

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

B E T W E E N:

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant

- and -

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

Respondents

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

EXPANDED POWERS ORDER

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

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

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

SERVICE

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

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

APPOINTMENT

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

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

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

SIXTH REPORT

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

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

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

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

RECEIVER’S POWERS

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

- (a) to manage, operate, and carry on the Business, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Business, or cease to perform any contracts of the Respondents in relation to the Property;
- (b) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the Business or any part or parts thereof;
- (c) to settle, extend or compromise any indebtedness owing to the Respondents in relation to the Property;
- (d) subject to paragraphs 5 and 6 hereof, to market any or all of the Property, advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (e) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (f) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

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

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

PIPEDA

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

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

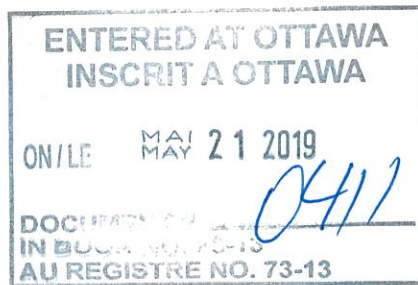
CONTINUING EFFECT OF APPOINTMENT ORDER

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

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

Hacklaed J.

TORONTO 58347-2 1605135v10



FIRST NATIONAL FINANCIAL GP CORPORATION
Applicant

-and-

GOLDEN DRAGON HO 10 INC. et al.
Respondents

Court File No. 17-73967

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

EXPANDED POWERS ORDER

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

DAVID P. PREGER (36870L)
Email: dpreger@dickinsonwright.com
Tel: (416) 646-4606

SAHAR CADILI (588470)
Email: scadili@dickinsonwright.com
Tel: (416) 646-6875

Fax: (844) 670-6009

Lawyers for the Receiver, Deloitte Restructuring Inc.

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