

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

FOURTH REPORT OF THE INTERIM RECEIVER

DATED OCTOBER 16, 2018

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- H Interim Statement of Receipts and Disbursements for the Interim Receivership for the period from September 22, 2017 to September 30, 2018
- I Affidavit of Hartley Bricks of Deloitte Restructuring Inc. sworn October 11, 2018
- J Affidavit of Eric Golden of Blaney McMurtry LLP sworn October 15, 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**”).
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, 2017, 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 Blaney McMurtry LLP ("**Blaneys**") from July 4, 2017 to November 30, 2017 and Dickinson Wright LLP ("**DW**") from September 20, 2017 to October 17, 2017. 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.
5. On June 11, 2018, FN and the Receiver brought a motion to, among other things, approve the Receiver's recent activities, authorize the Receiver to retain a contractor to undertake repairs on 17 currently un-rentable units (the "**17 Unit Repairs**"), seek an order discharging and deleting from title to 345 Barber a third mortgage registered as Instrument Number OC1933770 (the "**Third Mortgage**"), approve the Receiver's Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to April 30, 2018 and to approve the fees and disbursements of the Receiver and its legal counsel Blaneys from December 2, 2017 to April 6, 2018, and December 1, 2017 to April 30, 2018, respectively. In support of that motion, the Receiver filed with the Court its Third Report of the Interim Receiver dated May 29, 2018 (the "**Third Report**"). Based on the Third Report and submissions made to the Court by counsel for FN and the Receiver on June 11, 2018, the Court granted an order (the "**June 11 Order**") approving the relief sought, except for the approval to engage the contractor to carry out the 17 Unit Repairs, which approval was granted but the implementation of which was not to occur until June 30, 2018 to permit the principal of the Respondents to file before that date a notice of motion providing an alternative proposal for the remediation work. Copies of the Third Report and June 11 Order are attached hereto as **Appendices "A"** and **"B"**, respectively.
6. On June 29, 2018, the Respondents filed a Notice of Motion seeking, among other things, an Order allowing them to carry out the 17 Unit Repairs instead of the Receiver and pay the

- appears under the FN Mortgage over 345 Barber by September 1, 2018 (the “**Respondents’ Motion**”).
7. In support of the Respondents’ Motion, Chi Van Ho swore an Affidavit dated June 29, 2018 (the “**Chi Van Ho Affidavit**”) wherein he swore that evidence of ability to fund would be provided in a further affidavit. Copies of the Respondents’ Motion and the Chi Van Ho Affidavit are attached hereto as **Appendices “C”** and “**D**”, respectively. However, no additional affidavit providing evidence of funding was subsequently delivered.
 8. On July 9, 2018, the Receiver brought a motion for, among other things, advice and directions regarding the Respondents’ Motion and an order declaring that the Receiver can retain the contractor recommended in its Third Report to undertake the repairs to the 17 Unit Repairs (the “**July 9 Motion**”). In support of the July 9 Motion, the Receiver filed with the Court its Supplemental Report to the Third Report dated July 3, 2018 (the “**Supplemental Third Report**”). A copy of the Supplemental Third Report (without appendices) is attached hereto as **Appendix “E”**.
 9. Based on the Third Report and the Supplemental Third Report and submissions made to the Court by counsel for the Receiver on July 9, 2018, the Court made an Endorsement (the “**July 9 Endorsement**”) authorizing the Receiver to proceed under paragraph 3 of the June 11 Order, that being retaining the contractor recommended in the Third Report. A copy of July 9 Endorsement is attached hereto as **Appendix “F”**.
 10. The above noted Court Orders and Receiver Reports, and this, the Interim Receiver’s Fourth Report to the Court (the “**Fourth 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

11. The purpose of the Fourth 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 the Third Supplemental Report and this Fourth Report;
 - (ii) approving the Receiver's Interim Statement of Receipts and Disbursements for the period from September 22, 2017 to September 30, 2018; and
 - (iii) approving the fees and disbursements of the Receiver from April 7, 2018 to September 30, 2018, and Blaneys from May 1, 2018 to September 27, 2018.

TERMS OF REFERENCE

12. In preparing this Fourth 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, 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 Fourth 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.
13. Unless otherwise stated, all dollar amounts contained in this Fourth Report are expressed in Canadian dollars.
14. Unless otherwise provided, all other capitalized terms not otherwise defined in this Fourth Report are as defined in the Appointment Order.
15. 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 DW.

BACKGROUND

16. As noted in the First through Third Reports and the Third Supplemental Report, the Property is comprised of two adjoining six-story multi-unit apartment buildings that consist of 110 units in total. Eighty 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.
17. Upon the appointment of the Receiver, the Property was approximately 60% occupied. The low occupancy was primarily the result of the Respondents' plan (without FN's knowledge or consent) 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, alternations 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.

18. The Second and Third Reports detailed, among other things, repair work the Interim Receiver had undertaken at the Property (including repairs to the roof, fire doors, the elevator, the boiler, etc.), 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. The Third Report set out the proposals received from contractors to repair those 17 units needing significant repairs, and the Receiver's recommendation to proceed with Proposal #1 submitted by a local contractor (the "**Contractor**").

RECEIVER'S ACTIVITIES SINCE ITS SUPPLEMENTAL THIRD REPORT

19. Since the date of the Supplemental Third 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) Negotiated and entered into a CCDC 2 Stipulated Price Contract with the Contractor for the renovations of 17 units in 345 Barber at contract price of \$369,594.41 before HST (the "**Construction Contract**");
 - (c) Engaged Deloitte LLP's Capital Projects Group to act as Consultant under the Construction Contract, whose role is to provide administration of the Construction Contract. This involves, among other things, the review and authorization of progress bills for payment, and determination of the date of substantial performance of the work;
 - (d) Worked with CLV to deal with serious problems that arose at the Property (such as elevator repairs, a sewer back-up in the sub-basement mail room and flooding in the boiler room necessitating boiler repairs);

- (e) Arranged, through CLV, for the City Building Inspector to inspect the work of the Contractor to remedy the building code violations noted in the Third Report. The Building Inspector was satisfied with the work and withdrew the previously issued Order to Comply (to remove walls installed by the Respondents in several units to create second bedrooms);
- (f) Approved the purchase of 17 refrigerators and 16 stoves (through competitive quotes) for the 17 units being repaired. The original appliances either did not work, or were moldy due to improper storage by the Respondents;
- (g) Solicited and approved a quote from the Contractor to remove the existing mailboxes from the sub-basement (most of which are old and worn out) and to install new mailboxes in the lobby of the Property (while complying with Canada Post regulations), where they were originally located before the Respondents started their unauthorized student housing renovation conversion. This will allow the sub-basement to be used for its original purpose of storing maintenance tools and supplies and reposition the mailboxes in a well-lit, safer location. The maintenance items are currently being stored in one of the gutted units, which is not a long term solution;
- (h) Executed an Acknowledgement and Direction for the purposes of discharging the Third Mortgage on title to 345 Barber;
- (i) Participated in 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";
- (j) Reviewed the monthly Property accounting prepared by CLV, and prepared the Receiver's Interim Statement of Receipts and Disbursements;
- (k) Prepared cash flow forecasts and determined the Receiver's anticipated funding requirements. The Interim Receiver's Forecast Cash Flow from October 2018 to July 2019 is attached hereto as **Appendix "G"**. The Receiver determined that, given the cost to complete the renovations discussed below, additional funding of \$250,000 was required to meet its obligations under the Construction Contract. As a result, it arranged for borrowings of \$250,000 from FN by way of a Receiver's Certificate. The

Receiver received the \$125,000 of funding on September 30, 2018 and expects to receive the balance by the end of October 2018;

- (l) Responded to information requests from parties interested in the Property; and
- (m) Responded to tenant and creditor inquiries.

RENTAL STATUS OF THE PROPERTY

20. 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.
21. The repair work to the 17 units under the Construction Contract should be substantially completed by the week ending October 19, 2018. As at September 24, 2018, repairs to 11 of the units had been completed and those units have been put on the market for rent. Three of the units (705, 708, and 709) were rented out by October 1, 2018. CLV has recently advised that rental applications have been received for six other units (107, 510, 601, 602, 607, and 707). One application (for unit 602) has been approved by CLV, and the others are being reviewed. CLV has suggested that the monthly rents being sought be increased for the 17 units (over their previous rates) given the significant improvements.
22. As at October 1, 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 87 occupied units and 20 units available for rent (in 345 Barber, units 101, 102, 103, 105, 107, 202, 203, 205, 305, 407, 410, 510, 601, 602, 607, 701, 707 and 711, and in 347 Barber, units 418 and 716).
23. As discussed in the Third Report, three gutted units in 345 Barber (100, 106 and 108) remain un-renovated due to the substantial work and associated costs that would be required to bring them back into rentable condition. The Receiver continues to consider strategies for dealing with these three un-rentable units.

24. As at October 1, 2018, the Property is generating monthly rental income of \$72,590, 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).

BMR UNITS

25. As discussed in the Second and Third Reports, the Receiver is attempting to increase the number of units in 347 Barber rented to BMR tenants. The Municipal Housing Project Facilities Agreement with the City and the Provincial Contribution Agreement with the MOH, as amended (collectively, the “BMR Agreements”), requires 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. As of October 1, 2018, there were 27 BMR units, three of which are located in 345 Barber and 24 of which are in 347 Barber.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

26. Attached hereto as **Appendix “H”** is the Interim Statement of Receipts and Disbursements for the interim receivership for the period September 22, 2017 to September 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, 2017 and April 30, 2018, which receipts and disbursements were accepted and approved in the December 20 Order and the June 11 Order, and the receipts and disbursements between May 1, 2018 and September 30, 2018, which reflects the interim receivership activity since the Third Report.

27. Total cash receipts for the R&D from tenants rent, roof top cellular equipment, MOH funding, Receiver's certificate, laundry and miscellaneous revenue are \$1,163,627.00. Total disbursements are \$859,232.00 which includes, but is not limited to, repairs and maintenance, insurance, property management fees, consultant fees, utilities, legal fees and Receiver Fees. Net cash on hand as of September 30, 2018 is \$304,394.00.

PROFESSIONAL FEES

28. 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.
29. The total fees of the Receiver during the period from April 7, 2018 to September 30, 2018, amount to \$84,242.50 together with disbursements in the sum of \$600.71 plus HST of \$11,029.62, totaling \$95,872.83 (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 October 11, 2018 in support hereof and attached hereto as **Appendix "I"**. The Receiver fees include \$12,465.00 of fees relating to work performed by Deloitte Capital Projects Group in its role as Consultant under the Construction Contract.
30. The total legal fees and disbursements of Blaneys, in its capacity as counsel to FN and the Receiver from May 1 to September 27, 2018, are particularized in the Affidavit of Eric Golden, a partner of Blaneys, sworn October 15, 2018 in support hereof and attached hereto as **Appendix "J"**. The total amount of the invoices for this period is \$55,206.25 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.
31. 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

32. 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 Supplemental Third Report and this Fourth Report;
- (b) approving the R&D;
- (c) 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
- (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 16th day of October, 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

TAB A

APPENDIX A

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

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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, alternations 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, 500, 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 ^① |
|---|------------------------------|---|
| Price to complete 17 units | \$382,817 (or \$22,519/unit) | \$599,218 (or \$35,248/unit) |
| Price to complete 3 gutted units ^② | \$235,648 (or \$78,549/unit) | \$118,600 ^③ (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.

② The three gutted units require the most work, and new drawings and building permits will be required.

③ 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 "H"**.
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

TAB B

APPENDIX B

Court File No. 17-73967

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)

JUSTICE HACKLAND)

Monday 11th
~~TUESDAY~~, THE 8th

DAY OF JUNE, 2018

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 Third Report of the Interim Receiver dated May 29, 2018 (the "Third Report"), and the activities described therein, (iii) authorizing the Interim Receiver to retain a contractor to repair and renovate a group of 17 units the properties municipally known as 345 Barber Street, Ottawa, Ontario (formerly known as 345 Clarence Street) ("345 Barber") and 345 Barber Street, Ottawa, Ontario (formerly known as 345 Clarence Street) ("345 Barber")

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(collectively, with 347 Barber, referred to herein as the “**Property**”), (iv) discharging and vacating from title to 345 Barber the collateral third mortgage for \$678,000.00 in favour of 3942783 Canada Inc. (the “**Third Mortgagee**”) registered on September 27, 2017 as Instrument Number OC1933770 in the Land Registry Office for the Land Titles Division in Ottawa (LRO #4) (the “**Third Mortgage**”), (v) approving and accepting the Interim Receiver’s Interim Statement of Receipts and Disbursements for the period from September 22, 2017, to April 30, 2018, (vi) approving and accepting the fees and disbursements of the Interim Receiver for the period from December 2, 2017, to April 6, 2018, and (vii) approving and accepting the fees and disbursements of Blaney McMurtry LLP (“**Blaneys**”) for the period from December 5, 2017, to April 30, 2018, was heard this day at Ottawa.

ON READING the moving parties’ Motion Record dated May 29, 2018, the Third Report and the appendices thereto, including the Affidavit of Hartley Bricks sworn May 25, 2018, and the Affidavit of Eric Golden sworn May 29, 2018, and upon hearing the submissions of counsel for FN and the Interim Receiver, no one else appearing, although duly served as set out in the affidavit of service of Patricia Keane sworn May 29, 2018, filed.

1. **THIS COURT ORDERS** that the time for service of the moving parties’ Notice of Motion returnable June 5, 2018 (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 Third Report dated May 29, 2018, and the actions of the Interim Receiver described therein, be and are hereby approved.

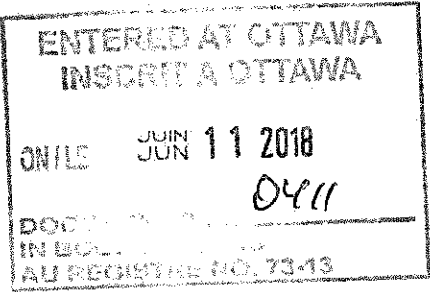
3. **THIS COURT ORDERS** that pursuant to the Appointment Order of Justice Hackland dated September 22, 2017, including but not limited to paragraphs 3(c) and 3(d) thereof, the Interim Receiver is authorized to retain a contractor to undertake repairs on 17 currently unrentable units, as described in the Third Report, *such action not to occur before June 30, 2018 and subject to further order of the court. Any such notice of motion to be served on or before June 30, 2018.*

4. **THIS COURT ORDERS** that the Third Mortgage registered as Instrument Number OC1933770 in the Land Registry Office for the Land Titles Division in Ottawa (LRO #4) in the amount of \$678,000.00 be discharged and deleted from title to 345 Barber, bearing PIN 04213-0303 (LT).

5. **THIS COURT ORDERS** that the Interim Receiver's Interim Statement of Receipts and Disbursements for the period from September 22, 2017, to April 30, 2018, as set out in Appendix "I" to the Third Report, be and is hereby accepted and approved.

6. **THIS COURT ORDERS** that the fees and disbursements of the Interim Receiver for the period from December 2, 2017, to April 6, 2018, and the fees and disbursements of Blaneys for the period from December 5, 2017, to April 30, 2018, be and are hereby approved.

Hackland J.



Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at **OTTAWA**

ORDER

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Lawyers for the Applicant and
the Interim Receiver

TAB C

APPENDIX C

Court File Number 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

NOTICE OF MOTION*(Section 47 of the Bankruptcy and Insolvency Act R.S.C. 1985, C. B-3, as amended)*

THE PLAINTIFF will make a Motion before the Honourable Mr. Justice Hackland on such date and time as may be set by this Honourable Court, at the Court House, 161 Elgin Street, Ottawa, Ontario, K2P 2K1.

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

THE MOTION IS FOR:

1. An Order that the Receiver not enter into Agreements to repair the subject premises with either of the contractors chosen by the Receiver;
2. For an Order that the Respondents be allowed to initiate the repairs as required and set out in the Receiver's Third Report with one of the contractors it has quotes from as set out in the Affidavit of Chi Van Ho.

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3. For an Order that the Respondents be given until September 1, 2018 to bring the first Mortgage into good standing and finalize the restructuring of the second Mortgage;
4. For an Order that the Respondents be permitted to immediately rent the vacant apartments as they become available;
5. For an Order that the Respondents provide weekly reports to the Receiver on the progress of repairs and the rental of the apartments;
6. For an Order that the Respondents may seek to dissolve the Receivership on seven (7) days notice should the Applicant's Mortgage no longer be in default or at such other appropriate time;
7. Costs of this action on a solicitor and client basis; and,
8. Such further and other relief as the Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The Third Report of the Receiver was filed and before the Court on June 5, 2018.
2. The Report indicated that further repairs were required on the property and that it had two (2) quotes for repairs and was recommending one (1) be accepted to repair only some of the units for a total cost of \$432,583.21.
3. The Respondents' position was that it should be given time to present a reasonable alternative proposal for the repairs and dealing with the remaining issues.

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4. The Respondents provide three (3) quotes to do all the units for significantly less than the Receiver's quotes.
5. The Respondent also has provisions to immediately lease up any empty units as they become available given that over the eight (8) months the Receiver has had CLV manage the property, it is still not fully occupied.
6. The Respondents have also arranged for terms with the second Mortgagee.
7. The Respondents, as explained in Ahmed Ali Syed's Affidavit, also has the funds available for the repairs and by the end of August, will have funding to bring the first Mortgage into good standing.

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

1. Affidavit of Chi Van Ho; and,
2. Such further and other documentary evidence as counsel may advise and this Honourable Court permit.

Dated: June 29, 2018

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K2P 0M6

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Solicitors for the Respondents

First National Financial GP Corporation
Applicant

- and -

Golden Dragon Ho 10 Inc. et al

Respondents

(Short title of proceedings)

Court File No. 17-73967

ONTARIO SUPERIOR
COURT OF JUSTICE
Proceeding commenced at Ottawa

Notice of Motion
(Form 17A under the Rules)

DYE & DURHAM COMPUTERIZED FORMS SERVICE

Name, address and telephone number of solicitor or party

MARTIN DIEGEL
Barrister and Solicitor
342 Maclaren Street
Ottawa, Ontario
K2P 0M6

613-567-0235
613-440-0900 (Fax)
e-mail: martin@martindiegel.com
LSUC #022422W

Solicitor for the Respondents

TAB D

APPENDIX D

Court File Number 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

AFFIDAVIT OF CHI VAN HO

I, **CHI VAN HO**, of the City of Ottawa, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the directing mind of the Respondent Corporate Mortgagors, and, as such, have knowledge of the matters hereinafter deposed to.

OVERVIEW

2. As indicated by counsel on the return of the Receiver's Motion, we are concerned over the current situation, particularly the limited progress in repairing the apartments and renting them and the exorbitant quotes received by the Receiver to do the repairs.
3. Consequently, since that Appearance, Mr. Syed, who came in during the latter part of the Motion, and I have proceeded diligently to put together various pieces to endeavour to put forward a proposal that this Honourable Court and the Receiver might consider favourably.

- Page 2 -

4. Mr. Syed controls multiple rental properties in the Ottawa area, has a current Mortgage with First National, as well as an ongoing relationship with the second Mortgagee, and access to sufficient funds for repairs and to bring the Applicant's Mortgage current.

REPAIRS

5. When the Applicant took control of the property last summer, prior to the appointment of the Receiver, we were in the process of upgrading the lobby, and attempting to convert various units to student housing. John Napierkowski, who is an experienced and meticulous project manager, was supervising the work and Eastwood Construction was to do the reconstruction.
6. The Receiver stopped Eastwood from doing ongoing work and Eastwood has not returned to do work. Eastwood, however, is very familiar with the property and has seen what still needs to be done.
7. Eastwood has provided a quote, a copy of which is attached hereto as *Exhibit "1"*, which is significantly less than either of the quotes the receiver has received. Eastwood's quotes are for all units at \$343,028.91 inclusive of HST while the quote the Receiver is promoting is only for some units and totals \$432,583.21 inclusive of HST.
8. An added benefit, to my mind, is not only have we worked with Eastwood before on this project, but also on a reconstruction project in Smiths Falls. A further benefit is that Mr. Diegel has been counsel for Eastwood as well, which will help avoid the typical disputes that arise on projects from festering. Unfortunately Mr Diegel was not retained on this matter at the outset.

- Page 3 -

9. I also had another contractor go through the property this month to provide a quote to do the work. This quote from Somerset Renovation is attached as *Exhibit "2"*. The total cost to repair all units is \$211,288.52 inclusive of HST.
10. Mr Syed has also received a quote from a contractor he has used before, a copy of which is attached as *Exhibit "3"*. The cost to do all units by H & R Electric is \$211,310.00.
11. The contractors I have quotes from can mobilize during July and finish during September. Mr. Syed's contractor can mobilize by the end of August and finish by the end of September.

PAYING FOR REPAIRS AND BRINGING THE APPLICANT'S MORTGAGE CURRENT

12. The plan going forward is that Mr. Syed will take control of the Mortgagor on the property having the most units (345) by acquiring the Shares and he is arranging funding which will be finalized no later than August 30, 2018. The details are to be set out in an Affidavit to be filed next week. He is also to show the cash he has available to pay for repairs.
13. Mr. Syed has also negotiated with the second Mortgagee (Liahona) and arranged a deal which will improve cash flows due to a significant reduction in the interest rate. The details are set out in the recent email exchange attached as *Exhibit "4"*.

LEASING

14. To improve cash flow immediately, Mr. Syed proposes to relocate some of his employees and tenants to this property. The lease proposed is for ten (10) immediately. This should lead to a net income of approximately \$10,000.00 per month. This would improve the cash flow currently shown by the Receiver by about 15%.

- Page 4 -

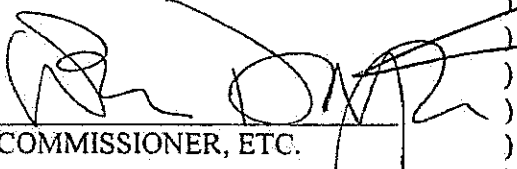
15. As the units are repaired, they will be immediately rented as Mr. Syed has the capacity to do so either by moving existing tenants he has, prospective tenants on waiting lists and through his connections as will be described further in his Affidavit to be filed.

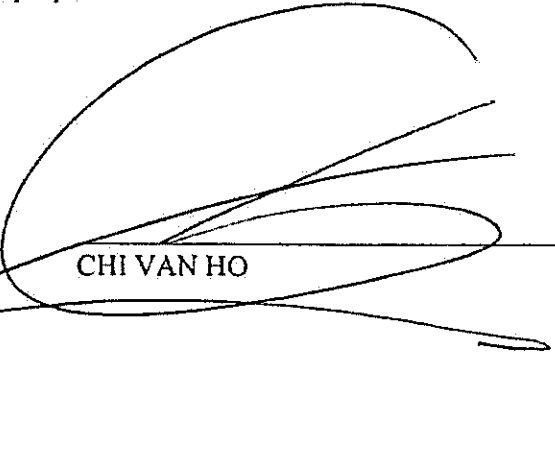
RECEIVERSHIP RESULTS

16. A review of the various materials filed in this Application shows that at the time the Receiver was appointed in September, sixty-five (65) units were rented and that as at May 22, 2018, seventy-five (75) units were rented (ten (10) units in nine (9) months).
17. Moreover, the repair of the units has been moving at a glacial pace as well.
18. I find it difficult to understand why the pace has been so slow.
19. CLV (the property manager) is familiar with this property as I understand that they managed it for the previous owner, and CLV is a large and experienced property manager.
20. My suspicion is that because CLV, or its affiliates, are significant property owners, that there may be a hidden agenda to allow this property to not increase cashflow and to increase expenses to compel a sale at a favourable price to a CLV affiliate rather than what the market would pay for a fully rented and repaired building.
21. Consequently, what has occurred is that, between legal fees for the Receiver's counsel, legal fees for the Applicant, Receiver's fees, and management fees for CLV, total fees are approaching \$500,000.00.

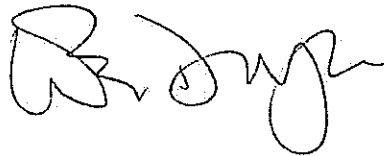
22. I make this Affidavit in support of a Motion for an Order for the relief sought in the Notice of Motion and for no other or improper purpose.

SWORN BEFORE ME at the City of)
Ottawa in the Regional Municipality)
of Ottawa-Carleton this 29th day)
of June, 2018)


A COMMISSIONER, ETC.)


CHI VAN HO)

**This is EXHIBIT "1" referred to in the
Affidavit of CHI VAN HO
sworn before me, this 29th day of
June, 2018**

A handwritten signature in black ink, appearing to be 'R. D. Meyer', written in a cursive style.

A Commissioner for Taking Affidavits



Estimate Proposal

June 26, 2018

| Project Information | |
|---------------------|-----------------|
| Project # | 345 Barber St. |
| Title | Apartment Reno |
| Address | 345 Barber Ave. |
| City, State, Zip | Ottawa, Ontario |
| Country | Canada |

| Estimate Information | |
|----------------------|-----------------------|
| Estimate # | 001 |
| Description | Apartment Renovations |
| Plans Available | |
| Est. Start Date | |

| From | |
|------------------|-------------------------|
| Contact | Mario Grandinetti |
| Company | Eastwood Construction |
| Address | 2754 Quinn Road |
| City, State, Zip | Ottawa, Ontario K1T 3V5 |
| Country | Canada |
| Phone | |
| Fax | |

| To | |
|------------------|-----------------|
| Contact | Chi Ho |
| Company | Dragon Holdings |
| Address | 345 Barber Ave |
| City, State, Zip | Ottawa, Ontario |
| Country | Canada |
| Phone | 613 501 1875 |
| Fax | |

Supply and Install the following

- General Job Cost
- WSIB Clearance Certificates
- Liability Insurance
- General Labour
- Supervision
- Health & Safety
- Waste Management
- Project Management and Administration

General Scope of work dependent on existing condition:

- Demolition
- Framing
- Drywall
- Electrical rough in and finish
- Plumbing rough in and finish
- Plumbing fixtures
- Electrical fixtures
- Kitchens/Counters/Handles
- Floor finishing
- Patching and painting
- W/R Accessories

Renovations and upgrades to the following apartments as per site visit.

- 100, 101, 102, 103, 105, 106, 107, 108
- 202
- 305
- 510
- 601,602, 606, 607
- 701, 705, 707, 708, 709

Exclusive of HST

\$303,565.41



Estimate Proposal

June 26, 2018

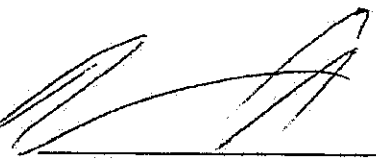
Exclusions

- Hallways
- Permits
- Consultants

Terms:

- Project Start Up 20%
- Progress Billing Payment Upon Receipt of Invoice

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, flood, earthquake, and other necessary insurance. We are fully covered by Workmen's Compensation Insurance.

Authorized Signature: 

Acceptance of Proposal:

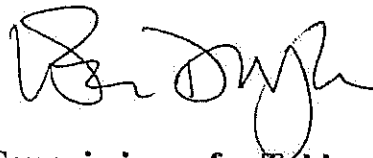
The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified.

Signature: _____

Date of Acceptance: _____

Print Name: _____

**This is EXHIBIT "2" referred to in the
Affidavit of CHI VAN HO
sworn before me, this 29th day of
June, 2018**

A handwritten signature in black ink, appearing to read "R. D. M. J.", written in a cursive style.

A Commissioner for Taking Affidavits

972364

DATE 26 Jun 2018
 TAX REG. NO. N° DE TAXE

SOLD TO VENDU A ADDRESS ADDRESSE Somer Set Renovation
 7 woodford way near 613-246-3657
 SHIP TO EXPÉDIER A ADDRESS ADDRESSE GDA-10
 Chio 345-347-Barber

CUSTOMER'S ORDER COMMANDE DU CLIENT SOLD BY VENDU PAR TERMS CONDITIONS FOB FAB VIA

| QUANTITY QUANTITE | DESCRIPTION | PRICE PRIX | UNIT UNITE | AMOUNT MONTANT |
|-------------------|---|------------|------------|----------------|
| | 202 - to 701 = 13 th unit | | | 36,975 |
| | Primer 8. Apr 3 complet | | | |
| | 8 unit 150,000 20,000 ea To complet | | | |
| | 3 to 4 week to fin the 13 units | | | |
| | 4 6-8 weeks to finish the 8 units in Bucament Ken. Kozak | | | |
| | | | TOTAL | |

INVOICE FACTURE

STAPLES 518

2018

972364

DATE
 TAX REG. NO. N° DE TAXE

SOLD TO VENDU A ADDRESS ADDRESSE Somer Set Renovation
 7 woodford way near Nepean ON 613-246-3657
 SHIP TO EXPÉDIER A ADDRESS ADDRESSE GDA-10 & U
 UNIT 705 Re: 345-Barber ON

CUSTOMER'S ORDER COMMANDE DU CLIENT SOLD BY VENDU PAR TERMS CONDITIONS FOB FAB VIA

| QUANTITY QUANTITE | DESCRIPTION | PRICE PRIX | UNIT UNITE | AMOUNT MONTANT |
|-------------------|------------------|------------|-------------------|----------------|
| | Pant | | | 600.00 |
| | Face Bord | 1 50 | 130 th | 195.00 |
| | Re install Doors | 5 00 | 3 | 105.00 |
| | Shoring | 2 00 | 460 th | 960.00 |
| | Plaster rep | 30 00 | 2 | 60.00 |
| | Total Lab | | | 1920.00 |
| | Mat | | | 1524.00 |
| | | | TOTAL | 3444.00 |
| | | | TOTAL | 672.00 |

INVOICE FACTURE

LES 518

TVH/HST TPS/GST PST/TVP

INVOICE
FACTURE

76 Jan 10
D.A. 10
1017-1

DATE: [] [] []
TAX REG. NO. / N° DE TAXE: [] [] []

SOLD TO / VENDU A: Somerset Renovations
ADDRESS / ADRESSE: 7 Woodford Way, N. Peabon, ONT, 613-246-3657

SHIP TO / EXPÉDIER A: G.D.H. 10 - G.D.H. 11
ADDRESS / ADRESSE: 701 Cuts Ho, 345-347 Barber, UNIT 701

CUSTOMER'S ORDER / COMMANDE DU CLIENT: []
SOLD BY / VENDU PAR: []
TERMS / CONDITIONS: []
FOB / FAB: []
VIA: []

| QUANTITY / QUANTITE | DESCRIPTION | PRICE / PRIX | UNIT / UNITE | AMOUNT / MONTANT |
|---------------------|---------------------|--------------|-------------------|------------------|
| | Paint Unit | | | 600 00 |
| | 60 ft Pavers | 1.50 | 40 | 90 00 |
| | 14 ft Pavers | 2.00 | 14 | 28 00 |
| 4 # | Plaster | 30 00 | | 120 00 |
| | New floor | | | 250 00 |
| | New Sink & P-Trap | | | 75 00 |
| | Sand & finish floor | | | 600 00 |
| | Material | | | 160 00 |
| | on lab | | TVH/HST / TPS/GST | 229 19 |
| | | | PST/TPV | |
| | | | TOTAL | 3252 19 |

STAPLES 51B

INVOICE
FACTURE

DATE: [] [] []
TAX REG. NO. / N° DE TAXE: [] [] []

SOLD TO / VENDU A: Somerset Renovations
ADDRESS / ADRESSE: 7 Woodford Way, N. Peabon, ONT, 613-246-3657

SHIP TO / EXPÉDIER A: G.D.H. 10
ADDRESS / ADRESSE: Path Ho, 345 Barber, UNIT 707

CUSTOMER'S ORDER / COMMANDE DU CLIENT: []
SOLD BY / VENDU PAR: []
TERMS / CONDITIONS: []
FOB / FAB: []
VIA: []

| QUANTITY / QUANTITE | DESCRIPTION | PRICE / PRIX | UNIT / UNITE | AMOUNT / MONTANT |
|---------------------|----------------------|--------------|-------------------|------------------|
| | Repair Parquet | 2.00 | 20 | 40 00 |
| | Patching wall | 30.00 | 5 | 150 00 |
| | Paint unit | | | 600 00 |
| | Access material bath | 10.00 | 1 | 10 00 |
| | Sand floor & finish | | | 160 00 |
| | Material | | | 1400 00 |
| | lab | | | 32 00 |
| | mat | | | |
| | | | TVH/HST / TPS/GST | 490 00 |
| | | | PST/TPV | |
| | | | TOTAL | 2210 00 |

STAPLES 51B

972354

INVOICE
FACTURE

| | | | |
|--|----------------------|--------------------------------------|------------|
| SOLD TO VENDU A | | SHIP TO EXPÉDIER A | |
| ADDRESS ADRESSE | | ADDRESS ADRESSE | |
| 613-246-3657 | | 709 GDH 10 345 Barber UNIT 703 | |
| CUSTOMER'S ORDER COMMANDE DU CLIENT | SOLD BY VENDU PAR | TERMS CONDITIONS | FOB FAB |
| DATE | | TAX REG. NO. N° DE TAXE | |

| QUANTITY QUANTITÉ | DESCRIPTION | PRICE PRIX | UNIT UNITÉ | AMOUNT MONTANT |
|----------------------|---------------|---------------|---------------|--------------------|
| | Paint | | | 1600.00 |
| | Keypine walls | 30.00 | 4 | 1200.00 |
| | Cap | | | 720.00 |
| | Material | | | 200.00 |
| | | | | TVH/HST TPS/GST |
| | | | | PST/TVP |
| TOTAL | | | | 1292 |

| | | | |
|--|----------------------|---------------------------------------|------------|
| SOLD TO VENDU A | | SHIP TO EXPÉDIER A | |
| ADDRESS ADRESSE | | ADDRESS ADRESSE | |
| 613-246-3657 | | 709 GDH 10 345 Barber UNIT #709 | |
| CUSTOMER'S ORDER COMMANDE DU CLIENT | SOLD BY VENDU PAR | TERMS CONDITIONS | FOB FAB |
| DATE | | TAX REG. NO. N° DE TAXE | |

| QUANTITY QUANTITÉ | DESCRIPTION | PRICE PRIX | UNIT UNITÉ | AMOUNT MONTANT |
|----------------------|---------------------|---------------|---------------|--------------------|
| | Tub Surround | | | 700.00 |
| | Dry wall bath & mud | 400.00 | | 400.00 |
| | install doors | 35.00 | 3 | 105.00 |
| | Repair walls | 30.00 | 2 | 60.00 |
| | Flooring | | 217 | 810.00 |
| | Material | | | 200.00 |
| | | | | TVH/HST TPS/GST |
| | | | | PST/TVP |
| TOTAL | | | | 4855.25 |

INVOICE
FACTURE

STAPES 518

972300

INVOICE
FACTURE

| | | | | | |
|--|-----------------------|-----------------------|---------------|--|---------|
| SOLD TO VENDU A | | SHIP TO EXPEDIER A | | DATE | |
| ADDRESS ADDRESSE | | ADDRESS ADDRESSE | | TAX REG. NO. N° DE TAXE | |
| Somerset Renovat. | | 606 | | Cht 10 606 10 345 Barber UNIT 606 | |
| 013-246 3657 | | UNIT 606 | | | |
| CUSTOMER'S ORDER COMMANDE DU CLIENT | SOLD BY VENDU PAR | TERMS CONDITIONS | FOB FAB | VIA | |
| QUANTITY QUANTITE | DESCRIPTION | PRICE PRIX | UNIT UNITE | AMOUNT MONTANT | |
| | Parquet Repair | 2 00 | 9 | 18 00 | |
| | Sand + Varnish | | | 600 00 | |
| | Plaster Rep | 30 00 | 2 | 600 00 | |
| | Paint | | | 600 00 | |
| | Carpentry Repair | | 3 | 18 00 | |
| | TUR SURROUND | | | 270 00 | |
| | Sand + Varnish Floors | | | 120 00 | |
| | Light | | | 25 00 | |
| | | | | TVH/HST TPS/GST | |
| | | | | PST/TVP | |
| | | | | TOTAL | 2893 00 |

STAPLES 51B

972300

INVOICE
FACTURE

| | | | | | |
|--|----------------------|-----------------------|---------------|--|--------|
| SOLD TO VENDU A | | SHIP TO EXPEDIER A | | DATE | |
| ADDRESS ADDRESSE | | ADDRESS ADDRESSE | | TAX REG. NO. N° DE TAXE | |
| Somerset Renovat. | | 607 | | Cht 10 607 10 345 Barber UNIT 607 | |
| 013-246 3657 | | UNIT 607 | | | |
| CUSTOMER'S ORDER COMMANDE DU CLIENT | SOLD BY VENDU PAR | TERMS CONDITIONS | FOB FAB | VIA | |
| QUANTITY QUANTITE | DESCRIPTION | PRICE PRIX | UNIT UNITE | AMOUNT MONTANT | |
| | New TUR SURROUND | | | 250 00 | |
| | Plaster Repair | 30 00 | 4 | 120 00 | |
| | | | | TVH/HST TPS/GST | |
| | | | | PST/TVP | |
| | | | | TOTAL | 769 00 |

STAPLES 51B

972360

INVOICE
FACTURE
STAPLES 518

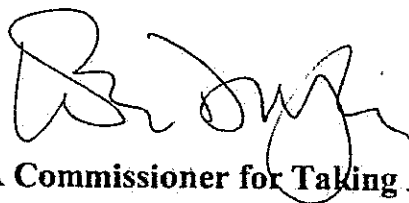
| SOLD TO VENDEUR A | | SHIP TO EXPÉDIER A | | |
|--|------------------------|----------------------------|--------------------|-------------------|
| ADDRESS ADRESSE | | ADDRESS ADRESSE | | |
| 613-246-3657 | | 510 345 Bay St UNIT 510 | | |
| CUSTOMER'S ORDER COMMANDE DU CLIENT | SOLD BY VENDEUR PAR | TERMS CONDITIONS | FOB FAB | |
| DATE | | TAX REG. NO. N° DE TAXE | | |
| QUANTITY QUANTITE | DESCRIPTION | PRICE PRIX | UNIT UNITE | AMOUNT MONTANT |
| | Sliding Glass | 35.00 | 1 | 35.00 |
| | Py Glass | 35.00 | 1 | 35.00 |
| | Plaster Repair | 30.00 | 2 | 60.00 |
| | Redew Parquet | | | 600.00 |
| | | | TVH/HST TPS/GST | |
| | | | PST/TVP | |
| | | | TOTAL | 1512 |

972361

INVOICE
FACTURE
STAPLES 518

| SOLD TO VENDEUR A | | SHIP TO EXPÉDIER A | | |
|--|--------------------------|----------------------------|--------------------|-------------------|
| ADDRESS ADRESSE | | ADDRESS ADRESSE | | |
| 613-246-3657 | | 305 345 Bay St UNIT 305 | | |
| CUSTOMER'S ORDER COMMANDE DU CLIENT | SOLD BY VENDEUR PAR | TERMS CONDITIONS | FOB FAB | |
| DATE | | TAX REG. NO. N° DE TAXE | | |
| QUANTITY QUANTITE | DESCRIPTION | PRICE PRIX | UNIT UNITE | AMOUNT MONTANT |
| | New Kitchen | | | 665.00 |
| | New Sink (stump) | | | 75.00 |
| | Vanities | | | 120.00 |
| | Re install Med CAB | | | 20.00 |
| | Plaster Repair | 30.00 | 5 | 150.00 |
| | Plaster Paint | | | 600.00 |
| | New Track Light | | | 35.00 |
| | Remove carpet | | | 80.00 |
| | | | TVH/HST TPS/GST | |
| | | | PST/TVP | |
| | | | TOTAL | 1540 |

**This is EXHIBIT "3" referred to in the
Affidavit of CHI VAN HO
sworn before me, this 29th day of
June, 2018**

A handwritten signature in black ink, appearing to be "R. J. ...", written over the text "A Commissioner for Taking Affidavits".

A Commissioner for Taking Affidavits

H&R ELECTRIC
 1886 KINGS DALE AVE
 OTTAWA ONT
 KIT 1J1

Estimate

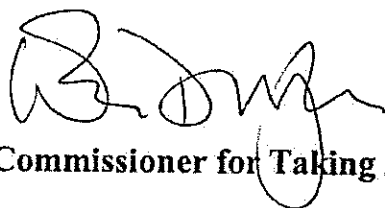
| | |
|-----------|------------|
| Date | Estimate # |
| 6/27/2018 | 215 |

| |
|----------------|
| Name / Address |
| 345 BARBER ST |

| |
|---------|
| Project |
| |

| Description | Qty | Rate | Total |
|---|-----|--------------|--------------|
| SCOPE OF WORK DEMOLITION FRAMING DRYWALL ELECTRICAL ROUGH IN AND FINISHING PLUMBING ROUGH IN AND FINISHING PLUMBING FIXTURE ELECTRICAL FIXTURE KITCHEN COUNTER AND HANDLES FLOORING FINISHING PATCHING AND TAPPING ACCESSORIES | 1 | 187,000.00 | 187,000.00 |
| APARTMENT 100/101/102/103/105/106/107/108 202 305 510 601/602/606/607 701/705/707/708/709 GST ON SALES (3) | | 13.00% | 24,310.00 |
| | | Total | \$211,310.00 |

**This is EXHIBIT "4" referred to in the
Affidavit of CHI VAN HO
sworn before me, this 29th day of
June, 2018**



A Commissioner for Taking Affidavits

29/06/2018

Fwd: Liahona Discharge Statement - 345 Clarence St., Ottawa

 Reply all |  Delete Junk | 

Fwd: Liahona Discharge Statement - 345 Clarence St., Ottawa



Ahmed Syed <ahmed.ali.syed@hotmail.com>

Wed 6/27, 1:30 PM

Martin Diegel; chiho_orcc@yahoo.com; chi.ho@chisuites.com

 Reply all | 


Inbox



ATT00001.htm
4 KB

Discharge Statement - 2...
276 KB

ATT00002.htm
516 bytes

 Show all 4 attachments (286 KB) Download all

Best Regards,
 Ahmed Syed
 613-261-8385

Begin forwarded message:

From: John McIsaac <johndmcisaac@liahona.ca>
Date: June 27, 2018 at 11:01:52 AM EDT
To: "ahmed.ali.syed@hotmail.com" <ahmed.ali.syed@hotmail.com>
Subject: Liahona Discharge Statement - 345 Clarence St., Ottawa

Dear Ahmed:




Attached is the completed discharge statement as requested which extends to July 30, 2018.

We would agree to the terms discussed yesterday—that is, you are prepared to assume the mortgage in the amount described in the attached = \$3,394,677.09 registered with Liahona Mortgage Investment Corp. and to be provided to you over a 5-year term at an interest rate of 4.5% per year.

It is my understanding your lawyer will contact our lawyer, Kathryn Whitehead (705 915 0252) kwhitehead@ainwhitehead.com to develop the appropriate documentation.

29/06/2018

Fwd: Liahona Discharge Statement - 345 Clarence St., Ottawa

Reply all |   Delete Junk |  ...

appropriate (e.g. trustee, First National, City of Ottawa, Chi Ho etc).

Additionally, as you have indicated a court date to review this proposal had been set for Friday June 29th, we are in agreement that the timeframe given to put together such a proposal is inadequate, and relief will be sought by your lawyer to extend the date to a more reasonable date in future.

Finally, I have spoken with Kathryn this morning to make her aware of this proposal and that your lawyer will contact her directly to begin the process. Time being of the essence, we would expect your lawyer to call Kathryn today.

Kindly acknowledge your acceptance of these terms by replying to me directly. Could you also provide the name and contact details of your lawyer for our reference?

Thank you for your kind understanding and cooperation. We look forward to seeing the full proposal for our review once it has met your approval.

Sincerely,

John D. McIsaac

President

First National Financial GP Corporation
Applicant

- and -

Golden Dragon Ho 10 Inc. et al

Respondents

(Short title of proceeding)

Court File No. 17-73967

ONTARIO SUPERIOR
COURT OF JUSTICE
Proceeding commenced at Ottawa

Affidavit

(Form 37A under the Rules)

DYE & DURHAM COMPUTERIZED FORMS SERVICE

Name, address and telephone number of solicitor or party

MARTIN DIEGEL
Barrister and Solicitor
342 MacLaren Street
Ottawa, Ontario
K2P 0M6

613-567-0235
613-440-0900 (Fax)
e-mail: martin@martindiegel.com
LSUC #022422W

Solicitor for the Respondents

TAB E

APPENDIX E

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

SUPPLEMENTAL REPORT TO THE THIRD REPORT OF THE
INTERIM RECEIVER

DATED JULY 3, 2018

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| INTRODUCTION | 4 |
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| THE RECEIVER'S REQUEST TO THE COURT | 13 |

APPENDICES

- A Order of Justice Hackland of the Ontario Superior Court of Justice dated June 11, 2018
- B Email communications between Eric Golden, Chi Ho, Ahmed Syed, their counsel, Syed's appraiser, Liahona Mortgage Investment Corp. and First National between September 13, 2017 and December 20, 2017
- C Affidavit of Christopher Sebben sworn September 19, 2017
- D Chi Van Ho's letter to FN dated September 12, 2017, Ahmed Syed's proposed agreement of purchase and sale for the Buildings dated September 11, 2017, a purported Share Purchase Agreement dated October 27, 2017 between the Chi Ho Family Trust and Ahmed Syed for the trust's 100 shares in GDH 11, a letter from Syed's lawyer to FN's lawyer dated November 17, 2017 regarding his proposed purchase of the Buildings, and a letter from a different lawyer for Syed dated December 15, 2017 regarding Syed's purported purchase of 347 Barber
- E Letter dated April 9, 2018 from John Napiorkowski to the Receiver
- F Correspondence dated October 10, 2017 from Eastwood Construction concerning lobby tile work at the Buildings

- G Correspondence between the Receiver, CLV, Chi Van Ho and his counsel concerning access to the Buildings
- H Arrears statements for the FN mortgages prepared by First National Financial LP dated June 7, 2018

INTRODUCTION

1. This report is supplementary to the Receiver's Third Report dated May 29, 2018 (the "Supplementary Third Report") in support of its motion heard on June 11, 2018 (the "June 11 Motion"), for among other things, approving 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 in an unrentable state. Any terms not otherwise defined herein are defined in the Third Report.
2. This Supplementary Third Report is delivered in response to the notice of motion of the Respondents served on June 29, 2018, supported by the affidavit of Chi Van Ho sworn on the same date (the "Chi Van Ho Affidavit"), seeking, among other things, an Order that:
 - (a) "the Receiver not enter into Agreements to repair [345 Barber] with either of the contractors chosen by the Receiver" and that the Respondents "be allowed to initiate the repairs as required and set out in the Receiver's Third Report" (the "Repairs") "with one of the contractors it has quotes from as set out in the Affidavit of Chi Van Ho";
 - (b) the Respondents "be given until September 1, 2018, to bring the first mortgage [over 345 Barber] into good standing and finalize the restructuring of the second Mortgage [over 345 Barber]; and
 - (c) the Respondents "be permitted to immediately rent the vacant apartments as they become available."
3. The Receiver brought the June 11 Motion for Court approval of the Repairs notwithstanding that the Appointment Order authorized the Receiver to carry them out without the need for further Court approval. By way of Order made June 11, 2018 (the "June 11 Order"), Justice

Hackland approved the Third Report and the actions of the Receiver described therein, and authorized the Receiver “to retain a contractor to undertake repairs on 17 currently unrentable units, as described in the Third Report, such action not to occur before June 30, 2018, and subject to further Order of the Court. Any such Notice of Motion to be served on or before June 30, 2018.” A copy of the June 11 Order is attached hereto as **Appendix “A”**.

4. However, there is additional urgency to the Repairs being carried out as soon as possible as there is only one rentable unit in 345 Barber currently available for rent, and only two units in 347 Barber are currently available for rent. The Receiver requires the Repairs to the 17 units in question to be carried out as soon as possible so as to capture the end of the summer rental market, and maximize the revenue being generated by the Property.

REPAIRS AND AHMED SYED

5. The Receiver notes that the Respondents did not oppose the Applicant’s motion for the Appointment Order, or the motions brought by the Receiver to, among other things, approve the activities of the Receiver set out in its First Report and Second Report, which included undertaking various repairs and improvements to bring previously unrentable units back into rentable condition.
6. The foundation of the Respondents’ notice of motion regarding the Repairs is that “the plan going forward is that Mr. Syed will take control of the Mortgagor on the property having the most units (345) by acquiring the Shares and he is arranging funding which will be finalized by no later than August 30, 2018” (the “**Proposed Syed Share Transaction**”).
7. GDH 11 is the owner of 345 Barber. GDH 10 is the owner of 347 Barber (collectively, the “**Buildings**”).

8. It is the Receiver's view that the Proposed Syed Share Transaction is not viable. Chi Van Ho has omitted from his affidavit that FN has already rejected an application by Ahmed Syed ("Syed") to assume the mortgages for 345 Barber and 347 Barber, as evidenced by the email correspondence between Blaneys, Chi Ho, Ahmed Syed, their counsel, Syed's appraiser, Liahona Mortgage Investment Corp. and FN between September 13, 2018 and December 20, 2018, all of which correspondence is included in the attached **Appendix "B"**, and that Syed had already previously been mentioned as a potential partner in GDH 11 but did not pursue that transaction with FN, as discussed further in paragraphs 9, 10 and 11 below, and the correspondence set out in Appendix "B".
9. The Proposed Syed Share Transaction was addressed in paragraphs 47 to 51 of the affidavit of Chris Sebben of FN sworn September 19, 2017 in support of the Appointment Order (the "**Sebben Affidavit**"), wherein Mr. Sebben swore that a representative of the Respondents advised FN in August, 2017, that a "share purchase agreement was in the works" for 345 Barber "that should be completed by Sept. 5th at which point the mortgage will be paid". FN's consent to any such share purchase agreement was required under its mortgages over both Buildings, but it was not sought from, nor granted by, FN. Mr. Sebben has advised the Receiver that FN has still never received an application to authorize the Proposed Syed Share Transaction. The Sebben Affidavit, without Exhibits, is attached hereto as **Appendix "C"**.
10. FN's position was, and still is, that it would only consider a share purchase agreement if it was for both Respondents as both Buildings have to be sold together because they are connected at every floor, and share common elements (lobby, mail room, laundry room and elevator which is located at 345 Barber) and certain utilities (certain gas meters for 347 Barber are located at 345 Barber) (Sebben Affidavit, paragraph 15).

11. The Proposed Syed Share Transaction was also addressed in the emails attached as Appendix “B” (email from Eric Golden of Blaney McMurtry LLP to Syed dated December 20, 2017, and to Syed’s lawyer dated December 19, 2017). The attachments to those responses, being Chi Van Ho’s letter to FN dated September 12, 2017, Syed’s proposed agreement of purchase and sale for the Buildings dated September 11, 2017, a purported Share Purchase Agreement dated October 27, 2017 between the Chi Ho Family Trust and Ahmed Syed for the trust’s 100 shares in GDH 11, a letter from Syed’s lawyer to FN’s lawyer dated November 17, 2017 regarding his proposed purchase of the Buildings, and a letter from a different lawyer for Syed dated December 15, 2017 regarding Syed’s purported purchase of 347 Barber, are attached hereto as **Appendix “D”**.

12. Also omitted from the Chi Van Ho Affidavit is the following:
 - (a) that the Interim Receivership was required less than 18 months after the Respondents purchased the Buildings and took an assignment of the FN mortgages over the Buildings, after Chi Van Ho undertook major renovations to the Buildings wherein he attempted to convert 345 Barber to student housing without FN approval (Sebben Affidavit, paragraphs 62 to 70), without the approval of the City of Ottawa (the “City”) (and the required building permits for six of the Units above the ground floor) for any units above the lobby except for the level 100 (basement) units, and with these renovations substantially unfinished as of the date of the Appointment Order and 44 out of 110 units vacant as of that date (a vacancy rate of 40%);

 - (b) that he produced minimal records to the Receiver regarding these renovations, which is one of the reasons the Receiver had to obtain from the City the building

permits and drawings, which as set out in the Third Report was a lengthy process (and from which the Receiver learned that permits were not issued for any renovations above the lobby and level 100);

- (c) that his project manager John Napiorkowski quit acting as project manager after discovering that the units above the ground floor were being renovated, and because he was no longer being paid;
- (d) that Eastwood Construction had been prepaid for tiling work in the lobby and was brought in to finish the work. They were then asked by the Receiver to quote on the rest of the work to finish the lobby and submitted the highest quote, as set out below in more detail; and
- (e) that he moved non-BMR tenants from 345 Barber to 347 Barber without FN or City approval to carry out the unauthorized conversion of 345 Barber to student housing, and even though the original owner of the Buildings had signed agreements with the City and the Ministry of Housing to provide 30 affordable housing units at the Buildings, and use best efforts to place these 30 BMR tenants in 347 Barber, all of which resulted in the renting of only 21 of the 30 required BMR units, resulting in the City and Ministry issuing Notices of Breach to GDH 10 (see paragraphs 12, 16 and 17 of the Sebben Affidavit).

REPAIRS

13. In paragraph 5 of the Chi Van Ho Affidavit, Chi Van Ho identifies John Napiorkowski (sic) as an “experienced and meticulous project manager” who was “supervising the work”. As set out in paragraph 29 of the Third Report, the Receiver contacted Mr. Napiorkowski

and found him to be very knowledgeable about the Buildings and Chi Van Ho's previous renovation plan. As a result, the Receiver requested that Mr. Napiorkowski submit a proposal to act as project manager to complete the repairs to the final 20 units. However, in a letter to the Receiver dated April 9, 2018, attached hereto as **Appendix "E"**, Mr. Napiorkowski declined to provide a proposal, apparently as a result of having "suffered indignity by Chi Van Ho and loss of money with very serious O.B.C. infractions compromising the building tenant's safety and inconvenience".

14. As set out in paragraph 6 of the Chi Van Ho Affidavit, Chi Van Ho alleges that the Receiver "stopped Eastwood from doing ongoing work and Eastwood has not returned to do work." In actual fact, after the commencement of the receivership, the Receiver learned that Eastwood Construction had been pre-paid for tiling work for the lobby, and made arrangements for them to complete that tiling, which it did. Attached hereto as **Appendix "F"** is correspondence between the Receiver and Eastwood concerning the completion of the lobby tile work.
15. For the balance of the work to be completed in the lobby, which included the installation of railings, and certain soffit and electrical work, the Receiver solicited three quotes, including one from Eastwood. However, Eastwood's quote, based on the same scope of work as provided to all three contractors, was the highest quote. The Receiver elected to proceed with a quote from JPL Construction Services Inc., which work was completed in the spring of 2018.
16. As set out in paragraph 7 of Chi Van Ho Affidavit, Chi Van Ho alleges he obtained a quote from Eastwood "which is significantly less than either of the quotes the receiver has

received. Eastwood's quotes are for all units at \$343,028.91 inclusive of HST, while the quote Receiver is promoting is for only for some units and totals \$432,583.21 inclusive of HST". However, paragraph 30 of the Third Report states that the quote the Receiver sought approval to proceed with for the repair to 17 units was for \$382,817 plus HST, which was subsequently decreased to \$367,000 plus HST due to a change in the scope of work, being approximately \$18,000 less than the quote reported in the Chi Van Ho Affidavit.

17. In paragraph 8 of the Chi Van Ho Affidavit, Chi Van Ho discusses the benefits of using Eastwood as "not only have we worked with Eastwood before on this project, but also on a reconstruction project in Smith Falls." However, in paragraph 9, Chi Van Ho alleges that he "had another contractor go through the property this month to provide a quote to do the work. This quote from Somerset Renovation ... is \$211,288.52 inclusive of HST". Further in paragraph 10, Chi Van Ho alleges that Syed "has also received a quote from a contractor he has used before ... The cost to do all units by H & R Electric is \$211,310.00". The Eastwood quote, the Sommerset Renovation quote and the H&R Electric quote are herein referred to as the "**Ho Contractors**" and their quotes as the "**Ho Quotes**". It is unclear why Chi Van Ho does not recommend any of the purported lower quotes from Sommerset Renovation or H & R Electric but rather endorses the higher quote he obtained from Eastwood.
18. Following Chi Van Ho's email request to the Receiver at 1:04 pm on June 13, 2018 for access to the Buildings "to assess all the empty repair units to provide the estimate for the renovation", CLV emailed Chi Van Ho twice later that afternoon to set up an inspection. CLV did not hear back, so it followed up on June 27, 2018, and within an hour Chi Van

Ho responded that “we have been there already. We did not hear from you so we took an initiative and arrange with the old superintendent and told him it was ok with you”. The relevant emails between the Receiver, Chi Ho and CLV are attached hereto as **Appendix “G”**. Since Chi Van Ho did not contact the Receiver or CLV (the property manager engaged by the Receiver) to inspect the Buildings, it is uncertain if any of the Ho Contractors actually inspected the Buildings prior to providing the Ho Quotes. If the Ho Contractors did inspect the Buildings, they did so without the knowledge or consent of the Receiver or CLV. The Receiver notes that only Eastwood indicates in its quote that it is “per site visit” (but the quote does not indicate when that site visit occurred, or which units in 345 Barber were inspected). The Receiver notes that two of the Ho Quotes incorrectly set out the units in 345 Barber to be repaired (Eastwood and H & R Electric both omit unit 205, while including unit 606 which does not require repairs) while it is unclear from the H & R Electric quote which units are being quoted on.

19. Furthermore, each of the contractors contacted by the Receiver were provided with a scope of work that on a unit-by-unit basis indicated the renovation work that was required. This allowed the Receiver to properly compare quotes on an “apples to apples” basis. The Chi Van Ho Affidavit does not set out the scope of work provided to the Ho Contractors so it is impossible to assess if the Ho Quotes address the appropriate scope of work and if, in fact, the Ho Quotes are lower than the proposals obtained by the Receiver. The Chi Van Ho Affidavit also does not address whether he intends to continue with his previous plan to convert 345 Barber to student housing. As set out in paragraph 14(f) of the Third Report, the building permits that Chi Van Ho had previously obtained related only to the lobby and

the level 100 units. It is unclear if the City would permit Chi Van Ho to convert the balance of the 345 Barber to student housing.

CHI VAN HO'S PROPOSED TWO MONTH STANDSTILL TO ALLOW FOR A PROPOSED PAYOUT

20. As set out in the arrears statements dated June 7, 2018 which are attached hereto as **Appendix "H"**, the FN mortgage arrears as of that date over 345 Barber totaled \$673,798.26, and over 347 Barber totaled over \$350,000. These arrears statements also only included legal costs to April 30, 2018.
21. Chi Van Ho has not provided any evidence of financial wherewithal whereby he could pay for the Repairs, let alone the arrears under the FN mortgages over the Buildings, by August 31, 2018, or any time thereafter. (As set out above, Syed is not a viable refinancing option for FN). As set out in Appendix "B", Chi Van Ho has previously proposed to pay out the arrears under the FN mortgages but failed to do so.
22. In paragraph 14 of the Chi Van Ho Affidavit, Chi Van Ho alleges that "Mr. Syed proposes to relocate some of his employees and tenants to this property. The lease proposed is for ten (10) immediately". However, as of June 30, 2018, there was only 1 vacant unit in 345 Barber that is in rentable condition while there were 2 vacant units in 347 Barber (for which the Receiver is seeking to occupy with BMR qualifying tenants). As a result, there is insufficient available units for ten additional tenants. There is, however, urgent need to undertake the Repairs so as to be able to put another 17 units on the rental market as soon as possible, and maximize cash flow from the Buildings.

RECEIVER'S REQUEST TO THE COURT

23. The Receiver is seeking an Order:

- i) affirming the prior order of the Court declaring that the Receiver can retain the contractor it recommended to the Court to undertake the Repairs on 17 currently unrentable units in 345 Barber, as set out in the Third Report, pursuant to the Appointment Order and paragraph three of the Order of Justice Hackland made June 11, 2018, authorizing the Receiver "to retain a contractor to undertake repairs on 17 currently unrentable units, as described in the Third Report, such action not to occur before June 30, 2018, and subject to further Order of the Court. Any such Notice of Motion to be served on or before June 30, 2018"; and
- ii) approving this Supplementary Third Report to the Court and the Receiver's actions and activities as set out herein;

All of which is respectfully submitted at Ottawa, Ontario this 3rd day of July, 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



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

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

TAB F

APPENDIX F

Applicant

... OF CORPORATION

and

GOLDEN DRAGON HO 10 INC. et al.
Respondents

Court No. ...-731

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at OTTAWA

MOTION FOR DIRECTIONS
(RETURNABLE JULY 9 2018)

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

Eric Golden (LSUC #38239M)
(416) 593-3927 (Tel)
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Lawyers for the Interim Receiver

July 9 2018.

After hearing submission of counsel for the
Receiver (Eric Golden) for the Receiver Golden Dragon Ho
Mr. Daniel O. N. Hutchinson for the 2nd mortgage,
The Receiver is authorized to proceed with
para. 3 of my order of June 11 2018.
Hedderley

FILED SUPERIOR COURT
OF JUSTICE AT OTTAWA
JUL 04 2018 /CC
DÉPOSÉ À LA COUR
SUPÉRIEURE DE JUSTICE À OTTAWA

TAB G

APPENDIX G

Golden Dragon Ho 10 Inc. and Golden Dragon Ho 11 Inc.
Interim Receiver's Forecast Cash Flow from October 1, 2018 to July 31, 2019

| | Oct-18 | Nov-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Ten Month Total |
|---|-------------------|---------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Receipts | | | | | | | | | | |
| Rent roll | \$ 75,814 | \$ 79,748 | \$ 86,917 | \$ 90,152 | \$ 92,309 | \$ 94,465 | \$ 94,465 | \$ 94,465 | \$ 94,465 | \$ 886,483 |
| Affordable Housing Subsidies | 7,005 | 7,255 | 7,505 | 7,505 | 7,505 | 7,505 | 7,505 | 7,505 | 7,505 | 74,300 |
| Roof top rental revenue | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 15,000 |
| Coin laundry revenue | 1,860 | 1,860 | 1,860 | 1,860 | 1,860 | 1,860 | 1,860 | 1,860 | 1,860 | 18,600 |
| Parking revenue | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 3,900 |
| Receiver Certificate Funding | 250,000 | | | | | | | | | 250,000 |
| Total Receipts | \$ 336,569 | \$ 90,753 | \$ 98,172 | \$ 101,407 | \$ 103,564 | \$ 105,720 | \$ 105,720 | \$ 105,720 | \$ 105,720 | \$ 1,248,282 |
| Disbursements | | | | | | | | | | |
| Monthly operating costs | \$ 18,880 | \$ 18,880 | \$ 18,880 | \$ 18,880 | \$ 18,880 | \$ 18,880 | \$ 18,880 | \$ 18,880 | \$ 18,880 | \$ 188,800 |
| Insurance | 16,370 | 16,370 | 16,370 | - | - | - | - | - | - | 65,480 |
| Property Management Fee | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 67,800 |
| Repairs & Maintenance - 17 renovated suites | 243,227 | 174,414 | - | - | - | - | - | - | - | 417,641 |
| Repairs & Maintenance - mailboxes | - | - | - | 13,052 | - | - | - | - | - | 13,052 |
| Appliances for renovated suites | - | 19,800 | - | - | - | - | - | - | - | 19,800 |
| Interim Receiver fees | - | - | 33,900 | 11,300 | 11,300 | 11,300 | 11,300 | 11,300 | 11,300 | 155,375 |
| Interim Receiver - Capital Projects Group | - | - | - | - | - | - | - | - | - | 14,690 |
| Miscellaneous/Contingency | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 100,000 |
| Total Disbursements | \$ 295,257 | \$ 246,244 | \$ 85,930 | \$ 60,012 | \$ 46,960 | \$ 46,960 | \$ 46,960 | \$ 46,960 | \$ 46,960 | \$ 1,042,638 |
| Net Cash Flow | \$ 41,312 | \$ (155,492) | \$ 12,242 | \$ 41,395 | \$ 56,604 | \$ 58,760 | \$ 58,760 | \$ 58,760 | \$ 58,760 | \$ 205,644 |
| Opening Cash Balance | \$ 128,434 | \$ 169,746 | \$ 14,255 | \$ (11,203) | \$ 1,039 | \$ 42,434 | \$ 157,797 | \$ 216,558 | \$ 275,318 | \$ 128,434 |
| Closing Cash Balance | \$ 169,746 | \$ 14,255 | \$ (11,203) | \$ 1,039 | \$ 99,037 | \$ 157,797 | \$ 216,558 | \$ 275,318 | \$ 334,078 | \$ 334,078 |

**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 October 1, 2018 to July 31, 2019**

Notes:

(1) Based on August 2018 rent roll of 84 occupied units (of 110 total units). The forecast assumes the following additional unit rentals:

| | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 |
|--|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|
| 345 Barber - Opening Rentals | 57 | 61 | 64 | 67 | 70 | 73 | 75 | 77 | 77 | 77 |
| 345 Barber - Departing Rentals | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| 345 Barber - New Rentals | 5 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| 347 Barber - Opening Rentals | 28 | 28 | 29 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| 347 Barber - Departing Rentals | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| 347 Barber - New Rentals | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Forecast Total Occupancy at Month End | 89 | 93 | 97 | 100 | 103 | 105 | 107 | 107 | 107 | 107 |

We have assumed that three units in 345 Barber that were completed gutted (100, 106, and 108) will not be renovated during the next fiscal year and thus will not be available for rent. As a result, the maximum occupancy in the building will be 107 units.

- (2) Based on June 2018 BMR subsidy of \$6,004 with increases as set out in note #1 above.
- (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 October 2017 through June 2018 as follows:

| | Average |
|--|---------------|
| General Interior Maintenance & Repairs | 5,000 |
| Ottawa (Water and Sewer) | 3,300 |
| Janitorial Services | 3,100 |
| Enbridge | 2,000 |
| Electricity (non vacant units) | 1,300 |
| Electricity (vacant units) | 1,200 |
| Rental Agent fees | 700 |
| Locks | 500 |
| Collection fees | 400 |
| Snow removal/Landscaping | 250 |
| Pest control | 100 |
| Bank Charges | 30 |
| | 18,880 |

- (6) Insurance has been paid up until September 2018. Yearly insurance costs are estimated at \$65,480 and are forecast to be paid in four monthly installments commencing in October.
- (7) Represents the contracted amount (including HST) of \$417,641 for the CCDC contract with Westview Projects for the remediation of 17 units in 345 Barber. Construction began in August and is scheduled to be completed in early October. The cash flow forecast includes a first progress payment invoice paid in October, the second paid in early November with a 10% holdback to be paid in late November after substantial performance has been achieved.
- (8) Reflects the quoted price to purchase new mailboxes and install them in the lobby. Pricing includes demolition of the basement room where the old mailboxes had been moved.
- (9) Reflects the estimated cost to purchase appliances for the renovated units.
- (10) The forecast disbursement for December reflects an estimate of the Receiver's fees from July 1 to September 30. The forecast estimate for January 2019 represents an estimate of fees for October through December 2017, beyond February 2019, the forecast fees are \$10,000 per month plus HST.
- (11) Reflects estimated fees for Deloitte Capital Projects Group to act as Consultant to oversee the completion of the project and authorize the payment of invoices.
- (12) The amount represents a contingency for unanticipated costs, including unanticipated repairs and maintenance, unpaid rent, professional fees in excess of estimates, etc.
- (13) Reflects the general ledger cash position on September 26, 2018 and includes the balances in the property management account and the Receiver's trust account.

TAB H

APPENDIX H

**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 September 30, 2018**

| | Sept 22 to Apr 30, 2018 | May 1, 2018 to Sept 30, 2018 | Cumulative to Sept 30, 2018 |
|---|----------------------------|---------------------------------|--------------------------------|
| Receipts | | | |
| Tenant rental receipts | \$ 385,375 | \$ 352,520 | \$ 737,895 |
| Provincial Affordability Payments | 33,772 | 35,523 | 69,295 |
| Telus (rooftop cellular equipment) | 10,500 | 8,146 | 18,646 |
| Coin laundry receipts | 3,280 | 3,366 | 6,646 |
| Miscellaneous receipts | 2,236 | 3,909 | 6,145 |
| Receiver's Certificate | 200,000 | 125,000 | 325,000 |
| Total Receipts | 635,163 | 528,464 | 1,163,627 |
| Disbursements | | | |
| Filing fees paid to Official Receiver | 70 | - | 70 |
| Receiver's fees | 111,004 | 105,309 | 216,313 |
| Legal fees | 11,944 | - | 11,944 |
| Consultants fees | 2,900 | - | 2,900 |
| GST/HST paid | 42,502 | 41,975 | 84,477 |
| PST paid | 4,824 | 1,213 | 6,037 |
| Bank charges | 338 | 209 | 547 |
| Operating expenses: | - | - | - |
| Postage | 21 | - | 21 |
| Signage | 95 | - | 95 |
| Enterphones | 205 | 255 | 460 |
| Insurance | 60,301 | 15,158 | 75,459 |
| Property Manager fees | 49,000 | 30,000 | 79,000 |
| Repairs & maintenance | 91,853 | 137,521 | 229,374 |
| Janitorial | 19,196 | 13,691 | 32,887 |
| Prepaid deposits - utilities | 3,645 | (419) | 3,226 |
| Gas & heating | 24,094 | 5,395 | 29,488 |
| Electricity | 11,044 | 13,817 | 24,861 |
| Water and sewage | 33,968 | (0) | 33,967 |
| Computer | 123 | 161 | 284 |
| Equipment | 379 | 10,326 | 10,705 |
| Rental agent fees | 2,012 | 4,808 | 6,820 |
| General expense | 639 | 808 | 1,447 |
| Other | 2,429 | 6,422 | 8,852 |
| Total Disbursements | 472,586 | 386,646 | 859,232 |
| Excess of Receipts and Disbursements | \$ 162,577 | \$ 141,818 | \$ 304,394 |

TAB I

APPENDIX I

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

**AFFIDAVIT OF HARTLEY M. BRICKS
(Sworn October 11, 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 April 7, 2018 to September 30, 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 \$398. 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 October 11,
2018



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.*

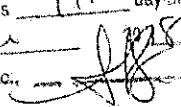
Exhibit "A"

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

| <u>Invoice Date</u> | <u>Invoice Period</u> | <u>Fees</u> | <u>Disbursements</u> | <u>HST</u> | <u>Total</u> |
|---------------------|-------------------------|---------------------|----------------------|--------------------|---------------------|
| 11-Aug-18 | 07-Apr-18 to 30-Jun-18 | \$ 41,045.00 | \$ - | \$ 5,335.85 | \$ 46,380.85 |
| 11-Oct-18 | 01-Jul-18 to 30-Sept-18 | 43,197.50 | 600.71 | 5,693.77 | 49,491.98 |
| | | <u>\$ 84,242.50</u> | <u>\$ 600.71</u> | <u>\$11,029.62</u> | <u>\$ 95,872.83</u> |

This is Exhibit A
in the Affidavit of Hartley M Bricks
Sworn before me this 11th day of
October 2018
A Commissioner, etc.

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

This is Exhibit B in the Affidavit of Hartley DeBricks sworn before me this 11th day of October 2018. A Commissioner, etc., 

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



Invoice 8000209428

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: August 21, 2018
Client No.: 1148618
WBS#: FIRC0013
Engagement Partner: Paul Casey
HST Registration: 12289 3605

For professional services rendered

Fees
Invoice # 5

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 April 7, 2018 to June 30, 2018.

Please see the attached appendices for details.

Sales Tax

| | |
|-------------------------------|-------------------------|
| HST applicable | 41,045.00 |
| *HST at 13.00% | <u>5,335.85</u> |
| Total Amount Due (CAD) | <u>46,380.85</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.



| |
|---------------------------|
| Invoice Number 8000209428 |
| August 21, 2018 |

Use the following payment methods and ensure your payment contains the details provided in the example.

| Client Name | Client# | Invoice# | Amount (CAD) | Comments |
|---|---------|------------|--------------|--------------------------------|
| c/o Deloitte Restructuring Inc., Interim Receiver | 1148618 | 8000209428 | 46,380.85 | Payment for invoice 8000209428 |

Contact:

Please send payment confirmation by email to: receivablesdebitours@deloitte.ca, and reference the invoice number(s) paid

Payment Options

1. EFT Payments(remittance email mandatory):

Preferred Method

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

For CAD Dollar (\$) Payments, pay:

ABA/Transit Routing: 47696002

Account Number: 1590219

For USD Dollar (\$) Payments, pay:

ABA/Transit Routing: 47696002

Account Number: 1363514

2. Wire Payment:

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

For CAD Dollar (\$) Payments, pay:

Account Number: 476961590219

Swift Code: NOSCCATT

For USD Dollar (\$) Payments, pay:

Account Number: 476961363514

Swift Code: NOSCUS33

3. Online Payment:

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

4. Cheque payments, please mail to:

For CAD Dollar (\$) Payments, pay:
DELOITTE MANAGEMENT SERVICES LP
c/o T04567C
PO Box 4567, Str A
Toronto ON M5W 0J1

For USD Dollar (\$) Payments, pay:
DELOITTE MANAGEMENT SERVICES LP
c/o T04567U
PO Box 4567, Str A
Toronto ON M5W 0J1



Appendix A

| Summary of Fees | | | | | |
|-----------------------------------|-----------------------|-------|------------------------|----|-----------|
| Professional | Position | Hours | Rate | | |
| Paul Casey | Senior Vice President | 1.3 | \$600.00 | \$ | 780.00 |
| Hartley Bricks | Senior Vice President | 16.4 | \$500.00 | | 8,200.00 |
| John Saunders | Senior Vice President | 61.2 | \$500.00 | | 30,600.00 |
| Julie Haghiri | Senior | 3.5 | \$275.00 | | 962.50 |
| Emily Klein | Analyst | 2.5 | \$225.00 | | 562.50 |
| Ada Koo | Analyst | 0.4 | \$225.00 | | 90.00 |
| Rose Brown | Trust Administrator | 6.3 | \$100.00 | | 630.00 |
| Total hours and professional fees | | 91.6 | | | 41,045.00 |
| | | | Out of pocket expenses | | - |
| | | | Subtotal | | 41,045.00 |
| | | | HST@13% | | 5,335.85 |
| | | | Amount Payable (CAD) | \$ | 46,380.85 |



Appendix B

| Date | Professional | Hours | Narrative |
|-----------|-----------------|-------|---|
| 4/9/2018 | Saunders, John | 2.0 | Follow up with J. Napiorkowski for response to my letter; follow up with CLV for explanation of revenue item in I/S; draft email to realtor and add disclaimer to I/S; review letter from J. Napiorkowski and forward to team with update; follow up on status of CLV's search for alternate construction managers, contractors; follow up with M. Ingram for referrals to local contractors; emails from realtor and his client, search for March 1, 2018 rent roll; follow up with E. Golden for mortgage documents requested by realtor. |
| 4/10/2018 | Haghiri, Golnaz | 0.5 | Several conversations with Tax and Water at City of Ottawa regarding invoices. |
| 4/10/2018 | Saunders, John | 2.0 | Discuss potential purchaser for property with H. Bricks; follow up with First National to obtain property tax info requested by realtor; review tax information provided and call First National to clarify which amounts were water and sewer charges; draft response to realtor's questions, add disclaimer to any documents forwarded; provide copy of recently signed cheques to J. Haghiri; call to G. Lemback of Deloitte and local lawyers to identify other possible contractors. |
| 4/11/2018 | Brown, Rose | 0.2 | Trust banking administration: disbursement cheque. |
| 4/11/2018 | Saunders, John | 0.4 | Update H. Bricks on search for new construction manager; follow up with contractor identified through G. Lemback's contacts, review website. |
| 4/12/2018 | Brown, Rose | 0.1 | Trust banking administration: disbursement cheques. |
| 4/12/2018 | Saunders, John | 3.4 | Follow up on 2 contractors identified by Deloitte Capital Projects Group, discuss required renovations with each company and send them a copy of plans (for ground floor), draft schedule of work required, and Building Inspector's Order; send same material to company identified by CLV; follow up with CLV to locate a Designated Substances Report, redact section related to another property and forward report to company that requested it; review and sign cheques submitted by CLV, follow up with CLV for further explanation on 2 of the cheques; follow up and respond to inquiries from realtor; review water bills proposed for payment by J. Haghiri, compare to property and water bills paid by First National, discuss with J Haghiri. |
| 4/13/2018 | Brown, Rose | 0.3 | Trust banking administration: deposit. |

| Date | Professional | Hours | Narrative |
|-----------|-----------------|-------|---|
| 4/13/2018 | Saunders, John | 2.2 | Update H. Bricks on status of search for construction manager; review inquiries from CMHC; follow up with CLV for updated rental information and review notes on units requiring extensive renovations, prepare detailed response to inquiries; respond to M. Ingram's offer to provide QA services on renovations; forward copies of cheques to J. Haghiri; emails with L. Segal, follow up on recommended construction managers; discuss requirements with Westview projects, pull together documents and forward for review. |
| 4/16/2018 | Bricks, Hartley | 0.2 | Discussion with J. Saunders re contractor quotes. |
| 4/16/2018 | Saunders, John | 2.8 | Discuss with Capital Projects Group the type of proposal to request from contractors; contact CLV to set up inspection date for companies; provide update to H. Bricks, discuss issues re hiring contractor vs construction manager; forward key documents and requirements to another prospective contractor; lengthy discussion with CLV re type of proposals to request from contractors, pros and cons. |
| 4/17/2018 | Saunders, John | 0.2 | Emails with CLV re new tenant from Options Bytown; follow up with J. Haghiri re property taxes for 347 Barber. |
| 4/18/2018 | Brown, Rose | 0.3 | Trust banking administration: disbursement cheque. |
| 4/18/2018 | Saunders, John | 0.3 | Call with CLV to discuss GPH inspection, and renewal of TSSA license for elevator. |
| 4/19/2018 | Saunders, John | 2.2 | Calls from 2 contractors to discuss their property inspections, questions, and possible proposal options; follow up on a contractor's request to tour property; start a status schedule of the 7 potential contractors contacted; call with CLV for update on status of rentals, and repair and maintenance issues, discuss their impression of potential contractors who visited property so far. |
| 4/20/2018 | Bricks, Hartley | 0.1 | Review of correspondence from J. Saunders re status of contractors. |
| 4/20/2018 | Saunders, John | 2.1 | Respond to Inquiry from a contractor, follow up with CLV; prepare memo updating rental and repair activity, forward to H. Bricks; call with CLV re status of other contractor they recommended; review notes and emails, update status schedule of contractors and forward to H. Bricks. |
| 4/23/2018 | Bricks, Hartley | 0.8 | Discussion with J. Saunders re contractors; review of J. Saunders update and prepare correspondence to First National regarding same. |
| 4/23/2018 | Saunders, John | 2.1 | Discuss with H. Bricks the potential contractors contacted and the possible approaches to completing renovations and repairs; discuss comments from engineer that H. Bricks contacted; meet with owner of a construction management company to discuss his thoughts on the project and potential issues; respond to insurance inquiry from 2nd mortgagee; review and approve cheques for expenses, compare fire safety expenses to price quotes received earlier; follow up with CLV on potential eviction in unit 606, and status of new potential BMR tenant for unit 314; forward copy of cheques to J. Haghiri. |
| 4/24/2018 | Bricks, Hartley | 0.3 | Conference call with City of Ottawa and Ministry of Housing to provide update on the status of the property. |

| Date | Professional | Hours | Narrative |
|-----------|-----------------|-------|--|
| 4/24/2018 | Saunders, John | 1.0 | Review notes, prepare for and attend update call with City and Ministry; update from CLV on status of unit 606 eviction and possible new BMR tenant for unit 314; review letter from owner's new lawyer. |
| 4/25/2018 | Saunders, John | 0.2 | Review proposal from GPH, forward to team. |
| 4/26/2018 | Bricks, Hartley | 0.1 | Respond to correspondence from J. Saunders re second mortgagee. |
| 4/26/2018 | Saunders, John | 0.2 | Review insurance request from 2nd mortgagee's lawyer; provide suggested position to H. Bricks; draft response to lawyer. |
| 4/27/2018 | Bricks, Hartley | 0.1 | Discussion with J. Saunders re that status of construction proposals. |
| 4/27/2018 | Brown, Rose | 0.3 | Trust banking administration: deposit. |
| 4/27/2018 | Saunders, John | 0.5 | Follow up with construction managers to assess whether they will be filing a proposal; update H. Bricks. |
| 4/30/2018 | Bricks, Hartley | 0.2 | Discussion with J. Shtiman re status of proposal and discussion with J. Saunders re construction proposals. |
| 4/30/2018 | Saunders, John | 0.8 | Call from Dolyn to set up meeting to discuss our requirements further; pull documents required for meeting; review proposals received from Westview. |
| 5/1/2018 | Bricks, Hartley | 0.5 | Review of construction quote and correspondence with J. Saunders re same. |
| 5/1/2018 | Klein, Emily | 0.5 | Prepare construction quotation template. |
| 5/1/2018 | Saunders, John | 2.3 | Meeting with contractor at their office to discuss project and proposals we are looking for; review contractor's email to CLV requesting standards for materials required; update H. Bricks on meeting; call with CLV to discuss proposal received from other contractor and errors found in it, and to discuss info requested by first contractor; review template prepared by staff. |
| 5/2/2018 | Bricks, Hartley | 0.3 | Review of correspondence from CLV re finishing standards and forward requirements to Kadima; review May rent roll and forward to City of Ottawa. |
| 5/2/2018 | Saunders, John | 0.2 | Review May 1, 2018 rent roll; review list of standard materials required that was provided by CLV to Dolyn. |
| 5/3/2018 | Bricks, Hartley | 0.2 | Review correspondence from contractors; review correspondence from counsel to second mortgagee. |
| 5/3/2018 | Saunders, John | 0.2 | Respond to inquiry from 2nd mortgagee's lawyer; Follow up with CLV for any errors in specs for Westview proposal. |
| 5/4/2018 | Bricks, Hartley | 0.1 | Review of correspondence concerning construction quotes. |
| 5/4/2018 | Saunders, John | 0.2 | Follow up with CLV re deficiencies in Westview proposal; review CLV monthly financial report. |

| Date | Professional | Hours | Narrative |
|-----------|-----------------|-------|---|
| 5/7/2018 | Bricks, Hartley | 2.2 | Review and revise cash flow forecast; correspondence with CLV regarding outstanding invoices; discussion with J. saunders re construction quotes. |
| 5/7/2018 | Klein, Emily | 2.0 | Assist with preparation of cash flow forecast; revise construction template. |
| 5/7/2018 | Saunders, John | 0.7 | Emails; review supporting documents and approve cheques; update H. Bricks on when proposals expected from construction managers; review revised proposal from H. Bricks; respond to question on repairs. |
| 5/8/2018 | Bricks, Hartley | 1.2 | Finalize cash flow forecast and forward to E. Golden and discussion regarding same; correspondence with N. Hemraj concerning mailbox installation and other matters. |
| 5/8/2018 | Haghiri, Golnaz | 0.5 | Several email correspondences with CLV regarding R&D. |
| 5/8/2018 | Saunders, John | 0.2 | Follow up with CLV to confirm building permit requirement for moving mailboxes; follow up with Dolyn re proposal they plan to submit. |
| 5/9/2018 | Bricks, Hartley | 0.8 | Correspondence with CLV and prepare analysis of construction costs for First National. |
| 5/9/2018 | Saunders, John | 1.0 | Respond to CMHC's inquiry; review CLV's schedule of repair costs per unit; review Dolyn's proposal, forward to team; review CLV's comments on proposal and follow up with Dolyn for details of leaks referred to in proposal. |
| 5/10/2018 | Bricks, Hartley | 0.2 | Discussion with J. Haghiri re statement of receipts and disbursements; discussion with J. Saunders re construction proposal received. |
| 5/10/2018 | Haghiri, Golnaz | 2.5 | Review bank accounts and general ledger and prepare R&D; discuss same with H. Bricks. |
| 5/10/2018 | Saunders, John | 0.7 | Review photos of leak damage provided by Dolyn; follow up with CLV to confirm that almost all had been repaired except for exterior wall on one unit; discuss Dolyn's proposal with CLV and then H. Bricks. |
| 5/11/2018 | Bricks, Hartley | 1.6 | Update R&D and Cash Flow Forecast including discussions with J. Haghiri and R. Brown; prepare correspondence to First National regarding same. |
| 5/11/2018 | Brown, Rose | 0.5 | Trust banking administration: reallocation of GL entries for October to April 2018. |
| 5/11/2018 | Saunders, John | 0.1 | Review Receiver's updated R&D and cashflow. |
| 5/14/2018 | Saunders, John | 0.3 | Respond to email from Westview. |
| 5/15/2018 | Brown, Rose | 0.5 | Meeting with J. Haghiri to review inputting entries into GL. |
| 5/16/2018 | Bricks, Hartley | 0.1 | Discussion with E. Golden re status and timing for final quote and review of correspondence from E. Golden. |
| 5/16/2018 | Brown, Rose | 1.0 | Trust banking administration: review GLs to R&D. |
| 5/17/2018 | Bricks, Hartley | 0.1 | Discussion with J. Saunders re status. |

| Date | Professional | Hours | Narrative |
|-----------|-----------------|-------|--|
| 5/17/2018 | Brown, Rose | 1.5 | Trust banking administration: review GLs to R&D. |
| 5/17/2018 | Saunders, John | 0.2 | Follow up with H. Bricks re status of Kadima Group proposal; follow up with CLV for update. |
| 5/18/2018 | Bricks, Hartley | 0.1 | Correspondance with E. Golden re construction proposals and timing. |
| 5/21/2018 | Saunders, John | 1.5 | Review notes, emails and previous reports; commence drafting 3rd report to court. |
| 5/22/2018 | Bricks, Hartley | 0.1 | Discussion with J. Saunders re status of construction quotes and status of unit rentals. |
| 5/22/2018 | Saunders, John | 1.5 | Attend call with CLV re status of rentals and repairs; update notes; follow up on status of possible proposal from Kadima Group; follow up with E. Golden re BMR units in 345 Barber. |
| 5/23/2018 | Saunders, John | 5.4 | Review cheques & supporting documents, compare payments to quotes and follow up on Hydro anomaly with CLV; follow up with CLV re possible eviction of 402; reconcile vacancies and units to be repaired from 2nd report to current date; work on 3rd report. |
| 5/24/2018 | Saunders, John | 4.7 | Work on draft Third Report to Court; update H. Bricks. |
| 5/25/2018 | Bricks, Hartley | 2.5 | Review and revise Third Report to Court and forward to E. Golden for comments; prepare fee affidavit; respond to N. Hermaj re contractor quotes. |
| 5/25/2018 | Saunders, John | 0.4 | Review revisions to draft Third Report; review emails with First National and Eric. |
| 5/29/2018 | Bricks, Hartley | 2.2 | Revisions to court report; review and provide comments on Notice of Motion. |
| 5/29/2018 | Casey, Paul | 1.2 | Review Court Report and comments; discussion with H. Bricks. |
| 5/29/2018 | Saunders, John | 2.0 | Review revisions to 3rd report, provide comments to H. Bricks; inquiry from First National, review renovation proposals re cost for moving mailboxes; explain proposal costing to N. Hemraj and confirm by email; update H. Bricks; follow up with E. Golden to discuss our position on City's request to hold back 3 units in 345 Barber for BMR tenants, advise CLV; advise contractor with best proposal that we are recommending their proposal to Court; assist H. Bricks in responding to inquiry from Desjardins. |
| 5/30/2018 | Bricks, Hartley | 1.5 | Respond to correspondence from First National regarding repairs to the three gutted units; prepare response to Desjardins inquiry re next steps. |
| 5/30/2018 | Saunders, John | 2.2 | Review final 3rd report; pull together documents required for Court attendance on June 5; review completeness of motion record printed and bound internally; review H. Bricks response to additional inquiries from Desjardins, provide comments; contact other contractors and construction manager who proposed services to complete 20 units at 345 Barber to advise of Receiver's selection. |

| Date | Professional | Hours | Narrative |
|-----------|-----------------|-------|--|
| 5/31/2018 | Saunders, John | 0.1 | Review Fire Marshall's clearance of previous Order for new fire doors, forward to H. Bricks. |
| 6/4/2018 | Saunders, John | 0.9 | Review cheques and supporting documentation, follow up with CLV for missing details of the units that handyman worked on; all from C. Kopach re adjournment of motion; review June rent roll provided by CLV; review emails between E. Golden and Mr. Ho's new lawyers. |
| 6/5/2018 | Brown, Rose | 0.1 | Trust banking administration: prepare deposit. |
| 6/5/2018 | Saunders, John | 0.5 | Advise Westview of Court adjournment; follow up with C. Kopach re new Court hearing; receive details of handyman's work at units from CLV; complete review and approval of cheque requests. |
| 6/7/2018 | Bricks, Hartley | 0.2 | Review of correspondence and discussion with E. Golden regarding same. |
| 6/7/2018 | Saunders, John | 0.8 | Emails with E. Golden and H. Bricks re upcoming Court hearing. |
| 6/8/2018 | Bricks, Hartley | 0.5 | Execute NDA re M. Diegel and C. Ho and forward documents requested. |
| 6/8/2018 | Saunders, John | 1.8 | Review emails re NDA revision and Court hearing; update call with CLV, review previous update and prepare memo updating rental and repair activity, forward to H. Bricks; pull together documents required for Court hearing. |
| 6/11/2018 | Bricks, Hartley | 0.2 | Discussion with J. Saunders re court appearance. |
| 6/11/2018 | Saunders, John | 3.3 | Emails with C. Kopach; review concerns expressed by Mr. Ho's counsel; arrange to bring copies of renovation proposals to Court; prepare for and attend Court hearing, discussions with C. Kopach and with selected contractor re impact of possible delay in starting work; discuss next steps with C. Kopach. |
| 6/13/2018 | Brown, Rose | 1.2 | Update website and Trust banking administration: disbursement cheques and deposit. |
| 6/13/2018 | Saunders, John | 0.3 | Update CLV on Court hearing and next steps; email from C. Ho, follow up with CLV. |
| 6/14/2018 | Casey, Paul | 0.1 | (345 Clarence) Review Court Order and email H. Bricks, J. Saunders. |
| 6/14/2018 | Saunders, John | 0.5 | Provide information on Court hearing to P. Casey; email from C. Ho; review and approve cheques for expenses from CLV. |
| 6/18/2018 | Koo, Ada | 0.4 | Reconciliation for two bank accounts. |
| 6/18/2018 | Saunders, John | 0.1 | Contact CLV for update on rentals, etc. to prepare for call with Ministry and City. |
| 6/19/2018 | Saunders, John | 0.8 | Call with CLV to discuss status of rentals, maintenance issues, and inspection of units by C. Ho; prepare notes; provide update to H. Bricks and legal counsel. |
| 6/22/2018 | Saunders, John | 0.2 | Review and approve cheques from CLV. |

| Date | Professional | Hours | Narrative |
|-----------|----------------|-------|---|
| 6/25/2018 | Saunders, John | 0.2 | Respond to inquiry from contractor. |
| 6/26/2018 | Saunders, John | 0.2 | Update on issues from CLV. |
| 6/27/2018 | Saunders, John | 0.9 | Prepare for and attend call with Ministry and City; receive information on Chi Ho's activity from CLV; update H. Bricks and E. Golden; update H. Bricks on issues raised during earlier call and next steps with contractor. |
| 6/28/2018 | Saunders, John | 1.5 | Forward detailed renovation quote to Deloitte's Capital Projects group; brief A. McHardy on background and proposed renovations to 345 Barber, request that he review proposed contract for anything unusual based on his experience; respond to inquiry from Westview; review and sign cheques submitted by CLV for approval. |
| 6/29/2018 | Brown, Rose | 0.3 | Trust banking administration: deposit. |
| 6/29/2018 | Saunders, John | 2.9 | Review proposed contract with selected contractor, forward to lawyers and Capital Projects group for review; follow up with contractor on an error, wrong version of quote attached to contract; review and discuss M. Abdelsayed's comments on contract and scope of work, confirm scope issues with CLV; email from C. Kopach re missing parts of contract, follow up with contractor; discuss need to appoint a consultant and other contract issues with C. Kopach, update H. Bricks; review notice of motion, etc, from Mr. Ho; advise contractor that renovation work is now on hold. |
| Total | | 91.6 | |


Invoice 8000256413

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

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: October 11, 2018
 Client No.: 1148618
 WBS#: FIRC0013
 Engagement Partner: Paul Casey
 HST Registration: 12289 3605

For professional services rendered
Fees
 Invoice # 6

For 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 July 1, 2018 to September 30, 2018.

Please see the attached appendices for details.

| | | |
|-------------------------------|----------------|-------------------------|
| Out of pocket expenses | HST applicable | 43,197.50 |
| Expense | HST applicable | 600.71 |
| Sales Tax | HST at 13.00% | <u>5,693.77</u> |
| Total Amount Due (CAD) | | <u>49,491.98</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.



Invoice Number 8000256413

October 11, 2018

Use the following payment methods and ensure your payment contains the details provided in the example.

| Client Name | Client# | Invoice# | Amount (CAD) | Comments |
|---|---------|------------|--------------|--------------------------------|
| c/o Deloitte Restructuring Inc., Interim Receiver | 1148618 | 8000256413 | 49,491.98 | Payment for invoice 8000256413 |

Contact:

Please send payment confirmation by email to: receivablesdebitors@deloitte.ca, and reference the invoice number(s) paid

Payment Options

1. EFT Payments (remittance email mandatory):
Preferred Method

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

For CAD Dollar (\$) Payments, pay:

ABA/Transit Routing: 47696002

Account Number: 1590219

For USD Dollar (\$) Payments, pay:

ABA/Transit Routing: 47696002

Account Number: 1363514

2. Wire Payment:

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

For CAD Dollar (\$) Payments, pay:

Account Number: 476961590219

Swift Code: NOSCCA11

For USD Dollar (\$) Payments, pay:

Account Number: 476961363514

Swift Code: NOSCUS33

3. Online Payment:

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

4. Cheque payments, please mail to:

For CAD Dollar (\$) Payments, pay:
 DELOITTE MANAGEMENT SERVICES LP
 c/o T04567C
 PO Box 4567, Stn A
 Toronto ON M5W 0J1

For USD Dollar (\$) Payments, pay:
 DELOITTE MANAGEMENT SERVICES LP
 c/o T04567U
 PO Box 4567, Stn A
 Toronto ON M5W 0J1



Appendix # 1

Summary of Fees

| Professional | Position | Hours | Rate | Fees |
|--------------------------------|-----------------------|-------------|------------------------|---------------------|
| Restructuring Group | | | | |
| Paul Casey | Senior Vice President | 1.1 | \$600 | \$ 660.00 |
| Hartley Bricks | Senior Vice President | 17.4 | \$500 | 8,700.00 |
| John Saunders | Senior Vice President | 38.6 | \$500 | 19,300.00 |
| Catherine Hristow | Director | 0.8 | \$500 | 400.00 |
| Julie Haghiri | Senior Analyst | 2.3 | \$275 | 632.50 |
| Ada Koo | Analyst | 0.8 | \$225 | 180.00 |
| Rose Brown | Trust Administrator | 8.6 | \$100 | 860.00 |
| | | 69.6 | | 30,732.50 |
| Capital Projects Group | | | | |
| Charles Bucci | Senior Manager | 11.5 | \$350 | \$ 4,025.00 |
| Geoffroy Bertrand | Senior | 39.2 | \$200 | 7,840.00 |
| Jacob Plouffe | Staff | 4.0 | \$150 | 600.00 |
| | | 50.7 | | 12,465.00 |
| Total Professional Fees | | | | \$ 43,197.50 |
| | | | Out of pocket expenses | 600.71 |
| | | | Subtotal | 43,798.21 |
| | | | HST @ 13% | 5,693.77 |
| Amount Payable (CAD) | | | | \$ 49,491.98 |



Appendix # 2

| Date | Professional | Hours | Narrative |
|-----------|--------------------|-------|--|
| 7/3/2018 | Bricks, Hartley | 6.5 | Prepare Supplemental Report to the Third Report; various discussions with E. Golden regarding Supplemental Report; review and provide comments on the notice of motion. |
| 7/3/2018 | Brown, Rose | 0.2 | Trust banking administration: pull up online banking report for Jun 2018 and send to property management company. |
| 7/3/2018 | Casey, Paul | 0.6 | Review responding Court report and comments to H. Bricks. |
| 7/3/2018 | Hristow, Catherine | 0.8 | Review court appendices and QA Supplemental Report to the Third Report and provide comments on same. |
| 7/4/2018 | Brown, Rose | 0.2 | Website updates. |
| 7/8/2018 | Saunders, John | 0.7 | Review Receiver's Notice of Motion and Supplementary Report; review and respond to emails re upcoming court hearing. |
| 7/9/2018 | Saunders, John | 3.0 | Prepare for and attend at Court hearing; Update H. Bricks, CLV and contractor on results, discuss next steps; follow up with C. Kopach to finalize contract with Westview; respond to inquiries from First National and C. Kopach. |
| 7/10/2018 | Saunders, John | 0.4 | Review proposed amendments to contract, provide comments to C. Kopach; email from contractor. |
| 7/11/2018 | Brown, Rose | 0.2 | Trust banking administration: print month end report and input receipts and disbursement into Ascend for property management account. |
| 7/11/2018 | Saunders, John | 1.3 | Review construction contract with C. Kopach, follow up on outstanding information with contractor; send draft contract to CLV to indicate consultant's duties; locate and send drawings to C. Kopach; call with contractor; update C. Kopach and H. Bricks. |
| 7/12/2018 | Bricks, Hartley | 0.2 | Correspondence with J. Saunders re status and MOH proposed meeting. |
| 7/12/2018 | Saunders, John | 1.6 | Update call with CLV; emails with C. Kopach re contract and additional work to move mailboxes; review architectural drawings to provide info to C. Kopach; follow up with contractor for separate quote for mailboxes; Review proposed plan for mailboxes provided by contractor, discuss with CLV; email to contractor confirming details of moving mailboxes and clean up on current mailroom in sub basement; update team on BMR units; call with C. Kopach to confirm remaining issues on renovation contract. |
| 7/13/2018 | Saunders, John | 1.3 | Emails with H. Bricks and C. Kopach; respond to meeting request from Ministry; arrange for list of 13 drawings to be prepared, forward to C. Kopach; phone call and email from CLV re proposed 10% fee to act as Consultant in renovation contract, discuss with H. Bricks; follow up on other possible options with M. Abdelsayed; update C. Kopach. |
| 7/16/2018 | Bricks, Hartley | 0.3 | Review of correspondence from J. Saunders re project manager and telephone discussion re same. |

| | | | |
|-----------|--------------------|-----|---|
| 7/16/2018 | Saunders, John | 1.9 | Review comments and fee estimate for acting as Consultant from M. Abdelsayed; discussions with H. Bricks and then C. Hopach re consultant role and contract; discuss issues regarding consultant role and fee with CLV; update C. Kopach and discuss next steps with H. Bricks; prepare update on contract process and consultant issues for First National. |
| 7/17/2018 | Saunders, John | 1.5 | Emails with M. Abdelsayed re contract to repair 17 units; call from Ministry re status of BMR units; follow up on status of construction contract with C. Kopach; review updated contract from C. Kopach, provide instructions; discuss scope of work with C. Bucci in Capital Projects Group. |
| 7/18/2018 | Bricks, Hartley | 0.2 | Discussion with J. Saunders re status of contract. |
| 7/18/2018 | Saunders, John | 1.3 | Discuss C. Bucci's recommendations, for a more detailed scope of work for unit repairs, with H. Bricks; update C. Kopach; send CLV's specs to C. Bucci; discuss with B. Jarret the Human Rights complaint filed against CLV, review response and provide comments; follow up with contractor, CLV and C. Bucci to meet Monday to finalize and document scope of work. |
| 7/19/2018 | Bertrand, Geoffroy | 3.1 | Review and classification of the various documentation received by J. Saunders. |
| 7/19/2018 | Saunders, John | 0.3 | Follow up with contractor re meeting on July 23 to clarify scope of work with our Capital Projects' expert; review next version of contract from Contractor. |
| 7/20/2018 | Bucci, Charles | 1.0 | Summary review documents received from J. Saunders. |
| 7/20/2018 | Saunders, John | 0.7 | Discuss contractor's proposed revisions to contract with C. Kopach; follow up on impact of revisions with C. Bucci, advise C. Kopach; confirm meeting on Monday with contractor, CLV and C. Bucci. |
| 7/23/2018 | Bertrand, Geoffroy | 8.7 | Kickoff meeting with contractor; review of contractor proposal; site visit. |
| 7/23/2018 | Bucci, Charles | 9.0 | Site visit with contractor in order to finalize scope of work. |
| 7/23/2018 | Saunders, John | 3.9 | Attend at 345 Barber to go through each unit with contractor, it's key subtrades, CLV and Deloitte Capital Projects' team to check that scope of work is correct and understood between the parties, make notes of differences identified, discuss next steps; update C. Kopach. |
| 7/24/2018 | Bertrand, Geoffroy | 2.4 | Annotation of contractor proposal following kickoff meeting. |
| 7/24/2018 | Saunders, John | 1.1 | Update E. Golden on discussion with MOH, and on inspections of 17 units with contractor on Monday; review and approve cheques from CLV, follow up on \$1,800 expected credit from Hydro; review and discuss, with Capital Projects Group, the amendments they made to contractor's proposal; forward to Contractor for comment. |
| 7/25/2018 | Bertrand, Geoffroy | 3.7 | Review of the new Ontario Construction Act; creation of a conflict check for the Capital Projects Group; review of contractor revised proposal and issuance of our recommendation. |
| 7/25/2018 | Bucci, Charles | 0.5 | Discussion with J. Saunders regarding contractor's revised quote and mailboxes; review comments on revised quote with G. Bertrand. |
| 7/25/2018 | Koo, Ada | 0.4 | Trust bank reconciliations for June 2018 (2 trust bank accounts). |

| | | | |
|-----------|--------------------|-----|--|
| 7/25/2018 | Saunders, John | 1.3 | Update First National on status of contract to repair 17 units and changes required; review and follow up on revised proposal submitted by contractor; send emails confirming quote for mailbox to contractor, discuss with contractor and then Capital Projects group; update C. Kopach; review comments from Capital Projects group on revised proposal and forward to contractor and C. Kopach; review and approve additional cheques from CLV. |
| 7/26/2018 | Bertrand, Geoffroy | 0.3 | Email regarding modification to Construction Act in Ontario. |
| 7/26/2018 | Saunders, John | 0.3 | Review revised contract and provide comments to C. Kopach; review emails regarding contract. |
| 7/27/2018 | Saunders, John | 0.3 | Discuss updated version of CCDC contract with C. Kopach and arrange to execute contract. |
| 7/30/2018 | Bricks, Hartley | 0.2 | Discussion with J. Saunders re status of construction contract. |
| 7/30/2018 | Saunders, John | 2.0 | Discuss contract & repair issues with H. Bricks; review emails; call from real estate agent re 345 Barber; call to CLV to confirm status of work on 17 units; prepare update for First National and lawyers; respond to inquiry from First National; follow up on construction schedule. |
| 7/31/2018 | Brown, Rose | 0.5 | Trust banking administration: deposit. |
| 8/1/2018 | Saunders, John | 0.2 | Respond to inquiry from realtor; update H. Bricks. |
| 8/2/2018 | Bricks, Hartley | 0.1 | Review of rent roll and forward to City of Ottawa. |
| 8/2/2018 | Saunders, John | 0.6 | Review and approve cheques from CLV; review August 1 rent roll and compare to notes on unit changes. |
| 8/7/2018 | Saunders, John | 0.5 | Follow up with contractor for construction schedule; follow up with CLV re connecting with contractor on regular basis during construction; follow up with CLV re status of vacant rental units; update team; call from realtor with client for property. |
| 8/9/2018 | Saunders, John | 0.5 | Review construction schedule and forward to team; discuss schedule with Contractor; review updated construction schedule and forward to team and to First National. |
| 8/10/2018 | Saunders, John | 0.3 | Review emails and quote, discuss elevator problem and required repairs with CLV; update team. |
| 8/13/2018 | Bertrand, Geoffroy | 0.5 | Site visit planning. |
| 8/13/2018 | Saunders, John | 1.0 | Call from N. Hemraj, discuss renovation contract terms; locate and forward copy of contractor's proposal; review contract and payment application timing; email from CLV re status of vacant rental units, followup; review and approve cheques prepared by CLV. |
| 8/14/2018 | Bertrand, Geoffroy | 0.3 | Call with J. Saunders regarding issues related to the job site. |
| 8/14/2018 | Saunders, John | 0.8 | Review rent roll and notes, call with CLV to obtain further details of vacant rental units; discuss contractor's use of unit 203 with CLV and with Capital Projects Group; draft note to update team and First National. |
| 8/15/2018 | Saunders, John | 0.2 | Respond to inquiry from realtor; respond to inquiry from E. Golden. |
| 8/16/2018 | Bertrand, Geoffroy | 8.0 | Site visit and meeting with CLV and contractor. |

| | | | |
|-----------|--------------------|-----|--|
| 8/16/2018 | Bricks, Hartley | 1.5 | Prepare cash flow forecast; review of correspondence concerning status of remediation work. |
| 8/16/2018 | Haghiri, Julie | 1.0 | Prepare R&D; internal conversations in respect of same. |
| 8/16/2018 | Saunders, John | 0.7 | Review construction site update memo, meet with G. Bertrand to discuss; forward update to team and First National; respond to H. Bricks' inquiry re mailboxes. |
| 8/17/2018 | Bricks, Hartley | 0.2 | Correspondence with E. Golden re status. |
| 8/20/2018 | Bricks, Hartley | 0.5 | Discussion with E. Golden and update cash flow forecast. |
| 8/20/2018 | Brown, Rose | 0.3 | Trust banking administration: print GL reports for July and input summary GL number into Ascend. |
| 8/21/2018 | Bricks, Hartley | 2.7 | Review of R&D; prepare cash flow forecast; prepare corresp. to N. Hemraj re same and fee estimates. |
| 8/21/2018 | Brown, Rose | 1.7 | Trust banking administration: review R&D to Ascend and discuss with J. Haghiri. |
| 8/21/2018 | Haghiri, Julie | 1.3 | Work on R&D reconciliation and cash flow items. |
| 8/27/2018 | Bricks, Hartley | 0.4 | Discussion with N. Hermaj and respond to various emails re cash flow forecast. |
| 8/27/2018 | Brown, Rose | 1.7 | Trust banking administration: review spreadsheet for R&D and discuss with CVL. |
| 8/28/2018 | Brown, Rose | 1.7 | Review R&D, GLs and bank report from property management company. |
| 8/29/2018 | Brown, Rose | 0.6 | Trust banking administration: prepare cheque and deposit. |
| 8/30/2018 | Bricks, Hartley | 0.5 | Review of correspondence from E. Golden, accumulate property financial information and forward. |
| 9/3/2018 | Saunders, John | 0.2 | Review emails; respond to City's email. |
| 9/4/2018 | Brown, Rose | 0.1 | Trust banking administration: pull online bank report and send to property management company. |
| 9/4/2018 | Saunders, John | 0.6 | Review cheques from CLV, follow up on unusual items; follow up on status of quote to move mailboxes (from contractor). |
| 9/5/2018 | Bricks, Hartley | 0.1 | Review of invoice from Contractor Projects and corresp. to N. Hermaj re same; review of September rent roll. |
| 9/5/2018 | Saunders, John | 2.5 | Respond to contractor's inquiry re progress billing; review and forward 1st progress billing to Capital Projects group for review; Review new rent roll, follow up on errors with CLV; update call with CLV re status of vacant units, renovations of 17 units, and other issues, prepare memo on status; discuss contractor's continued use of Unit 203 with V.P. Operations; review quote for purchasing 17 appliances forwarded by CLV, follow up with CLV for further details. |
| 9/6/2018 | Bertrand, Geoffroy | 0.7 | Call with WestView to schedule a meeting and email update to J. Saunders. |
| 9/6/2018 | Bricks, Hartley | 0.2 | Provide redacted rent roll to E. Golden. |

| | | | |
|-----------|--------------------|------|--|
| 9/6/2018 | Saunders, John | 2.3 | Discuss proposed order of 33 fridges, stoves for 17 renovated units with D. Hayward of CLV, prepare notes to file, and approve order; follow up with contractor re continued use of unit 203, received confirmation that they were moving out; complete and forward memo on status of vacant units, BMR units and renovations to FN and lawyers; follow up with CLV on 2nd mortgagee's request to inspect property next week, respond to 2nd mortgagee's lawyer; attend call with City and Ministry, provide update on status of property and BMR units, discuss next steps; review and approve additional cheques from CLV. |
| 9/7/2018 | Saunders, John | 0.3 | Email from lawyer for 2nd mortgagee; review financials for August 2018. |
| 9/10/2018 | Brown, Rose | 0.1 | Trust banking administration: scan deposit slip and send to property management office. |
| 9/11/2018 | Bertrand, Geoffroy | 10.0 | Site visit at 345 Barber and compilation of installed quantities. |
| 9/11/2018 | Bucci, Charles | 1.0 | Review and comment of progress billing certification prepared by G. Bertrand. |
| 9/11/2018 | Saunders, John | 0.2 | Discussion with First National re repair costs to date. |
| 9/12/2018 | Bertrand, Geoffroy | 1.0 | Email to Cedar asking him to revise its progress billing based on the actual percentage of advancement. |
| 9/12/2018 | Bricks, Hartley | 0.8 | Review of files and respond to N. Hermaj re questions surrounding repair and maintenance expenditures. |
| 9/12/2018 | Plouffe, Jacob | 4.0 | Progress billing update for 345 Barber Street. |
| 9/13/2018 | Bertrand, Geoffroy | 0.5 | Recommendation of payment issuance. |
| 9/13/2018 | Brown, Rose | 1.0 | Review general ledger and R&D report with property management company, |
| 9/13/2018 | Saunders, John | 0.2 | Call from CLV re broken pipe in boiler room and expenses to fix it. |
| 9/14/2018 | Saunders, John | 0.3 | Review documents from CP's review of work progress to date, discuss with G. Bertrand; forward progress bill to H. Bricks for payment. |
| 9/20/2018 | Bricks, Hartley | 0.5 | Prepare Receiver Certificate and forward to N. Hermaj; correspondence with J. Saunders re payment of contractor invoice. |
| 9/20/2018 | Casey, Paul | 0.5 | Discussion H. Bricks re status and review; execute Receiver Certificate No. 2. |
| 9/20/2018 | Saunders, John | 0.6 | Follow up with H. Bricks and CLV re payment of first progress bill; follow up on status of quote for mailboxes; review and approve cheques from CLV. |
| 9/21/2018 | Saunders, John | 0.2 | Emails with CLV; arrange for inspection of renovated units. |
| 9/24/2018 | Koo, Ada | 0.4 | Prepare July bank reconciliation (2 bank accounts). |
| 9/24/2018 | Saunders, John | 0.2 | Review progress draw with Bruce and execute cheque (2 signatories). |
| 9/25/2018 | Bricks, Hartley | 1.0 | Review of insurance policy renewal documents and forward disbursement request to CLV; discussion with First National re status of receivership. |
| 9/25/2018 | Brown, Rose | 0.3 | Trust banking administration: deposit. |
| 9/25/2018 | Saunders, John | 0.5 | Review information on proposed repairs to 17 units to prepare for inspection of units. |

| | | | |
|-----------|-----------------|-----|---|
| 9/26/2018 | Bricks, Hartley | 1.5 | Discussion with N. Hermaj re cash flow forecast, discuss same with CLV Group and J. Saunders; and prepare updated cash flow forecast and forward to First National. |
| 9/26/2018 | Saunders, John | 2.2 | Attend at building with CLV to inspect renovated units, discuss moving mailboxes and review status of vacant units; discuss with H. Bricks the status of funds required to pay contractor; review contract and potential interest charges with G. Bertrand (Capital Projects); review cash-flow, confirm appliance costs with CLV, and discuss timing of upcoming payments with H. Bricks; review notice of increase to elevator maintenance charges. |
| 9/27/2018 | Saunders, John | 0.4 | Discuss mailbox issues and delay in payment of 1st progress draw with contractor; review mailbox quote and follow up on questions regarding details. |
| 9/30/2018 | Saunders, John | 0.2 | Follow up on missing information for mailbox quote. |

124.3

TAB J

APPENDIX J

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 the Interim Receiver, 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

- 2 -

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**”).

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 May 3, 2018, to and including September 27, 2018, as described in Legal Costs Summary attached hereto and marked as **Exhibit “A”**, and the detailed accounts rendered by Blaneys dated May 31, 2018, June 30, 2018, July 31, 2018, September 20, 2018 and September 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 103.8 hours were expended by Eric Golden, Chad Kopach, and Blaneys’ law clerks, during the period noted above in performing legal services relating to the Interim Receivership.


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 15th day of October, 2018)
)
)
)
)
)
)
)




A Commissioner for Taking Affidavits
C. Kerpach



ERIC GOLDEN

This is **EXHIBIT "A"** referred to
in the Affidavit of **ERIC GOLDEN**
sworn before me, this 15th
day of October, 2018.

A handwritten signature in black ink, consisting of a stylized, cursive 'M' followed by a horizontal line.

A Commissioner, etc.

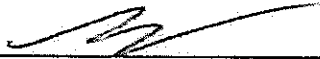
LEGAL COSTS SUMMARY

| LAWYER | YEAR OF CALL | HOURLY RATE |
|-------------|--------------|-------------|
| Eric Golden | 1996 | \$475.00 |
| Chad Kopach | 2003 | \$395.00 |

SUMMARY OF ACCOUNTS



| No. | Date of Account | Fees | Disbursements | H.S.T. | Total |
|--|--------------------|---|---------------|------------|-------------|
| 1. | May 31, 2018 | \$10,014.50 | \$160.00 | \$1,301.89 | \$11,476.39 |
| 2. | June 30, 2018 | \$15,287.00 | \$1,538.91 | \$2,173.17 | \$18,999.08 |
| 3. | July 31, 2018 | \$12,927.00 | \$791.38 | \$1,783.39 | \$15,501.77 |
| 4. | September 20, 2018 | \$3,237.00 | \$322.76 | \$462.77 | \$4,022.53 |
| 5. | September 30, 2018 | \$4,607.50 | \$ nil | \$598.98 | \$5,206.48 |
| TOTAL | | \$55,206.25 | | | |
| Average Hourly Rate - (before H.S.T.) | | Total fees (before H.S.T.): \$46,073.00 ÷ Total hours: 103.80 = \$443.86 | | | |

This is **EXHIBIT "B"** referred to
in the Affidavit of **ERIC GOLDEN**
sworn before me, this 15th
day of October, 2018.



A Commissioner, etc.



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

HST REGISTRATION # R119444149

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

Date
 May 31, 2018

Invoice No.
 635704

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

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

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|--------------|---------------|-------------|---|
| May 3, 2018 | EG | 0.10 | Emails between counsel for Liahona and Receiver regarding next motion date; |
| May 7, 2018 | EG | 0.10 | Emails between counsel for Liahona and receiver regarding third report; |
| May 8, 2018 | EG | 0.70 | Telephone call with Bricks regarding quotes for repairs; email from same enclosing current cash flow; review same; telephone call with Bricks regarding same and instructions to prepare updated R&D and request mortgage statements from FN; |
| May 10, 2018 | EG | 0.20 | Email to Deloitte regarding next report; email from Deloitte to FN regarding cashflow; |
| May 16, 2018 | EG | 1.10 | Email from Bricks regarding cash flow and Interim R & D; review same in detail; email between FN and Receiver regarding discharge statements; email to same regarding same; |
| May 17, 2018 | EG | 0.10 | Emails to and from Court regarding motion dates; |
| May 18, 2018 | EG | 2.00 | Email to and from Bricks regarding third quote to be delivered for repairs; emails to and from |

*Terms Payment upon receipt. Interest as allowed on the Obligations. An annual rate of 4.5% per annum, calculated monthly will be added to all amounts overdue. Money due now.

Date
May 31, 2018

Invoice No.
635704

File No.
075754-0767

-2-

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|--------------|---------------|-------------|--|
| | | | court regarding motion date; emails to and from Fn regarding [REDACTED] |
| May 23, 2018 | EG | 0.10 | Email from and to Ottawa court regarding motion date; |
| May 24, 2018 | CK | 1.40 | Commence draft of notice of motion for approval of third report; |
| May 25, 2018 | EG | 1.00 | Email from FN regarding [REDACTED] email from IR regarding status of report; email from FN to IR regarding quotes for repairs to 17 units under 10K; email from Bricks regarding quotes; emails between IR and FN regarding same; briefly review third report from receiver and notice of motion and instructions to Kopach regarding same and Notice of Motion; |
| May 25, 2018 | CK | 3.90 | Review and revise draft report; further revisions to draft notice of motion regarding approval of third report, and repairs to remaining units; draft fee affidavit; |
| May 28, 2018 | EG | 2.40 | Review and revise third report; |
| May 29, 2018 | EG | 3.20 | Review dockets for privilege and revise fee affidavit; review and revise NOM; communications with Kopach regarding same; emails to and from Bricks/Deloittes regarding same and regarding proposed revisions to third report; revise Order; further revisions to third report; instructions to assistant on service an filing; communications with Deloitte; status update to FN; email from FN enclosing payout statements. |
| May 29, 2018 | CK | 6.50 | Revise and finalize notice of motion for approval of third report; finalize third report draft order regarding motion for approval; instructions to clerk regarding service of material; |
| May 29, 2018 | DK | 0.30 | Attend to subsearch of title and obtain property parcel registers as instructed by C. Kopach; |

Date
May 31, 2018

Invoice No.
635704

File No.
075754-0767

-3-

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|--------------|---------------|-------------|---|
| May 31, 2018 | EG | 0.10 | Email from and to IR regarding City position that BMR tenants should be placed in 345 Barber; |

| | |
|-----------------|-------------|
| OUR FEE HEREIN: | \$10,014.50 |
| FEE HST: | \$1,301.89 |

| <u>Lawyer</u> | <u>Title</u> | <u>Hours</u> | <u>Rate</u> | <u>Amount</u> |
|---------------|--------------|--------------|-------------|---------------|
| Eric Golden | Partner | 11.10 | \$475.00 | \$5,272.50 |
| Chad Kopach | Partner | 11.80 | \$395.00 | \$4,661.00 |
| Dawn Kearns | Clerk | 0.30 | \$270.00 | \$81.00 |


| <u>Disbursements</u> | <u>Amount</u> |
|----------------------------|---------------|
| Filing Fees* - Non-Taxable | \$160.00 |

| | |
|----------------------|----------|
| TOTAL DISBURSEMENTS: | \$160.00 |
| *HST is not charged | |
| DISBURSEMENT HST: | \$0.00 |

| | |
|-------------------------------|-------------|
| TOTAL FEES AND DISBURSEMENTS: | \$10,174.50 |
| TOTAL HST: | \$1,301.89 |

| | |
|-------------------|--------------------|
| TOTAL AMOUNT DUE: | <u>\$11,476.39</u> |
|-------------------|--------------------|

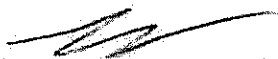
BLANEY McMURTRY LLP


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.

This is EXHIBIT "C" referred to
in the Affidavit of ERIC GOLDEN
sworn before me, this 15th
day of October, 2018,

A handwritten signature in black ink, consisting of several fluid, overlapping strokes, positioned above a horizontal line.

A Commissioner, etc.



Blaney McMurtry LLP | Lawyers
 2 Queen Street East | Suite 1900
 Toronto, Ontario M5C 3G9
 (416) 593-1221
 blaney.com

HST REGISTRATION # R119444149

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

Date
 June 30, 2018

Invoice No.
 638041

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

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

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|--------------|---------------|-------------|--|
| May 30, 2018 | EG | 0.10 | Motion confirmation form to Ottawa court; |
| June 1, 2018 | EG | 0.20 | Draft email from IR to Desjardins regarding repairs to 17 units; review and revise same; |
| June 4, 2018 | EG | 1.80 | Review and revise email to third mortgagee regarding discharge of mortgage; emails from and to alleged lawyer for Chi Ho regarding his retainer by Ho, a potential purchaser, and adjournment; instructions to Kopach regarding same; letter from Diegel enclosing Notice of Appearance; emails to and from and telephone call with court regarding availability; emails from and to counsel for Ho regarding payout statements; status update to FN; status update to independent counsel for FN; |
| June 4, 2018 | CK | 0.80 | Correspondence to lawyer for third mortgagee regarding position on motion to discharge mortgage; instructions from EG regarding new counsel for Chi Ho and possible adjournment of motion; correspondence to service list regarding adjournment; correspondence from lawyer for third mortgagee regarding discharge of mortgage proceeding unopposed; |

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Date
June 30, 2018

Invoice No.
638041

File No.
075754-0767

-2-

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|---------------|---------------|-------------|--|
| June 6, 2018 | EG | 0.30 | Email from counsel for Chi Ho setting out documentation he wishes to review; email to Deloitte regarding same; |
| June 7, 2018 | EG | 2.20 | Emails to and from counsel for Ho regarding documentation he has requested and on what terms production will be made; instructions to Kopach regarding Non-Disclosure Agreement to be executed by Ho counsel; review and revise same; telephone call with Bricks regarding same; emails from and to counsel for Ho regarding arrears statements; emails to and from FN regarding same; vm from counsel for Sterns and instructions to Kopach to respond; |
| June 7, 2018 | CK | 4.40 | Correspondence exchanged with lawyer for Chi Ho regarding production of documentation on repairs to 17 of 20 remaining units, telephone communications with lawyer for Stern guarantors regarding plan not to rectify remaining 3 units; draft and revise NDA for disclosure of certain information regarding property management and proposals for repair; correspondence to service list regarding time of return of motion; attend to confirmation of motion; |
| June 8, 2018 | EG | 0.50 | Emails from and to Diegel and Deloitte regarding documents to be produced under NDA and wording of NDA; email from counsel for City regarding next conference call; email from Deloitte to FN regarding status of CMHC approval for repairs; instructions to C. Kopach regarding motion; |
| June 11, 2018 | EG | 0.30 | Emails from and to counsel for Ho regarding repairs and cost; instructions to Kopach regarding same; |
| June 11, 2018 | CK | 7.50 | Prepare for and attend at court in Ottawa regarding motion to approve third report, and to approve plan for rectification of 17 out of 20 currently unrentable units; discussions with counsel for Chi Van Ho regarding purported plan to rectify units and put mortgage back into good standing; |

Date
June 30, 2018

Invoice No.
638041

File No.
075754-0767

-3-

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|---------------|---------------|-------------|--|
| June 12, 2018 | EG | 0.20 | Status email to FN regarding outcome of motion; |
| June 12, 2018 | CK | 0.10 | Correspondence to service list regarding outcome of June 11 motion; |
| June 13, 2018 | DK | 0.80 | Receipt and review of issued court order and instructions to discharge third mortgage; prepare electronic application to amend based on court order discharging third charge from title; prepare acknowledgment and direction authorizing electronic completion for execution by interim receiver; forward same to C. Kopach for review; |
| June 14, 2018 | EG | 0.10 | Emails between Cho/Cho counsel and IR regarding inspection of premises to provide alternate quote for repairs to 17 units; |
| June 19, 2018 | EG | 0.20 | Email from and to FN regarding City position that BMR tenants should be moved into 345; email from IR regarding Chi Ho's failure to attend at the property; |
| June 20, 2018 | EG | 0.10 | Email to and from FN regarding conference call with City and Ministry; |
| June 20, 2018 | DK | 0.50 | Receipt of executed authorization, finalize application to amend based on court order deleting third mortgagee and attend to electronic registration; obtain copy of registered instrument and property parcel register; report same to C. Kopach; |
| June 22, 2018 | EG | 0.20 | Emails to and from City and IR regarding rescheduling of conference call; |
| June 24, 2018 | EG | 0.10 | Email to Deloitte regarding next steps for repairs if no response from Ho by June 30 deadline; |
| June 25, 2018 | EG | 0.30 | Review Hackland order regarding repairs and deadline for Ho motion; Communications with Kopach regarding repairs, deadline for motion by Chi Ho and next steps; |
| June 27, 2018 | EG | 0.20 | Emails from Bricks and Saunders regarding Chi Ho attendance at premises; |

Date
June 30, 2018

Invoice No.
638041

File No.
075754-0767

-4-

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|---------------|---------------|-------------|--|
| June 29, 2018 | EG | 6.50 | Review Notice of Motion and affidavit from GDH; review three IR Reports and Sebben affidavit regarding response; review history of emails relating to Syed and Share Purchase Agreement; |
| June 30, 2018 | EG | 7.50 | Prepare Notice of Motion for directions and supplementary receiver's report; to respond to Motion; |

| | |
|-----------------|-------------|
| OUR FEE HEREIN: | \$15,287.00 |
| FEE HST: | \$1,987.31 |

| <u>Lawyer</u> | <u>Title</u> | <u>Hours</u> | <u>Rate</u> | <u>Amount</u> |
|---------------|--------------|--------------|-------------|---------------|
| Eric Golden | Partner | 20.80 | \$475.00 | \$9,880.00 |
| Chad Kopach | Partner | 12.80 | \$395.00 | \$5,056.00 |
| Dawn Kearns | Clerk | 1.30 | \$270.00 | \$351.00 |

| <u>Disbursements</u> | <u>Amount</u> |
|--|---------------|
| Registration Fees* - Non-Taxable | \$63.65 |
| Computer Searches - R.E. (Teraview) *- | \$45.55 |
| Agent's Fees & Disbursements | \$35.00 |
| Colour Copies | \$0.70 |
| Courier | \$59.50 |
| Travel & Transportation | \$754.68 |
| Hotels & Accommodations | \$337.30 |
| Photocopying | \$107.45 |
| Registration Fees | \$10.60 |
| Binding and Tab Charges | \$19.13 |
| Computer Searches - R.E. (Teraview) | \$105.35 |

| | |
|----------------------|------------|
| TOTAL DISBURSEMENTS: | \$1,538.91 |
| *HST is not charged | |
| DISBURSEMENT HST: | \$185.86 |

| | |
|-------------------------------|-------------|
| TOTAL FEES AND DISBURSEMENTS: | \$16,825.91 |
| TOTAL HST: | \$2,173.17 |

Date
June 30, 2018

Invoice No.
638041

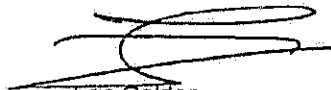
File No.
075754-0767

-5-

TOTAL AMOUNT DUE:

\$18,999.08

BLANEY McMURTRY LLP



Eric Golden
E. & O.E

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This is EXHIBIT "D" referred to
in the Affidavit of ERIC GOLDEN
sworn before me, this 15th
day of October, 2018.



A Commissioner, etc.



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

HST REGISTRATION # R119444149

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

Date
 July 31, 2018

Invoice No.
 640037

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

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

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|---------------|---------------|-------------|--|
| June 29, 2018 | CK | 3.80 | Receipt and review of motion material regarding proposed alternate contractors; analysis of three "quotes" from respondent; |
| July 1, 2018 | EG | 0.20 | Emails between IR and contractor regarding contract for repairs for 17 units; |
| July 3, 2018 | EG | 6.20 | Communications with Bricks regarding supplementary 3rd report and notice of motion; emails to and from counsel for Chi Ho regarding Ho motion to delay repairs, and enclosing email chain and related documents about Syed proposed assumption; review and revise supplementary report and Notice of Motion following review and revisions by Bricks; further communications with Bricks to finalize; emails to and from Court regarding hearing of motion by Justice Hackland on July 9 and between court and counsel for Ho; arrange to have motion record served and filed; |
| July 4, 2018 | EG | 0.60 | Status update to C. Sebben summarizing Chi Ho motion to delay repairs, and receiver's response; complete motion confirmation form |

Terms: Payment upon receipt. Interest as allowed in the Solicitors Act at a rate of 1.25% per annum, calculated monthly, will be added to all amounts overdue. Midway or more.

Date
July 31, 2018

Invoice No.
640037

File No.
075754-0767

-2-

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|---------------|---------------|-------------|--|
| | | | for July 9 motion; |
| July 6, 2018 | EG | 1.30 | Email from Diegel regarding additional material for motion; emails between same and court regarding same issue; update to Receiver; compile relevant material for motion; |
| July 7, 2018 | EG | 0.20 | Emails from and to Receiver regarding supplemental report and Chi Ho evidence; |
| July 8, 2018 | EG | 1.20 | Emails to and from Saunders regarding material required for motion tomorrow; prepare for motion; |
| July 9, 2018 | EG | 6.80 | Attend in Ottawa regarding motion for order to proceed with repair to 17 units; telephone call with potential purchaser [REDACTED] [REDACTED] communications with Kopach regarding initialing contract with contractor for repairs to 17 Units; |
| July 10, 2018 | EG | 0.30 | Emails from FN and Deloitte regarding potential purchaser [REDACTED] |
| July 11, 2018 | EG | 0.10 | Emails from and to FN regarding potential purchaser [REDACTED] |
| July 12, 2018 | EG | 0.10 | Email to and from FN and then to potential purchaser regarding contact person at FN for assumption; |
| July 13, 2018 | EG | 0.10 | Email from and to Ministry regarding conference call to discuss status of BMR Units. |
| July 13, 2018 | EG | 0.10 | Email to potential purchaser [REDACTED] regarding contact person at FN for assumption; |
| July 16, 2018 | CK | 2.10 | Telephone communications with J. Saunders regarding issues with CLV performing consultancy services under existing agreement; review agreement regarding 10% fee for Capital Projects; correspondence from JS regarding cost of Deloitte infrastructure team taking on consultancy role; |
| July 17, 2018 | EG | 0.20 | Emails between Deloitte and FN regarding repairs to 17 units; |

Date
July 31, 2018

Invoice No.
640037

File No.
075754-0767

-3-

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|---------------|---------------|-------------|---|
| July 17, 2018 | CK | 1.10 | Correspondence and telephone communications with JS regarding finalization of contract; finalize draft contract and correspondence to JS regarding same; |
| July 18, 2018 | EG | 0.20 | Emails between contractor, receiver and Kopach regarding amendments to retainer agreement; instructions to Kopach regarding same; |
| July 20, 2018 | EG | 0.20 | Communications with Kopach regarding email about status of contract with contractor to repair units and amendments to same; |
| July 20, 2018 | CK | 0.60 | Telephone communications with rep from [REDACTED] regarding redraft of supplementary conditions; telephone communications with J. Saunders regarding upcoming site meeting; |
| July 24, 2018 | EG | 0.20 | Telephone call with Saunders regarding Ministry inquiries about BMR Units and status of renos; communications with Kopach regarding renos; email from and to Ministry regarding call about BMR units; |
| July 26, 2018 | CK | 0.80 | Review revisions to supplementary conditions; correspondence exchanged with [REDACTED] regarding revisions; telephone communications with J. Saunders regarding revisions to draft contract; |
| July 27, 2018 | CK | 2.20 | Revise supplementary conditions; telephone communications with J. Saunders regarding same; correspondence exchanged with contractor regarding execution of CCDC contract for work to units; |
| July 30, 2018 | EG | 0.10 | Email from Deloitte to FN regarding status of repairs commencing today; |
| July 30, 2018 | EG | 0.10 | Email to D. Bellwood regarding whether any contact from potential purchaser [REDACTED] |
| July 31, 2018 | EG | 0.20 | Emails to and from D. Bellwood regarding [REDACTED] potential purchase and Liahona mortgage; |

Date
July 31, 2018

Invoice No.
640037

File No.
075754-0767

-4-

OUR FEE HEREIN: \$12,927.00
FEE HST: \$1,680.51

| <u>Lawyer</u> | <u>Title</u> | <u>Hours</u> | <u>Rate</u> | <u>Amount</u> |
|---------------|--------------|--------------|-------------|---------------|
| Eric Golden | Partner | 18.40 | \$475.00 | \$8,740.00 |
| Chad Kopach | Partner | 10.60 | \$395.00 | \$4,187.00 |

| <u>Disbursements</u> | <u>Amount</u> |
|-------------------------|---------------|
| Courier | \$26.68 |
| Travel & Transportation | \$758.97 |
| Binding and Tab Charges | \$5.73 |

TOTAL DISBURSEMENTS: \$791.38

*HST is not charged


DISBURSEMENT HST: \$102.88

TOTAL FEES AND DISBURSEMENTS: \$13,718.38

TOTAL HST: \$1,783.39

TOTAL AMOUNT DUE: \$15,501.77

BLANEY McMURTRY LLP



Eric Golden
E. & O.E

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Details are available upon request.

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General Account No. 0680-5215022 Swift Code: TDOMCATTOR
Please ensure our account number and/or file number is quoted on
the wire transfer.

This is EXHIBIT "E" referred to
in the Affidavit of ERIC GOLDEN
sworn before me, this 15th
day of October, 2018.



A Commissioner, etc.



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

HST REGISTRATION # R119444149

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

Date
 September 20, 2018

Invoice No.
 643040

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

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

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|-----------------|---------------|-------------|--|
| August 1, 2018 | CK | 1.10 | Telephone communications with Telus representative; correspondence from JS regarding arranging for site visit for construction of cell platform; correspondence to Telus regarding same and regarding request to provide documents requiring approval to JS; |
| August 15, 2018 | EG | 0.60 | Email from and to Deloitte's regarding status of unit occupancy and repairs to 17 Units at 345; email from and to same regarding construction schedule of repairs; review same; email to FN regarding same and next steps; |
| August 16, 2018 | EG | 0.10 | Follow-up email from Saunders regarding repairs; |
| August 17, 2018 | EG | 1.80 | Email from FN regarding status; reporting email to FN regarding [REDACTED] emails to and from receiver regarding its costs to date, and anticipated costs; |
| August 20, 2018 | EG | 1.20 | Complete reporting letter to FN; telephone call with Chris Sebben regarding same; telephone call with Bricks regarding same; |

Terms: Payment upon receipt. Interest as allowed in the Solicitors Act at a rate of 0.5% per annum, calculated monthly, will be added to all amounts overdue 30 days or more.

Date
September 20, 2018

Invoice No.
643040

File No.
075754-0767

-2-

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|-----------------|---------------|-------------|--|
| August 23, 2018 | EG | 0.30 | Email from Bricks to FN regarding schedule of cash flow, interim RD and costs and review same; |
| August 28, 2018 | EG | 0.60 | Emails from counsel for Ho regarding repairs going from minor to major, and requesting certain financial info; review info/docs produced in second and third report and email to Dingle regarding same; |
| August 29, 2018 | EG | 0.50 | Email from and to counsel for Ho regarding requested financial documents; email to Deloitte regarding same; email from and to city regarding status conference call; email from FN regarding inquiry from City about Chris Cavaliere alleging he is negotiating with FN; email to FN regarding same; |
| August 30, 2018 | EG | 0.30 | Emails from and to Bricks enclosing expenses and rent roll; telephone call with same regarding rent toll; email to Ho counsel enclosing same; |
| August 30, 2018 | EG | 0.50 | Letter from counsel for second mtg over 345 Clarence regarding appraisal and documents required for same and access to property ; email to same enclosing requested docs and requesting documents relating to second mortgage payout, history and due diligence; |

| | |
|-----------------|------------|
| OUR FEE HEREIN: | \$3,237.00 |
| FEE HST: | \$420.81 |

| <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 |
| Chad Kopach | Partner | 1.10 | \$395.00 | \$434.50 |

| <u>Disbursements</u> | <u>Amount</u> |
|------------------------------|---------------|
| Agent's Fees & Disbursements | \$17.50 |
| Travel & Transportation | \$51.50 |
| Hotels & Accommodations | \$253.76 |

| | |
|----------------------|----------------|
| TOTAL DISBURSEMENTS: | \$322.76 |
| *HST is not charged | |
| DISBURSEMENT HST: | <u>\$41.96</u> |

Date
September 20, 2018


Invoice No.
643040

File No.
075754-0767

-3-

| | |
|-------------------------------|-------------------|
| TOTAL FEES AND DISBURSEMENTS: | \$3,559.76 |
| TOTAL HST: | <u>\$462.77</u> |
| TOTAL AMOUNT DUE: | <u>\$4,022.53</u> |


BLANEY McMURTRY LLP


Eric Golden
E. & O.E

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the wire transfer.

This is **EXHIBIT "F"** referred to
in the Affidavit of **ERIC GOLDEN**
sworn before me, this 15th
day of October, 2018.



A Commissioner, etc.

 HST REGISTRATION # R119444149

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

 Date
 September 30, 2018

 Invoice No.
 643763

 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

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

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|-------------------|---------------|-------------|---|
| September 5, 2018 | EG | 0.20 | Email from Deloitte's to FN regarding contractor first invoice relating to 17 units and next receiver's certificate draw; email from same regarding September rent roll; Task Code: L140 Document/ File Management |
| September 6, 2018 | EG | 0.50 | Email from Saunders regarding status of rental units; email from Bricks enclosing revised updated rent roll; email from Martin Diegel regarding Chi Ho request for viewing of mortgaged property to prospective purchaser; email to same regarding same and enclosing updated rent roll; emails between FN and Deloitte's regarding next receiver's certificate draw; Task Code: L140 Document/ File Management |
| September 6, 2018 | EG | 0.30 | Conference call with Deloitte's, City and ministry; Task Code: L140 Document/ File Management |
| September 7, 2018 | EG | 0.10 | Emails from counsel for Ho and Receiver regarding inspection of mortgaged property by Ho; email from FN to Deloitte's regarding Receiver's certificate for repairs to 17 units. |

*Terms Payment upon receipt. Interest is allowed on the Security Fee at a rate of 9.6% per annum, calculated monthly will be added to all amounts overdue 30 days or more.

Date
September 30, 2018

Invoice No.
643763

File No.
075754-0767

-2-

| <u>Date</u> | <u>Lawyer</u> | <u>Time</u> | <u>Description</u> |
|--------------------|---------------|-------------|---|
| | | | Task Code: L140 Document/ File Management |
| September 14, 2018 | EG | 0.30 | Email from counsel for Liahona with mortgage statement/history and regarding its appraisal; Task Code: L140 Document/ File Management |
| September 20, 2018 | EG | 1.00 | Status update to Desjardins; Task Code: L140 Document/ File Management |
| September 23, 2018 | EG | 2.40 | [REDACTED] Task Code: L140 Document/ File Management |
| September 24, 2018 | EG | 0.50 | Email to FN regarding allocation of costs to date and going forward, and payout statements; Task Code: L140 Document/ File Management |
| September 25, 2018 | EG | 2.00 | [REDACTED] Task Code: L140 Document/ File Management |
| September 26, 2018 | EG | 0.20 | Telephone call with H. Bricks regarding next motion report; Task Code: L250 Other Written Motions & Subms |
| September 27, 2018 | EG | 2.20 | Email from Deloitte enclosing updated cash flow and review same; [REDACTED] Task Code: L140 Document/ File Management |

OUR FEE HEREIN: \$4,607.50
FEE HST: \$598.98

| <u>Lawyer</u> | <u>Title</u> | <u>Hours</u> | <u>Rate</u> | <u>Amount</u> |
|---------------|--------------|--------------|-------------|---------------|
| Eric Golden | Partner | 9.70 | \$475.00 | \$4,607.50 |

TOTAL FEES AND DISBURSEMENTS: \$4,607.50
TOTAL HST: \$598.98

Date
September 30, 2018

Invoice No.
643763

File No.
075754-0767

-3-

TOTAL AMOUNT DUE: \$5,206.48

BLANEY McMURTRY LLP


Eric Golden
E. & O.E

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