.8	\$450.00		12,960.00
Julie Haghiri	Senior	75.1	\$275.00		20,652.50
Rose Brown	Trust Administrator	6.8	\$100.00		680.00
Total hours and professional fees		207.4			81,342.50
			Out of pocket expenses		1,277.31
			Subtotal		82,619.81
			HST@13%		10,740.58
<b>Amount Payable (CAD)</b>				<b>\$</b>	<b>93,360.39</b>

Remittance information on last page

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.

Date	Professional	Hours	Narrative
9/18/2017	Haghiri, Julie	1.0	Review Interim Receivership checklist and discussion with the team in respect of same.
9/18/2017	Koroneos, Anna	2.0	Review of materials; planning meeting with J. Haghiri; with H. Bricks planning re: securing of assets and matters; review of taking possession checklist.
9/19/2017	Casey, Paul	2.0	Review Affidavit and form of order; meeting H. Brick to discuss.
9/19/2017	Bricks, Hartley	1.5	Review and provide comments on draft application materials to E. Golden; attend conference call with City of Ottawa, Ministry of Housing, First National and E. Golden to discuss status of the Property and impending interim receivership; internal meeting to discuss taking possession.
9/19/2017	Koroneos, Anna	1.4	Review materials; with team; start insurance form for Marsh and coverage; review of appraisal docs from E. Golden for information needed to complete insurance form.
9/20/2017	Saunders, John	1.5	Review emails; review application record and prepare notes.
9/20/2017	Koroneos, Anna	2.0	With R. Brown on setting up files and webpage for publication; with J. Haghiri on same; questions to H. Bricks on insurance support - appraisal and building condition report; reading documents; work on insurance form; meet with J. Haghiri.
9/20/2017	Bricks, Hartley	1.4	Conference call with City of Ottawa, Ministry of Housing and E. Golden to discuss status and interim receivership application; further discussion with E. Golden.
9/20/2017	Haghiri, Julie	3.8	Attend conference call with the City of Ottawa, Ministry of Housing and counsel; review court documents and internal meeting regarding interim receivership planning.
9/21/2017	Bricks, Hartley	2.0	Review and respond to various correspondence concerning application materials; conference call with E. Golden and staff to discuss application and taking possession matters.
9/21/2017	Saunders, John	5.4	Review application records and make notes; review emails; planning for interim receivership, determine initial steps; discussions with team; review draft notices and provide comments; discussion with E. Golden; discussion with D. Preger; discussions with J. Tweedie of CVL to make preliminary arrangements to inspect premises tomorrow; review inspection reports.
9/21/2017	Koroneos, Anna	3.0	With J. Haghiri to discuss plan, draft documents and call with J. Saunders; review drafts, finalize insurance and send; emails to H. Bricks and E. Golden on web link.
9/21/2017	Haghiri, Julie	8.1	Attend internal meeting regarding interim receivership preparation; review several court documents; prepare the insurance documents; review and respond several email correspondence from professionals; attend conference call with E. Golden; draft notices to utility companies; review and draft notices to tenants and building.
9/21/2017	Brown, Rose	0.8	Estate / banking administration; set up website page; send email to RBC to open trust account.
9/22/2017	Bricks, Hartley	2.2	Correspondence concerning insurance; update call with team to discuss status; prepare email to First National re taking possession.

Date	Professional	Hours	Narrative
9/22/2017	Saunders, John	7.2	Follow up with E. Golden and J. Haghiri to print copy of court application; obtain additional documents requested by E. Golden; discuss initial steps with J. Haghiri; prepare for and attend at court hearing; arrange to distribute Court Order; call to CLV; finalize notices for tenants; attend at properties, meet with J. Tweedle of CLV and inspect units, roof, common areas, etc; discuss possible safety issues with CLV, and a systematic program to identify maintenance and repair needs; post notices to tenants; prepare notes to file; update team on day's events; discuss insurance issues and a future tenants meeting; draft correspondence to Chi Van Ho and associates requesting access to books and records and details of utility accounts; plan steps for next week; review and forward CLV's Property Management Agreement to legal counsel; forward Pinchin report to CLV.
9/22/2017	Koroneos, Anna	4.0	With team on various matters; with J. Haghiri on order, letters etc., emails and calls with insurance brokers, R. Tuck, Cory, Scott from Marsh and L. Lessard from Rhodes Williams; conference call with team.
9/22/2017	Haghiri, Julie	8.4	Working on court documents; discussions with J. Saunders regarding the initial appointment duties; review and respond to several emails from professionals in respect of same; follow up on insurance matters; follow up on new bank accounts; follow up on website matter; attend at property; attend a meeting with professionals at property to discuss interim receivership matter and visit units and other area's of the building for assessment; distribute notices to tenants; attend a meeting regarding end of first day update with professionals.
9/22/2017	Brown, Rose	0.5	Estate Administration, website: update page with court document and upload page to live website.
9/25/2017	Bricks, Hartley	3.0	Review and provide comments on property management agreement; internal meeting to discuss status; correspondence with A. Koroneos re insurance; correspondence with C. Sebben re property management agreement; discussion with E. Golden re status of various issues.
9/25/2017	Saunders, John	3.8	Call with CLV to discuss questions about the property management agreement and potential laundry machine issues, notes to file; review rent roll and estimate monthly revenue from laundry machines; set up meeting to review status of all issues; discuss information requests with Diana of Chi Suites, review and distribute email from Diana; discuss state of books and records with Receiver for other Golden Dragon Ho property, notes to file; update team; discuss laundry machine issue and my Initial comments on the property management agreement with legal counsel; follow up with H. Bricks for documents supporting fee amounts proposed by CLV; review possible locations for tenants' meeting; team meeting to discuss status of outstanding issues and next steps; review Hydro notices of discontinuance, follow up with CLV, notes to file; follow up with Chi Suites for further details on hydro bills and for status of information requested; review revised property management agreement and provide edits and comments.
9/25/2017	Koroneos, Anna	2.5	Review of emails on property management agreement; telephone call with B. Wong of Collins Barrow on Chi Suites staff and response techniques; with H. Hoffman on insurance quote from Cory; with L. Lessard of Rhodes & Williams Insurance and review of coverage and forward to Marsh; with team on same; with J. Haghiri on hydro bills; further telephone call with L. Lessard; conference call with J. Saunders and team on updates.

Date	Professional	Hours	Narrative
9/25/2017	Haghiri, Julie	8.2	Respond to emails and phone calls from tenants and status of Interlm receivership; review property management agreement and review emails and discussions in respect of same; review emails regarding insurance and prepared responses; attend internal conference call regarding status of receivership and outstanding items; several discussions with the company and other professionals regarding accessing books and records; working on arranging the tenants meeting; draft email to Hydro Ottawa.
9/26/2017	Bricks, Hartley	2.8	Various correspondence re insurance; discussion with E. Golden re status; review of revised property management agreement; meeting with C. Sebben and staff of First National to discuss various matters; correspondence concerning property management agreement.
9/26/2017	Saunders, John	2.6	Review initial documents e-mailed by Chi Suites, forward to J. Haghiri and follow up on outstanding information; call with Diana to discuss hydro arrears of tenants and owner, other possible creditors, renovations, and obtaining copies of leases and maintenance records, notes to file; update team; review and provide comments on Property Management Agreement revised by H. Bricks and legal counsel; review additional invoices provided by Chi Suites, forward to J. Haghiri; clarify with Jane of Chi Suites as to whether there were any other creditors; discuss property management issues with H. Bricks, make final edits to agreement and forward to CLV for review.
9/26/2017	Koroneos, Anna	3.0	Prepare for and attend meeting with FNF; review of emails; respond; review of insurance binder and forward to team and to Marsh for review; discussion on tenants meeting, creditors listing, elevators, hydro payments and bank accounts.
9/26/2017	Haghiri, Julie	5.8	Respond to emails and phone calls from the tenants; continue working on arranging the tenants; attend the meeting with First National; work on obtaining the books and records; several emails and phone conversation with the realtor regarding the lease offer; review fire safety plan and report.
9/26/2017	Brown, Rose	0.3	Estate administration: set up estate on Ascend.
9/27/2017	Bricks, Hartley	1.5	Review of correspondence from a realtor re lease offer and correspondence to First National and counsel regarding same; review of s.245 notice; various discussions with J. Haghiri re receivership matters.
9/27/2017	Saunders, John	2.5	Follow up on obtaining records with Chi Suites, e-mails and calls with Diana; Arrange for SWIFT courier to pick up boxes of records at Chi Suite office; review e-mails re environmental assessment, rent cheques and listing agreement for lease of units; forward Enbridge notice to J. Haghiri; receive and review boxes of documents from Chi Suites and forward to J. Haghiri; receive rent cheques, forward to Toronto; review legal advice on revenue from laundry machines; write to Chi Suites to request keys to machines; call from Bob at CLV re property management agreement, set up meeting for Thursday morning.
9/27/2017	Koroneos, Anna	1.5	Review of emails; discussion with J. Haghiri on statutory notices, creditors and tenant meeting; with H. Bricks on outstanding matters; with L. Lessard of Insurance re: premiums paid and full policy receipt; with Marsh on coverage.

Date	Professional	Hours	Narrative
9/27/2017	Haghiri, Julie	7.5	Draft Notice of Receiver; review outstanding invoices and prepare creditors' list; phone conversation with J. Saunders regarding books and records; attend conference call with Hydro Ottawa; prepare documents requested from Hydro Ottawa; discussions regarding the lease offer from Century 21 and prepare comparison analysis; respond to inquiries from other parties; continue working on tenants' meeting.
9/28/2017	Bricks, Hartley	1.7	Review of s.245 and discussion with J. Haghiri; conference call with CLV and counsel to discuss property management agreement; review of revised draft and provide comments on same.
9/28/2017	Saunders, John	2.9	Call with CLV and lawyer to discuss terms of property management agreement, notes to file; pull and forward to CLV a copy of rent cheques received; call from CLV - follow up with J. Haghiri to send cheques to CLV and defer meeting of creditors for now; follow up with R. Brown to order cheques for CLV to use; forward fire safety plans to CLV and request that contact information be updated; call from CLV re fob entry problems at building; contact Activox to advise of interim receivership and gtee payment of service charge to fix problem; review revised property management agreement circulated by lawyer, provide comments.
9/28/2017	Koroneos, Anna	0.1	Review of emails.
9/28/2017	Haghiri, Julie	3.2	Finalize 245 Notice; discussion with utility companies; call with J. Saunders regarding property manager and current issues at the building; respond to emails from professionals.
9/29/2017	Bricks, Hartley	1.4	Discussion with E. Golden re comments on property management agreement; forward revised agreement to CLV; prepare correspondence to FNF re property management agreement; correspondence concerning insurance.
9/29/2017	Saunders, John	0.5	Receive report on fob system from Activox; follow up on status of property management agreement; receive hydro bill from Chi Suites, forward to J. Haghiri; review counsel's comments on property management agreement.
9/29/2017	Koroneos, Anna	1.3	Review of emails from J. Saunders; discussion on 245/6 statutory notice; with E. Golden via email on insurance; with L. Lessard of Rhodes & Williams via email on request for insurance coverage wording; telephone call with Erin of RW; with R. Brown on 245/6 notice and court number, mailing and efilling of same.
9/29/2017	Haghiri, Julie	3.5	Review books and records of the company; review the final package to creditors; review lease agreements and prepare summary documents.
9/29/2017	Brown, Rose	1.6	Estate administration, mailing: labels, copying, stuff envelopes and send to mail room; prepare mail voucher; update website.
10/2/2017	Saunders, John	3.5	Call from Bob and John of CLV, discuss all issues that need to be dealt with and status update on employment of Superintendent by CLV, provide instructions to CLV; prepare detailed notes and forward to team; follow up with R. Brown on status of Receiver's bank account and CLV producing cheques for the Receiver; follow up with J. Haghiri on status of leases and other records being scanned, and on possible eviction documents for unit 309; follow up with Chi Suites re keys to laundry machines; respond to Chi Suites inquiry as to when records will be returned; prepare Notice to tenants as requested by CLV, circulate for comment; update from J. Haghiri on records; amend and forward Notice to CLV; discuss date to meet at property to review matters; locate and forward utility account lists to CLV.

Date	Professional	Hours	Narrative
10/2/2017	Koroneos, Anna	1.0	Review of policy from Rhodes Williams and email re: changes/errors; forward policy to Marsh and to E. Golden; with H. Bricks on same; with J. Haghiri on company records and review of same.
10/2/2017	Haghiri, Julie	3.9	Review property management agreement; review email from J. Saunders and provide responses; review rent roll projections from FN; review several emails from FN regarding insurance and property manager agreement; work on obtaining HST number.
10/2/2017	Brown, Rose	1.5	Set up estate on Ascend and input creditors; prepare additional mailing package; several telephone calls to TD Bank regarding opening property management account and cheque order; obtain OSB Estate number and send information to J. Haghiri.
10/3/2017	Bricks, Hartley	0.3	Discussion with A. Koroneos and B. Hoyles re insurance; correspondence with FN re site visit.
10/3/2017	Saunders, John	2.0	Discussions with J. Haghiri and CLV re utilities, bank account, producing cheques for Receiver, etc.; discussion of cheque requirements with R. Brown; arrange to forward rent cheques received by Chi Suites to CLV; receive notices from Ministry, elevator maintenance company and Hydro, forward to CLV; inquiry from realtor.
10/3/2017	Koroneos, Anna	2.7	With various brokers to answer questions on the properties; with H. Bricks; extensive discussion with Scott Keeting of Marsh on the policy in hand; review of team emails and respond where required; with Erin of Rhodes & Williams telephone call and emails.
10/3/2017	Haghiri, Julie	7.1	Review bank accounts; work on matters relating to insurance including responding to several emails in respect of same; several conversations with Chi Suites regarding utilities, taxes and insurance; phone conversation with Hydro Ottawa; several email correspondences with CLV group; phone conversation with Telus and provide requested information; respond to inquiries from creditors.
10/3/2017	Brown, Rose	1.2	TD Bank: prepare additional forms and have signed and send to TD bank to get account open; review cheque issue and template with J. Saunders.
10/4/2017	Saunders, John	2.1	Discuss with J. Haghiri the status of records being scanned, and setting up HST account for Receiver, locate and provide name of contact in CRA's Insolvency Unit; emails and calls with CLV re Eastern Construction (EC) and renovation of lobby; call with EC representative to determine details of their contract with Mr. Ho, prepare letter to EC confirming receivership and requesting documentation; forward copy of Court Order to EC; review fire safety documents from J. Haghiri; review copies of notices and housing allowance cheques from Ministry of Housing forwarded by Chi Suites, discuss with J. Haghiri and provide instructions to Chi Suites; review other correspondence; discuss status of maintenance and assessment of repairs with CLV; review rent analysis from CLV.
10/4/2017	Koroneos, Anna	1.7	With L. Lessard on questions post Marsh review, via email and telephone call; with C. Hoffman on Lloyds of London policy; review of emails from D. Wright of Halfpenny Insurance and discussions with team on Marsh notes and other prospects; draft email response to E. Golden re: policy in place.
10/4/2017	Haghiri, Julie	3.1	Several email correspondence with CLV regarding utilities, vendors and various accounts in respect of same; review reports provided by CLV regarding rent for September and October; review Notice of Breach from Ministry; follow up discussion and email with insurance company; review email from J. Saunders regarding construction; phone conversation with Telus regarding rent payments.

Date	Professional	Hours	Narrative
10/5/2017	Bricks, Hartley	1.4	Various discussion and correspondence with E. Golden re status of the receivership; review of receiver's costs.
10/5/2017	Koroneos, Anna	0.5	Review of emails and respond where required, from E. Golden of BM, C. Sebben of FN, H. Bricks and J. Haghiri on various matters including insurance, Chi request for payout information etc.
10/5/2017	Haghiri, Julie	3.7	Work on monthly summary reports and several discussions with professionals in respect of same; work on cost report; several emails and phone correspondence with the realtor; followup on books and records and discussions in respect of same; review email from FN and Blaneys regarding the debtor; phone conversation with Enbridge regarding accounts.
10/5/2017	Brown, Rose	0.9	Set up banking folder for both accounts, check with bank regarding update to online bank for TD account; check with the bank regarding balances in RBC & TD Bank Account.
10/6/2017	Bricks, Hartley	0.5	Prepare schedule for E. Golden of receivers costs and discussion re same; correspondence re insurance.
10/6/2017	Saunders, John	1.4	Communication with J. Haghiri re status of records to be returned to Chi Suites; inquiry from CLV re information requests from realtor, discuss with H. Bricks and confirm instructions to CLV; review and forward invoices received from Chi Suites; inquiry from CLV re delivery of tiles to 345 Barber and Chi Ho's instructions to Superintendent, provide instruction to CLV regarding status of lobby renovation and parties contacting the Superintendent; follow up with Eastern Construction for statement of account for lobby renovation.
10/6/2017	Haghiri, Julie	2.9	Follow up call on books and records; arrange transfer of materials to CLV and Company; finalize the monthly summary reports; arrange transfer of funds from CLV; respond to Telus inquiry.
10/10/2017	Bricks, Hartley	1.3	Discussion with broker re insurance coverage and correspondence to E. Golden re same; review of correspondence to Chi Van Ho; various correspondence with J. Saunders re operational matters.
10/10/2017	Saunders, John	4.0	Review emergency generator service contract forwarded from CLV for signature; review Property Management Agreement and discuss whose name such contracts should be in with H. Bricks and legal counsel; follow up with CLV to amend Property Management Agreement so that all such contracts can be in CLV's name subject to approval by Receiver; call from CLV to report that a contractor showed up at site to complete tiling, advised CLV to stop work until statement of account received from contractor; call from Chi Ho advising that he will be taking over building shortly and requesting that contractor be allowed to complete tiling of lobby since work had been prepaid; call from Mario of Eastern Construction to confirm that tiling work had been prepaid; Received confirmation from Eastern Construction in writing; confirmed with CLV that completion of tiling would improve property (even if changes are made to lobby later on); authorized contractor to complete work; update from CLV on work needed to bring 11 units to rentability level, requested further details; discuss obtaining new fobs and/or keys to entrance with CLV; update H. Bricks; Review and approve quote for fire alarm testing; follow up with J. Haghiri for status of records returned to Chi Suites.
10/10/2017	Haghiri, Julie	1.2	Review and respond to several emails from professionals relating to mortgage pay-off; respond to email relating to insurance payment; review emails relating to CLV contract.

Date	Professional	Hours	Narrative
10/10/2017	Koroneos, Anna	1.0	With H. Bricks and L. Lessard re: insurance, conference call; review of emails from team; respond where required; with J. Haghiri on insurance payment and bank accounts; with R. Brown on accounts; review of emails re: property manager contracts.
10/11/2017	Bricks, Hartley	3.5	Preparation for and attendance at the properties for meetings with the property manager and FN and a tour of the premises
10/11/2017	Saunders, John	4.8	Call from realtor re: her client's offer to lease all vacant units; email from H. Bricks, locate and forward Order with details of verbal instructions from the Court; e-mail from Activox re fob system repair; follow up again with Chi Suites for info on laundry machine keys; prepare for meeting with CLV and First General at site, make notes of issues to follow up; attend at 345 Barber and inspect building and vacant units with CLV and First General; get update and recommendations on numerous issues from CLV, discuss with H. Bricks and provide instructions to CLV on next steps; prepare notes to file; follow up on Ottawa Hydro information for CLV; follow up with Chi Suite for information on Rogers services for intercom; review 2003 inspection report on roof provided by CLV, forward to team; review Order and S.47 of BIA to confirm time period of interim receivership, update H. Bricks.
10/11/2017	Koroneos, Anna	0.1	Review of emails; respond where required.
10/12/2017	Bricks, Hartley	1.0	Discussion and correspondence with E. Golden and J. Saunders concerning the term of the interim receivership.
10/12/2017	Saunders, John	3.4	Discuss S.47 with H. Bricks; provide written instructions to CLV to obtain quotes to repair 11 units; advise Chi Suites that laundry machines will be re-keyed if original keys not found by Monday; confirm Court report requirements with H. Bricks; follow up with legal counsel to register Order on title; review building permit (posted at site) and forward to legal counsel for further investigation re conversion of building to student housing; follow up with J. Haghiri to prepare R&D, provide monthly cost details, and contact Rogers who provides cell line for intercom; contact Rogers; prepare format and outline for Court report.
10/12/2017	Koroneos, Anna	0.4	Review of team emails and respond where required; email to L. Lessard regarding obtaining an invoice for the insurance; reply to team.
10/13/2017	Bricks, Hartley	0.2	Discussion with J. Saunders re report.
10/13/2017	Saunders, John	8.1	Follow up on status of vacant units, rents and costs with CVL; confirm status of eviction unit; discuss possible building code contraventions with CLV, follow up with legal counsel for any additional information; follow up on position of Ministry re breach by Golden Dragon 10; review inspection reports by Pinchin and CVL, compare to notes of deficiencies identified during Receiver inspections; review notes, correspondence, notices, Court Order and Application Record, work on draft report and exhibits; forward to Team for review.
10/13/2017	Haghiri, Julie	0.5	Email correspondence with CLV regarding R&D.
10/15/2017	Haghiri, Julie	1.1	Review Receiver's report and provide comments.
10/16/2017	Casey, Paul	0.6	Review Court Report, R&D and meeting H. Bricks.
10/16/2017	Bricks, Hartley	5.0	Review and revise report to Court including review of comments of counsel; disc. report with P. Casey; correspondence with CLV and Blaneys and further revisions to report.
10/16/2017	Saunders, John	0.3	Review final report and provide comments.



Golden Dragon Ho 10 Inc. Golden Dragon Ho 11 Inc.  
Page 9 of 9

Date	Professional	Hours	Narrative
10/16/2017	Koroneos, Anna	0.2	With H. Bricks and L. Lessard re: payment options, with R. Brown and CLV re first and subsequent instalments for insurance.
10/16/2017	Haghiri, Julie	0.8	Respond to several emails and requests relating to Receipts and Disbursements report.
10/17/2017	Bricks, Hartley	0.5	Finalize report to court.
10/17/2017	Haghiri, Julie	0.7	Review and respond to emails from CLV regarding leases and tenants; draft email to creditor.
10/17/2017	Saunders, John	0.2	Respond to inquiries; instruct CLV to re-key laundry machines.
10/18/2017	Koroneos, Anna	0.3	With J. Tweedle re: insurance payment; review amend and forward; with J. Haghiri on CRA v-mail and HST accounts.
10/18/2017	Haghiri, Julie	0.3	Respond to voicemail from CRA.
10/19/2017	Bricks, Hartley	1.4	Correspondence with FN regarding market rental rates, review of rent roll and discussion with FN regarding same; discussion with B. Jarrett of CLV regarding market rates; discussion with J. Saunders re status.
10/19/2017	Saunders, John	1.9	Coordinate logistics for Court hearing with C. Kopach; pull 3 volume application record; review emails from legal counsel and FN: forward statement of account from creditor to J. Haghiri; discuss next steps with H. Bricks; follow up with J. Haghiri to set up meeting with tenants; review list of outstanding property issues with CLV; follow up on <i>building code issues</i> .
10/19/2017	Haghiri, Julie	0.3	Review emails from J. Saunders and arrange tenants' meeting.
10/20/2017	Saunders, John	2.1	Attend at Court to present 1st report and for motion to extend interim receivership; discuss building code concerns, low income housing requirements, and other issues relating to property with C. Kopach; forward Order to team; review quotes to change locks and issues security keys to all residents, discuss with CLV and provide approval to <i>proceed</i> ; <i>meet with CLV to review cheque requests and to sign</i> cheques; forward copy of cheques and support to J. Haghiri.
10/20/2017	Koroneos, Anna	0.1	Email review.



Deloitte Restructuring Inc.  
 Bay Adelaide Centre  
 8 Adelaide Street West, Suite 200  
 Toronto, ON, M5H 0A9

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 www.deloitte.ca

**Private and Confidential**

Golden Dragon Ho 10 Inc. & Golden Dragon Ho 11 Inc.  
 c/o Deloitte Restructuring Inc., Interim Receiver  
 8 Adelaide St. West, Suite 200  
 Toronto ON M5H 0A9

Date: December 4, 2017  
 Invoice Number: 4549543  
 Client/Mandate Number: 887159.1000008  
 Billing Partner: Paul Casey

GST/HST Registration Number: 12289 3605

## Invoice #2

For professional services rendered by Deloitte Restructuring Inc. in its capacity as Court-appointed interim receiver of certain of the real property of Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc. for the period of October 23, 2017 to December 1, 2017.

### Summary of Fees

Professional	Position	Hours	Rate		
Paul Casey	Senior Vice President	0.2	\$600.00	\$	120.00
Hartley Bricks	Senior Vice President	13.1	\$500.00		6,550.00
John Saunders	Senior Vice President	35.3	\$500.00		17,650.00
Anna Koroneos	Vice President	0.1	\$450.00		45.00
Paul Corriveau	Senior Manager	0.8	\$450.00		360.00
Stephanie Lazor	Manager	2.0	\$350.00		700.00
Julie Haghiri	Senior	9.7	\$275.00		2,667.50
Rose Brown	Trust Administrator	1.3	\$100.00		130.00
Total hours and professional fees		62.5			28,102.50
			Out of pocket expenses		302.69
			Subtotal		28,405.19
			HST@13%		3,692.67
<b>Amount Payable (CAD)</b>				<b>\$</b>	<b>32,097.86</b>

Remittance information on last page

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.

Golden Dragon Ho 10 Inc. Golden Dragon Ho 11 Inc.  
Page 2 of 6

Date	Professional	Hours	Narrative
10/24/2017	Saunders, John	0.6	Discuss repairs required for certain units with CLV, provide instructions; discuss elevator issues with CLV; call from CRA re new HST account for Interim Receiver, update J. Haghiri.
10/25/2017	Koroneos, Anna	0.1	With L. Lessard on Insurance and with team on payment.
10/25/2017	Saunders, John	1.0	Inquiry from realtor, advise legal counsel of information that realtor is looking for; review internet invoices provided from Chi Suites, follow up with CLV; review quote to complete lobby renovation, follow up with CLV to request further details and additional quotes; follow up with CLV on status of building code review; review elevator documents provided by CLV.
10/26/2017	Bricks, Hartley	0.5	Review correspondence concerning unit repairs and estimates and correspondence from C. Kopach re affordable housing units.
10/26/2017	Saunders, John	0.3	Review legal analysis of BMU requirements; respond to query re realtor.
10/27/2017	Bricks, Hartley	0.7	Discussion with a party interested in purchasing the property; review of market rent analysis from CLV and forward to First National.
10/27/2017	Saunders, John	2.0	Provide update on common area issues to H. Bricks; follow up with CLV on status of repairs, building code issues, roof inspection, internet requirements, elevator issues and detailed rent roll; prepare notes to file; provide repair information requested by First National; locate realtor info for legal counsel; correspondence to Chi Suites re internet; review updated rent roll.
10/30/2017	Bricks, Hartley	0.4	Review of various correspondence re Chi Van Ho and parties interested in property.
10/30/2017	Saunders, John	1.3	Review e-mails from H. Bricks and E. Golden re property and Chi Ho's inquiries; review and discuss quote for rugs with Dave of CLV - provide instructions to proceed; discuss status re-keying laundry machines, building code concerns, boiler inspection, generator inspection, snow removal contract, dryer vent cleaning, roof inspection and painting of 6 units; notes to file; follow up with John of CLV re elevator repairs that may be required; follow up with J. Haghiri on message recieved from elevator maintenance company.
11/1/2017	Bricks, Hartley	2.0	Preparation for and attendance on a call with City of Ottawa and MOH with Blaneys and First National to provide a status update; further discussion with E. Golden; review of rent roll and correspondence to CLV regarding same.
11/2/2017	Bricks, Hartley	0.7	Review of R&D; correspondence to E. Golden re R&D and costs to date.
11/2/2017	Saunders, John	1.9	Review emails from CLV re R&D; review invoices forwarded from Chi Suites, follow up on status with J. Haghiri; discuss logistics for tenants' meeting with J. Haghiri; call from CLV to discuss building code concerns re renovations by owner; review and sign cheques delivered by CLV; follow up with tax specialist on HST issues for the apartment building, pull additional documents and forward to tax specialist, provide background information.
11/2/2017	Corriveau, Paul	0.3	HST advice to John, exempt rental property, no ITC entitlement.

Date	Professional	Hours	Narrative
11/2/2017	Haghiri, Julie	3.2	Work on the tenants' meeting; prepare R&D; several email correspondences with J. Saunders regarding utilities; phone correspondence with Royal Lepage.
11/3/2017	Saunders, John	0.3	Forward cheque copies to J. Haghiri; follow up on November rent roll with CLV; communication with J. Haghiri re upcoming tenants' meeting.
11/3/2017	Haghiri, Julie	2.3	Email correspondences regarding tenants meeting; discussions with CLV regarding bank reconciliations; review tenants inquiries.
11/6/2017	Saunders, John	1.8	Update notes on potential building code deficiencies; review contract for generator maintenance provided by CLV; update list of outstanding repair and maintenance issues to follow up on; advise John at CLV of issues to be reviewed on call tomorrow.
11/7/2017	Bricks, Hartley	0.8	Conference call with J. Tweedie to discuss status of property.
11/7/2017	Saunders, John	3.1	Prepare for and attend call with John of CLV to get update on, and discuss, outstanding maintenance, repair and renovation issues; prepare notes to file and diarize dates for follow up; call to Bob of CLV to follow up on status of schedule of key lease details for each unit, discuss types of units available and rules for renting out low income units, review analysis of this issue provided by legal counsel; call from J. Haghiri to confirm tenant meeting logistics, review and sign contract for renting hotel space to hold meeting; contact CLV to confirm tenant meeting and purpose, instruct CLV to provide notice of meeting to tenants; review emails re potential purchaser for property and building access.
11/8/2017	Bricks, Hartley	0.7	Discussion with J. Saunders re status of various matters; review of correspondence from S. Martin and correspondence to Blaneys regarding same.
11/8/2017	Saunders, John	1.9	Emails with J. Haghiri re tenants meeting; review correspondence from Desjardins; review legal analysis of Affordable Housing requirements and discuss with H. Bricks; call with CLV to follow up on status of vacant units and details of units that were being converted to student housing; review notes and Application Record re building code issues; prepare summary of vacant units' status, plans to repair units, estimated costs, plans to confirm building code deficiencies and expected delays in the process, forward to H. Bricks; review and approve quote to clean dryer vents.
11/8/2017	Corriveau, Paul	0.2	Discuss HST issues with S. Lazor.
11/9/2017	Saunders, John	2.2	Review memo on HST issues from tax specialist - update team; Follow up with Bob at CLV to recover HST previously charged in error on CLV's invoices to reimburse Superintendent's wages - provide Bob with support for our position; Call from CRA re new HST number being set up for Interim Receiver - advised CRA not to proceed given that ITCs cannot be claimed for rental apartment building; Review waste service invoice provided Chi Suites - forwarded to CLV for investigation; Review revised rent roll with lease expiry dates; Forward revised rent roll with explanatory notes to legal counsel with copies of specific leases requested; Respond to inquiry from realtor of property.
11/9/2017	Corriveau, Paul	0.3	HST advice.

Date	Professional	Hours	Narrative
11/9/2017	Lazor, Stephanie	2.0	Draft GST/HST analysis re (1) management fees and (2) reimbursement of superintendent fees and (3) ITC entitlement including review of agreement and invoices provided, research/review of case law and discussions with P. Corriveau.
11/10/2017	Bricks, Hartley	1.2	Prepare response to questions from S. Martin; meeting with First National to discuss Receiver's Certificate funding; various correspondence and discussions concerning BMR rental units.
11/10/2017	Saunders, John	1.2	Emails with CLV and J.Haghiri re HST overcharges; follow up on legal interpretation re which units are to be rented first to BMR tenants; inquiries from H. Bricks re possibility of moving tenants from 347 to 345 to facilitate BMR units in 347, review rent roll and leases for units in question, discuss issues with H. Bricks; follow up with CLV for CMHC average rent information for 4 vacant units that are ready to rent.
11/13/2017	Bricks, Hartley	1.8	Prepare response to S. Martin concerning vacant units and funding of interim receivership.
11/13/2017	Saunders, John	3.8	Review emails, notes, and quotes to upgrade elevator, prepare summary of elevator issues for H. Bricks; arrange for copies to be made of Court Orders and Receiver's report for meeting of tenants; review correspondence to Desjardins, provide additional information on roof issues; follow up on logistics for tenants' meeting; prepare agenda for meeting and forward to CLV and H. Bricks for comment; review and discuss with CLV the chart of CMHC average rents they provided, prepare calculation of impact on future rental revenue from BMR units, forward to team; follow up on bills forwarded by Chi Suites; prepare notes for discussion at tenants' meeting.
11/14/2017	Bricks, Hartley	0.2	Discussion with N. Hemraj re cash flow forecast details.
11/14/2017	Saunders, John	3.1	Review and approve cheques for expenses; review latest CMHC average rental rates for Lowertown area; prepare notes of issues to discuss at meeting of tenants; review comments from CLV and update agenda; pull together hand-out documents and prepare attendance list; attend at and chair meeting of tenants, respond to questions afterwards; discuss with CLV the process to move BMR tenants from 345 to 347 Barber and to move market tenants from 347 to 345; discuss status of various maintenance issues.
11/15/2017	Bricks, Hartley	0.5	Correspondence with First National regarding rent roll questions; correspondence with Desjardins regarding receivership matters.
11/15/2017	Saunders, John	0.6	Prepare notes of key issues for follow up that were raised at tenants' meeting; circulate attendance list; review emails from Chi Suites forwarding invoices.
11/16/2017	Bricks, Hartley	0.7	Discussion with E. Golden re 347 Barber; respond to questions from First National regarding rent roll; disc. with P. Casey re status; prepare receiver certificate and forward to First National.
11/16/2017	Casey, Paul	0.2	Update with H. Bricks; review and execute Receiver's Cert.
11/17/2017	Haghiri, Julie	0.5	Prepared non BMR schedule.
11/17/2017	Saunders, John	0.4	Review correspondence from Desjardins, follow up with H. Bricks; review 2nd quote for finishing lobby, follow up on 3rd quote with CLV.

Date	Professional	Hours	Narrative
11/20/2017	Bricks, Hartley	0.6	Discussion with J. Tweedie of CLV re 347 Barber; review schedule and respond to E. Golden re 347 Barber.
11/20/2017	Haghiri, Julie	1.0	Working on non BMR schedule and several correspondence with professionals in respect of same.
11/20/2017	Saunders, John	0.1	Review deficiency information on roof, forward to team.
11/21/2017	Bricks, Hartley	0.4	Disc. with J. Saunders re status of repairs and BMR tenants; discussion with E. Golden re strategy for 347 Barber; respond to correspondence from S. Martin re building repairs.
11/21/2017	Saunders, John	1.7	Review emails and correspondence; discuss with H. Bricks re approach to renting out vacant units and dealing with BMR issues; discussion with J. Tweedie to confirm approach to renting units, the revised costs and approach to repair many of the units and the status of other repair and maintenance issues; review CLV's proposed letter offering to move non BMR tenants in 347 to 345 units; update H. Bricks on this matter and revised costs and approach to repair units.
11/22/2017	Bricks, Hartley	0.4	Discussion with Naila regarding funding requirements and revise cash flow forecast notes.
11/22/2017	Brown, Rose	0.3	Trust banking administration: checking with RBC to confirm wire received and checking regarding entries for TD Bank Accounts.
11/22/2017	Saunders, John	1.5	Update list and timelines of outstanding repair and maintenance issues based on information provided by CLV, forward to H. Bricks; review bills forwarded by Chi Suites, follow up with Chi Suites for further details; draft memo to CLV.
11/23/2017	Bricks, Hartley	0.2	Review and respond to correspondence from S. Martin; disc. operational matters with J. Saunders.
11/23/2017	Saunders, John	0.3	Discuss vacant unit repairs with H. Bricks; provide instructions to CLV.
11/24/2017	Haghiri, Julie	1.7	Review several email correspondences from J. Saunders; attended call with CLV regarding monthly reconciliations.
11/24/2017	Saunders, John	0.9	Email inquiry from Desjardins re vacant units; respond with additional information; review quote for additional roof repairs, discuss with CLV and forward to H. Bricks for comment; call from CLV to discuss approach obtaining quotes for vacant unit repairs; review other correspondence.
11/27/2017	Bricks, Hartley	0.2	Review of report from CLV; correspondence with J. Saunders re roof and vacant unit repairs.
11/27/2017	Saunders, John	0.4	Follow up with H. Bricks for any comments re roof repair quote; instruct CLV to proceed with additional roof repairs; discuss approach to repairing vacant units with H. Bricks; provide instructions to CLV; review email from First National.
11/28/2017	Haghiri, Julie	1.0	Discussion with CLV and review financial reporting.
11/28/2017	Saunders, John	0.8	Call with realtor and H. Bricks re access to property with client, contact CLV to make arrangements; obtain names of parties visiting premises; review and approve payments of maintenance and other expenses, follow up with CLV for missing supporting invoice; email from realtor.

Golden Dragon Ho 10 Inc. Golden Dragon Ho 11 Inc.  
Page 6 of 6

Date	Professional	Hours	Narrative
11/29/2017	Bricks, Hartley	0.5	Discussion with E. Golden re status and forward various correspondence; discussion with J. Saunders re repairs and conference call with City of Ottawa.
11/29/2017	Saunders, John	1.8	Email from realtor; review emails re ESA review, discuss with H. Bricks; arrange for Jacqui to copy cheques and supporting documents, forward to J. Haghiri; discuss with H. Bricks the next court report and transfer of tenants to fill BMR units at 347 Barber; discussion with CLV re status of all outstanding repair and maintenance issues, update ongoing list of issues; prepare for call with MoH and City tomorrow.
11/29/2017	Brown, Rose	1.0	Trust banking administration; input receipts, prepare disbursement cheques and transfer to cover service fees.
11/30/2017	Bricks, Hartley	0.3	Discussion with J. Saunders re conf. call with City and MoH and building matters.
11/30/2017	Saunders, John	1.5	Review rent roll and letters to 347 tenants, follow up with CLV to confirm which units are BMR tenants, and why letters were not sent to certain market rent tenants in 347; attend conference call with MoH and City, notes to file, and brief H. Bricks on issues raised; follow up with legal services representative at City for permit drawings.
12/1/2017	Bricks, Hartley	0.2	Correspondence with Blaneys re notice to tenants; discussion with C. Kopach re same.

# **TAB L**



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

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

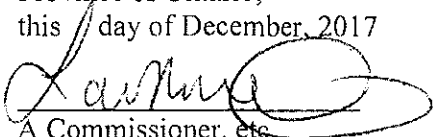
FEE AFFIDAVIT OF DAVID PREGER

*(Sworn December 8, 2017)*

I, **DAVID PREGER**, of the City of Toronto, in the Province of Ontario, MAKE OATH  
AND SAY AS FOLLOWS:

1. I am a partner with the law firm of Dickinson Wright LLP (“DW”). DW has acted as independent counsel to Deloitte Restructuring Inc. (the “**Receiver**”), in its capacity as Court-appointed receiver of the assets, undertaking and property of Golden Dragon Ho Inc. and Golden Dragon Ho 11 Inc. (the “**Respondents**”). I have knowledge of the matters to which I hereinafter depose.

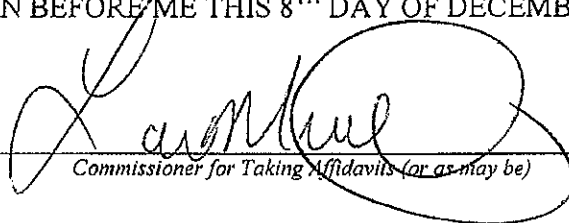
- 2. DW's account for the period from September 20, 2017 through December 8, 2017 (the "Account"), inclusive of fees, disbursements and HST, was \$13,496.47. A true copy of the Account is attached as **Exhibit "A"**.
  
- 3. Attached as **Exhibit "B"** is a chart which summarizes the expertise and area of practice of the lawyers and clerks involved in rendering services to the Receiver, their hourly rates charged to the Receiver, as well as the average hourly rate charged. The hourly rates charged to the Receiver by DW are DW's normal hourly rates.
  
- 4. The Account includes a total of 20.7 hours recorded by DW in connection with advising the Receiver.

SWORN BEFORE ME at the )  
 City of Toronto in the )  
 Province of Ontario, )  
 this 1 day of December, 2017 )  
  
 A Commissioner, etc.

  
 \_\_\_\_\_  
**DAVID PREGER**

Laura Micoli, a Commissioner, etc.,  
 Province of Ontario, for Dickinson Wright LLP.  
 Barristers and Solicitors.

THIS IS EXHIBIT "A" REFERRED  
TO IN THE AFFIDAVIT OF DAVID PREGER  
SWORN BEFORE ME THIS 8<sup>TH</sup> DAY OF DECEMBER, 2017



*Commissioner for Taking Affidavits (or as may be)*

Laura Micoli, a Commissioner, etc.,  
Province of Ontario, for Dickinson Wright LLP,  
Barristers and Solicitors.

IN ACCOUNT WITH



199 BAY STREET, SUITE 2200  
 P.O. BOX 447, COMMERCE COURT POSTAL STATION  
 TORONTO, ON CANADA M5L 1G4  
 TELEPHONE: (416) 777-0101  
 http://www.dickinsonwright.com  
 GST/HST NUMBER: 831204003 RT0001

INVOICE DATE: NOVEMBER 9, 2017  
 INVOICE NO.: 1208999

DELOITTE RESTRUCTURING INC.  
 22 ADELAIDE STREET WEST  
 SUITE 2000  
 TORONTO, ONTARIO M5H 0A9

CLIENT/MATTER NO.: 058347-00002

RE: RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.

**PRIVILEGED AND CONFIDENTIAL**

FOR PROFESSIONAL SERVICES THROUGH OCTOBER 31, 2017

	<u>CAD</u>
TOTAL FEES CURRENT INVOICE .....	\$ 11,567.50
TOTAL DISBURSEMENTS CURRENT INVOICE .....	\$ 376.28
HST-ONTARIO .....	\$ 1,552.69
TOTAL CURRENT INVOICE .....	<u>\$ 13,496.47</u>

*This statement may reflect time and professional services rendered by attorneys or other legal personnel associated with the Firm's international or other affiliate(s). Such attorneys, who are licensed in other jurisdictions, are consulted and serve as legal advisors to the Firm based on their licensed status in such jurisdictions and expertise in particular legal specialties.*

<b>CAD Remittance Instructions</b>		
<b>***Terms: Due and Payable Upon Receipt***</b>		
Mail To:	Electronic Direct Deposits (EFT non-wire payments): (Domestic Only - Canada):	Wire Instructions:
Dickinson Wright LLP 199 Bay Street Suite 2200 Commerce Court West Toronto, ON, M5L 1G4	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399  (Please Reference Invoice Numbers)	Royal Bank of Canada 200 Bay Street Toronto, ON Canada M5J 2J5 Bank Number: 003 Branch Number: 00002 Account#: 1056399 SWIFT CODE: ROYCCAT2 Sort Code://CC000300002 (Sort Code used only for Non-US Foreign Wires) (Please Reference Invoice Numbers)

IN ACCOUNT WITH



199 BAY STREET, SUITE 2200  
P.O. BOX 447, COMMERCE COURT POSTAL STATION  
TORONTO, ON CANADA M5L 1G4  
TELEPHONE: (416) 777-0101  
http://www.dickinsonwright.com  
GST/HST NUMBER: 831204003 RT0001

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
CLIENT/MATTER NO.:058347-00002

INVOICE DATE: NOVEMBER 9, 2017  
INVOICE NO.: 1208999  
PAGE 2

## CURRENT INVOICE DETAIL

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
09/20/17	DPP	Receive and review Application Record from Eric Golden from Eric Golden, emails to and from Eric Golden	1.6	960.00
09/21/17	DPP	Telephone conference with John Saunders, emails from and to Hartley Bricks, emails from and to John Saunders, receive and review email from John Saunders regarding Municipal Housing Project Facilities Agreement Notice of Breach, email to John Saunders	0.6	300.00
09/22/17	DPP	Receive and review interim receivership order from John Saunders, emails from and to John Saunders	0.2	120.00
09/25/17	DPP	Emails from and to John Saunders, emails from and to Hartley Bricks, receive and review amended property management agreement from Hartley Bricks, further review and revise property management agreement, email to Hartley Bricks and John Saunders, receive and review further amendments from John Saunders, email to John Saunders and Hartley Bricks	1.1	660.00
09/26/17	DPP	Receive and review amended property management agreement from John Saunders, further review and revise, email to Hartley Bricks and John Saunders, conference with Lisa Corne regarding security opinion, forward materials to Lisa Corne	0.7	420.00
09/27/17	DS	Reviewing a request from L. Corne re Golden Dragon Ho 10 Inc. And Golden Dragon Ho 11 Inc.; ordering the PPSA search against both companies; e-mail to McRoberts regarding picking up the search results; advising to L. Corne.	0.3	69.00
09/27/17	BG	Instructions from Lisa Corne; subsearch title 345 and 347 Clarence Street; Ottawa;	0.6	102.00
09/28/17	MW	Retrieve Teraview documents.	0.2	43.00
09/28/17	JKS	Research regarding recent case law in Canada and the US on make-whole provisions and their status in bankruptcy	0.9	202.50
09/28/17	LSC	Review application record and security documents, order and review PPSA searches and parcel registers and consider issues raised regarding yield maintenance fees and priority	2.8	1,680.00
09/28/17	DPP	Conference call with Bob Jarrett, John Tweedie, Hartley Bricks and John Saunders, revise property management agreement, email to Hartley Bricks and John Tweedie	1.3	780.00
09/29/17	LSC	Reviewing law and security documents relating yield maintenance fees of \$1.7 claimed by First National, drafting opinion regarding validity and enforceability of security	2.5	1,500.00
09/29/17	DPP	Receive and review amended property management agreement from Hartley Bricks, email to Hartley Bricks	0.3	180.00

IN ACCOUNT WITH



199 BAY STREET, SUITE 2200  
P.O. BOX 447, COMMERCE COURT POSTAL STATION  
TORONTO, ON CANADA M5L 1G4  
TELEPHONE: (416) 777-0101  
http://www.dickinsonwright.com  
GST/HST NUMBER: 831204003 RT0001

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
CLIENT/MATTER NO.:058347-00002

INVOICE DATE: NOVEMBER 9, 2017  
INVOICE NO.: 1208999  
PAGE 3

<u>DATE</u>	<u>INITIALS</u>	<u>SERVICES</u>	<u>HOURS</u>	<u>VALUE</u>
10/03/17	LSC	Telephone call with counsel for secured creditor and review factum and law regarding maintenance yield and complete security review and opinion	1.2	720.00
10/10/17	AJS	E-mail correspondence from L. Corne attaching draft opinion; respond to L. Corne;	0.2	123.00
10/11/17	DS	Receiving instructions from L. Corne re Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.; ordering the certificate of status, Insolvency (Official Receiver) and Bank Act searches against each corporation; reviewing the receipted results and providing L. Corne with the consolidated report for each company.	0.3	69.00
10/11/17	AJS	Review draft opinion for Opinion Committee; provide handwritten mark up and e-mail comments to L. Corne;	1.9	1,168.50
10/11/17	AJS	Office conference L. Corne re approval re appropriate title opinion, qualifications in security review;	0.2	123.00
10/11/17	LSC	Review and incorporate comments from A. Skinner in security opinion	1.5	900.00
10/16/17	AJS	Review final form draft opinion; provide additional comments; e-mail L. Corne;	0.3	184.50
10/17/17	AJS	Review final revised blackline; sign-off for Opinion Committee;	0.2	123.00
10/17/17	LSC	Finalize and send security opinion to H. Bricks	1.0	600.00
10/17/17	DPP	Receive and review Blaney McMurty motion record for approval of Interim Receiver First Report	0.9	540.00
TOTAL FEES			20.7	\$ 11,567.50

<u>DATE</u>	<u>DISBURSEMENTS</u>	<u>VALUE</u>
09/30/17	RECORDING/SEARCH/FILING FEE TERAVIEW DAAP ACTIVITY	117.15
10/02/17	RECORDING/SEARCH/FILING FEE - VENDOR: ONCORP DIRECT, INC.--03-LGL - GOLDEN DRAGON HO 11 INC. - EDD ON PPR SEARCH - CERTIFICATE INV# 1431978 DATE: 10/02/2017	19.90
10/02/17	RECORDING/SEARCH/FILING FEE - VENDOR: ONCORP DIRECT, INC.--03-LGL - GOLDEN DRAGON HO 11 INC. - EDD ON PPR SEARCH - CERTIFICATE INV# 1431978 DATE: 10/02/2017	19.90
10/16/17	RECORDING/SEARCH/FILING FEE - VENDOR: ONCORP DIRECT, INC.--03-LGL - GOLDEN DRAGON HO 10 INC. - EDD BANK ACT SEC. 427 INV# 1435518 DATE: 10/16/2017	36.08
10/16/17	RECORDING/SEARCH/FILING FEE - VENDOR: ONCORP DIRECT, INC.--03-LGL - GOLDEN DRAGON HO 10 INC. - ONT. CERTIFICATE OF STATUS INV# 1435518 DATE: 10/16/2017	39.00
10/16/17	RECORDING/SEARCH/FILING FEE - VENDOR: ONCORP DIRECT, INC.--03-LGL - GOLDEN DRAGON HO 10 INC. - EDD INSOLVENCY (OSB) INV# 1435518 DATE:	29.30

IN ACCOUNT WITH

**DICKINSON WRIGHT LLP**

199 BAY STREET, SUITE 2200  
 P.O. BOX 447, COMMERCE COURT POSTAL STATION  
 TORONTO, ON CANADA M5L 1G4  
 TELEPHONE: (416) 777-0101  
 http://www.dickinsonwright.com  
 GST/HST NUMBER: 831204003 RT0001

RECEIVERSHIP OF GOLDEN DRAGON HO 10 INC. ET AL.  
 CLIENT/MATTER NO.:058347-00002

INVOICE DATE: NOVEMBER 9, 2017  
 INVOICE NO.: 1208999  
 PAGE 4

<u>DATE</u>	<u>DISBURSEMENTS</u>	<u>VALUE</u>
10/16/17	RECORDING/SEARCH/FILING FEE - VENDOR: ONCORP DIRECT, INC.--03-LGL - GOLDEN DRAGON HO 11 INC. - EDD BANK ACT SEC. 427 INV# 1435518 DATE: 10/16/2017	36.08
10/16/17	RECORDING/SEARCH/FILING FEE - VENDOR: ONCORP DIRECT, INC.--03-LGL - GOLDEN DRAGON HO 11 INC. - ONT. CERTIFICATE OF STATUS INV# 1435518 DATE: 10/16/2017	39.00
10/16/17	RECORDING/SEARCH/FILING FEE - VENDOR: ONCORP DIRECT, INC.--03-LGL - GOLDEN DRAGON HO 11 INC. - EDD INSOLVENCY (OSB) INV# 1435518 DATE: 10/16/2017	29.30
	REPRODUCTION-INSIDE FIRM	10.57
	TOTAL DISBURSEMENTS	\$ 376.28
	HST-ONTARIO	\$ 1,552.69
	TOTAL CURRENT INVOICE	\$ <u>13,496.47</u>

TIMEKEEPER SUMMARY				
<u>TIMEKEEPER</u>	<u>TITLE</u>	<u>RATE</u>	<u>HOURS</u>	<u>VALUE</u>
DAVID P. PREGER	PARTNER	600.00	6.6	3,960.00
ANDREW J. SKINNER	PARTNER	615.00	2.8	1,722.00
LISA S. CORNE	PARTNER	600.00	9.0	5,400.00
JOSHUA SUTTNER	STUDENT-AT-LAW	225.00	0.9	202.50
DAGMAR SMETANA	LEGAL CLERK	230.00	0.6	138.00
MARLENE WHITE	LEGAL CLERK	215.00	0.2	43.00
BEVERLEY GABBIDON	LEGAL CLERK	170.00	0.6	102.00
TOTAL FEES CURRENT INVOICE			<u>20.7</u>	\$ <u>11,567.50</u>

PLEASE NOTE THAT THIS ACCOUNT IS DUE UPON RECEIPT

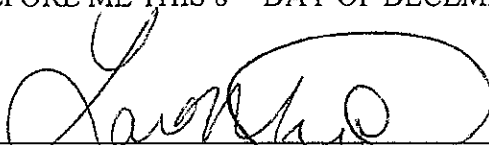
**DICKINSON WRIGHT LLP**



**DAVID P. PREGER**

In accordance with the Solicitors Act interest at 1.3% will be charged on all accounts outstanding over 30 days. E.&O.E.

THIS IS **EXHIBIT "B"** REFERRED  
TO IN THE AFFIDAVIT OF DAVID PREGER  
SWORN BEFORE ME THIS 8<sup>TH</sup> DAY OF DECEMBER, 2017



---

*Commissioner for Taking Affidavits (if as may be)*

**Laura Micoli, a Commissioner, etc.,  
Province of Ontario, for Dickinson Wright LLP,  
Barristers and Solicitors.**



**Billing Rates of Dickinson Wright LLP**

For the period September 20, 2017 to December 8, 2017

	<b>Rate</b>	<b>Hours</b>	<b>Year Of Call</b>	<b>Area of Practice</b>
Lisa Corne	600	9	1988	Bankruptcy and Insolvency
David Preger	600	6.6	1995	Bankruptcy and Insolvency
Andrew Skinner	615	2.8	1979	Real Estate
Beverley Gabbidon	170	0.6	Clerk	Real Estate
Marlene White	215	0.2	Clerk	Real Estate
Dagmar Smetana	230	0.6	Clerk	Corporate
Joshua Suttner	225	0.9	Student-at-Law	
<b>Average Hourly Rate Charged</b>	<b>379</b>	<b>20.7</b>		

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**  
**TORONTO**

**FEE AFFIDAVIT OF DAVID PREGER**

**DICKINSON WRIGHT LLP**  
Barristers & Solicitors  
Commerce Court West  
199 Bay Street, Suite 2200  
Toronto, ON M5L 1G4

**DAVID P. PREGER**  
**LSUC Registration No. 36870L**  
Email: [dpreger@dickinsonwright.com](mailto:dpreger@dickinsonwright.com)  
Tel: (416) 646-4606

**LISA S. CORNE**  
**LSUC Registration No. 27974M**  
Email: [lcorne@dickinsonwright.com](mailto:lcorne@dickinsonwright.com)  
Tel: (416) 646-4608

Fax: (844) 670-6009

Lawyers for Deloitte Restructuring Inc., Court-appointed  
Receiver of Golden Dragon Ho 10 Inc. and Golden Dragon Ho  
11 Inc.

**TAB M**

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

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

**AFFIDAVIT OF ERIC GOLDEN**

**I, ERIC GOLDEN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a partner with the law firm of Blaney McMurtry LLP ("**Blaneys**"), the lawyers for the Applicant, First National Financial GP Corporation ("**FN**"). As such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and where so stated I verily believe it to be true.

2. Pursuant to an Order (the "**Appointment Order**") of Justice Hackland of the Ontario Superior Court of Justice (the "**Court**") dated September 22, 2017 (the "**Interim Receivership Date**"), following an application made on behalf FN, Deloitte Restructuring Inc. ("**Deloitte**") was appointed as Interim Receiver of certain real property of Golden Dragon Ho 10 Inc. ("**GDH**")

- 2 -

10”) municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) (“**347 Barber**”), and of certain real property of Golden Dragon Ho 11 Inc. (“**GDH 11**”) municipally known as 345 Barber Sreet, Ottawa, Ontario (formerly known as 345 Clarence Street, Ottawa) (“**345 Barber**”) (collectively, with 347 Barber, referred to herein as the “**Property**”).

3. Blaneys has provided services and incurred disbursements in relation to the interim receivership of GDH 10 and GDH 11 (the “**Interim Receivership**”) for the period from July 4, 2017, to and including November 30, 2017, as described in Legal Costs Summary attached hereto and marked as **Exhibit “A”**, and the detailed accounts rendered by Blaneys dated July 31, 2017, August 31, 2017, September 30, 2017, October 31, 2017, and November 30, 2017, which are attached hereto and marked as **Exhibits “B”, “C” “D”, “E”, and “F”**, respectively (the “**Blaneys Accounts**”).

4. Notwithstanding the production of the Blaneys Accounts, Blaneys, the Interim Receiver and FN are in no way waiving privilege with respect to the accounts or the activities described therein.

5. Based on my review of the Blaneys Accounts and my personal knowledge of this matter, the Blaneys Accounts represent a fair and accurate description of the services provided and the amounts charged by Blaneys.

6. A total of approximately 334.3 hours were expended by Eric Golden, Chad Kopach and Blaneys’ law clerks during the period noted above in performing legal services relating to the Interim Receivership. Of this total, approximately 272.1 hours were expended up to and

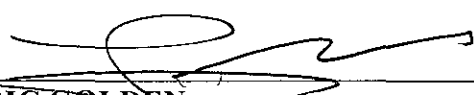
including the date of the Appointment Order. A further approximately 38 hours were expended in the period between the Appointment Order (i.e. after September 22, 2017) and up to and including October 20, 2017, being the date of the Order of Justice Hackland, which, among other things, approved the Interim Receiver's actions that had been undertaken since the Appointment Order. The balance, approximately 24.2 hours, were expended in the period between October 21, 2017, and November 30, 2017.

7. I verily believe that the hourly billing rates, outlined in detail in the Blaneys Accounts, are in the range of normal average hourly rates charged by legal counsel for services rendered in relation to engagements similar to Blaneys' engagement with respect to the Interim Receivership.

8. I swear this Affidavit in support of a motion for, among other things, approval of Blaneys' fees and disbursements, and for no improper purpose.

SWORN BEFORE ME at )  
the City of Toronto, )  
in the Province of Ontario, )  
this 13<sup>th</sup> day of December, 2017 )  
)  
)  
)  
)  
)  
)

A Commissioner for Taking Affidavits  
*C. Kopacz*

  
ERIC GOLDEN

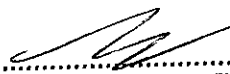
## LEGAL COSTS SUMMARY

LAWYER	YEAR OF CALL	HOURLY RATE
Eric Golden	1996	\$450.00
Chad Kopach	2003	\$395.00

## SUMMARY OF ACCOUNTS

No.	Date of Account	Fees	Disbursements	H.S.T.	Total
1.	July 31, 2017	\$31,818.00	\$467.94	\$4,166.79	\$36,452.73
2.	August 31, 2017	\$25,907.50	\$309.05	\$3,402.70	\$29,619.25
3.	September 30, 2017	\$60,561.00	\$2,752.58	\$8,178.31	\$71,491.89
4.	October 31, 2017	\$17,240.00	\$1,501.49	\$2,402.48	\$21,143.97
5.	November 30, 2017	\$7,830.00	\$23.86	\$1,021.00	\$8,874.86
TOTAL					\$167,582.70
Average Hourly Rate - (before H.S.T.)		Total fees (before H.S.T.): \$143,356.50 ÷ Total hours: 334.30 = \$428.83			

This is Exhibit A..... referred to in the  
affidavit of Eric Golden.....  
sworn before me, this 13<sup>th</sup>.....  
day of December..... 2017..

  
A COMMISSIONER FOR TAKING AFFIDAVITS



Blaney McMurtry LLP | Lawyers 416-593-1221  
 2 Queen Street East | Suite 1500  
 Toronto, Ontario M5C 3G5 Blaney.com

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
 First National Financial LP  
 North Tower  
 100 University Avenue, Suite 700  
 Toronto, ON M5J 1V6


Date  
 July 31, 2017

Invoice No.  
 614330

File No.  
 075754-0767

Attention: Chris Sebben  
 Manager, Commercial Default Management

RE: Golden Dragon Ho 10 Inc. - 347 Clarence  
 Street, Ottawa, ON and Golden Dragon 11  
 Inc. - 345 Clarence Street, Ottawa, ON

*This is Exhibit B..... referred to in the  
 affidavit of Eric Golden.....  
 sworn before me, this 13<sup>th</sup>.....  
 day of December..... 2017.....*  
  
 A COMMISSIONER FOR TAKING AFFIDAVITS

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
 above noted matter for the period ended July 31, 2017 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
July 4, 2017	EG	1.80	Email to FN regarding Golden Dragon related company receivership by RBC; emails from and to FN regarding second mortgagee enforcement over 345 Clarence, and documents form second mortgagee relating to same; conference call with FN; arrange for parcel page and FN/second mortgagee instruments to be pulled and review same;
July 4, 2017	DK	0.50	Attend to subsearch of title to 345 Clarence Street, Ottawa; obtain and review property parcel register, confirming ownership; obtain copies of registered encumbrances;
July 5, 2017	EG	5.20	Review MNP website for documents on Golden Dragon 9 Ottawa property receivership by RBC; emails to and from counsel for RBC regarding material for same; emails to and from Collins Barrow regarding material for their receivership for First Source over Golden Dragon 5 & 7 properties on Ottawa and Brockville; emails to and from and telephone call with lawyer for First Source regarding Golden Dragon 5 & 7 receiverships; further emails to and from RBC regarding material for

Terms: Payment upon receipt. Interest is added to the balance at a rate of 10% per annum, calculated monthly and by adding to the amount owing.



Date  
July 31, 2017

Invoice No.  
614330

File No.  
075754-0767

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
July 6, 2017	EG	4.40	its receivership order over Golden Dragon 2 & 4 properties in Ottawa; review all material; emails to and from FN briefly summarizing all 5 Golden Dragon receiverships;
July 6, 2017	DK	1.00	Attend to subsearch of title to 347 Clarence Street, Ottawa; obtain and review property parcel register, confirming ownership; obtain copies of registered encumbrances; prepare Request for Tax Certificates from the City of Ottawa relating to 345 & 347 Clarence Street; attend to search for writs of executions filed with the Sheriff- City of Ottawa as against the owners;
July 6, 2017	JK	0.60	Conducted Corporate and PPSA searches against Quex Property Corporation, Golden Dragon Ho 10 Inc. and on Golden Dragon Ho 11 Inc.;
July 7, 2017	EG	4.20	Email to FN regarding inspection, second mortgagee and PM; email to RBC lawyer regarding his PM; letter to lawyer for second mortgagee and further email to FN regarding same about fact that we are dealing with security over two adjoining but separate properties; email from FN enclosing listing agreement and email to same regarding same and next steps; email from S. Martin regarding next steps; telephone call with C. Sebben

Date  
July 31, 2017

Invoice No.  
614330

File No.  
075754-0767

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			regarding same; prepare summary of Golden Dragon receivership applications to date;
July 7, 2017	PK	1.60	Begin drafting and preparation of Demand letters and BIA Notices to Mortgagor;
July 7, 2017	PK	1.30	Continue drafting and preparation of Demand letters and BIA Notices to Mortgagor debtors and guarantors and all matters incidental thereto;
July 10, 2017	EG	2.80	Email from and to C. Sebben regarding inspection of property with second mortgagee's PM; Email to C. Sebben requesting closing books for FN mortgages and assumption over both properties; review and revise first draft of demands and BIA notices based on title documents;
July 10, 2017	DK	0.30	Attend to Land Registry records; obtain and review copy of registered notice, confirming it is amending agreement to previously registered JUMA between the two properties; obtain copy of same;
July 11, 2017	EG	0.10	Email to C. Sebben enclosing revised draft letter to second mortgagee lawyer and regarding delay in sending same until inspection of mortgaged premises;
July 11, 2017	DK	0.30	Receipt and review of municipal tax certificates;
July 12, 2017	EG	0.10	Email to C. Sebben enclosing tax certificates and regarding status thereof;
July 13, 2017	EG	2.00	Telephone call with FN regarding results of inspection of mortgaged property, and next steps; begin reviewing mortgage terms in detail;
July 14, 2017	EG	5.40	Follow-up email to FN requesting closing books; email from Fn enclosing closing book for 2008 FN mortgages over 347 Clarence and Blaneys reporting letter from 2016 assumption transaction (without enclosures); begin to review same; email from FN enclosing security package for 2007 mortgage over 345 Clarence, and Blaneys reporting letter (without

Date  
July 31, 2017

Invoice No.  
614330

File No.  
075754-0767

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
July 18, 2017	EG	1.20	enclosures) for 2016 assumption of 345 mortgage; begin to review same; Telephone call with Chris Sebben regarding status and strategy; review breaches by Golden Dragon in related company receiverships; email from and to C. Sebben regarding debtor intention to pay June mortgage arrears, and how FN should respond to debtor and second mortgagee;
July 19, 2017	EG	2.50	Email from FN regarding information requested form second mortgagee and response to same; email to FN regarding additional default issues to be raised with debtors if arrears paid; email from FN confirming June arrears have been paid and email to same regarding same and recommended next steps; email from FN regarding potential attornment for August and ability to appoint a receiver; email from Fn enclosing email chain from Brian Karam (Ottawa lawyer who acted for FN on 345 and 347 Clarence mortgages prior to assumption by Golden Dragon) regarding request from Ministry for 45 day enforcement abeyance period following notice of default to debtors; email from FN enclosing Karam reporting letter for 347 Clarence which references letter agreement between FN, Ministry and City, with reference to MHPFA;
July 20, 2017	EG	3.00	Email from FN enclosing discharge statements for mortgages; email to FN regarding attornment and receiver; emails to and from FN regarding additional documents required including complete reporting letters with attachments for assumptions, and regarding MHPFA and letter agreement referred to in 2008 Karam reporting letter for 347 Clarence; conference call with FN and Desjardins regarding status and strategy; email from FN enclosing reporting letter with attachments for 345 Clarence 2007 transaction, and for 2016 assumption of 345 Clarence; briefly review relevant documents from original 2007 transaction;

Date  
July 31, 2017

Invoice No.  
614330

File No.  
075754-0767

-5-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
July 21, 2017	EG	2.80	Email from S. Martin enclosing MHPFA and PCA; email to C. Sebben regarding same; email from FN via Brian Karam enclosing MHPFA and briefly review same and PCA; email from C. Sebben regarding contents of same; email to and from C. Sebben regarding additional agreements beyond MHPFA that Karam reporting letters suggest exist, and issue of demands and placing City/Ministry on notice;
July 24, 2017	EG	3.20	Email from FN enclosing CMHC conditions for 347 Clarence; review same and CMHC conditions for 345 Clarence; email and telephone call from FN requesting email setting out law on waiver of IRD in mortgage enforcement, and circumstances where such a waiver is deemed; briefly review relevant law and email to FN regarding same; emails from and to FN regarding same;
July 25, 2017	EG	4.20	Communications with Receiver for Golden Dragon 2, 4 and 9 receiverships; emails to and from FN regarding remaining missing documents; email from FN enclosing draft postponement agreement from 2012 that FN did not execute; telephone call with FN regarding status and strategy; conference call with Fn and Desjardins regarding same; review relevant file documents; email to FN summarizing conference call and setting out status and recommendations;
July 26, 2017	EG	2.40	Revise and finalize letter to lawyer for second mortgagee lawyer and email/fax to same enclosing same; status update to FN; email exchanges between FN and appraiser regarding appraisal for mortgaged property and emails to and from FN regarding same; review arrears statements from FN for all three mortgages; email from FN enclosing additional Brian Karam documents and review same (email exchange from 2012 between FN, Karam and Ministry, and draft acknowledgment; Feb 2018 agreement between FN/Quex/City; Jan 2006 Ministry

Date  
July 31, 2017

Invoice No.  
614330

File No.  
075754-0767

-6-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			letter to Karam and 2013 agreement between Quex and City);
July 27, 2017	EG	3.30	Email from FN enclosing Quex postponement and Quex rent increase agreement; review same; additional emails between appraiser and Fn regarding appraisal and building inspection; engagement letter from appraiser; review parcel pages for both properties and arrange to have all relevant instruments pulled regarding mortgagees, mortgagors, City and Ministry; review related instruments;
July 27, 2017	BC	0.70	Receive instructions ; obtain and forward several title documents ;
July 28, 2017	EG	6.40	Review in detail reporting books for FN original mortgages over 345 and 347 Clarence; review MHPFA and PCA in detail; emails to and from FN regarding what appears to be last agreement missing; review email from FN to appraiser and related enclosures regarding appraisal; email from and to FN regarding current rent tolls and whether any issues arising from social housing angle; further emails from FN regarding rent and rent control agreements for mortgaged properties and review same;
July 29, 2017	EG	4.80	Review closing books in detail relating to 2016 assumptions of mortgages by Golden Dragon;
July 31, 2017	EG	7.70	Draft demands to all debtors, and notice letter to City/Ministry, based on breaches of MHPFA, PCA, mortgages and related standard charge terms;

OUR FEE HEREIN:  
FEE HST:

\$31,818.00  
\$4,136.34

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	67.50	\$450.00	\$30,375.00
Bill Campbell	Clerk	0.70	\$260.00	\$182.00
Dawn Kearns	Clerk	2.10	\$260.00	\$546.00
Patricia Keane	Clerk	2.90	\$200.00	\$580.00
John Kroupis	Clerk	0.60	\$225.00	\$135.00

Date  
July 31, 2017

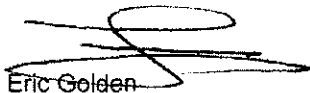
Invoice No.  
614330

File No.  
075754-0767

-7-

<u>Disbursements</u>	<u>Amount</u>	
Profile Report/Point in Time Report* - N	\$24.00	
Computer Searches - R.E. (Teraview) * -	\$71.70	
Cyberbahn Agent Service Fee	\$87.00	
Courier	\$18.80	
Municipal Inquiries* - Non-Taxable	\$138.00	
Postage	\$21.24	
Computer Searches - R.E. (Teraview)	\$107.20	
<b>TOTAL DISBURSEMENTS:</b>		<b>\$467.94</b>
*HST is not charged		
<b>DISBURSEMENT HST:</b>		<b><u>\$30.45</u></b>
<b>TOTAL FEES AND DISBURSEMENTS:</b>		<b>\$32,285.94</b>
<b>TOTAL HST:</b>		<b><u>\$4,166.79</u></b>
<b>TOTAL AMOUNT DUE:</b>		<b><u>\$36,452.73</u></b>

**BLANEY McMURTRY LLP**

  
Eric Golden  
E. & O.E

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Details are available upon request.

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2 Queen Street East | Suite 1500  
Toronto, Ontario M5C 3G5  
T 416-593-1221  
W Blaney.com

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
First National Financial LP  
North Tower  
100 University Avenue, Suite 700  
Toronto, ON M5J 1V6

Date  
August 31, 2017  
Invoice No.  
616325  
File No.  
075754-0767

Attention: Chris Sebben  
Manager, Commercial Default Management

This is Exhibit ...C... referred to in the affidavit of Eric Golden sworn before me, this 13th day of December 2017.  
  
A COMMISSIONER FOR TAKING AFFIDAVITS

RE: Golden Dragon Ho 10 Inc. - 347 Clarence Street, Ottawa, ON and Golden Dragon 11 Inc. - 345 Clarence Street, Ottawa, ON

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the above noted matter for the period ended August 31, 2017 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
August 1, 2017	EG	4.70	Email from FN regarding whether as a result of Joint Use Agreement, second mortgagee could sell 345 Clarence independently; review documents related to same and detailed response to FN, as well as inquiries regarding assignment of payments executed by Ministry and status of Reserve Fund;
August 2, 2017	EG	4.80	Email from FN regarding reserve funds and notice to City/Ministry; Email to FN regarding reserve fund; detailed email to Fn regarding interplay of various agreement between FN/City/Ministry/CMHC and debtors, and review documents relating to same; email from FN regarding OSC decision on second mortgagee over 345 Clarence and review same; inquiries into MIC of second mortgagee;
August 3, 2017	EG	3.50	Vm from and to Katherine Whitehead (lawyer for second mtgee); telephone call from FN regarding notice on city prior to making demand, insurance and VTB from Quex; telephone call with lawyer for second mortgagee; revise notice letter to city to make it independent of demand on debtors; arrange

Terms: Payment upon receipt. Interest is allowed in the Solicitors Act at a rate of 4.8% per annum, calculated monthly and be added to all amounts payable 30 days after the date.

Date  
August 31, 2017

invoice No.  
616325

File No.  
075754-0767

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			for clerk to update addresses for Stern guarantors;
August 4, 2017	EG	0.60	Email from and to FN regarding change in decision to notify city/ministry at this stage; email from and to same regarding insurance being placed on property; emails from and to FN regarding allocation of payment from debtor for July mortgage payment; review results of updated searches on Sterns;
August 4, 2017	FF	0.60	Conducting a search as MTO Authorized Requester through MTO-ARIS website for 3 year driver record search for R. Stern and N. Stern to obtain current address on behalf of E. Golden; Conducting a search as MTO Authorized Requester through MTO-ARIS website for 3 year driver record search for V. Ho to obtain current address on behalf of E. Golden;
August 8, 2017	EG	0.20	Email from second mortgagee enclosing default judgment document; status email to FN; email from and to FN regarding application of last partial mortgage payment;
August 9, 2017	EG	0.20	Email from FN enclosing Lennard appraisal of value/proposal and insurance update;
August 10, 2017	EG	0.20	Email from Desjardins with instructions going forward;
August 14, 2017	EG	2.40	Review summary of events from original lawyer; email from and to FN regarding debtor intention to enter into share purchase agreement for GDH 11 (owner of 345 Clarence), and default on next mortgage payment; conference call with FN regarding status and strategy;
August 15, 2017	EG	4.20	Review relevant mortgage documents for conditions regarding mortgagor selling its shares; email from and to FN regarding Desjardins position on share purchase agreement; review and revise demands to debtors accordingly to add portion regarding proposed share sale; emails to and from FN regarding same; review and revise notice letter



Date  
August 31, 2017

Invoice No.  
616325

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075754-0767

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			to City/Ministry to accord with demands made on debtors; emails from and to FN attaching arrears statements and regarding allocation of costs between the 3 FN mortgages and the two properties;
August 15, 2017	EG	2.20	Review Lennard and AY appraisals of value and proposals; detailed email to Fn regarding same;
August 16, 2017	EG	0.50	Communications with Kopach regarding status and next steps; email from FN regarding costs allocation between mortgages; email to and from Fn regarding arrears statements;
August 16, 2017	CK	2.50	Review precedent material regarding application record and motion for interim receiver; review and revise demand letter to GD10 and letter to City and to Ministry;
August 17, 2017	EG	4.40	Further emails to and from FN regarding arrears statement; review Juteau appraisal and emails to Fn regarding same and request to allocate values between 345 Clarence and 347 Clarence; Finalize demands and BIAs; amend letter to City/Ministry regarding Agreement to Relocate and finalize notice letter to include 2013 agreement; email to and from counsel for First Source regarding their PM on their Golden Dragon receivership; emails to and from Receiver for RBC on its Golden Dragon Receivership regarding its PM; update to Fn on Desjardins issues;
August 18, 2017	EG	1.20	Review ESA report over 345 Clarence;
August 21, 2017	EG	1.80	Email to FN regarding demands and notice to City/Ministry, and attornment; email from RBC PM regarding status of his GDH receiverships; email to FN regarding status; review Building Condition Assessment over both properties;
August 22, 2017	EG	2.50	Review addendum to appraisal; review documents related to GDH 7 Kingston student housing property receivership; reporting email to FN regarding same and outstanding issues; email to counsel for First Source regarding status of GDH 7 matter, and regarding Kingsett

Date  
August 31, 2017

Invoice No.  
616325

File No.  
075754-0767

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			receivership proceedings against GDH 7 Kingston property; communications with potential receiver for GDH 10/11 properties; emails to and from receiver for RBC regarding social housing aspects of GDH 9 receivership;
August 23, 2017	EG	0.10	Email from and to Chris Sebben regarding City/Ministry request for conference call following notice letter;
August 24, 2017	EG	0.60	Conference call with FN regarding status and strategy, as well as attornment and potential PM's for properties;
August 25, 2017	EG	0.10	Email from Steve Martin to Fn regarding attornment and PM;
August 27, 2017	EG	0.80	Letter from counsel for second mortgagee regarding issues relevant to his client; letter to same regarding same;
August 28, 2017	EG	6.80	Emails to and from FN regarding status of PM and recommendation; email to Chi Van Ho regarding lack of response to Fn demands and next steps; emails from and to Lynn Jaffray regarding same and vacancy rate; call with Fn in anticipation of call with Ministry and City; prepare for and conference call with Ministry and City; email to City regarding participants in conference call and persons at city to keep informed; email from FN regarding information required for Ministry to forward affordability payments to FN; email to Ministry regarding payment of Affordability Payments to FN; instructions to clerk regarding preparation of attornment documents; email to FN summarizing conference call with City/Ministry, and regarding communications with Chi Van Ho and lawyer for second mortgagee; email to and from counsel for second mortgagee regarding his firm's retainer with Chi Van Ho;
August 28, 2017	PK	0.70	Review file; drafting and preparation of attornment documents for both 345 Barber St. also known as 345 Clarence St. and 347 Barber St. also known as 347 Clarence St., respectively and all matters incidental thereto;

Date  
August 31, 2017

Invoice No.  
616325

File No.  
075754-0767

-5-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
August 29, 2017	EG	6.20	Draft attornment letter to tenants; email from FN regarding potential share purchase for 345; review demand letter to GDH and email to FN regarding same and position taken with debtors on share purchase; email to FN regarding same; email from City concerning City participants in conference call; email to same and Ministry regarding same; email from Ministry regarding their participants in call and to be kept apprised; emails to and from City/Ministry regarding conversion of units to student housing and affordability payment; email from GDH regarding vacancy issue; email to debtor regarding conversion of units; telephone call from Jason from MHO regarding conversion issue; email to FN regarding same; review and revise attornment documents; emails to and from FN regarding same; email to City/Ministry regarding year end reports provided by GDH; email from same regarding same and scope of reports;
August 30, 2017	EG	6.50	Emails from and to FN regarding attornments and choice of PM; conference call with FN regarding PM; revise attornment documents to include PM; revise cover letter to tenants; emails from and to PM regarding attornments and email to same enclosing documents for service; email from PM regarding issue of super being in possession of rent cheques; letter to super and attornment documents for same regarding remittance of rents to PM; emails to City/Ministry enclosing most recent FN rent rolls and requesting those City/Ministry have; email to and from FN regarding status of insurance policies for properties; email from Chi Ho regarding request for enforcement indulgence; email to same regarding same; follow-up to City/Ministry regarding affordability payment and conversion issues; email to and from FN regarding conversion issue and obtaining Desjardins consent;
August 31, 2017	EG	0.30	Emails from City regarding June rent rolls and Chi Van Ho lawyer; emails between FN and broker regarding status of insurance policy;



Date  
August 31, 2017

Invoice No.  
615325

File No.  
075754-0767

-7-

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 100 University Avenue, Suite 700  
 Toronto, ON M5J 1V6

Date  
 September 30, 2017

Invoice No.  
 618133

File No.  
 075754-0767

Attention: Chris Sebben  
 Manager, Commercial Default Management

*This is Exhibit ...D..... referred to in the affidavit of ...Eric Golden..... sworn before me, this ...13th..... day of ...December..... 20...17..*  
  
 A COMMISSIONER FOR TAKING AFFIDAVITS

RE: Golden Dragon Ho 10 Inc. - 347 Clarence Street, Ottawa, ON and Golden Dragon 11 Inc. - 345 Clarence Street, Ottawa, ON

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the above noted matter for the period ended September 30, 2017 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
September 1, 2017	EG	0.50	Email from City regarding Solway Wright GDH retainer; email from CLV regarding GDH termination of building super; review receivership order and related endorsement obtained by Kingsett;
September 5, 2017	EG	2.50	Emails to and from PM and FN regarding Chi Ho termination of superintendent and rents; email from Chi Suites regarding building permits; emails from and to FN regarding building permits for Clarence Properties and rents, and Chris Sebben recollection from his inspection; telephone call with superintendent of Clarence Properties and FN regarding status of 345 Clarence basement units; call with FN regarding next steps; email from super enclosing building permits for Clarence properties; emails from and to FN regarding Interim Receiver; conference call with FN regarding status and strategy;
September 6, 2017	EG	2.40	Emails from FN regarding ODSP tenant payments and emails between OSSD and PM regarding same;

Terms: Payment upon receipt. Interest is disclosed in the Schedule A at a rate of 0.8% per annum, calculated monthly, will be added to all amounts overdue for 30 or more days.

Date  
September 30, 2017

Invoice No.  
618133

File No.  
075754-0767

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
September 7, 2017	EG	0.30	Review exchange of emails between CLV and ODSP caseworker regarding subsidized rents; email to same regarding same;
September 7, 2017	CK	2.40	Commence review of material;
September 8, 2017	EG	0.50	Vm to and from Ottawa court regarding motion dates; detailed email from OSDP regarding details of rents payable and additional GDH properties with ODSP payments and in default; email from ODSP to CLV regarding rents, and CLV response;
September 8, 2017	CK	1.80	Continue review of material regarding draft of application record;
September 9, 2017	EG	4.00	Prepare outline of affidavit and Notice of Application;
September 11, 2017	EG	1.20	Conference call with FN regarding Interim Receiver; email from same regarding status of affordability payment remittance from City; email from City regarding status update; emails between FN and PM regarding collection of September rents; email from FN regarding updated ESA; email to FN enclosing building permits provided by superintendent;
September 11, 2017	CK	6.10	Commence draft of notice of application for interim receiver and on affidavit in support of same;
September 12, 2017	EG	4.80	Email from and to FN regarding city inspector of mortgaged properties; Review law on possession by interim receiver regarding preserving IRD; telephone call with Steve Martin regarding same; emails to ODSP caseworker regarding her inquiries; instructions to clerk and Kopach regarding inquiries into additional distressed GDH properties identified by ODSP caseworker; email to and from superintendent regarding his interest in continuing on in his role; status email to City and Ministry and enclosing building permits and inquiring into status of delivery of affordability payments; email from PM enclosing Lefebvre termination letter; telephone call with same regarding basement

Date  
September 30, 2017

Invoice No.  
618133

File No.  
075754-0767

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			renovations to 345 Clarence; email from FN confirming instruction to move for IR; email from City requesting conference call with all parties; emails to and from FN regarding timeline for delivery of material;
September 12, 2017	CK	4.70	Continue draft of affidavit in support of application for IR;
September 13, 2017	EG	5.50	Reply to City regarding meeting same; emails to and from FN regarding same and timeline for delivery of material; email to and from IR regarding meeting with city; summary to Kopach regarding renovations to basement level of 345 Clarence; emails from and to super regarding his prior terms of employment and desire to stay on; email to Fn regarding same; review FN summary to Desjardins regarding basis for IR application; letter from second mortgagee regarding status and detailed email to same regarding same and evidence of advances; emails from and telephone call from lawyer for second mortgagee regarding advances issue; review and revise draft Order; emails to and from IR regarding same; email from FN regarding Desjardins instructions to move forward with IR; email to FN regarding updating Phase 1; email to and from CLV regarding retaining superintendent in an IR; email from FN regarding Chi Ho authorization to speak to potential purchaser Syed Ahmed; email from FN enclosing arrears statements for loans;
September 13, 2017	CK	3.20	Continue draft of affidavit for use on application for IR; revisions to draft IR order to incorporate provision deeming mortgage not to be opened up for IRD purposes;
September 13, 2017	DK	0.50	Attend to subsearches of title in Ottawa LRO relating to 109 Doane Street, 2155, 2159, 2169 and 2173 Elmira Drive and 344 and 348 Lacasse Avenue; obtain and review property parcel registers and parcel maps; Attend to subsearches of title in Lanark LRO relating to 10 and 20 Pearl Street, Smiths Falls; obtain and review property parcel registers;



Date  
September 30, 2017

Invoice No.  
618133

File No.  
075754-0767

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
September 14, 2017	EG	0.50	Email from lawyer for 2nd mtgee over 345 regarding proof of advances; emails from and to FN regarding Syed offer;
September 14, 2017	CK	5.40	Continue draft of affidavit of C. Sebben regarding defaults under FN mortgages and indicia of financial problems with other Chi Van Ho entities; review addenda to appraisal to determine ability of properties to fund mortgage payments from net rents;
September 14, 2017	DK	0.30	Obtain copies of instruments registered in the land registry office, as instructed;
September 14, 2017	NBar	0.20	Obtaining corporate profile for Golden Dragon Ho Inc.;
September 15, 2017	EG	4.40	Emails from FN and PM regarding revenue sources for property (current and forecast); email from and to Ministry regarding building permits and history of renovations; email from FN and to and Ministry regarding status of affordability payments; email from FN enclosing discharge statements; emails to and from Administrative Judge Beaudoin requesting emergency hearing date; email from City/Ministry regarding details for conference call; begin to review and revise Sebben affidavit
September 15, 2017	CK	5.00	Continue draft of affidavit of CS for use on IR application; receipt of proof of advances from second mortgage; revise notice of application;
September 16, 2017	EG	5.80	Instructions to clerk regarding email service list; review and revise Notice of Application, Order and further revisions to draft affidavit; communications with Kopach regarding same;
September 17, 2017	EG	6.40	Further revisions to Notice of Application and affidavit; communications with Kopach regarding same;
September 17, 2017	CK	8.10	Further draft of application material for Interim Receiver;
September 18, 2017	EG	5.20	Email from and to City regarding tomorrow's conference call; Email to FN and Deloittes

Date  
September 30, 2017

Invoice No.  
618133

File No.  
075754-0767

-5-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			regarding conference call with city/ministry and next steps; email from Ministry regarding draft default notice to debtors; email from FN enclosing its financial analysis of mortgaged property revenue and expenses; emails from and Court regarding hearing date for IR application; email to and from FN regarding final version of Juteau appraisal; further revisions to material; communications with Kopach and Bricks regarding same
September 18, 2017	CK	8.30	Continue to draft affidavit; analyze rent roll to determine market tenants moved into subsidized units during June-September period; revise and finalize notice of application; finalize draft affidavit; revise and finalize draft interim receivership order;
September 18, 2017	DK	0.50	Attend to LRO records; obtain copy of registered VTB Quex charge; investigate municipal addresses associated with 347 Clarence;
September 18, 2017	JK	0.40	Conducted Corporate and PPSA searches against Golden Dragon Ho 10 Inc. and on Golden Dragon Ho 11 Inc.;
September 19, 2017	EG	9.40	Emails from and to Deioittes and Receiver regarding call with City/Ministry; prepare for and conference call with Ministry and City; instructions to Kopach regarding TM Mobile lease; revisions to all material; communications with Bricks and Kopach and FN regarding same; email to service list enclosing Notice of Application; email to FN regarding independent counsel; review and revise factum;
September 19, 2017	CK	12.10	Finalize notice of application and affidavit for use on application for interim receivership; draft factum;
September 19, 2017	JK	0.20	Conducted Federal and Ontario Corporate searches against TM Mobile Inc.;
September 19, 2017	JK	0.40	Conducted Corporate searches against Golden Dragon Ho 2 Inc., Golden Dragon Ho 3 Inc., Golden Dragon Ho 4 Inc., Golden Dragon

Date  
September 30, 2017

Invoice No.  
618133

File No.  
075754-0767

-6-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
September 20, 2017	EG	3.90	Ho 5 Inc. and on Golden Dragon Ho 9 Inc.; Email to service list with Application Record; email to FN enclosing same and with status report; email from FN regarding Syed potential purchase; email from Desjardins regarding independent counsel; email from and to client regarding status and strategy; series of emails from and to Chi Ho requesting adjournment of IR application; emails to and from Receiver and Preger regarding role of independent counsel;
September 20, 2017	CK	6.10	Finalize all material for service; draft factum; prepare brief of authorities; correspondence exchanged with counsel for Telus regarding lease payments to be made under tower lease; correspondence (x3) from Chi Van Ho regarding response to application and request for adjournment;
September 20, 2017	JK	0.30	Conducted Corporate searches on 2573262 Ontario Inc., Barnes Investments Limited and on 1221859 Ontario Inc.;
September 21, 2017	EG	5.50	Emails to and from court regarding filing of material; email to FN regarding proposed Syed transaction; further emails from Chi Ho regarding application and email to same regarding same and proposed Syed transaction; telephone call from J. Cooke regarding proposed transaction; telephone call with counsel for second mortgagee; telephone call with receiver; review and revise Notice to Tenants and Door Notice and communications with receiver regarding same; call with receiver regarding status and next steps; emails to receivers/lawyers on other GDH receiverships regarding insurance; emails to and from City and Ministry regarding their agreements with GDH consenting to purchase and assumption of agreements; email to and from PM regarding PM retaining Bob Lefebvre once IR appointed; email from City notifying GDH of breaches under its agreement; email to and from counsel for Quex regarding his clients' position on IR application; prepare for

Date  
September 30, 2017

Invoice No.  
618133

File No.  
075754-0767

-7-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			application;
September 21, 2017	CK	1.00	Finalize order and prepare confidential exhibits regarding interim receivership application;
September 22, 2017	EG	9.00	Email from second mortgagee over 345 Clarence regarding position on motion; Attend in Ottawa regarding IR application; email to service list enclosing Order; emails from and to receiver regarding insurance;
September 25, 2017	EG	0.70	Telephone call with H. Bricks regarding PM agreement, insurance and accessing GDH books and records; emails to and from same regarding insurance; review binder; email from Bricks enclosing PM agreement; briefly review same;
September 25, 2017	CK	0.40	Review affidavit material regarding other secured creditors' efforts at locating books and records of GDH entities;
September 26, 2017	EG	0.30	Email from FN regarding updating Phase 1 enviro; email from J. Saunders regarding his communications with GDH and operation of properties;
September 27, 2017	EG	1.00	Emails from and to IR regarding whether laundry and cell tower revenue covered by Receivership Order; review Order to confirm same caught; email from IR to FN regarding Phase 1 enviro; detailed email from IR regarding proposal form broker to enter into agreement to lease all units; email to and from CLV regarding hiring super;
September 28, 2017	EG	0.30	Email from IR regarding retainer of super by CLV and new PM agreement email to and from same regarding same;
September 28, 2017	CK	0.30	Correspondence from Receiver regarding negotiations with Property Manager;
September 29, 2017	EG	1.50	Review and revise management agreement; telephone call with Bricks regarding same; emails from and Deloitte regarding insurance; telephone call from JE Smith (613-837-6770), lawyer for potential purchaser Syed

Date  
September 30, 2017

Invoice No.  
618133

File No.  
075754-0767

-8-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
September 29, 2017	CK	0.60	Review affordable housing documents regarding insurance requirements;

(jesmithlaw@gmail.com);

OUR FEE HEREIN:	\$60,561.00
FEE HST:	\$7,872.93

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	75.60	\$450.00	\$34,020.00
Chad Kopach	Partner	65.50	\$395.00	\$25,872.50
Dawn Kearns	Clerk	1.30	\$260.00	\$338.00
John Kroupis	Clerk	1.30	\$225.00	\$292.50
Nicole Barbosa	Clerk	0.20	\$190.00	\$38.00

<u>Disbursements</u>	<u>Amount</u>
Filing Fees* - Non-Taxable	\$220.00
Profile Report/Point in Time Report* - N	\$96.00
Computer Searches - R.E. (Teraview) * -	\$87.50
Cyberbahn Agent Service Fee	\$168.00
Agent's Fees & Disbursements	\$72.00
Colour Copies	\$38.15
Courier	\$98.88
Travel & Transportation - Airfare/ Taxi Cab (Airport)	\$877.84
Hotels & Accommodations	\$257.01
Long Distance Charges	\$10.32
Photocopying	\$598.45
Binding and Tab Charges	\$24.38
Computer Searches - R.E. (Teraview)	\$204.05

TOTAL DISBURSEMENTS:	\$2,752.58
*HST is not charged	
DISBURSEMENT HST:	<u>\$305.38</u>

TOTAL FEES AND DISBURSEMENTS:	\$63,313.58
TOTAL HST:	<u>\$8,178.31</u>

Date  
September 30, 2017

Invoice No.  
618133


File No.  
075754-0767

-9-

TOTAL AMOUNT DUE:

\$71,491.89

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Eric Golden  
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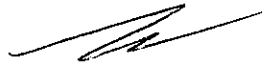
Date  
October 31, 2017

Invoice No.  
620093

File No.  
075754-0767

Attention: Chris Sebben  
Manager, Commercial Default Management

RE: Golden Dragon Ho 10 Inc. - 347 Clarence  
Street, Ottawa, ON and Golden Dragon 11  
Inc. - 345 Clarence Street, Ottawa, ON

This is Exhibit ..E..... referred to in the  
affidavit of ..E.G. Golden.....  
sworn before me, this ...13th.....  
day of ...December..... 20.17....  
  
A COMMISSIONER FOR TAKING AFFIDAVITS

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
above noted matter for the period ended October 31, 2017 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
October 1, 2017	EG	0.20	Emails to H. Bricks from FN and CLV regarding potential revenues from properties for IR's report;
October 2, 2017	EG	1.00	Email from Deloitte enclosing insurance policy contract and binder; email to same requesting policy and regarding premium relative to GDH premium for all properties prior to IR; briefly review same; email to Deloitte regarding same; email from Ministry enclosing letter to GDH regarding default under PCA; email from Deloitte enclosing offer to lease all 345 Clarence Units from Century 21 and its recommendation regarding same;
October 3, 2017	EG	0.80	Email from and to Lisa Come regarding security opinion and setting out basis for FN claim and non waiver of IRD; telephone call with same regarding same;
October 4, 2017	EG	1.50	Detailed email from Receiver regarding insurance inquiries; emails to and from same regarding same and other quotes; email from FN regarding GDH request to pay arrears and resume possession of mortgaged properties;

Date  
October 31, 2017

Invoice No.  
620093

File No.  
075754-0767

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
October 5, 2017	EG	0.80	similar email from Chi Ho regarding same and Ministry notice of default; similar email from Lynn Jaffray regarding same; email to Chi Ho regarding same and non-monetary defaults; Status update to and from FN regarding Chi Ho requisition to pay arrears and have IR discharged; email to FN requesting arrears statement; email to IR for current R&D statement; emails to Ho regarding arrears and regarding insurance; telephone call from Chi Ho (613-501-1875) regarding his request to pay out arrears and instructions to same to provide proposal for all defaults;
October 6, 2017	EG	3.20	Email from IR with estimated fees and disbursements; emails from and to FN with arrears statements and breakdowns; emails from and to, and on behalf of Chi regarding insurance; detailed email to Ho regarding arrears, all defaults and current FN position; emails to and from IR regarding insurance; response to City and Ministry regarding their respective default notices delivered to GDH and FN position on same; status update to FN regarding same;
October 10, 2017	EG	2.50	Emails from Chi Ho regarding arrears and insurance; review arrears statements and Chi lease offer; detailed email to same concerning same; emails from and to Receiver regarding insurance; status email to FN; email from Ministry regarding default letter, status of affordability payments and next conference call;
October 11, 2017	EG	0.50	Communications with IR regarding motion required to extend IR Order and whether BIA or original order waives requirement; communications with trial co-ordinator regarding appointment before Hackland J regarding same;
October 12, 2017	EG	0.50	Telephone call with Bricks regarding motion to extend IR Order; instructions to Kopach regarding same;



Date  
October 31, 2017

Invoice No.  
620093

File No.  
075754-0767

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
October 12, 2017	CK	0.70	Telephone communications with John Saunders regarding registration of order on title to properties; correspondence from John Saunders regarding approval from city of conversion of basement units to two bedroom student housing;
October 13, 2017	EG	0.80	Communications with clerk and Kopach regarding third mortgage over 345 Clarence discovered when registering IR Order on title; communications with Trial co-ordinator regarding scheduling of IR extension motion with Justice Hackland; communications with Kopach regarding setting out process for renovations to all units;
October 13, 2017	CK	0.30	Correspondence exchanged with J. Saunders regarding information from City on conversion to student housing;
October 13, 2017	DK	0.90	Receipt and review of court order and instructions to attend to registration of same on title to subject properties; prepare electronic application to register court order and forward same for review; Finalize application; attend to subsearch of title; complete electronic registration; obtain copy of registered instrument and updated property parcel registers;
October 13, 2017	JK	0.20	Conducted Federal and Ontario Corporate searches on 3942783 Canada Inc.;
October 16, 2017	EG	5.50	Review and revise draft first report; questions to IR regarding same; communications with IR regarding same; further revisions to same; review search results regarding third mortgage over 345 Clarence and email to Chi Ho regarding same; review and revise NOM; communications with Kopach regarding same; communications with trial co-ordinator regarding motion scheduling;
October 16, 2017	CK	2.10	Draft notice of motion and order;
October 17, 2017	EG	1.50	Review and revise final draft of motion record; review and revise proposed order; review and revise letter to third mortgagee over 345

Date  
October 31, 2017

Invoice No.  
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File No.  
075754-0767

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			Clarence; communications with Kopach regarding same and instructions for motion;
October 17, 2017	CK	3.60	Review report from receiver; review appendices to report; finalize draft order; finalize notice of motion and arrange for delivery of motion record;
October 19, 2017	EG	0.20	Emails from and to IR regarding security opinion; communications with Kopach regarding responses to service of motion record for extension of IR Order;
October 19, 2017	CK	1.00	Prepare for motion to extend interim receivership and approve R&D;
October 20, 2017	EG	0.30	Communications with Kopach regarding Order obtained to extend IR;
October 20, 2017	CK	4.80	Attend at court in Ottawa regarding motion to extend time for interim receivership and approval of R&D; meeting with JS regarding issues with units and likelihood of being able to finish and rent out same in early November;
October 21, 2017	EG	0.50	Status updates to Fn including most recent motion record and reasons therefore, and 3rd mortgage over 345 Clarence;
October 23, 2017	EG	0.10	Email from S. Martin regarding third mortgage over 345 Clarence;
October 26, 2017	EG	2.60	Communications with Kopach regarding process to rent various vacant apartments and how that relates to various agreements with City and Ministry; review and revise email to IR regarding same; status emails to and from FN regarding same; email from IR regarding rent rolls for Sep and Oct and CLV estimate of repairs required to various units; email from FN regarding extension of IR Order; telephone call with same regarding same and rental of vacant units;
October 26, 2017	CK	2.30	Receipt of correspondence from client regarding rent roll; communication from JS regarding units to be filled by affordable housing tenants; draft memorandum to JS regarding agreements with City and Ministry of

Date  
October 31, 2017

Invoice No.  
620093

File No.  
075754-0767

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			Housing, including mechanism in agreement to relocate 345 AHU tenants into 347, and impact of not having 30 AHU tenants in housing complex;
October 27, 2017	EG	0.20	Emails between FN and Deloitte regarding estimated capital repair costs;
October 30, 2017	EG	1.80	Emails from Chi Ho regarding arrears owing, documents substantiating same and proposal to pay out; review previous emails to same he has ignored regarding non-monetary defaults; email to same regarding same and other defaults to be cured; emails from and to FN regarding Syed proposed purchase and assumption; email from IR regarding same; emails from and to City regarding status of conference call; email to FN regarding status and conference call;
October 31, 2017	EG	0.20	Email to potential purchaser Syed regarding next steps;

OUR FEE HEREIN:	\$17,240.00
FEE HST:	\$2,241.20

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	24.70	\$450.00	\$11,115.00
Chad Kopach	Partner	14.80	\$395.00	\$5,846.00
Dawn Kearns	Clerk	0.90	\$260.00	\$234.00
John Kroupis	Clerk	0.20	\$225.00	\$45.00

<u>Disbursements</u>	<u>Amount</u>
Filing Fees* - Non-Taxable	\$160.00
Profile Report/Point in Time Report* - N	\$8.00
Registration Fees* - Non-Taxable	\$63.35
Computer Searches - R.E. (Teraview) * -	\$29.55
Cyberbahn Agent Service Fee	\$11.00
Agent's Fees & Disbursements	\$52.50
Courier	\$60.72
Travel & Transportation	\$638.48
Hotels & Accommodations	\$307.34
Photocopying	\$78.75
Registration Fees	\$10.55
Binding and Tab Charges	\$13.75

Date  
October 31, 2017

Invoice No.  
620093

File No.  
075754-0767

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<u>Disbursements</u>	<u>Amount</u>
Computer Searches - R.E. (Teraview)	\$67.50
TOTAL DISBURSEMENTS:	\$1,501.49
*HST is not charged	
DISBURSEMENT HST:	<u>\$161.28</u>
TOTAL FEES AND DISBURSEMENTS:	\$18,741.49
TOTAL HST:	<u>\$2,402.48</u>
TOTAL AMOUNT DUE:	<u>\$21,143.97</u>

**BLANEY McMURTRY LLP**

Eric Golden  
E. & O.E

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 Toronto, Ontario M5C 3G5  
 T 416-593-1221  
 W Blaney.com

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL  
 First National Financial LP  
 North Tower  
 100 University Avenue, Suite 700  
 Toronto, ON M5J 1V6

Date  
 November 30, 2017

Invoice No.  
 622609

File No.  
 075754-0767

Attention: Chris Sebber  
 Manager, Commercial Default Management

RE: Golden Dragon Ho 10 Inc. - 347 Clarence  
 Street, Ottawa, ON and Golden Dragon 11  
 Inc. - 345 Clarence Street, Ottawa, ON

*This is Exhibit ..F..... referred to in the  
 affidavit of Eric Golden.....  
 sworn before me, this ..13th.....  
 day of ..December..... 20..17..*

*[Signature]*

A COMMISSIONER FOR TAKING AFFIDAVITS

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the  
 above noted matter for the period ended November 30, 2017 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
November 1, 2017	EG	1.80	Prepare for and conference call with City and Ministry. FN and IR; communications with IR regarding next steps and potential City/Ministry claim for set off relating to affordability payments;
November 2, 2017	EG	0.50	Email from IR attaching Interim R&D and info on rent collection and fees to date/fees going forward; communications with Kopach regarding City building permits and scope of work permitted;
November 3, 2017	EG	0.90	Communications with Kopach regarding City bylaws; Telephone call from Ahmed Syed regarding his interest in mortgages properties;
November 6, 2017	EG	3.60	Series of emails from Syed regarding potential purchase of GDH 11; review Syed appraisal; email to FN and Bricks regarding same; email from Bricks regarding same; email to same regarding same; email from FN regarding appraisal and response to Syed; detailed response to Syed; email to Bricks regarding gathering tenant info/docs so as to put plan in place to have required tenants occupying each

Terms: Payment is due 30 days after the end of the month. Late payment of 0.8% per annum, calculated monthly, will be added to all amounts due 30 days or more.

Date  
November 30, 2017

Invoice No.  
622609

File No.  
075754-0767

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			building;
November 7, 2017	EG	0.80	Email from FN regarding City/Ministry decision to not remit affordability payments; review relevant agreements; emails between FN and Deloitte regarding Colliers appraisal; vm's from Syed regarding his offer;
November 8, 2017	EG	0.50	Telephone call with from Syed regarding offer; telephone call with HB regarding City/Ministry agreements; email from S. Martin regarding next steps, and addendum to MHPFA; communications with Bricks and Kopach regarding addendum;
November 9, 2017	EG	1.80	Review MHPFA and related documents and email to S. Martin enclosing same; response to S. Martin regarding strategy and next steps and MHPFA; ; email from and to Syed requesting confidential FN appraisal; emails form counsel for Ho requesting documents; email to same regarding same;
November 10, 2017	EG	0.30	Email from John Saunders with all lease details available to date regarding rent rolls and leases for non-social housing units in 347; further email to and from counsel for Ho regarding document production request;
November 13, 2017	EG	0.30	Detailed email from receiver regarding plan to stabilize property;
November 14, 2017	EG	0.30	Vm message from Haiyan Zhang regarding GDH (613-277-0015); telephone call with Bricks regarding stabilization plan;
November 16, 2017	EG	0.70	Communications with lawyer for 3rd mtgee regarding FN position on its mortgage; communications with IR regarding same and independent counsel regarding same; email to Court regarding dates for December motion for various admin orders and to strike third mortgage from title;
November 17, 2017	EG	1.50	Review various emails and docs regarding Syed offer; emails from and to FN regarding same; email to and from S. Martin regarding same; email from S. Martin regarding status

Date  
November 30, 2017

Invoice No.  
622609

File No.  
075754-0767

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
November 21, 2017	EG	0.60	and strategy resulting from his inspection; email to IR regarding plan to stabilize tenants; further email from and to counsel for Ho regarding additional docs and info requested; Detailed email from H. Bricks regarding plan to move non-BMR tenants from 347 to 345 with supporting docs; telephone call with Bricks regarding same; email to same regarding same; email from and to Court regarding motion dates for December motion for admin approvals and to strike third mortgage;
November 29, 2017	EG	1.60	Email from Bricks enclosing letters to tenants in 347 to move to 345; email from same regarding letters to tenants in 345 to move to 347; telephone call with same concerning same; email from counsel for third mortgagee advising that his mortgage properly registered; detailed email to counsel for third mortgagee over 345 Clarence setting out reasons for his mortgage to be discharged; email to Court regarding hearing date for admin motion and to strike third mortgage;
November 30, 2017	EG	2.20	Email from and to court regarding scheduling; email to counsel for third mortgagee regarding same; emails from and to FN regarding net worth statements for Sterns and history of GDH insolvency proceedings; prepare for and participate in conference call with City and Ministry; series of emails from Syed regarding his proposed assumption; email from counsel for third mortgagee regarding his client's decision to likely agree to discharge mortgage; various emails from S. Martin and FN regarding Stern issue;

OUR FEE HEREIN:  
FEE HST:

\$7,830.00  
\$1,017.90

Lawyer  
Eric Golden

Title  
Partner

Hours   Rate  
17.40   \$450.00

Amount  
\$7,830.00

Disbursements  
Courier

Amount  
\$23.86

Date  
November 30, 2017

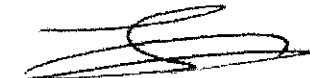
Invoice No.  
622609

File No.  
075754-0767

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TOTAL DISBURSEMENTS:	\$23.86
*HST is not charged	
DISBURSEMENT HST:	<u>\$3.10</u>
TOTAL FEES AND DISBURSEMENTS:	\$7,853.86
TOTAL HST:	<u>\$1,021.00</u>
TOTAL AMOUNT DUE:	<u>\$8,874.86</u>

**BLANEY McMURTRY LLP**



Eric Golden  
E. & O.E

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the wire transfer.**



**FIRST NATIONAL FINANCIAL GP CORPORATION** and

**GOLDEN DRAGON HO 10 INC. et al.**

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at **OTTAWA**

**MOTION RECORD**  
**(returnable December 20, 2017)**

**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)  
Email: [egolden@blaney.com](mailto:egolden@blaney.com)

**Chad Kopach** (LSUC #48084G)  
(416) 593-2985 (Tel)  
(416) 594-5095 (Fax)  
Email: [ckopach@blaney.com](mailto:ckopach@blaney.com)

Lawyers for the Applicant and  
the Interim Receiver