

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

THIRD REPORT OF THE INTERIM RECEIVER

DATED MAY 29, 2018

TABLE OF CONTENTS

INTRODUCTION 4

PURPOSE OF REPORT..... 5

TERMS OF REFERENCE 6

BACKGROUND 7

RECEIVER’S ACTIVITIES SINCE ITS SECOND REPORT TO COURT..... 8

RENTAL STATUS OF THE PROPERTY 11

BMR UNITS 11

UNIT REPAIRS..... 13

THIRD MORTGAGE..... 17

STATEMENT OF RECEIPTS AND DISBURSEMENTS..... 18

PROFESSIONAL FEES 19

RECEIVER’S REQUESTS 20

APPENDICES

- A** Appointment Order of Justice Hackland of the Ontario Superior Court of Justice dated September 22, 2017
- B** Second Report of the Interim Receiver dated December 13, 2017 (without appendices)
- C** Order of Justice Hackland of the Ontario Superior Court of Justice dated December 20, 2017
- D** City of Ottawa Order to Comply
- E** The Interim Receiver's Forecast Cash Flow from May to September 2018
- F** Mortgage for \$678,000 registered in favour of 3924783 Canada Inc. against 345 Clarence Street including Additional Provisions
- G** Letter dated October 17, 2017 from Blaney McMurtry LLP to 3942783 Canada Inc., Abad Haman and Hamam Nizar
- H** Email correspondence from November 8 through December 27, 2017 between Blaney McMurtry LLP and Harland Tanner of Piazza Tanner LLP and Blaney McMurtry LLP and Andrew Ferguson of MBC Law Professional Corporation
- I** Interim Statement of Receipts and Disbursements for the Interim Receivership for the period from September 22, 2017 to April 30, 2018
- J** Affidavit of Hartley Bricks of Deloitte Restructuring Inc. sworn May 25, 2018
- K** Affidavit of Eric Golden of Blaney McMurtry LLP sworn May 29, 2018

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.

4. On December 20, 2018, FN and the Receiver brought a motion to, among other things, approve the Receiver's recent activities, including the Receiver's course of action with respect to the repairs to the Property and the strategy for leasing vacant units, to approve the Receiver's Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to November 30, 2017 and to approve the fees and disbursements of the Receiver and its legal counsel. In support of that motion, the Receiver filed with the Court its Second Report of the Interim Receiver dated December 13, 2017 (the "**Second Report**"). Based on the Second Report and submissions made to the Court by counsel for FN and the Receiver on December 20, 2018, the Court granted an order (the "**December 20 Order**") approving the relief sought. Copies of the Second Report and the December 20 Order are attached hereto as **Appendix "B"** and **Appendix "C"**, respectively.
5. The above noted Court Orders and Receiver Reports, and this, the Interim Receiver's Third Report to the Court (the "**Third Report**"), and other key documents have been posted on the Receiver's website at www.insolvencies.deloitte.ca/en-ca/GoldenDragonHo10-11.

PURPOSE OF REPORT

6. The purpose of the Third 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 information on the current status of 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 Third Report, including the Receiver's course of action with respect to the significant repairs/renovations required to restore 20 units in 345 Barber Street to rentable condition;
 - (ii) removing the Third Mortgage (as defined below) from title to 345 Barber;

- (iii) approving the Receiver's Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to April 30, 2018; and
- (iv) approving the fees and disbursements of the Receiver from December 2, 2017 to April 6, 2018, and Blaney McMurtry LLP ("Blaneys") from December 1, 2017 to April 30, 2018.

TERMS OF REFERENCE

7. In preparing this Third Report, the Receiver has reviewed unaudited financial information and other records related to the Property provided by its property manager, CLV Group Inc., ("CLV"), information provided by third-party sources including Chi Suites Inc. (the management company for GDH 10 and GDH 11) ("Chi Suites"), and has held discussions with individuals involved in administering the Property (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 Third 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, 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 Third Report are expressed in Canadian dollars.

9. Unless otherwise provided, all other capitalized terms not otherwise defined in this Third Report are as defined in the Appointment Order.
10. 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 Wright LLP.

BACKGROUND

11. As noted in the First and Second Reports, the Property is comprised of two adjoining six-story multi-unit apartment buildings that consist of 110 units in total. 80 of these units are located in 345 Barber, and the remaining 30 units 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"). These 30 units are referred to herein as below market rent ("BMR") units.
12. 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 Respondents arranged for certain market rate tenants to move from 345 Barber to 347 Barber in order to free up units so that renovations could be undertaken. In addition, alterations to the building had been started in the lobby, the basement, and certain units on the upper floors of 345 Barber. Much of this work remained substantially unfinished as of the date of the Appointment Order.

13. The Second Report detailed, among other things, repair work the Interim Receiver had undertaken at the Property (including roof repairs, a strategy to offer up vacant units in 345 Barber to non-BMR Unit tenants in 347 Barber, and the categorization of vacant units in the Property in need of repair, so that certain of those units requiring minimal work could be repaired and rented out. The Second Report also set out a plan for completion of renovations to the lobby that had been started by the Respondents.

RECEIVER'S ACTIVITIES SINCE ITS SECOND REPORT TO COURT

14. Since the date of the Second Report, the Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
 - (a) Followed up with CLV to rent the vacant units in 345 Barber to the general public, and to rent the vacant units in 347 Barber to BMR tenants identified through various City programs;
 - (b) Followed up with CLV to ensure that all deficiencies at the Property, identified through earlier inspections by qualified professionals, were resolved. These included problems with fire safety equipment, fire doors, the emergency generator, the boiler (for heating), electrical issues, dryer venting, the elevator, and the roof;
 - (c) Developed a strategy for the repairs/renovations to the Property that involved initially renovating those units that required minimal work in order to quickly establish a pool of units for rent in order to begin addressing the low occupancy issue at the Property, while providing time for the Receiver to conduct a proposal process to solicit quotes to repair the units requiring significant work, as discussed further below;
 - (d) Completed the repairs/renovations required for the lobby, front soffit, and many of the vacant units at the Property;
 - (e) Reviewed and approved all quotes for repairs obtained by CLV (where the repair cost exceeded \$5,000), and then reviewed and approved all payments to suppliers;
 - (f) Followed up numerous times with the City to obtain drawings that supported the three building permits previously issued to the Respondents for renovations to the Property.

The Receiver required copies of the approved renovation drawings from the City in order to confirm whether the renovations of units commenced by the Respondents (mostly incomplete) met building code (which would allow the Receiver to assess whether to complete certain renovations). There were no drawings found in the records provided by Chi Suites. Drawings were received from the City on February 8, 2018, but these turned out to be the wrong drawings. After additional follow-up, the correct drawings were received on March 7, 2018. These drawings only covered the lobby area and the units on the ground floor. Thus, none of the renovations made to units above the ground floor had been approved by the City;

- (g) Arranged, through CLV, for the City's Building Inspector to conduct an inspection of the work carried out by the Respondents. After numerous requests by CLV, the Building Inspector attended at the Property on March 7, 2018. Based on his inspection, the Building Inspector advised CLV that the walls installed to create a second bedroom in six units (i.e. units 202, 205, 601, 602, 705, and 708) had to be removed as they did not comply with building code. As a result, the Building Inspector issued an Order to Comply (attached hereto as **Appendix "D"**).
- (h) Arranged to tour the Property on March 15, 2018 with the former consultant/construction manager for the renovations (John Napiorkowski) to better assess the work required to restore the remaining vacant units to rentable condition based on the approved drawings for the ground floor units, and based on the Order to Comply issued by the Building Inspector. Mr. Napiorkowski advised the Receiver that he had not been paid for his previous work at the Property, and that he had quit the project when he discovered that the Respondents were renovating the upper floors without his knowledge;
- (i) Requested a proposal from Mr. Napiorkowski on March 15, 2018, to complete the restoration of 20 of the vacant units (repairs for which were beyond CLV's capabilities), given his substantial knowledge of the Property and the renovations undertaken prior to the appointment of the Receiver. Mr. Napiorkowski originally indicated an interest in assisting the Receiver, but subsequently declined (on April 9, 2018) to get involved;

- (j) Contacted six other companies that provide construction management/general contractor services, based on recommendations from CLV, Deloitte's internal Capital Projects' Group, and other parties with experience in the industry. Four of the companies expressed an interest in the project and inspected the Property. The Receiver requested proposals from these companies to complete the 20 vacant units. CLV provided them with specifications for the type of kitchens, bathrooms, flooring, etc. that were required. Three companies submitted proposals; two to complete the repairs of the 20 vacant units, and one to manage the process on the Receiver's behalf. The details of the two proposals to complete the vacant units are described below under the heading "Unit Repairs";
- (k) Participated in regular conference calls with the City and the MOH regarding the status of the interim receivership and the status of the BMR units. Details of the BMR units are provided below under the heading "BMR Units";
- (l) Reviewed the monthly Property accounting prepared by CLV, and prepared the Receiver's Interim Statement of Receipts and Disbursements;
- (m) Prepared cash flow forecasts and determined the Receiver's anticipated funding requirements. The Interim Receiver's Forecast Cash Flow from May to September 2018 is attached hereto as **Appendix "E"**. The Receiver determined that, given the cost to complete the renovations discussed below, additional funding of at least \$260,000 will be required to meet its obligations until the end of September 2018. As a result, should its strategy for dealing with the repairs to the remaining 20 units be approved by the Court, the Receiver intends to borrow a further \$300,000 from FN by way of Receiver's Certificate; and
- (n) Responded to tenant and creditor inquiries.

RENTAL STATUS OF THE PROPERTY

15. As at the date of the Appointment Order, there were 65 occupied units (out of 110 total units), due to the fact that many of the 45 unoccupied units were in the midst of repairs/renovations and were therefore un-rentable. In addition, the Receiver was appointed during the fall of 2017, which CLV advised was a slow rental period and in their experience, the spring period provides the busiest rental market.
16. As at May 22, 2018, as a result of repairs completed to many of the units and CLV's marketing efforts prior to the prime rental months of the spring, there were 75 occupied units, 12 units available for rent (units 204, 207, 208, 210, 304, 312, 409, 511, 609, 612, 703, and 712) and another 3 units that will become available for rent within the next few weeks (units 514, 606 and 616), for a total of 90 rented/rentable units. Of these 15 rentable units, two units (514 and 616) are located in 347 Barber (and are therefore to be used as BMR Units). The remaining 20 unrentable units (all of which are located in 345 Barber) require substantial repair/renovation work before they can be brought into rentable condition, as discussed below under the heading Unit Repairs.
17. As at May 1, 2018, the Property was generating monthly rental income of \$57,846, as compared to \$50,655 at the date of the Appointment Order (not including monthly affordability payments payable by the City and the MOH, which are monthly subsidies paid in respect of the BMR units and which is discussed under the next heading).

BMR UNITS

18. As noted in the Second Report, 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. 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. At the time of the Second Report, the number of units with BMR tenants dropped to 22 as the result of a BMR tenant in 347 Barber moving out. As at May

22, 2018, there were 25 units containing BMR tenants, of which three were still located in 345 Barber and 22 were located in 347 Barber.

19. The BMR Agreements provide that reasonable efforts be made to relocate all BMR tenants currently in 345 Barber into 347 Barber as vacancies arise in 347 Barber. As noted in the Second Report, and approved by the Court in the December 20 Order, the Receiver offered incentives to BMR tenants in 345 Barber to move to 347 Barber, and to non-BMR tenants in 347 Barber to move to 345 Barber (in order to free up further units in 347 Barber for BMR tenants). None of the BMR tenants in 345 Barber accepted the offer to move, but one of the non-BMR tenants in 347 Barber (unit 315) agreed to move into 345 Barber (unit 402).
20. As noted in the Second Report, the Receiver directed CLV to seek new BMR tenants through the City's affordable housing registry to fill the vacancies in 347 Barber. Over the next few months, CLV contacted all 50 names on the registry (which were provided by the City in groups of 10). Of the 50 names contacted, only one party elected to move into 347 Barber (unit 214). Having exhausted the City's affordable housing registry with little success, the City attempted to source other potential tenants through its programs for homeless persons (such as "Options Bytown", under which the City pays the rent on behalf of the tenant). To date, two additional BMR tenants were located through these other programs (for units 314 and 315). The Receiver and CLV continue to work with the City to identify suitable tenants to increase the number of BMR units at the Property up to 30.
21. Upon the Appointment of the Interim Receiver, the MOH initially withheld the monthly affordability payments payable under the BMR Agreements. However, by letter dated March 1, 2018, the MOH advised that it would pay to the Receiver the affordability payments relating to the period September 1, 2017 to February 28, 2018 pro-rated based on the percentage (out of 30) of BMR unit occupancies in the Property during those months, and, subject to the affordability requirements being met, commence paying monthly affordability payments relating to the 30 units at the Property, again pro-rated based on the percentage of the 30 BMR units that are occupied. The Receiver's acceptance of these pro-rata affordability payments to date is in no way to be taken as consenting or agreeing that

such pro rata payments are authorized under the relevant agreements, instead of full payment for all 30 units regardless of occupancy.

UNIT REPAIRS

22. In paragraph 21 of the Second Report, the Receiver organized the 45 vacant units requiring repairs/renovations 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

23. In the Second Report, the Receiver reported that the first group of nine units, estimated to cost between \$750 and \$1,500 to restore, had been restored by CLV using its handyman and a painting contractor. The Receiver also reported that it had directed CLV to continue its efforts and repair the next group of 10 units estimated to cost \$750 to \$1,500 each. Most of these units were repaired by the end of January 2018; however, two of the units (units 208 and 304) were discovered to require more extensive repairs than originally anticipated. As a result, they were moved into the fourth group of units to be restored (estimated to cost \$2,000 to \$3,000 each). In addition, unit 501, which had been vacated by its tenant after the date of the Second Report, was added to the fourth group after it was inspected by CLV who discovered it required repairs.

24. The last four groups of units listed above in paragraph 22 required more extensive and complex repairs than the first two groups. These four groups totaled 30 units, after adding the three additional units referred to in paragraph 23 (units 208, 304, and 501), plus unit 205, which it was determined had to have a wall removed pursuant to the Building Inspector's Order to Comply. It was initially the Receiver's intention to obtain quotes from contractors to restore all 30 of these units, once the drawings supporting the building permits had been obtained from the City. Upon further detailed review of the units by CLV, it was determined that repairs required for 10 of the 30 units, although more extensive than other units, were not as complex as originally believed. As a result, the Receiver directed CLV to restore 10 of the units (units 207, 208, 304, 403, 411, 501, 511, 609, 612, and 712) by using its handyman and hiring a flooring installer and painting contractor. The Receiver then grouped the remaining 30 units requiring repairs/renovations into the following two groups based on the estimated cost of restoration required per unit:

Group No.	Estimated Cost per Unit	Total No. of Units	Unit Numbers
1	\$1,500 to \$3,000	10	207, 208, 304, 403, 411, 501, 511, 609, 612, 712
2	\$5,000 to \$10,000+	20	100, 101, 102, 103, 105, 106, 107, 108, 202, 205, 305, 510, 601, 602, 607, 701, 705, 707, 708, and 709.

25. The repairs to the 10 vacant units listed in Group 1 at paragraph 24 above were completed by mid-April 2018. CLV reported that the average cost of repairs per unit was just over \$2,000.
26. The 20 units in Group 2 at paragraph 24 above include three units on the ground floor that had been completely gutted (units 100, 106 and 108). The approved drawings for these units indicated that units 100 (a one-bedroom apartment) and 108 (a bachelor apartment) were to be converted into an area containing a lounge, games room and small exercise room. CLV was asked for its opinion, as a property manager of many apartment buildings in Ottawa, on whether the proposed amenity facilities would add value to the Property.

CLV advised that the amenity facilities had been planned in conjunction with the conversion of the Property to student housing, as the converted apartments would have had limited living space. Given that the Receiver, after consultation with FN, did not intend to continue with student housing conversions, CLV did not believe the amenities would add value to the Property based on its location and the market that the Property is being rented to. In addition, the amenity facilities would reduce the number of rentable apartments, and ultimately the monthly revenue for the Property. Both the Receiver and FN concurred with CLV's assessment.

27. As noted above, unit 106 was also completely gutted. This unit was originally a bachelor apartment that was being converted into a two-bedroom unit. Based on a review of the renovation drawings for this unit, CLV and Mr. Napiorkowski believed that the renovation cost would be very high for this unit given that the bathroom had to be moved. In addition, CLV, Mr. Napiorkowski, and the Receiver all agreed that the unit would be easier to rent in its original bachelor layout. Thus, the Receiver believed that this unit should be converted back to a bachelor apartment.
28. Since the Receiver does not plan to follow the renovation plans for the three gutted units (units 100, 106 and 108), new drawings and building permits will be required to convert them back to their original layouts. Based on feedback received from the development/construction companies that submitted proposals to complete the 20 units in Group 2 at paragraph 24 above, the Receiver does not expect that any other units will require new drawings and building permits.
29. For the 20 vacant units listed in Group 2 at paragraph 24 above (which required work beyond what CLV normally provides), the Receiver first requested a proposal from Mr. Napiorkowski, the former Consultant/Construction Manager, to complete their restoration (as noted above in subparagraph 14i). Mr. Napiorkowski subsequently declined to provide a proposal.

30. As a result, and as noted above in subparagraph 14i, the Receiver contacted six other companies to provide proposals to complete the units. Three companies submitted proposals; two to complete the 20 units, and one to manage the process on the Receiver's behalf. The two proposals to complete the 20 units were as follows:

	Proposal #1 ^①	Proposal #2 ^②
Price to complete 17 units	\$382,817 (or \$22,519/unit)	\$599,218 (or \$35,248/unit)
Price to complete 3 gutted units ^③	\$235,648 (or \$78,549/unit)	\$118,600 ^④ (or \$39,533/unit)
Total Price Quote	\$603,044	\$717,818

Notes: ① Actual names of companies are not provided here to protect their competitive information.

③ The three gutted units require the most work, and new drawings and building permits will be required.

④ Price for three gutted units does not represent the price to complete only the three units, but the reduction in total price if the three units were excluded from the project.

31. Based on the proposals received to date, the Receiver recommends proceeding with Proposal #1 to complete the 17 units (not gutted) for \$382,817 plus HST as this is the best price. The company that submitted Proposal #1 appears to have the necessary expertise to complete the project, and consequently, the Receiver is seeking the Court's approval to proceed with Proposal #1 for the 17 units only
32. With respect to the three gutted units, both the Receiver and FN believe that the cost to complete them is too high to generate a reasonable return on investment. It is the Receiver's intention to do whatever work is necessary to ensure the units are safe (such as securing all loose electrical wiring, etc.), pending stabilization of the mortgaged property.

THIRD MORTGAGE

33. 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 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 "F"**.
34. 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.
35. 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).
36. 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**").
37. 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 independent receivership proceedings.
38. 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 "G"**.

39. 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.
40. 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, Blaneys advises that no further contact was made by Mr. Turner.
41. On or about December 20, 2017, the Third Mortgagee appointed new counsel, Andrew Ferguson of MBC Law Professional Corporation. By way of e-mail dated December 27, 2017, Mr. Golden among other things forwarded copies of his correspondence with Mr. Tanner, and advised Mr. Ferguson that if the Third Mortgagee would be seeking to maintain the third mortgage on title, a motion would be scheduled to have it discharged. A copy of the email correspondence from November 8 through November 29, 2017 between Blaneys and Mr. Tanner and email correspondence from December 20 through December 27, 2017 between Blaneys and Mr. Ferguson is attached hereto as **Appendix "II"**.
42. As the Third Mortgage has not yet been removed from title, the Receiver requests that the Court order the removal of the Third Mortgage from title.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

43. Attached hereto as **Appendix "I"** is the Interim Statement of Receipts and Disbursements for the interim receivership for the period September 22 to April 30, 2018 (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 November 30, 2017, which receipts and disbursements were accepted and approved in the December 20 Order, and the receipts and disbursements between December 1, 2017 and April 30, 2018, which reflects the interim receivership activity since the Second Report.

PROFESSIONAL FEES

44. 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.
45. The total fees of the Receiver during the period from December 2, 2017 to April 6, 2018, amount to \$63,947.50 together with disbursements in the sum of \$316.66 plus HST of \$8,354.34, totaling \$72,618.50 (the “Receiver Fees”). The time spent by the Receiver is more particularly described in the Affidavit of Hartley Bricks, a Senior Vice-President of Deloitte, sworn May 25, 2018 in support hereof and attached hereto as **Appendix “J”**.
46. The total legal fees and disbursements of Blaneys, in its capacity as counsel to FN and the Receiver from December 1, 2017 to April 30, 2018, are particularized in the Affidavit of Eric Golden, a partner of Blaneys, sworn May 29, 2018 in support hereof and attached hereto as **Appendix “K”**. The total amount of the invoices for this period is \$40,658.36 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.
47. The Receiver has reviewed the Blaneys Fees as set out in the fee affidavit and finds the work performed and charges to be appropriate and reasonable in the circumstances.

RECEIVER’S REQUESTS

48. 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 Third Report, including the Receiver’s course of action with respect to the repairs/renovations to the Property and its recommendation to proceed with Proposal #1 for the remediation of 17 units;
 - (b) removing the Third Mortgage from title;
 - (c) approving the R&D;

- (d) approving the professional fees and disbursements of the Receiver and Blaneys, as set out in the fee affidavits, and authorizing the Receiver to pay the Receiver Fees from available funds; and
- (e) 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 29th day of May, 2018.

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

Deloitte Restructuring Inc.

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

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

APPENDIX “A”

Court File No. 17-73967

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) FRIDAY, THE 22nd
JUSTICE C.T. Macleod) 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

- 2 -

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;

- 3 -

- (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;

- 4 -

- (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.

- 6 -

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

- 7 -

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,

- 8 -

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.

- 11 -

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.

- 12 -

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/GoldenDragonHol10-11>'.
'

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

- 13 -

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.

ENTERED AT OTTAWA
INSCRIT A OTTAWA
ON/LE SEP 27 2017
DOCUMENT # 0411
IN BOOK NO. 73-13
AU REGISTRE NO. 73-13

- 16 -

SCHEDULE "A"

THE PROPERTY

Golden Dragon Ho 10 Inc.

PIN 04213-0302 LT in LRO #4

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

Golden Dragon Ho 11 Inc.

PIN 04213-0303 LT in LRO #4

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

- 17 -

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

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

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of two per cent above the prime commercial lending rate of Royal Bank of Canada from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ___ day of _____, 20__.

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

Per: _____
Name:
Title:

Per: _____
Name:
Title:

FIRST NATIONAL FINANCIAL GP CORPORATION and

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

Applicant

Respondents

ONTARIO
 SUPERIOR COURT OF JUSTICE
 Proceeding Commenced at OTTAWA

APPOINTMENT ORDER
 (Interim Receiver)

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

Eric Golden (LSUC #38239M)
 (416) 593-3927 (Tel)
 (416) 596-2049 (Fax)
 Email: egolden@blaney.com

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

Lawyers for the Applicant

APPENDIX “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

SECOND REPORT OF THE INTERIM RECEIVER

DATED DECEMBER 13, 2017

TABLE OF CONTENTS

INTRODUCTION 4

PURPOSE OF REPORT..... 5

TERMS OF REFERENCE 5

BACKGROUND 6

RECEIVER’S ACTIVITIES SINCE ITS FIRST REPORT TO COURT 7

RENTAL STATUS OF THE PROPERTY 9

BMR UNITS 10

UNIT REPAIRS..... 11

THIRD MORTGAGE..... 12

STATEMENT OF RECEIPTS AND DISBURSEMENTS..... 14

PROFESSIONAL FEES 14

RECEIVER’S REQUESTS 16

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.

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 Mortgagee**") 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 13th 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

APPENDIX “C”

Court File No. 17-73967

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	WEDNESDAY, THE 20 th
)	
JUSTICE HACKLAND)	DAY OF DECEMBER, 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**

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, (iv) approving and accepting the fees and disbursements of the Interim Receiver for the period from September 18, 2017, to December 1, 2017, (v) approving

est

- 2 -

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, (~~vi~~^{via}) 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 the Amended Notice of Motion dated December 19, 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 affidavits of service of Patricia Keane sworn December 14, 2017 and December 19, 2017, filed.

1. **THIS COURT ORDERS** that the time for service of the moving parties' Amended 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.

FIRST NATIONAL FINANCIAL GP CORPORATION and

GOLDEN DRAGON HO 10 INC. et al.

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

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

Lawyers for the Applicant and
the Interim Receiver

APPENDIX “D”

Order Number / Numéro de l'ordre: 2018-0058	Date Order issued / Date de l'ordre: 08-March-2018
Address to which Order applies / Adresse à laquelle cet ordre s'applique 345 BARBER STREET	Application/Permit Number / N° de demande ou de permis: NONE

Order issued to / Ordre donné à:

1. GOLDEN DRAGON HO 11 INC 532 MONTREAL RD UNIT 110 OTTAWA ON K1K4R4	2. DELOITTE RESTRUCTURING INC 100 QUEEN ST UNIT 1600 OTTAWA ON K1P1J9
3.	4.

THE INSPECTION on or about 07-March-2018 at the above-referenced address found the following contravention(s) of the Building Code or the Building Code Act, 1992.

L'INSPECTION effectuée le on 07-March-2018 (Date / Date) à l'adresse mentionnée ci-dessus a révélé la(les) contravention(s) suivantes au code du bâtiment ou à la Loi de 1992 sur le code du bâtiment

YOU ARE HEREBY ORDERED to correct the contraventions itemized below immediately, by the dates listed below, or by:

IL VOUS EST ORDONNÉ PAR LA PRÉSENTE de remédier aux contraventions énumérées ci-dessous immédiatement, aux dates indiquées ci-dessous ou d'ici le :

09-April-2018
(Date / Date)

Item Élément	Reference Référence	Description and location Description et emplacement	Required action and compliance date Action et date d'exécution requises
1	8.(1)BCA 1.1(1)BCA B.9.5.4.1.OBC B.9.5.5.1.OBC B.9.5.6.1.OBC B.9.7.2.3.OBC	Interior partition walls constructed in suites 202, 205, 601, 602, 705, and 708 without the benefit of a Building Permit. This construction removes area from the living/dining/kitchen area to create an additional bedroom. The constructed wall decreases the floor area of the common area below the minimum code requirements, and removes the required natural lighting from these areas.	Obtain a Building Permit for the completed construction, or remove the interior partition walls and arrange for inspection. Do so before earliest of deadline or continuing construction of the walls.

Order issued by / Ordre donné par:

Name / Nom: RYAN CAQUETTE	BCIN / NICB: 31032
Signature / Signature: 	Telephone N° / N° du téléphone: 613-580-2424 x24136

This form is authorized by the Minister of Municipal Affairs and Housing under the Building Code (O. Reg. 332/12)
 Cette formule est autorisée par le ministre des Affaires municipales et du Logement en vertu du Code du bâtiment (Règl. de l'Ont. 332/12)
SEE BACK FOR INSTRUCTIONS / VOIR LES INSTRUCTIONS AU VERSO
 GOLD - Mail, WHITE - Records, YELLOW - Office, PINK - Contravenor / OR - Courrier, BLANC - Dossiers, JAUNE - Bureau, ROSE - Contrevenant

APPENDIX “E”

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

Interim Receiver's Forecast Cash Flow from May to September 2018

	Notes	May	June	July	August	Sept	Month Total
Receipts							
Rent roll	(1)	60,255	62,991	65,727	68,463	71,199	328,633
Affordable Housing Subsidies	(2)	5,754	6,004	6,254	6,505	6,755	31,272
Roof top rental revenue	(3)	1,500	1,500	1,500	1,500	1,500	7,500
Coin laundry revenue	(4)	1,860	1,860	1,860	1,860	1,860	9,300
Parking revenue		389	389	389	389	389	1,945
Total Receipts		69,758	72,744	75,730	78,716	81,702	378,650
Disbursements							
Monthly operating costs	(5)	28,127	18,269	18,269	18,269	18,269	101,205
Insurance	(6)	-	-	-	-	-	-
Property Management Fee		6,780	6,780	6,780	6,780	6,780	33,900
Repairs & Maintenance - suites	(7)	21,199	103,960	103,960	207,920	-	437,039
Repairs & Maintenance - lobby	(8)	35,509	-	-	-	-	35,509
Repairs & Maintenance - roof	(9)	11,017	-	-	-	-	11,017
Repairs & Maintenance - fire doors	(10)	16,517	-	-	-	-	16,517
Repairs & Maintenance - mailboxes	(11)	-	-	-	4,132	-	4,132
Dickinson Wright LLP fees	(12)	-	5,000	-	-	-	5,000
Interim Receiver Fees to April 6	(13)	72,619	-	-	-	-	72,619
Interim Receiver Fees - Estimated Month:	(14)	-	18,000	15,000	10,000	10,000	53,000
Miscellaneous/Contingency	(15)	10,000	10,000	10,000	10,000	10,000	50,000
Total Disbursements		201,768	162,009	154,009	257,101	45,049	819,938
Net Cash Flow		(132,010)	(89,266)	(78,280)	(178,385)	36,653	(441,288)
Opening Cash Balance	(16)	162,577	30,567	(58,699)	(136,979)	(315,364)	162,577
Closing Cash Balance		30,567	(58,699)	(136,979)	(315,364)	(278,711)	(278,711)

*To be read in conjunction with the attached notes.

Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc. Interim Receiver's Forecast Cash Flow from May to September 2018

Notes:

- (1) Assumes an additional net 3 further units will be rented out per month between May through September (net of departures). The assumed average rental unit for new rentals is \$912.00 per month which reflects the average market rent for vacant units as set out in the rent roll.
- (2) Based on April's BMR subsidy of \$5,754 for 23 BMR units and increased by one unit in each month of the forecast period.
- (3) Reflects rental revenue from Telus relating to cellular equipment located on the roof of the building.
- (4) Estimated monthly revenue from laundry machines.
- (5) Estimated monthly operating costs are based on the average disbursements from January through April 2018 as follows:

	January	February	March	April	Average
Electricity (non vacant units)	1,508	1,756	867		1,377
Electricity (vacant units)	890	1,128	1,350		1,123
Waste Connections of Canada Inc.	234	234	234	234	234
Thyssenkrupp Elevator (Canada) Limited	419	419	419	419	419
Douglas Fire Safety Systems Ltd.	175	175	175	224	187
Enbridge	5,550	5,188	4,057		4,932
Ottawa (Water and Sewer)	4,181	3,153	3,301		3,545
Janitorial Services	2,812	3,169	4,217	1,410	2,902
Pest control					551
General Interior Maintenance & Repairs					3,000
					<u>18,269</u>

- Disbursements for May include unpaid operating cost disbursements for April.
- (6) Insurance has been paid up until September 2018.
- (7) The disbursement for May represents unpaid invoices for work already completed. Twenty units remain to be repaired. The forecast disbursements for June through August represent the costs to repair 17 of those units, which amount is based on the first quote received of \$368,000 plus HST. The forecast timing of payment is 25% of the quoted cost in June and July and 50% in August.
- (8) Reflects the invoice price for repairs to the lobby. The work has been completed.
- (9) Reflects the cost of repairs to the roof. This work has been completed.
- (10) Reflects the quoted price to replace and paint 13 fire doors in 345 Barber.
- (11) Reflects the quoted price to replace old mailboxes, which will be moved from the sub-basement to the lobby. This work will be undertaken around the same time as the major repairs to the 20 remaining suites.
- (12) Reflects potential legal fees in connection with the Receiver's second report to the court and any court appearances, currently anticipated for late May/early June.
- (13) Amount reflects the Receiver's 3rd and 4th invoices for the four month period December 2, 2017 to April 6, 2018.
- (14) Reflects estimated future interim receiver fees.
- (15) The amount represents a contingency for unanticipated costs.
- (16) Reflects the cash position on May 1, 2018 and includes the balances in the property management account (\$15,771.06) and the Receiver's trust account (\$165,487.92).

APPENDIX “F”

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 1 of 6

Properties

<i>PIN</i>	04213 - 0303 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	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.		
<i>Address</i>	345 CLARENCE STREET OTTAWA		
<i>PIN</i>	04111 - 0214 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LT 64, PL 3459 ; S/T N327925 OTTAWA/NEPEAN		
<i>Address</i>	701 SOMERSET ST W OTTAWA		
<i>PIN</i>	04119 - 0007 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	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		
<i>Address</i>	OTTAWA		
<i>PIN</i>	04096 - 0012 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LTS 1 & 2, PL 35 , W FORWARD AV ; OTTAWA/NEPEAN		
<i>Address</i>	FORWARD AVENUE & BURNSIDE AVENUE OTTAWA		
<i>PIN</i>	04114 - 0080 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 27, PL 2996 , PART 2 , 5R9297 , S/S OF GLOUCESTER ST; T/W NS247585 ; OTTAWA/NEPEAN		
<i>Address</i>	219 KENT ST OTTAWA		
<i>PIN</i>	04650 - 0187 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	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.		
<i>Address</i>	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

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 acting for Signed 2017 09 26
Ottawa Chargor(s)
K1S 2H3

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.

APPENDIX “G”

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.

APPENDIX “H”

Eric Golden

From: Eric Golden
Sent: December 27, 2017 2:41 PM
To: 'Andrew Ferguson'
Cc: Chad Kopach
Subject: RE: First National & Golden Dragon

Hi Andrew,

Sorry for not responding sooner – just busy time of year before the holidays and there was no urgency as the motion to discharge your client's mortgage from title has not yet been brought, because it appeared from Harland Tanner's emails that the third mortgagee was likely to discharge its mortgage on its own.

I have attached the motion record returnable Dec. 20 that included the Interim Receiver's second report, which contains a section on your client's mortgage. I have also attached the Order made on Dec. 20, 2017. If your client will not be discharging its third mortgage, I expect that when the Interim Receiver is back in court on other matters sometime in late January it will also schedule for the same time the motion dealing with your client's third mortgage.

I have set out below for your ease of reference my communications with Harland Tanner. As set out in my email to him of Nov. 29, 2017, I have no idea why your client would seek to maintain the third mortgage on title, but if insists on doing so please let me know so that Interim Receiver and its independent counsel can schedule the required motion.

Eric Golden
Partner
Co-chair, Business Reorganization & Insolvency Group
egolden@blaney.com

416-593-3927 | 416-596-2049

From: Andrew Ferguson [<mailto:aferguson@mbclaw.ca>]
Sent: December 20, 2017 11:59 AM
To: Eric Golden; Chad Kopach
Subject: First National & Golden Dragon

Gentlemen:

I have just been retained by the mortgage holder, 3942783 Canada Inc. I understand you were In Court this morning to obtain a further Order.

I can also see that your client was seeking to obtain a motion date to deal with my client's mortgage. Did you obtain a date? Please let me know when that is.

Having just been retained, I have not reviewed the entire matter yet. Nor do I have all relevant information from my client. Given the time of year, I propose to discuss the matter with you in the New Year. I don't see any urgency this particular issue, unless I am missing something.

If I am mistaken, and there is some urgency to this, please let me know. Otherwise, we can discuss in a few weeks.

Regards,

Andrew D. Ferguson
MBC Law Professional Corporation
500 – 265 Carling Avenue, Ottawa, ON, K1S 2E1
tel: 613-564-3006
fax: 613-233-8868

From: Eric Golden
Sent: December 11, 2017 10:00 AM
To: 'Harland Tanner'
Cc: Chad Kopach
Subject: RE: First Nation v. Golden Dragon

Any news from your client, or should we proceed on the basis a motion is required?

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

From: Eric Golden
Sent: December 06, 2017 4:13 PM
To: 'Harland Tanner'
Cc: Chad Kopach
Subject: RE: First Nation v. Golden Dragon

Just following up as interim receiver is completing its report and he needs to know whether to include third mortgage issue in the report, plus his counsel needs to know if motion includes relief to discharge the third mortgage.

Btw motion booked from Wednesday Dec. 20.

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

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@piazzalaw.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.piazzalaw.com

CONFIDENTIALITY NOTICE: If you have received this email in error, please immediately notify the sender by email at the address shown and then delete the message. This email message may contain privileged and/or confidential information. This information is intended only for the use of the individual(s) or entity to whom it is intended even if addressed incorrectly.

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@piazalaw.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 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

www.piazzalaw.com

CONFIDENTIALITY NOTICE: If you have received this email in error, please immediately notify the sender by email at the address shown and then delete the message. This email message may contain privileged and/or confidential information. This information is intended only for the use of the individual(s) or entity to whom it is intended even if addressed incorrectly.

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

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

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

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

www.piazzalaw.com

CONFIDENTIALITY NOTICE: If you have received this email in error, please immediately notify the sender by email at the address shown and then delete the message. This email message may contain privileged and/or confidential information. This information is intended only for the use of the individual(s) or entity to whom it is intended even if addressed incorrectly.

APPENDIX “I”

**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 April 30, 2018**

	Sept 22 to Nov 30, 2017	Dec 1, 2017 to Apr 30, 2018	Cumulative to Apr 30, 2018
Receipts			
Tenant rental receipts	\$ 126,007	\$ 259,368	\$ 385,375
Provincial Affordability Payments		33,772	33,772
Telus (rooftop cellular equipment)		10,500	10,500
Coin laundry receipts		3,280	3,280
Miscellaneous receipts		2,236	2,236
Receiver's Certificate	200,000	-	200,000
Total Receipts	326,007	309,156	635,163
Disbursements			
Filing fees paid to Official Receiver	70	-	70
Receiver's fees	82,599	28,405	111,004
Legal fees	11,944	-	11,944
Consultants fees	-	2,900	2,900
GST/HST paid	18,122	24,380	42,502
PST paid	2,412	2,412	4,824
Bank charges	126	212	338
Operating expenses:			
Postage	21	-	21
Signage	95	-	95
Enterphones	205	-	205
Insurance	30,151	30,151	60,301
Property Manager fees	19,000	30,000	49,000
Repairs & maintenance	15,186	76,668	91,853
Janitorial	7,677	11,519	19,196
Prepaid deposits - utilities	-	3,645	3,645
Gas & heating	2,208	21,885	24,094
Electricity	178	10,867	11,044
Water and sewage	-	33,968	33,968
Computer	-	123	123
Equipment	-	379	379
Rental agent fees	-	2,012	2,012
General expense	288	351	639
Other	-	2,429	2,429
Total Disbursements	190,281	282,305	472,586
Excess of Receipts and Disbursements	\$ 135,726	\$ 26,851	\$ 162,577

APPENDIX “J”

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

**AFFIDAVIT OF HARTLEY M. BRICKS
(Sworn May 25, 2018)**

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

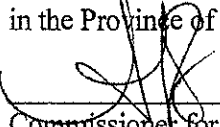
1. I am a Senior Vice-President of Deloitte Restructuring Inc., the court appointed interim receiver (the "**Receiver**") of certain real property of Golden Dragon Ho 10 Inc. municipally known as 347 Barber Street, Ottawa, Ontario (formerly known as 347 Clarence Street, Ottawa) ("**347 Barber**") and 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 December 2, 2017 to April 6, 2018 (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 \$461. 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 May 25, 2018)
)
)
Commissioner for Taking Affidavits)



Commissioner for Taking Affidavits



HARTLEY M. BRICKS

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

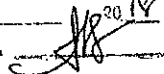
is Exhibit A^{1st}
 in the Affidavit of Hartley Bricks
 Sworn before me this 25th day of
May, 2018
 A Commissioner, etc. 

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.

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

<u>Invoice Date</u>	<u>Invoice Period</u>	<u>Fees</u>	<u>Disbursements</u>	<u>HST</u>	<u>Total</u>
08-Mar-17	02-Dec-17 to 02-Mar-18	\$ 40,102.50	\$316.66	\$5,254.49	\$ 45,673.65
18-Apr-18	03-Mar-18 to 06-Apr-18	23,845.00	-	3,099.85	26,994.85
		<u>\$ 63,947.50</u>	<u>\$316.66</u>	<u>\$8,354.34</u>	<u>\$72,668.50</u>

This is Exhibit B of the Affidavit of Hardly Birds
 Sworn before me this 25 day of May 2018
 A Commissioner, etc., [Signature]



Invoice 8000081355

Deloitte Restructuring Inc. **Anna Koronaca, a Commissioner, etc.**
 Bay Adelaide Centre **Province of Ontario**
 8 Adelaide Street West, Suite 200 **for Deloitte Restructuring Inc.**
 Toronto ON M5H 0A9 **Licensed Insolvency Trustee.**
Expires June 3, 2019.

ATTN: 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
 Canada

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

Date: April 18, 2018
 Client No.: 1148618
 WBS#: FIRC0013
 Engagement Partner: Paul Casey

HST Registration: 12289 3605

For professional services rendered

Fees
 Please refer to attached Appendix A for invoice details.

Sales Tax

HST applicable	23,845.00
HST at 13.00%	<u>3,099.85</u>
Total Amount Due (CAD)	<u>26,944.85</u>

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.



Appendix A

Invoice #4

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 March 3, 2018 to April 6, 2018.

Summary of Fees

Professional	Position	Hours	Rate		
Hartley Bricks	Senior Vice President	8.1	\$500.00	\$	4,050.00
John Saunders	Senior Vice President	37.6	\$500.00		18,800.00
Anna Koroneos	Vice President	0.5	\$450.00		225.00
Julie Haghiri	Senior	2.4	\$275.00		660.00
Rose Brown	Trust Administrator	1.1	\$100.00		110.00
Total hours and professional fees		49.7			23,845.00
			Out of pocket expenses		-
			Subtotal		23,845.00
			HST@13%		3,099.85
			Amount Payable (CAD)	\$	26,944.85

Date	Professional	Hours	Narrative
3/5/2018	Saunders, John	0.4	Review information on railings for lobby, provide instructions to CLV; email with H. Bricks re status; email from E. Golden.
3/5/2018	Brown, Rose	0.1	Trust banking administration: check online bank report to confirm incoming wire.
3/6/2018	Bricks, Hartley	1.4	Review and respond to a request from First National for an update on the status of repair and maintenance work; review of monthly report and forward rent roll to the City of Ottawa.
3/6/2018	Saunders, John	0.4	Call from CLV to discuss upcoming visit by building inspector; update from City re permit drawings.
3/6/2018	Brown, Rose	0.1	Check on line bank report for income wire.
3/7/2018	Bricks, Hartley	0.6	Discussion with E. Golden re status and timing for court hearing to seek approval of major renovations; discussion with J. Saunders re building inspector review.
3/7/2018	Saunders, John	2.0	Receive and review 13 drawings supporting 3 permits, make notes for follow up; follow up with J. Hoppin to arrange for copies; discuss Building Inspector's visit to 345 Barber with CLV; update H. Bricks; prepare follow up questions from CLV.
3/8/2018	Bricks, Hartley	0.1	Review of files and forward monthly reports to First National.
3/8/2018	Saunders, John	3.1	Approve quote to make copy of drawings, provide drawing to J. Hoppin; discuss details of drawings with CLV and confirm units gutted and those requiring less extensive work; review CLV's response to questions on proposed amenity rooms, laundry room, cost to remove walls installed without a permit, etc.; review plans and notes and prepare briefing memo on proposed unit layouts in drawings, results of City Building inspector's review, and next steps.
3/9/2018	Saunders, John	4.5	Attend tour of property with representatives of FN, CMHC, and CLV, answer questions and discuss concerns of CMHC; inspect all units that were being renovated and make notes of renovation status; discuss approach with CLV to estimating costs of complying with Building Inspector's Order for 6 units, completing renovation of units that comply with building code, and converting gutted units back to original layout or renovating them in accordance with approved drawings (for ground floor units only).
3/9/2018	Haghiri, Golnaz	0.3	Respond to inquiries regarding Telus and review emails from CLV.
3/12/2018	Bricks, Hartley	0.8	Discussion with J. Saunders re timing for renovations of major repair units and correspondence with E. Golden regarding same.
3/12/2018	Saunders, John	1.8	Prepare status schedule for units requiring extensive repairs based on notes and drawings; send copy of drawings to CMHC; follow up with CLV re timeline for obtaining new drawings and building permit for gutted units; discuss issues with H. Bricks; inquiry from 2nd mortgagee's lawyer; make arrangements to return original drawings back to City.

Date	Professional	Hours	Narrative
3/12/2018	Brown, Rose	0.3	Banking administration: deposit and send copies of deposit to property management company.
3/13/2018	Bricks, Hartley	0.5	Discussion with Y. Boswell re site visit and timing to receive the Receiver's plan moving forward; correspondence with J. Saunders re same.
3/13/2018	Saunders, John	1.9	Review emails; discussions with CLV re renovation of gutted units and requirement for a construction manager; prepare update for H. Bricks and counsel; follow up on meeting with former construction manager on site on March 15.
3/14/2018	Bricks, Hartley	0.2	Review of correspondence concerning second mortgage request to be added as loss payee on insurance, forward to Blaneys and discussion with E. Golden re same.
3/15/2018	Bricks, Hartley	0.1	Correspondence concerning insurance.
3/15/2018	Saunders, John	3.1	Attend tour of property, and specifically 20 units, with J. Napiorkowski and CLV; Discuss general work requirements for each unit, building permit issues, and next steps; request additional information from J. Napiorkowski; update status schedule for the 20 units; prepare briefing note for team; respond to inquiry from CMHC.
3/15/2018	Koroneos, Anna	0.5	With BM on insurance and additional mortgage; emails with Rhodes Williams confirming the IR's position; with H. Bricks on same.
3/16/2018	Saunders, John	0.7	Complete unit status schedule and briefing note for team.
3/19/2018	Bricks, Hartley	0.8	Review and respond to correspondence from First National; review of update from J. Saunders and respond to same.
3/19/2018	Saunders, John	3.2	Prepare for and attend call with CLV for update on outstanding issues, prepare notes; respond to inquiries from H. Bricks and E. Golden re approach to major renovations; confirm units available for rent with CLV; send drawings and status schedule for 20 units to J. Napiorkowski; review documents and notes, update and add detailed notes to schedule requested by FN.
3/20/2018	Bricks, Hartley	1.5	Respond to update requested by First National; attend conference call with City of Ottawa and MOH to provide an update on the property; discussion with N. Hemraj regarding the timing for fee quotes and scope of work; discussion with J. Saunders re building drawings.
3/20/2018	Saunders, John	2.5	Received update from CLV on fire safety deficiencies, update and forward revised schedule to H. Bricks; discuss drawings with H. Bricks; prepare for and attend monthly call with City and the Ministry; review and approve cheques from CLV for monthly utilities, repairs, and fees, follow up on missing information.

Date	Professional	Hours	Narrative
3/21/2018	Saunders, John	0.6	Review emails; review previous bills and schedules for water and sewer charges; provide summary of issue to H. Bricks; follow up with J. Haghiri for updated bills.
3/21/2018	Haghiri, Golnaz	0.9	Several phone conversation with Enbridge; review emails from J. Saunders; draft email to City to request the bills and several conversations in respect of same.
3/22/2018	Brown, Rose	0.2	Trust banking administration: print and save property management documents and input total receipts and disbursements into Ascend.
3/23/2018	Saunders, John	0.2	Emails with CLV re expired TSSA certificate for elevator.
3/25/2018	Saunders, John	0.5	Respond to inquiry from E. Golden re occupancy activity in 347 Barber, review March 1 rent roll and recent update from CLV.
3/26/2018	Bricks, Hartley	0.2	Review and respond to correspondence with E. Golden and J. Saunders re BMR tenants.
3/26/2018	Saunders, John	0.5	Follow up with CLV as to whether additional BMR tenants have been referred from City, status of elevator license, and any further changes to 347 Barber's rent roll; emails with E. Golden and H. Bricks re potential new BMR tenants.
3/26/2018	Haghiri, Golnaz	1.2	Work with Telus to resolve the rental payment matter; work on tax and water bills; review and respond to several emails from professionals in respect of same.
3/26/2018	Brown, Rose	0.3	Trust banking administration: deposit.
3/27/2018	Saunders, John	0.6	Update from J. Haghiri re water and sewer charges for 345 Baber; review past emails and bills for 86 Beausoleil Drive which appears to be 347 Barber, update team.
3/28/2018	Saunders, John	0.1	Follow up with CLV re fee quote from J. Napiorkowski and info on proposed BMR tenant suggested by City.
3/29/2018	Saunders, John	0.7	Call with CLV re status of J. Napiorkowski's quote to prepare proposal and info on BMR tenant proposed by City; update team; review 2nd quote for fire doors; emails with CLV re update call and next steps if J. Napiorkowski quote not received.
4/1/2018	Saunders, John	0.2	Email and letter from J. Napiorkowski; follow up with CLV for status of cheque to Mr. J. Napiorkowski.
4/2/2018	Saunders, John	0.4	Follow up with CLV for status of cheque due to J. Napiorkowski; review final quote for new fire doors, inquire with CLV as to why bids are so different.
4/2/2018	Brown, Rose	0.1	Trust banking administration: send March 18 online banking report to Property Management company.

Date	Professional	Hours	Narrative
4/3/2018	Bricks, Hartley	0.3	Discussion with J. Saunders re status of J. Napiorkowski quote and other matters.
4/3/2018	Saunders, John	3.0	Emails with CLV; review notes and attend update call with CLV, review status of rentals, repairs, etc.; discuss J. Napiorkowski's letter and next steps; discuss other possible construction managers or contractors that could oversee renovations; discuss quotes for fire doors and confirm winning quote; update H. Bricks on issues; draft response to J. Napiorkowski's letter, attach Court Order and copy of payment cheque; reach out to M. Ingram in Capital Projects Group for advice on possible construction managers.
4/4/2018	Bricks, Hartley	0.2	Discussion with J. Saunders re status and correspondence from realtor.
4/4/2018	Saunders, John	3.5	Work on briefing memo to update team on rental activity and status of repairs; call with J. Napiorkowski to discuss his letter and our position, and whether he was willing to prepare proposal to complete renovations; discuss property and renovation requirements with M. Ingram in Capital Projects Group, request referrals for a construction manager in Ottawa; update CLV; review email and message from M. Gauzas, a realtor with client interested in property; update H. Bricks; call with M. Gauzas and his client, provide general info on property, and forward link to Deloitte webpage; follow up with E. Golden to confirm whether detailed info can be provided to M. Gauzas.
4/5/2018	Bricks, Hartley	1.0	Correspondence concerning construction manager; prepare construction update for First National.
4/5/2018	Saunders, John	0.5	Follow up with CLV for original building drawings; email from J. Napiorkowski; respond to E. Golden's inquiries; review cheques and supporting documentation from CLV.
4/6/2018	Bricks, Hartley	0.2	Review and respond to correspondence from the City of Ottawa concerning BMR questions and April rent roll; discussion with J. Saunders re info request.
4/6/2018	Saunders, John	3.2	Follow up on Rental Agent invoice submitted by CLV, review Property Management Agreement and discuss with B. Jarrett; follow up on inquiries from City re BMR tenants and rent roll, review rent roll and notes, discuss with CLV, prepare response; update from CLV on TSSA elevator certificate; discuss M. Gauza's request for information with E. Golden and H. Bricks; pull information requested and forward to M. Gauza (realtor) with disclaimer; provide realtor with location of property inspection reports submitted with Court application; review CLV financial report as at March 31, pull out expense information for realtor; follow up with M. Ingram for recommendations of construction managers.

Deloitte.

Invoice 8000041439

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

ATTN: 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
 Canada

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

Date: March 08, 2018
 Client No.: 1148618
 WBS#: FIRC0013
 Engagement Partner: Paul Casey
 HST Registration: 12289 3605

For professional services rendered
Fees

Please refer to attached Appendix A for invoice details.

HST applicable	40,102.50
----------------	-----------

Expense

Out of pocket expenses

HST applicable	316.66
----------------	--------

Sales Tax

HST at 13.00%	<u>5,254.49</u>
---------------	-----------------

Total Amount Due (CAD)	<u>45,673.65</u>
-------------------------------	-------------------------

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.



Appendix A

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 December 2, 2017 to March 2, 2018.

Summary of Fees

Professional	Position	Hours	Rate		
Paul Casey	Senior Vice President	0.5	\$600.00	\$	300.00
Hartley Bricks	Senior Vice President	21.3	\$500.00		10,650.00
John Saunders	Senior Vice President	48.2	\$500.00		24,100.00
Catherine Hristow	Senior Vice President	0.5	\$500.00		250.00
Anna Koroneos	Vice President	0.9	\$450.00		405.00
Julie Haghiri	Senior	14.2	\$275.00		3,905.00
Anastasia Savvidis	Analyst	1.3	\$225.00		292.50
Rose Brown	Trust Administrator	2.0	\$100.00		200.00
Total hours and professional fees		88.9			40,102.50
			Out of pocket expenses		316.66
			Subtotal		40,419.16
			HST@13%		5,254.49
Amount Payable (CAD)				\$	45,673.65

Date	Professional	Hours	Narrative
12/4/2017	Saunders, John	0.4	Inquiry from CLV re ESA; Call with John Tweedie; Correspondence to ESA contractor to clarify Deloitte's role.
12/4/2017	Bricks, Hartley	2.5	Prepare report to court.
12/5/2017	Bricks, Hartley	3.4	Prepare report to court; correspondence with E. Golden re BMR units and other matters; disc. with J. Saunders re details for report
12/5/2017	Saunders, John	0.5	Discuss Court date, Receiver's report, and status of BMR units with H. Bricks; Follow up with CLV to confirm that tenant from 347 Barber, who was potentially interested in 345 Barber vacant units, was no longer interested - update H. Bricks. Set time with CLV to discuss status of repair and maintenance issues.
12/6/2017	Saunders, John	4.8	E-mails with H. Bricks re second report; Update from City on status of renovation drawings; Call with CLV to discuss status of repairs and maintenance issues for both units and common areas - prepare detailed notes and update tracking schedule; Review and work on completing draft second report - review supporting documentation and follow up with CLV to confirm specific information for report.
12/6/2017	Haghiri, Golnaz	1.5	Review and prepare R&D for court report.
12/7/2017	Bricks, Hartley	2.0	Review and revise draft report and forward to Blaney's for comments.
12/7/2017	Saunders, John	2.6	Review files and complete sections in draft second report; Updates from CLV.
12/8/2017	Bricks, Hartley	0.3	Prepare fee affidavit.
12/11/2017	Saunders, John	1.8	Review support for payments on invoices for utilities, maintenance and repairs; Follow up with CLV for missing invoices; Sign cheques and arrange for delivery to CLV; E-mails from CLV; Review proposed agreement with Colnatic - follow up with CLV for further information; Review Nov 2017 FS received from CLV.
12/11/2017	Haghiri, Golnaz	1.3	Review financials from CLV.
12/12/2017	Bricks, Hartley	1.7	Review Blaney comments on Second Report, revise report and forward to P. Casey, J. Saunders for comments and C. Hristow for QA review.
12/12/2017	Saunders, John	0.8	Follow up on time of Court hearing; Review final draft report and exhibits - provide additional comments; E-mail from CLV re additional cheque to be signed
12/13/2017	Casey, Paul	0.5	Review and comment on Court Report
12/13/2017	Bricks, Hartley	1.5	Review and finalize second report; review motion record and draft order; correspondence and discussion with First National regarding pre-receivership water bill.
12/13/2017	Hristow, Catherine	0.5	QA Second Report of the Receiver and provide comments/revisions on same.
12/13/2017	Saunders, John	0.3	Follow up on status of final changes to report re unit repair costs; Reviewed Invoices e-mailed from Chi Suites - follow up with CLV.
12/13/2017	Haghiri, Golnaz	1.4	Responded to email inquiries regarding vendors. Work on Water bills.
12/14/2017	Bricks, Hartley	0.2	Review of correspondence from Chi Van Ho regarding insurance Invoices, review of files and prepare correspondence to the broker question double invoicing
12/17/2017	Saunders, John	1.0	E-mails with CLV re proposed charges to arrangement with coinmatic; Discuss employment concerns re superintendent and possible termination; Discuss timing and wording of next letters to 347 market rent tenants offering incentives to move to 345 vacant units; Update H. Bricks; E-mail to Chi Suites re invoices received for wate removal and Rogers
12/18/2017	Bricks, Hartley	0.1	Review of correspondence from J. Saunders

Date	Professional	Hours	Narrative
12/19/2017	Saunders, John	1.4	Follow up with Jacqui to print and bind report for Court; E-mails with C Kopach re logistics for attending at Court tomorrow; Follow up with H. Bricks for missing affidavit of fees; Review report and appendices to prepare for Court hearing
12/20/2017	Saunders, John	3.3	Call with CLV to discuss status of maintenance and repair matters - update list of outstanding issues; Attend at Court hearing for 2nd report; Discuss issues with C. Kopach; Update team on Court proceedings; Instruct CLV to proceed with offering incentives to 347 Barber market rate tenants to move to 345 Barber; Review fire safety inspection reports for 345 and 347, and price quote to correct deficiencies - Instruct CLV to proceed with work; Follow up with City on status of obtaining drawings for building permits; Review Phase 1 environmental review report.
12/22/2017	Bricks, Hartley	0.2	Review and respond to correspondence from Naila of First National regarding Phase I ESA
12/22/2017	Saunders, John	0.2	Respond to inquiry from H. Bricks re ESA impact on renovations; Reach out to CLV to provide contact info over the holidays
12/27/2017	Saunders, John	0.2	Respond to inquiry from FN re status of repairs
12/27/2017	Haghiri, Golnaz	0.5	Review emails from professionals.
12/28/2017	Saunders, John	0.2	Respond to inquiry from E. Golden re status of BMR units - review notes
1/2/2018	Saunders, John	1.0	Instruct CLV to offer incentives to BMR tenants in 345 Barber to move to 347 Barber; Discuss status of Interest (to date) in 347 Barber from individuals on City registry; Follow up with City for copy of drawings supporting building permits; Forward older rent rolls to CLV; Review and approve cheques for expenses - Forward copy to J. Haghiri.
1/2/2018	Haghiri, Golnaz	0.5	Responded to inquiries regarding status of the property.
1/2/2018	Brown, Rose	0.2	Send online banking report to CLV.
1/3/2018	Saunders, John	0.7	Review inquiries re status of property listing; Locate listing on Century 21 website; Respond to agent who has potential buyer for property; Advise Pascale of Century 21 of agent's Interest; Respond to FN's inquiry; Review e-mails re overdue affordability pymts for BMR tenants.
1/4/2018	Saunders, John	0.3	Review and approve additional CLV cheques for expenses. Received update from City of drawings for building permits
1/4/2018	Haghiri, Golnaz	1.0	Review several emails in respect December financials. Review several documents in respect of same.
1/4/2018	Brown, Rose	0.3	Trust Banking Adm-check account online and confirm wire received. Input wire into GL.
1/5/2018	Haghiri, Golnaz	0.9	Further review of December financial info.
1/10/2018	Bricks, Hartley	0.4	Review of correspondence from City of Ottawa and review of records re BMR units
1/10/2018	Saunders, John	1.3	Follow up on status of BMR units with CLV; Call with CLV to discuss status of all maintenance and repair issues; Update list of outstanding issues; Discuss BMR units with H. Bricks; Review quote for mailboxes
1/11/2018	Bricks, Hartley	0.2	Conference call with MOH and City of Ottawa re affordability payments
1/11/2018	Saunders, John	0.4	Prepare for and attend call with Ministry and City
1/15/2018	Bricks, Hartley	0.2	Review of correspondence from First National re MOH contributions
1/15/2018	Saunders, John	0.4	Respond to inquiry from E. Golden re BMR units; Review and follow up on water and sewer bills forwarded by Chi Suites; E-mails with team; Respond to Chi Suites
1/16/2018	Bricks, Hartley	1.2	Review of correspondence from MOH re reporting and disc. with J. Haghiri re requirements; correspondence with E. Golden re BMR funding and units; disc. with FN re status.

Date	Professional	Hours	Narrative
1/16/2018	Saunders, John	1.1	Review e-mails re BMR tenants and affordability pymts; Provide update on rental status of BMR units; Discuss options with E. Golden; Arrange call with CLV; Follow up on drawings with City; Discuss BMR units with H. Bricks; Review and circulate recent Order.
1/16/2018	Brown, Rose	0.3	Update website page for Receiver's report and court order.
1/17/2018	Bricks, Hartley	0.3	Disc. with J. Saunders re renovations and go forward strategy; review of correspondence regarding same.
1/17/2018	Saunders, John	3.5	E-mails with H. Bricks; Call with CLV reps to discuss status of maintenance and repair matters and renting of vacant units - update detailed list of outstanding issues and next steps; Prepare status report on renovations and repairs for H. Bricks; Follow up with CLV for details of boiler repairs and costs; Review e-mails; Call with S. Martin from Desjardins to discuss units converted to student housing - update H. Bricks; Review notes and respond to Inquiry from FN re approach to student housing units.
1/17/2018	Haghiri, Golnaz	2.6	Numerous correspondence with CLV regarding R&D and update same.
1/18/2018	Bricks, Hartley	1.8	Review of monthly occupancy schedules and forward same to the City of Ottawa; attend conference call with the City and MOH to discuss the status of the affordability payments and receivership.
1/18/2018	Saunders, John	3.1	E-mail from City re permit drawings - follow up on getting copies J. Hoppin and S. Montreuil (City's lawyer); Confirm instructions to City; Attend conference call with City and MoH - Notes to file, and follow up on issues with CLV; Review and approve cheques provided by CLV; Respond to inquiry from FN re increasing incentives to move tenants from 347 to 345; E-mails with H. Bricks and FN; Update from CLV on tenants in arrears - provide info to E. Golden.
1/18/2018	Haghiri, Golnaz	1.5	Prepared R&D and responded to inquiries in respect of the properties.
1/19/2018	Bricks, Hartley	0.7	Review R&D and forward to E. Golden.
1/19/2018	Saunders, John	0.6	E-mails from E. Golden and Desjardins; Review quote to remove mold and authorize work; Follow up with CLV to confirm move out date of tenant in 347 Barber - update team
1/19/2018	Brown, Rose	0.3	Banking Administration - Disbursement cheque.
1/22/2018	Saunders, John	0.4	Follow up with Ministry and City re visit to property on Feb 1; Review Invoices forward from Chi Suites - provide response.
1/22/2018	Bricks, Hartley	0.2	Review and respond to City of Ottawa re monthly occupancy reports.
1/23/2018	Haghiri, Golnaz	0.5	Several email correspondence regarding WIP and city of Ottawa invoice.
1/24/2018	Saunders, John	0.3	E-mails with CLV; Call to D. Hayward at CLV; E-mails with City re upcoming meeting.
1/25/2018	Bricks, Hartley	0.7	Review of revised annual reporting document, sign and forward to City of Ottawa.
1/26/2018	Saunders, John	0.1	Follow up on status of quotes to finish lobby.
1/26/2018	Koroneos, Anna	0.9	Discussion with H. Bricks re insurance and R. Brown on locating final payment support; search GL and records.
1/26/2018	Brown, Rose	0.3	Review property management account re insurance payment.
1/30/2018	Bricks, Hartley	0.5	Disc. with J. Saunders re status of various issues.
1/30/2018	Saunders, John	3.8	Follow up with City for status of drawings and with CLV for status of repairs; E-mails with H. Bricks and E. Golden re upcoming meeting with City and Ministry and other matters; Review new quote for fire door repairs; Review and discuss water & sewer bill with J. Haghiri; Review property tax bill for 345 Barber; Review list of outstanding issues and recent cost quotes to prepare for call with CLV; Lengthy call with CLV to review status of all repairs for units and common areas, and efforts to rent out vacant units - provide instructions to CLV; Prepare notes to file; Discuss priority issue re water bill and other matters with H. Bricks; Request J. Haghiri to follow up on tax and water bills for 347 Barber.

Date	Professional	Hours	Narrative
1/30/2018	Haghiri, Golnaz	0.9	Working on water bills and several conversation with the City of Ottawa. Attended Follow-up Call with J. Saunders.
1/31/2018	Saunders, John	2.7	Call from realtor interested in property - refer to Century 21 agent; Reconcile revised list of units requiring repairs (by price ranges) to earlier list of estimated repair costs and follow up with CLV on changes; Prepare memo on status of repairs and vacant unit rentals for team; E-mail and call from 2nd mortgagee - coordinate tour of property for 2nd mortgagee with CLV; Review new detailed status list for 18 units that require extensive repairs - forward to team; Update outstanding issue list.
1/31/2018	Bricks, Hartley	0.1	Review of update email from J. Saunders.
2/1/2018	Saunders, John	1.4	Meeting with City and Ministry reps to inspect property and provide update on repairs and BMR units; Notes to file; Update H. Bricks and E. Golden.
2/1/2018	Bricks, Hartley	0.2	Review of correspondence from J. Saunders and E. Golden.
2/2/2018	Saunders, John	0.9	Review and follow-up on status of S.69 Order to evict for unit 516; Review new water bill forwarded by J. Haghiri; Review 3rd quote for lobby - compare to previous quotes and follow up on differences with CLV; Provide instructions to CLV to proceed with repairs to 11 units.
2/5/2018	Bricks, Hartley	0.1	Review and respond to correspondence from J. Saunders
2/5/2018	Saunders, John	0.5	Review revised quote details for lobby - discuss with CLV; Forward all quotes to H. Bricks with recommendation; Instruct CLV to proceed.
2/6/2018	Bricks, Hartley	0.7	Disc. with counsel to third mortgage re status of receivership; disc. with Y. Boswell of CMHC re update, correspondence to First National regarding same and forward update to Y. Boswell.
2/6/2018	Saunders, John	0.5	Received another Rogers notice from Chi Suites; Review previous notes and e-mails regarding this matter; Follow up with J. Haghiri; Advise J Hoppin of cheque approval process while I'm away.
2/7/2018	Saunders, John	2.4	Review notes; Follow up with CLV for update meeting; Respond to inquiry from Chi Suites; Review additional e-mail from Chi Suites re Rogers' bills; Conference call with CLV to review rental status of units, repairs to units and common areas, and potential BMR tenants; Draft update summary for team; Review e-mails from City.
2/8/2018	Saunders, John	0.6	Follow up on drawings; E-mails with City; Arrange for drawings on CD to be downloaded and copied to CLV; Provide Instructions to CLV re possible BMR tenants from Options Bytown.
2/8/2018	Savvidis, Anastasia	1.0	Copy drawings from CD (from Ottawa City) and send to J. Tweedie at CLV.
2/9/2018	Saunders, John	0.3	Review inquiries from CMHC; Provide comments.
2/12/2018	Bricks, Hartley	1.2	Prepare response to Y. Boswell; review form for affordability payments; disc. with E. Golden.
2/12/2018	Haghiri, Golnaz	1.0	Reviewing ministry form and CLV Financial Statements.
2/12/2018	Brown, Rose	0.2	Trust Banking Admin. - Print and Input receipts and disbursement into Ascend for Property Management Account.
2/13/2018	Haghiri, Golnaz	0.6	Correspondence with City Ottawa regarding Invoices for 347 Barber.
2/14/2018	Bricks, Hartley	0.1	Sign and forward Funds Transfer Form to Ministry of Housing
2/15/2018	Savvidis, Anastasia	0.3	Respond to J. Tweedie's email and request 2017 permits from the S. Montreuil.
2/15/2018	Brown, Rose	0.2	Update EFT form and prepare void cheque.
2/20/2018	Bricks, Hartley	0.2	Review and respond to correspondence from City of Ottawa re February rent roll
2/22/2018	Bricks, Hartley	0.3	Disc. with N. Hemraj and N. Hume re status of repairs and other matters.
2/27/2018	Brown, Rose	0.1	Review account online and confirm no wire received.
2/28/2018	Bricks, Hartley	0.2	Review and respond to correspondence from E. Golden and First National.

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

Date	Professional	Hours	Narrative
2/28/2018	Saunders, John	2.0	Review e-mails from past 2 weeks; Provide info on JPL's quote for lobby work to H. Bricks; Review and forward letter from Liohana's lawyer to E. Golden; Review previous notes and attend call with CLV to get update on status of unit rentals and repairs and maintenance.
2/28/2018	Brown, Rose	0.1	Review account online and confirm no wire received.
3/1/2018	Bricks, Hartley	0.1	Review correspondence from Ministry of Housing concerning affordability payments.

APPENDIX “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

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**"), and for Deloitte Restructuring Inc. ("**Deloitte**"). 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 was appointed as Interim Receiver of certain real property of Golden Dragon Ho 10 Inc. ("**GDH 10**") municipally known as 347

- 2 -

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 December 5, 2017, to and including April 30, 2018, as described in Legal Costs Summary attached hereto and marked as **Exhibit “A”**, and the detailed accounts rendered by Blaneys dated December 31, 2017, January 31, 2018, February 28, 2018, March 31, 2018, and April 30, 2018 (redacted to remove certain privileged communication), 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.

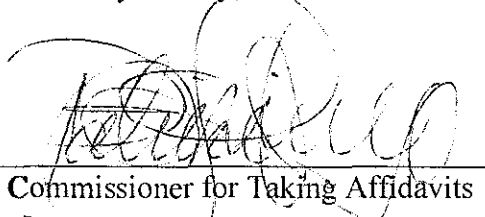
5. Based on my review of the Blaneys Accounts and my personal knowledge of this matter, the Blaneys Accounts represent a fair and accurate description of the services provided and the amounts charged by Blaneys.

6. A total of approximately 81.5 hours were expended by Eric Golden, Chad Kopach, Megan Hodges and Blaneys’ law clerks during the period noted above in performing legal services relating to the Interim Receivership.

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.

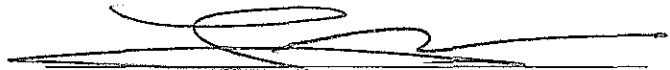
8. I swear this Affidavit in support of a motion for, among other things, approval of Blaneys' fees and disbursements, and for no improper purpose.

SWORN BEFORE ME at)
the City of Toronto,)
in the Province of Ontario,)
this 29th day of May, 2018)



A Commissioner for Taking Affidavits

Patricia Louralea Keane, a Commissioner, etc.,
Province of Ontario, for Blaney McMurtry LLP,
Barristers and Solicitors,
Expires August 26, 2020.



ERIC GOLDEN

LEGAL COSTS SUMMARY

LAWYER	YEAR OF CALL	HOURLY RATE
Eric Golden	1996	\$450.00 (up to Jan. 31, 2018) \$475.00 (after Jan. 31, 2018)
Chad Kopach	2003	\$395.00
Megan Hodges	2017	\$225.00

SUMMARY OF ACCOUNTS

No.	Date of Account	Fees	Disbursements	H.S.T.	Total
1.	December 31, 2017	\$14,722.50	\$1,178.55	\$2,037.54	\$17,938.59
2.	January 31, 2018	\$9,754.00	\$129.36	\$1,282.15	\$11,165.51
3.	February 28, 2018	\$3,432.50	\$ nil	\$446.23	\$3,878.73
4.	March 31, 2018	\$5,177.50	\$ nil	\$673.08	\$5,850.58
5.	April 30, 2018	\$1,615.00	\$ nil	\$209.95	\$1,824.95
TOTAL		\$40,658.36			
Average Hourly Rate - (before H.S.T.)		Total fees (before H.S.T.): \$34,701.50 ÷ Total hours: 81.5 = \$425.79			

THIS IS EXHIBIT " A " TO THE AFFIDAVIT
OF ERIC GOLDEN SWORN
BEFORE ME THIS _____ DAY OF

May, 2018
[Signature]
Commissioner, etc.

Patricia Louralea Keane, a Commissioner, etc.,
Province of Ontario, for Blaney McMurtry LLP,
Barristers and Solicitors.
Expires August 26, 2020.

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL
First National Financial LP
North Tower
100 University Avenue, Suite 700
Toronto, ON M5J 1V6Date
December 31, 2017Invoice No.
624687File No.
075754-0767Attention: Chris Sebben
Manager, Commercial Default ManagementTHIS IS EXHIBIT "B" TO THE AFFIDAVIT
OF ERIC GOLDEN SWORN
BEFORE ME THIS _____ DAY OF
May, 2018RE: Golden Dragon Ho 10 Inc. - 347 Clarence
Street, Ottawa, ON and Golden Dragon 11
Inc. - 345 Clarence Street, Ottawa, ONCommissioner, etc.
Patricia Lourdes Keane, a Commissioner, etc.,
Province of Ontario, for Blaney McMurtry LLP,
Barristers and Solicitors.
Expires August 26, 2020.TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the
above noted matter for the period ended December 31, 2017 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
December 5, 2017	EG	1.30	Email from and to FN regarding decline of Syed assumption; email to same concerning same and email to same regarding all of Syed correspondence to date on issue; emails from and to counsel for third mortgagee regarding his client's position and potential sale of property; emails to and from Bricks regarding motion for approvals and third mortgagee issue; emails to Ottawa trial coordinator regarding same; letter from counsel for Syed regarding his purchase of 347 Clarence and vm from Syed regarding same;
December 6, 2017	EG	0.60	Email from FN regarding Syed response to FN assumption decision; email to court scheduling approvals motion; email to and from Preger regarding same; email from Bricks regarding City intention to pull Chi Ho building renovation plans from building code department; email from Ministry regarding Syed proposed purchase; follow-up to counsel to 3rd mortgagee;
December 7, 2017	EG	0.70	Telephone call with counsel for third mortgagee regarding his client's position; email

Terms: Payment upon receipt. Interest as allowed in the Solicitors Act at a rate of 0.8% per annum, calculated monthly will be added to all amounts overdue 30 days or more.

Date
December 31, 2017

Invoice No.
624687

File No.
075754-0767

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			from Bricks enclosing draft second report and briefly review same;
December 11, 2017	EG	2.20	Review and revise second report; further follow-up email to counsel for third mtgee;
December 12, 2017	EG	1.20	Complete second report; email to Bricks regarding same; email to Preger regarding status of Receiver's motion and motion against 3rd mortgagee; review parcel pages against which 3rd mortgage is registered against over other GDH properties;
December 12, 2017	CK	3.10	Draft of notice of motion for upcoming approvals motion; review draft report from IR; review accounts for preparation of fee affidavit;
December 12, 2017	DK	0.40	Obtain property parcel registers encumbered by Charge OC1933770 in favour of 3942783 Canada inc.;
December 13, 2017	EG	3.30	Review receiver and independent counsel fee affidavits; final revisions to second report and add required exhibits to second report; telephone calls with Bricks regarding same; instructions to Kopach regarding fee affidavit; review, revise and swear fee affidavit; review and revise Notice of Motion and draft Order and instructions to Kopach regarding same;
December 13, 2017	CK	5.40	Draft fee affidavit for Blaney fees up to November 30; review and revise draft report; draft and revise notice of motion; prepare order for December 20 motion;
December 14, 2017	CK	1.40	Finalize material for service on service list; correspondence with interim Receiver (JS) regarding attendance at court on December 20;
December 18, 2017	EG	0.30	Emails to and from trial co-ordinator and Kopach concerning Justice Hackland request to move motion hearing time from 2pm to 10 am; instructions to Kopach regarding amending notice of motion and service of same;
December 18, 2017	CK	0.20	Attend to revision of material regarding new

Date
December 31, 2017

Invoice No.
624687

File No.
075754-0767

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			return time;
December 19, 2017	EG	1.10	Instructions to Kopach regarding motion for approvals; letter form counsel for Syed regarding requisitions for APS for 347 Clarence; telephone call with same and email to same regarding same; status update to FN regarding motion for approvals;
December 20, 2017	EG	1.20	Vm and email from Ahmed Syed; email to same regarding his application for assumption and his purported APS for 347 Clarence; email from and to FN regarding claim on arrears v. Sterns; email to Ministry and City regarding Syed proposed purchase; email to Bricks regarding status of City providing Syed building plans; communications with Kopach regarding outcome of motion;
December 20, 2017	CK	7.20	Prepare for motion; attend at Ottawa court regarding motion to approve second report, R&D and professional fees;
December 21, 2017	EG	0.20	Email from IR enclosing Phase 1 ESA; briefly review same;
December 27, 2017	EG	2.40	Email from Naila regarding affordability payments; review relevant agreements and correspondence with City/Ministry regarding same; email to Naila regarding same; email from and to new counsel for third mortgagee regarding motion to discharge third mortgage; email to FN enclosing entered Hackland Order; emails from and to FN and from S. Martin regarding Stern issue; reporting email to FN regarding approvals motion;
December 28, 2017	EG	2.20	Review file regarding outstanding issues and to-do list going forward; review financials to date regarding cash flow of properties historically, currently and going forward to determine next steps; status email to IR regarding status of moves between 345 and 347 Clarence and next steps;
December 29, 2017	EG	0.60	Emails from and to IR regarding occupancy of 345 and 347 Clarence and moving tenants between buildings; email from Chi Ho

Date
December 31, 2017

Invoice No.
624687

File No.
076754-0767

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>		
			regarding demands for payment from insurer and review insurance invoices provided; email from and to IR regarding same; email to Ho regarding same;		
	OUR FEE HEREIN:			\$14,722.50	
	FEE HST:			\$1,913.93	
	<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
	Eric Golden	Partner	17.30	\$450.00	\$7,785.00
	Chad Kopach	Partner	17.30	\$395.00	\$6,833.50
	Dawn Kearns	Clerk	0.40	\$260.00	\$104.00
	<u>Disbursements</u>		<u>Amount</u>		
	Filing Fees* - Non-Taxable		\$160.00		
	Computer Searches - R.E. (Teraview) * -		\$67.70		
	Agent's Fees & Disbursements		\$17.50		
	Travel & Transportation		\$666.25		
	Photocopying		\$135.90		
	Computer Searches - R.E. (Teraview)		\$131.20		
	TOTAL DISBURSEMENTS:				\$1,178.55
	*HST is not charged				
	DISBURSEMENT HST:				\$123.61
	TOTAL FEES AND DISBURSEMENTS:				\$15,901.05
	TOTAL HST:				\$2,037.54
	TOTAL AMOUNT DUE:				\$17,938.59

BLANEY McMURTRY LLP


Eric Golden
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

Date
December 31, 2017

Invoice No.
624687

File No.
075754-0767

-5-

Make payment(s) payable to Blaney McMurtry LLP.

We accept Visa, Mastercard and AMEX.

For Wire Transfers: TD Canada Trust, Bank No. 004, Transit No. 10252,
General Account No. 0680-5215022 Swift Code: TDOMCATTOR

**Please ensure our account number and/or file number is quoted on
the wire transfer.**

HST REGISTRATION # R119444149

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

Date
January 31, 2018

Invoice No.
627510

File No.
075754-0767

Attention: Chris Sebben
Manager, Commercial Default Management

THIS IS EXHIBIT "C" TO THE AFFIDAVIT
OF ERIC GOLDEN SWORN
BEFORE ME THIS March 2018 DAY OF

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

Patricia Louralea Keane
Commissioner, etc.
Province of Ontario, for Blaney McMurtry LLP,
Barristers and Solicitors.
Expires August 28, 2020.

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the
above noted matter for the period ended January 31, 2018 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
December 20, 2017	BC	0.30	Receive instructions ; subsearch of title (teraview) ; report ;
January 3, 2018	EG	1.20	Emails from to FN regarding affordability payments; email to Ministry regarding same;
January 5, 2018	EG	0.30	Emails from and to FN [REDACTED]
January 10, 2018	EG	0.20	Letter from Ministry regarding affordability payments; review email to same concerning same;
January 11, 2018	EG	0.50	Email to Ministry regarding conference call; prepare for and conference call with Ministry and City; email to IR regarding Ministry request for lease info/docs;
January 15, 2018	EG	3.20	Review documents to determine if any basis for Ministry position on affordability payments; emails to and from Deloitte regarding same; emails to and from FN and Steve Martin regarding same and recommendation, as well as summary from call with City/Ministry last week; email to and from City regarding same;

Terms: Payment upon receipt. Interest as allowed in the Solicitors Act at a rate of 1.5% per annum, calculated monthly will be added to all amounts overdue 30 days or more.

Date
January 31, 2018

Invoice No.
627510

File No.
075754-0767

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			letter from same and response to same regarding same; emails from and to City regarding same; emails from and to FN and Desjardins regarding missing schedules in PCA;
January 15, 2018	CK	0.80	Review agreement between Quex and Ministry regarding missing schedules; review documents received from client regarding same;
January 16, 2018	EG	0.70	Email to FN regarding City/Ministry position on affordability payments; emails to and from Deloitte regarding status of tenant moves in 345 and 347 Clarence; telephone call with Saunders regarding same;
January 17, 2018	EG	1.50	Email from FN attaching arrears statements for three mortgages and review same compared to previous demands on guarantors and costs set out in last motion record; prepare draft outline for new demands; instructions to clerk regarding demands for payments on guarantors;
January 17, 2018	EG	0.50	Email from city confirming affordability payment documents to be produced; detailed email from Deloitte regarding repairs required to various units and other part of mortgaged property; emails from FN and Desjardins regarding same, and to Deloitte regarding same; email from FN regarding response from Brian Karam to missing schedules to PCA;
January 17, 2018	PK	1.60	Drafting and preparation of demand letters to guarantors and all matters incidental thereto;
January 18, 2018	EG	1.50	Emails between City and Saunders regarding building permit drawings; conference call with City, Ministry, Deloitte and FN regarding status and next steps; email from and to FN regarding amount of monthly affordability payments and amount of same; emails between Deloitte and City regarding monthly occupancy reports; emails between and to and from Deloitte;

Date
January 31, 2018

Invoice No.
627510

File No.
075754-0767

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
January 18, 2018	PK	1.60	Further drafting and preparation of demand letters to guarantors and all matters incidental thereto;
January 19, 2018	EG	0.50	Telephone calls with HB regarding Interim R & D, WiP and CLV costs/rents; Emails from and to Saunders regarding BMR units; email from Desjardins regarding same; review Interim R & D;
January 19, 2018	EG	2.20	Review and revise first drafts of guarantor demand letters;
January 22, 2018	EG	1.30	Complete demands;
January 23, 2018	EG	1.20	Email to counsel for Quex/Sterns regarding demands and breakdown of arrears; email to Chi Ho enclosing demand; status email to FN and setting out likely response to demands; telephone call from Quex/Stern lawyer regarding demand;
January 25, 2018	EG	0.10	Emails between Ministry and potential purchaser regarding interest in the properties;
January 26, 2018	EG	0.40	Email from and to Chi Ho regarding payments of arrears and outstanding issues;
January 29, 2018	EG	0.10	Status email to FN regarding Chi Ho;
January 30, 2018	EG	1.60	Email from IR regarding status of drawings being pulled by City regarding Chi Ho renovations; email to same regarding status of quotes being obtained by CLV for larger renos and status of tenants being moved in, out or between buildings; email from Ministry regarding affordability payments being made; calculate amount owing and email to FN regarding same; vm from Liahona lawyer; email to same and instructions to Deloitte; email from and to City regarding its attendance at mortgaged properties on Feb 1 and potential conference call later that day; emails to and from Deloitte regarding same;
January 31, 2018	EG	2.20	Email from FN regarding recommendation of affordability payments; review IR email on

Date
January 31, 2018

Invoice No.
627510

File No.
075754-0767

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			status of units; calculate spend required and begin report to FN regarding same and next steps; email to trial coordinator regarding next motion date;

OUR FEE HEREIN:	\$9,754.00
FEE HST:	\$1,268.02

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	19.20	\$450.00	\$8,640.00
Chad Kopach	Partner	0.80	\$395.00	\$316.00
Bill Campbell	Clerk	0.30	\$260.00	\$76.00
Patricia Keane	Clerk	3.20	\$225.00	\$720.00

Disbursements

	<u>Amount</u>
Profile Report/Point in Time Report* - N	\$8.00
Computer Searches - R.E. (Teraview) *-	\$12.70
Cyberbahn Agent Service Fee	\$11.00
Courier	\$32.90
Postage	\$39.36
Computer Searches - R.E. (Teraview)	\$25.40

TOTAL DISBURSEMENTS:	\$129.36
*HST is not charged	
DISBURSEMENT HST:	<u>\$14.13</u>

TOTAL FEES AND DISBURSEMENTS:	\$9,883.36
TOTAL HST:	<u>\$1,282.15</u>

TOTAL AMOUNT DUE:	<u>\$11,165.51</u>
-------------------	--------------------

BLANEY McMURTRY LLP


Eric Golden
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

Date
January 31, 2018

Invoice No.
627510

File No.
075754-0767

-5-

Make payment(s) payable to Blaney McMurtry LLP.

We accept Visa, Mastercard and AMEX.

For Wire Transfers: TD Canada Trust, Bank No. 004, Transit No. 10252,
General Account No. 0680-5215022 Swift Code: TDOMCATTOR

**Please ensure our account number and/or file number is quoted on
the wire transfer.**



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
 February 28, 2018

Invoice No.
 630189

File No.
 075754-0767

Attention: Chris Sebben
 Manager, Commercial Default Management

THIS IS EXHIBIT "D" TO THE AFFIDAVIT
 OF ERIC GOLDEN SWORN
 BEFORE ME THIS May 2018 DAY OF
June
 Commissioner, etc.
 Patricia Louralea Keane, a Commissioner, etc.,
 Province of Ontario, for Blaney McMurtry LLP,
 Barristers and Solicitors.
 Expires August 28, 2020.

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 February 28, 2018 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 1, 2018	EG	0.10	Email from IR regarding scheduling Liahona tour of mortgaged property; email from IR regarding ministry/city inspection of mortgaged property;
February 2, 2018	EG	0.20	Email from Ministry regarding payment of affordability payments; email to IR regarding meeting with Liahona;
February 6, 2018	EG	0.60	Vm and telephone call with H. Bricks regarding H. Tanner and his inquiries regarding offer for mortgaged property by 3rd mtgee; email to Bricks enclosing emails to and from Tanner and subsequent counsel regarding prior positions taken by 3rd mtgee; detailed email from Bricks to FN setting out reno status and emails between same regarding same;
February 6, 2018	EG	0.20	Email from and to FN regarding Stern arrears claim;
February 8, 2018	EG	0.50	Detailed email from City to Ministry regarding its position on BMR units; briefly review relevant agreements regarding City position to include BMR units at 345;

Terms: Payment upon receipt. Interest as allowed in the Solicitors Act at a rate of 0.8% per annum, calculated monthly will be added to all amounts overdue 30 days or more.

Date
February 28, 2018

Invoice No.
630189

File No.
075754-0767

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 9, 2018	EG	1.40	Various emails between City and Interim Receiver regarding building drawings for renos; additional emails from and to IR regarding status of units; status emails to FN; emails between IR and CMHC regarding Reno status and costs; emails from and to IR regarding same; email to and from IR regarding affordability payments and steps required by IR to have Ministry make them directly to IR;
February 12, 2018	EG	0.30	Further email to Deloitte regarding questions from and responses to CMHC; email to and from Deloitte regarding CMHC inquiry about affordability payments;
February 13, 2018	EG	0.50	Email from Ministry regarding its preference to have 347 Clarence tenanted with BMR instead of BMR tenants in 345; review prior emails from Ministry/City regarding same; email from Bricks to Ministry regarding affordability payments to be made to IR;
February 14, 2018	EG	0.10	Email from Deloitte to Ministry regarding form for affordability payments;
February 15, 2018	EG	0.30	Email from and telephone call from counsel for 3rd mtg over 345 regarding potential offer;
February 19, 2018	MH	2.80	Review of materials from E. Golden, specifically Motion Record returnable December 20, 2017, Application Records volumes I-III;
February 26, 2018	EG	1.00	Email to and Court regarding scheduling of next motion; draft outline of notice of motion;
February 27, 2018	EG	0.70	Email from FN to Desjardins regarding status of rental units; Telephone call with FN regarding renos and next steps; email to IR regarding lobby renos; email from FN regarding City wish to have BMR units in 345 Clarence; email to FN regarding same; emails between FN and Deloitte regarding affordability payments;

OUR FEE HEREIN:

\$3,432.50

Date
February 28, 2018

Invoice No.
630189

File No.
075754-0767

-3-

FEE HST: \$446.23

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	5.90	\$475.00	\$2,802.50
Megan Hodges	Associate	2.80	\$225.00	\$630.00

TOTAL FEES AND DISBURSEMENTS: \$3,432.50

TOTAL HST: \$446.23

TOTAL AMOUNT DUE: \$3,878.73

BLANEY McMURTRY LLP


Eric Golden
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

Make payment(s) payable to Blaney McMurtry LLP.
We accept Visa, Mastercard and AMEX.
For Wire Transfers: TD Canada Trust, Bank No. 004, Transit No. 10252,
General Account No. 0680-5215022 Swift Code: TDOMCATTOR
**Please ensure our account number and/or file number is quoted on
the wire transfer.**

HST REGISTRATION # R119444149

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

 Date
 March 31, 2018

 Invoice No.
 632201

 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" TO THE AFFIDAVIT
 OF ERIC GOLDEN SWORN
 BEFORE ME THIS _____ DAY OF
 May 2018
 Patricia Lourdes Keane, a Commissioner, etc.,
 Province of Ontario, for Blaney McMurtry LLP,
 Barristers and Solicitors.
 Expires August 26, 2020.

 TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the
 above noted matter for the period ended March 31, 2018 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 1, 2018	EG	0.80	Email and letter from Ministry regarding affordability payments made from Sep to Feb; review related lease tenancy schedule; email from court regarding scheduling; email from IR regarding status of issues for mortgaged property and fire services inspection order; emails between IR and City regarding building plan drawings for gutted units;
March 2, 2018	EG	0.30	Email from and to FN regarding BMR tenants in 347 and 345 and City/Ministry positions;
March 2, 2018	EG	0.30	Emails between [REDACTED]
March 5, 2018	EG	0.30	Email from and to FN regarding affordability payments to be made by Ministry; email from and to Saunders regarding status of 347 vacancies;
March 6, 2018	EG	0.20	Email from Bricks confirming affordability payments made; emails from and to City of Ottawa regarding next conference call update

Date
March 31, 2018

Invoice No.
632201

File No.
075754-0767

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			between stakeholders;
March 7, 2018	EG	0.30	Telephone call with Bricks regarding status of repairs; emails from and to IR regarding status of drawings;
March 8, 2018	EG	1.00	Detailed email from Saunders regarding drawings, city inspector inspection, city orders and next steps; email to and from Court regarding next motion date;
March 9, 2018	EG	1.20	Email from Saunders enclosing drawings for 345 Clarence renos and review same; emails to and from same regarding motion date and CLV quotes for repairs and actual repair timeline; emails to and from same regarding CMHC request for drawings;
March 12, 2018	EG	0.30	Email from Saunders enclosing letter from Liahona counsel with questions regarding 345 CLarence status; email from Bricks regarding CLV and project manager for remaining repairs;
March 13, 2018	EG	0.30	Detailed email from Saunders regarding CLV position on managing renos to 345 Clarence units and retaining another project manager instead; email from Bricks regarding CMHC position and alternate project manager;
March 14, 2018	EG	0.30	Communications from Kopach and IR regarding Liahona request to be added as additional insured on Receiver's insurance policy; review policy;
March 15, 2018	EG	1.10	Email from IR regarding Liahona request to be added as named insured; emails with IR regarding same; email to Liahona regarding same;
March 19, 2018	EG	1.20	Email from John Saunders regarding meeting with John Napiorkowski (potential project manager for renos to 345 Clarence) and summary of work required to various units; emails from and to same and Bricks regarding same;
March 20, 2018	EG	1.30	Prepare for and conference call with Receiver, Ministry and City regarding status; detailed

Date
March 31, 2018

Invoice No.
632201

File No.
075754-0767

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 23, 2018	EG	1.20	email from IR to FN regarding status of units, and schedule relating to each for repairs, cost and completion date; Email from IR regarding status of quote from proposed project manager; emails from and to Naila regarding City/Ministry position on BMR units; review emails from City/Ministry on issue and email to Naila regarding same;
March 26, 2018	EG	0.80	Emails from Saunders regarding status of 347 Clarence, and regarding emails from City regarding its intentions to go beyond traditional BMR list to fill that building; emails to and from same and Bricks regarding same; email to FN regarding same;

OUR FEE HEREIN: \$5,177.50
FEE HST: \$673.08

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Eric Golden	Partner	10.90	\$475.00	\$5,177.50

TOTAL FEES AND DISBURSEMENTS: \$5,177.50
TOTAL HST: \$673.08

TOTAL AMOUNT DUE: \$5,850.58

BLANEY McMURTRY LLP



Eric Golden
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

Date
March 31, 2018

Invoice No.
632201

File No.
075754-0767

-4-

Make payment(s) payable to Blaney McMurtry LLP.

We accept Visa, Mastercard and AMEX.

For Wire Transfers: TD Canada Trust, Bank No. 004, Transit No. 10252,
General Account No. 0680-5215022 Swift Code: TDOMCATTOR

**Please ensure our account number and/or file number is quoted on
the wire transfer.**

HST REGISTRATION # R119444149

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

Date
April 30, 2018

Invoice No.
634361

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 " F " TO THE AFFIDAVIT
OF ERIC GOLDEN SWORN
BEFORE ME THIS May 1 2018 DAY OF
Patricia Keane
Commissioner, etc.
Patricia Louralea Keane, a Commissioner, etc.
Province of Ontario, for Blaney McMurtry LLP,
Barristers and Solicitors.
August 28, 2020.

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the
above noted matter for the period ended April 30, 2018 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
April 2, 2018	EG	0.10	Status email from and to C. Sebben regarding next motion date;
April 4, 2018	EG	0.50	Email from Saunders regarding update on repairs; email from same regarding realtor (Mitch Gauzas) who wants to see property;
April 5, 2018	EG	1.20	Emails from and to Saunders regarding potential new project manager and his refusal to take on retainer; review last update regarding repairs to units; email to and from IR regarding status of repairs of units/vacancy and strategy regarding same;
April 9, 2018	EG	0.30	Email from and to Saunders regarding production of documents to interested broker; email from and to Saunders with final response from proposed project manager;
April 23, 2018	EG	0.30	Review updated repairs/status of units prepared by Deloitte;
April 24, 2018	EG	1.00	Prepare for and conference call with Ministry/City and Deloitte; telephone call with Bricks regarding same; letter from and email to new counsel for debtors regarding proposed

Date
April 30, 2018

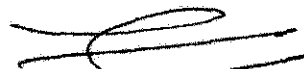
Invoice No.
634361

File No.
075754-0767

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>		
			purchase;		
	OUR FEE HEREIN:			\$1,615.00	
	FEE HST:			\$209.95	
	<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
	Eric Golden	Partner	3.40	\$475.00	\$1,615.00
	TOTAL FEES AND DISBURSEMENTS:			\$1,615.00	
	TOTAL HST:			\$209.95	
	TOTAL AMOUNT DUE:			<u>\$1,824.95</u>	

BLANEY McMURTRY LLP



Eric Golden
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

Make payment(s) payable to Blaney McMurtry LLP.
We accept Visa, Mastercard and AMEX.
For Wire Transfers: TD Canada Trust, Bank No. 004, Transit No. 10252,
General Account No. 0680-5215022 Swift Code: TDOMCATTOR
Please ensure our account number and/or file number is quoted on
the wire transfer.