

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

B E T W E E N:

FIRST NATIONAL FINANCIAL GP CORPORATION

Applicant

- and -

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

Respondents

AMENDED AND RESTATED APPROVAL AND VESTING ORDER

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

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

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

1. THIS COURT ORDERS AND DECLARES that the time for service of the Receiver’s Notice of Motion and Motion Record, including the Seventh Report, the Supplemental Report and the Second Supplemental Report, is hereby abridged and validated so that the motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the GDH 10 Assets to 347 Barber Street Ltd. and for the conveyance of the GDH 11 Assets to 345 Barber Street Ltd.

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

- (a) all of the GDH 10 Debtor's right, title and interest in and to the GDH 10 Assets described in the Sale Agreement, including the lands and premises listed on Schedule "B1" hereto, shall vest absolutely in 347 Barber Street Ltd., free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hackland dated September 22, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "C1" hereto (all of which are collectively referred to as the "**GDH 10 Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D1" hereto and, for greater certainty, this Court orders that all of the GDH 10 Encumbrances affecting or relating to the GDH 10 Assets are hereby expunged and discharged as against the GDH 10 Assets; and

- (b) all of the GDH 11 Debtor's right, title and interest in and to the GDH 11 Assets described in the Sale Agreement, including the lands and premises listed on Schedule "B2" hereto, shall vest absolutely in 345 Barber Street Ltd., free and clear of and from any and all Claims, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hackland dated September 22, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "C2" hereto (all of which are collectively referred

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

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

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

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the GDH 10 Debtor or the GDH 11 Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the GDH 10 Debtor or the GDH 11 Debtor;

the vesting of the GDH 10 Assets in 347 Barber Street Ltd. and the vesting of the GDH 11 Assets in 345 Barber Street Ltd. pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the GDH 10 Debtor or the GDH 11 Debtor and shall not be void or voidable by creditors of the GDH 10 Debtor or the GDH 11 Debtor, nor shall they constitute nor be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, or other reviewable transactions under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Hackland J.



Schedule "A" – Form of Receiver's Certificate

Court File No. 17-73967

**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

RECEIVER'S CERTIFICATE

RECITALS

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

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

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

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

THE RECEIVER CERTIFIES the following:

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

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

Per: _____

Name:

Title:

Schedule "B1" – The GDH 10 Real Property

PIN 04213-0302 (LT)

PART OF LOT 18 PLAN 43586 N/S CLARENCE STREET BEING PART 1 ON 4R21669; OTTAWA. T/W RIGHT-OF-WAY AND EASEMENT OVER PART LOTS 16, 17 & 18 PLAN 43586 PT 3 PLAN 4R21669 AS IN OC699531. T/W EASEMENT OVER PART LOTS 16, 17 & 18 PLAN 43586 PART 4 ON 4R21669 AS IN OC699531. T/W RIGHT-OF-WAY OVER PART LOTS 16, 17 & 18 PLAN 43586 PART 2 ON 4R21669 AS IN OC699531. S/T RIGHT-OF-WAY AND EASEMENT OVER PART 1 ON 4R21669 IN FAV OUR OF PART LOTS 16, 17 & 18 PLAN 43586 PARTS 2, 3 &4 ON 4R21669AS IN OC699531.

Schedule "B2" – The GDH 11 Real Property

PIN 04213-0303 (LT)

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

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

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

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

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

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

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

(unaffected by the Vesting Order)

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

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

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

(unaffected by the Vesting Order)

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

FIRST NATIONAL FINANCIAL GP CORPORATION
Applicant

-and-

GOLDEN DRAGON HO 10 INC. et al.
Respondents

Court File No. 17-73967

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

**AMENDED AND RESTATED
APPROVAL AND VESTING ORDER**

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