

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

MOTION RECORD

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TO: The Service List

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TAB 1

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

NOTICE OF MOTION

RSM Canada Limited, in its capacity as court-appointed receiver (in such capacity, the “**Receiver**”) of the lands and premises municipally known as (i) 39-85 Costello Avenue, Ottawa, Ontario (the “**Ottawa Property**”) and (ii) 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the “**Brockville Property**”, and together with the Ottawa Property, the “**Real Property**”), and of all the assets and undertakings of the Respondents acquired for or used in relation to the Real Property, will make a motion to a Judge on June 22, 2018 at 10:00 a.m., or as soon after that time as the motion can be heard, at 161 Elgin Street, Ottawa, Ontario.

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

THE MOTION IS FOR:

1. an order substantially in the form attached hereto as **Schedule “A”**, *inter alia*:

- (a) if necessary, abridging the time for service and filing of this Notice of Motion and the Motion Record of the Receiver, and dispensing with service on any person other than those served;
 - (b) approving the transaction for the sale of the Brockville Property (the “**Brockville Transaction**”) under the Firmland APS (as defined below); and
 - (c) vesting the Purchased Assets (as defined in the Firmland APS) in Firmland (Brockville) Inc. free and clear of all claims and encumbrances;
2. an order substantially in the form attached hereto as **Schedule “B”**, *inter alia*:
 - (a) if necessary, abridging the time for service and filing of this Notice of Motion and the Motion Record of the Receiver, and dispensing with service on any person other than those served;
 - (b) approving the transaction for the sale of the Ottawa Property (the “**Ottawa Transaction**”) under the First Source Ottawa APS (as defined below); and
 - (c) vesting the Purchased Assets (as defined in the First Source Ottawa APS) in First Source Financial Management Inc. (“**First Source**”) free and clear of all claims and encumbrances;
3. an order sealing the confidential appendix to the Second Report of the Receiver dated June 14, 2018 (the “**Second Report**”) until the filing of a Receiver’s certificate confirming completion of the Ottawa Transaction and the Brockville Transaction, or further order of this Court;

4. an order authorizing and directing the Receiver to make distributions to Bank of Montreal (“**BMO**”) and First Source as described in the Second Report;
5. an order approving the activities and fees and disbursements of the Receiver and its counsel as described in the Second Report;
6. an order discharging the Receiver upon its filing a certificate with the court confirming that the administration of the receivership has been completed; and
7. such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. Golden Dragon Ho 5 Inc. (“**GDH#5**”) is an Ontario corporation that owns the Brockville Property. Chi Van Ho is the president, treasurer, secretary and sole director of GDH#5.
2. On or about May 31, 2017, Golden Dragon Ho 7 Inc. (“**GDH#7**”) amalgamated with M.Y. Residential Inc. (corporate number 2571358) to become M.Y. Residential Inc. (corporate number 1971531) (“**MYR**”). Anthony Devonish is listed as the president, treasurer, secretary and sole director of MYR. GDH#7 is still shown as the registered owner of the Ottawa Property.
3. The Brockville Property and the Ottawa Property are each multi-tenant residential rental properties.

4. The Brockville Property consists of seven adjacent, 2-storey apartment buildings containing 11 units each for a total of 77 units.
5. The Ottawa Property is a 2-storey townhouse complex containing two rows of 12 units each.
6. First Source holds a mortgage in the principal amount of \$7,287,500 with first-ranking priority against the Ottawa Property and a mortgage with second-ranking priority against the Brockville Property. As of January 26, 2018, the aggregate amount claimed under the mortgages held by First Source was \$8,774,032.31.
7. BMO holds a first-ranking mortgage in the principal amount of \$3,863,420 registered against the Brockville Property. As of January 8, 2018, the aggregate amount claimed under the mortgage held by BMO was \$3,437,662.
8. By Order of the Court dated June 21, 2017, entered and issued on June 23, 2017, Collins Barrow Toronto Limited was appointed as receiver over the Real Property.
9. Pursuant to an Order of the Court dated December 5, 2017, the name RSM Canada Limited was ordered to be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting).

The February 9, 2018 Orders

10. Following completion of its marketing process for the Real Property (the “**Sales Process**”), the Receiver issued its First Report to the Court dated January 29, 2018 (the “**First Report**”) and brought a motion returnable on February 9, 2018 for, *inter alia*,
 - (a) an order authorizing and directing the Receiver to enter into and carry out a sale of the Brockville Property and the Ottawa Property, and all of the assets and undertakings of the Respondents acquired for or used in relation thereto, to First Source; and
 - (b) an order (i) sealing the confidential appendices to the First Report until the closing of the sale transaction with First Source, (ii) authorizing and directing the Receiver to make a distribution to BMO from the proceeds of sale of the Brockville Property, (iii) approving the First Report and the Receiver’s conduct and activities to January 26, 2018, and (iv) approving the fees and disbursements of the Receiver and its lawyers to and including January 26, 2018 (the “**Ancillary Relief**”).

11. On February 9, 2018, Justice Phillips:
 - (a) granted an order approving the sale of the Brockville Property and the Ottawa Property to First Source (the “**Approved First Source Transaction**”) and vesting title thereto in an entity designated by First Source; and
 - (b) granted an order for the Ancillary Relief.

Termination of the Approved First Source Transaction

12. The Approved First Source Transaction contemplated a closing date of March 9, 2018 or such other date as agreed between First Source and the Receiver.
13. First Source requested several extensions of the closing date.
14. In early May 2018, First Source indicated that it was not ready to close by May 15, 2018 and that it was in discussions with various parties to find a purchaser for the Brockville Property. On May 16, 2018, BMO advised the Receiver that since First Source was unable to close its transaction with the Receiver, it was BMO's view that the Receiver should find another purchaser for the Brockville Property.
15. On May 17, 2018, the Receiver terminated the Approved First Source Transaction.

The Firmland APS

16. Subsequent to the termination of the Approved First Source Transaction, the Receiver contacted and initiated negotiations with Firmland, one of the parties with whom First Source had been discussing a sale of the Brockville Property. During the Sales Process, Firmland had submitted the second highest and unconditional offer for the Brockville Property.
17. On June 6, 2018, the Receiver and Firmland executed an Agreement of Purchase and Sale with Firmland for the sale of the Brockville Property and all of the assets and undertakings of the Respondents acquired for or used in relation to the property (the "**Firmland APS**").

18. The Firmland APS was conditional until June 13, 2018 upon the Purchaser satisfying itself, in its sole and absolute discretion, with respect to obtaining financing for the transaction herein on terms and conditions satisfactory to it in its sole and unfettered discretion. On June 13, 2018, Firmland requested a one-day extension, and on June 14, 2018 Firmland waived the condition and its offer became firm. Firmland has requested that title on closing be transferred to its affiliate Firmland (Brockville) Inc.

19. The salient terms of the Firmland APS (all capitalized terms not defined herein are used as defined in the Firmland APS) include:
 - (a) a deposit of \$100,000 has been paid by Firmland, and a second deposit of \$200,000 is to be paid within two Business Days after the waiver of the Purchaser's condition;

 - (b) the agreement is conditional on court approval of the Firmland APS and the issuance of an order vesting title to the Purchased Assets in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the agreement;

 - (c) the Purchaser is buying the Purchased Assets on an "as is, where is" basis; and

 - (d) closing of the sale is scheduled to occur on July 4, 2018 or such other date as agreed between the Purchaser and the Receiver.

20. While the purchase price under the Firmland APS is lower than the offer received from Firmland in January 2018, it is still substantially higher than the next highest offers for the Brockville Property received by the Receiver in January 2018.
21. The Firmland APS will result in the repayment in full of the BMO mortgage.
22. While the purchase price allows for only partial repayment of the First Source mortgage, First Source supports the Receiver's acceptance of the Firmland APS.
23. The Receiver therefore recommends the approval of the Firmland APS by this Honourable Court.

The First Source Ottawa APS

24. First Source and the Receiver have negotiated a transaction for the sale of the Ottawa Property on substantially the same terms offered by First Source under the Approved First Source Transaction pursuant to an Agreement of Purchase and Sale made as of June 13, 2018 (the "**First Source Ottawa APS**").
25. The consideration payable under the First Source Ottawa APS represented the highest and best realization for the Ottawa Property.
26. The salient terms of the First Source Ottawa APS (all capitalized terms not defined in this report are used as defined in the First Source Ottawa APS) include:
 - (a) an amount sufficient to satisfy the Priority Payables is payable in cash on closing;

- (b) the agreement is conditional on court approval of the First Source Ottawa APS and the issuance of an order vesting title to the Purchased Assets in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the agreement;
 - (c) the Purchaser is buying the Purchased Assets on an “as is, where is” basis; and
 - (d) closing of the sale is scheduled to occur on July 4, 2018 or such other date as agreed between the Purchaser and the Receiver.
27. During the Sales Process conducted by the Receiver, the Receiver received only one other offer for the Ottawa Property and that offer was conditional upon a due diligence period of 30 days. Given the significant expenditures required of a purchaser to address the garage repairs, roof repairs and upgrades to the rental units, the Ottawa Property was not attractive to prospective purchasers.
28. The Receiver therefore recommends the approval of the First Source Ottawa APS by this Honourable Court.

Sealing Order

29. The Receiver respectfully requests that the confidential appendix to the Second Report be sealed pending completion of the Brockville Transaction or further order of the court, as the proposed purchase price under the Brockville Transaction constitutes confidential information which, if not sealed and if the Brockville Transaction is not completed for

any reason, may negatively impact realizations in the event the Receiver has to re-market the Brockville Property for sale.

30. The Receiver is not aware of any party that will be prejudiced if this information is sealed.

Approval of Activities and Fees

31. In the Second Report, the Receiver had included a detailed description of its activities, its fees and disbursements, and the fees and disbursements of its lawyers, Chaitons LLP, since the date of the First Report.
32. It is respectfully submitted that these activities, fees and disbursements are reasonable and appropriate and should be approved by this Court.

Discharge of the Receiver

33. Upon completion of the Ottawa Transaction and the Brockville Transaction, the Receiver expects that its administration of the receivership will be substantially complete, subject to certain tasks described in the Second Report.
34. In order to avoid the cost of another motion to discharge the Receiver, the Receiver respectfully requests an order discharging it upon its filing a certificate with the Court confirming that the administration of the receivership has been completed.

Other

35. Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

36. Such further and other grounds as counsel may advise and this Honourable Court permits.

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

1. The Second Report; and
2. such further and other material as counsel may advise and this Court permits.

Dated: June 14, 2018

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Lawyers for the Receiver

TO: THE SERVICE LIST

TAB A

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in Firmland (Brockville) Inc. (the "**Purchaser**"), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule B** hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule C**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule D** hereto (the "**Real**

Property”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule B hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent

preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

Schedule A – Form of Receiver’s Certificate

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017), RSM Canada Limited was appointed as the receiver (the “**Receiver**”) of the lands and premises municipally known as 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the “**Real Property**”) and for all of the assets and undertakings of Golden Dragon Ho 5 Inc. (the “**Debtor**”) acquired for, or used in relation to, the Real Property (collectively, the “**Property**”), including all proceeds therefrom.

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the “**Sale Agreement**”) between the Receiver and [NAME OF PURCHASER] (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

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

RSM Canada Limited, solely in its capacity as Court-appointed Receiver of the Property, and not in its personal or corporate capacity and without personal or corporate liability

Per: _____

Name: ►

Title: ►

Schedule B – Claims to be deleted and expunged from title to Real Property

1. Instrument No. LR323448, registered on August 1, 2002, is a Transfer/Deed of Land in favour of Paquin Property Management Ltd. (“**Paquin**”) showing a consideration in the amount of \$2,500,000.
2. Instrument No. LE32497, registered on December 14, 2010, is a Charge/Mortgage of Land, in the amount of \$3,863,420, given by Paquin in favour of Bank of Montreal (“**BMO**”).
3. Instrument No. LE32498, registered December 14, 2010, is a Notice of Assignment of Rents General, given by Paquin in favour of BMO.
4. Instrument No. LE34143, registered on February 24, 2011, is an Application to Change Name Owner from Paquin to Golden Dragon Ho 5 Inc. (“**Golden Dragon**”).
5. Instrument No. LE81462, registered on May 12, 2016, is a Charge/Mortgage of Land, in the amount of \$7,287,500, given by Golden Dragon in favour of First Source Financial Management Inc. (“**First Source**”).
6. Instrument No. LE81463, registered May 12, 2016, is a Notice of Assignment of Rents General, given by Golden Dragon in favour of First Source.

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Any reservations, restrictions, rights of way, easements or covenants that run with the Real Property.
2. Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service.
3. All laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the real property.
4. Any minor easements for the supply of utility service to the real property or adjacent properties.
5. Encroachments disclosed by any errors or omissions in existing surveys of the real property or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the real property and survey matters generally.
6. Any unregistered leases to tenants or other rights of occupation of tenants in possession of any part of the real property.
7. The exceptions and qualifications set forth in the land titles act (Ontario).
8. The reservations contained in the original grant from the Crown.
9. Instrument No. 47B8778, registered on February 17, 1955, is a Transfer of Easement in favour of The Bell Telephone Company of Canada (the “**Bell Easement**”).
10. Reference Plan 28R-7978, registered on March 2, 1993.
11. Instrument No. LR244687, registered on September 23, 1993, is a Transfer of Easement in favour of The Corporation of the City of Brockville.
12. Instrument No. LR257274, registered on January 13, 1995, is a Notice of Claim relating to the Bell Easement.
13. Instrument No. LR330600, registered on April 28, 2003, is a Transfer of Easement in favour of Hydro One Networks Inc.

Schedule D – Legal Description

Block F, Plan 250, Brockville, City of Brockville being all of PIN 44175-0386 (LT)

TAB B

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule B** hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule C**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Ottawa-Carleton (No. 4) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and/or the *Land Registration Reform Act* (Ontario), the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule D** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule B hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

SCHEDULE A TO APPROVAL AND VESTING ORDER

Form of Receiver's Certificate

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017), Collins Barrow Toronto Limited was appointed as the receiver (the "**Receiver**") of the lands and premises municipally known as (a) 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario, and (b) 39-85 Costello Avenue, Ottawa, Ontario (collectively, the "**Real Property**") and for all of the assets and undertakings of Golden Dragon Ho 5 Inc. and Golden Dragon Ho 7 Inc. (collectively, the "**Debtor**") acquired for, or used in relation to, the Real Property (collectively, the "**Property**"), including all proceeds therefrom.

B. Pursuant to an Order of the Court dated December 5, 2017, the name RSM Canada Limited was ordered to be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting).

C. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "**Sale Agreement**") between the Receiver and First Source Financial Management Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets,

which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

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

RSM Canada Limited, solely in its capacity as Court-appointed Receiver of the Property, and not in its personal or corporate capacity and without personal or corporate liability

Per: _____
 Name: ▶
 Title: ▶

SCHEDULE B TO APPROVAL AND VESTING ORDER**Claims to be deleted and expunged from title to Real Property**

1. Instrument No. OC1548034, registered on December 19, 2013, is a Transfer/Deed of Land in favour of Golden Dragon Ho 7 Inc. (“**Golden Dragon**”) showing a consideration in the amount of \$2,500,000.
2. Instrument No. QC 1786618, registered on May 12, 2016, is a Charge/Mortgage of Land, in the amount of \$7,287,500, given by Golden Dragon in favour of First Source Financial Management Inc. (“**First Source**”).
3. Instrument No. QC1786619, registered May 12, 2016, is a Notice of Assignment of Rents General, given by Golden Dragon in favour of First Source.

SCHEDULE C TO APPROVAL AND VESTING ORDER

Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property (unaffected by the Vesting Order)

1. Any reservations, restrictions, rights of way, easements or covenants that run with the Real Property.
2. Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service.
3. All laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the real property.
4. Any minor easements for the supply of utility service to the real property or adjacent properties.
5. Encroachments disclosed by any errors or omissions in existing surveys of the real property or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the real property and survey matters generally.
6. Any unregistered leases to tenants or other rights of occupation of tenants in possession of any part of the real property.
7. The exceptions and qualifications set forth in the land titles act (Ontario).
8. The reservations contained in the original grant from the Crown.
9. Instrument No. CR469213, registered on November 22, 1963, is a Subdivision Agreement in favour of The Corporation of the Township of Nepean (the "Township").
10. Instrument No. CR472387, registered on February 7, 1964, is a Transfer of Easement, partially released by Instrument CR533681, in favour of The Bell Telephone Company of Canada ("**Bell**").
11. Instrument No. CR534059, registered on November 8, 1967, is a Transfer of Easement in favour of Public Fuel Transmission Systems Limited.
12. Instrument No. CR539535, registered on March 14, 1968 is a Transfer of Easement in favour of Bell.

SCHEDULE D TO APPROVAL AND VESTING ORDER**Ottawa Property**

Block L, Plan 529418, Nepean, City of Ottawa, being all of PIN 04694-0184 (LT).

TAB 2

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

**SECOND REPORT OF THE RECEIVER OF
64, 68 and 70 REYNOLDS DRIVE, BROCKVILLE, ON;
10, 14, 18 and 22 SALISBURY AVENUE, BROCKVILLE, ON;
and 39 - 85 COSTELLO AVENUE, OTTAWA, ON**

June 14, 2018

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I. INTRODUCTION

1. Pursuant to an application made by First Source Financial Management Inc. (“**First Source**”), by Order of the Ontario Superior Court of Justice (“**the Court**”) dated June 21, 2017, entered and issued on June 23, 2017 (the “**Appointment Order**”), Collins Barrow Toronto Limited was appointed as receiver over (a) the lands and premises municipally known as 64, 68 and 70 Reynolds Drive, Brockville, Ontario and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (collectively, the “**Brockville Property**”), and (b) the lands and premises municipally known as 39-85 Costello Avenue, Ottawa, Ontario (the “**Ottawa Property**”, and together with the Brockville Property, collectively referred to herein as the “**Real Property**”), and all of the assets and undertakings of the Respondents acquired for or used in relation to the Real Property, including all proceeds therefrom (together with the Real Property, the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. On December 5, 2017, Justice Hainey made an Order (the “**Substitution Order**”) that the name RSM Canada Limited (“**RSM**” or the “**Receiver**”) be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting). A copy of the Substitution Order is attached hereto as **Appendix “B”**.
3. The Appointment Order authorized the Receiver to, among other things, take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property.

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4. In addition, the Receiver was expressly empowered and authorized to:
- a) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
 - b) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - i. without the approval of the Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - ii. with the approval of the Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds \$250,000.
5. Following completion of its marketing process for the Real Property (the “**Sales Process**”), the Receiver issued its first report to the Court dated January 29, 2018 (the “**First Report**”) and brought a motion, returnable on February 9, 2018, for an order, *inter alia*:
- (a) authorizing and directing the Receiver to enter into and carry out the terms of the First Source APS (as defined in the First Report), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion;
 - (b) vesting title to the Purchased Assets (as defined in the First Source APS) in First Source (as purchaser), or as it may further direct in writing, free and

clear of claims and encumbrances, upon closing of the transaction under the First Source APS and the delivery of a Receiver's certificate to First Source;

- (c) sealing the confidential appendices to the First Report until the closing of the sale of the Ottawa Property and the Brockville Property;
- (d) authorizing and directing the Receiver to make a distribution to Bank of Montreal ("**BMO**") as described in the First Report;
- (e) approving the First Report and the Receiver's conduct and activities to January 26, 2018; and
- (f) approving the fees and disbursements of the Receiver and of Chaitons incurred to January 26, 2018.

A copy of the First Report, without appendices, is attached as **Appendix "C"** to this report.

- 6. On February 9, 2018, Justice Phillips:
 - a) granted the Approval and Vesting Order (the "**February 9 Vesting Order**") sought by the Receiver, a copy of which is attached hereto as **Appendix "D"**; and
 - b) granted an additional Order (the "**February 9 Ancillary Order**") concerning the other relief sought by the Receiver. A copy of the February 9 Ancillary Order is attached hereto as **Appendix "E"**.
- 7. The Appointment Order and other court documents have been posted on the Receiver's website, which can be found at

<http://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements/golden-dragon-costello-reynolds-properties.html>.

8. The Receiver has retained the firm of Chaitons LLP ("**Chaitons**") to act as the Receiver's independent legal counsel.

II. PURPOSE OF SECOND REPORT

9. The purpose of this report (the "**Second Report**") is to:
- (a) report to the Court on the activities of the Receiver since the date of the First Report;
 - (b) report to the Court on the status of the sale transaction contemplated by the First Source APS;
 - (c) report to the Court on the activities undertaken by the Receiver to sell the Brockville Property and Ottawa Property following the termination of the First Source APS;
 - (d) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period June 23, 2017 to June 8, 2018; and
 - (e) seek an order:
 - i. authorizing and directing the Receiver to enter into and carry out the terms of the Firmland APS (as defined below), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion;
 - ii. vesting title to the Brockville Property in Firmland Acquisitions Corporation ("**Firmland**"), or as it may further direct in writing, free

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- and clear of claims and encumbrances, upon closing of the transaction under the Firmland APS and the delivery of a Receiver's certificate to Firmland;
- iii. authorizing and directing the Receiver to enter into and carry out the terms of the First Source Ottawa APS (defined below), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion;
 - iv. vesting title to the Ottawa Property in First Source, or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the First Source Ottawa APS and the delivery of a Receiver's certificate to First Source;
 - v. sealing the confidential appendix to the Second Report until the closing of the sale of the Ottawa Property and the Brockville Property;
 - vi. authorizing and directing the Receiver to make a distribution to Bank of Montreal ("**BMO**") and First Source as described below;
 - vii. approving the Second Report and the Receiver's conduct and activities to June 14, 2018;
 - viii. approving the fees and disbursements of the Receiver incurred to May 31, 2018 and estimated to completion;
 - ix. approving the fees and disbursements of the Receiver's legal counsel, Chaitons, incurred to June 11, 2018 and estimated to completion; and

-
- x. termination of these proceedings and discharge of RSM from the powers, duties and obligations attendant to its appointment as Receiver effective upon the filing of the Receiver Discharge Certificate indicating that the Receiver has completed the Remaining Duties.

Terms of Reference

10. In preparing this report and making the comments herein, the Receiver has relied upon certain information from third-party sources (collectively, the “**Information**”). The Receiver has, to the extent possible, reviewed the Information for reasonableness. 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 Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
11. Unless otherwise stated, all dollar amounts contained in this report are expressed in Canadian dollars.

III. BACKGROUND

12. Golden Dragon Ho 5 Inc. (“**GDH#5**”) is an Ontario corporation that owns the Brockville Property. According to a Corporation Profile Report issued by the Province of Ontario Ministry of Government Services (“**CP Report**”) dated May 29, 2017, Chi Van Ho is the president, treasurer, secretary and sole director of GDH#5.

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13. According to a CP Report dated September 5, 2017, on or about May 31, 2017, Golden Dragon Ho 7 Inc. (“GDH#7”) amalgamated with M.Y. Residential Inc. (corporate number 2571358) to become M.Y. Residential Inc. (corporate number 1971531) (“MYR”), and Anthony Devonish is the president, treasurer, secretary and sole director of MYR. A title search conducted by the Receiver on January 26, 2018 showed GDH#7 as the registered owner of the Ottawa Property.
 14. The Brockville Property and the Ottawa Property are each multi-tenant residential rental properties. The Brockville Property consists of seven adjacent, 2-storey apartment buildings containing 11 units each for a total of 77 units. The Ottawa Property is a 2-storey townhouse complex containing two rows of 12 units each.
 15. First Source is an Ontario corporation in the business of providing mortgage financing. First Source holds a mortgage in the principal amount of \$7,287,500 with first-ranking priority against the Ottawa Property and a mortgage with second-ranking priority against the Brockville Property.
 16. BMO holds a first-ranking mortgage in the principal amount of \$3,863,420 registered against the Brockville Property.

IV. RECEIVER’S ACTIVITIES TO DATE

17. The property and liability insurance for the Brockville Property is due to expire on June 26, 2018. The Receiver has arranged for an extension of the insurance coverage to July 6, 2018.
18. As discussed in greater detail in the First Report, the Receiver arranged for shoring of the parking garage at the Ottawa Property pending the completion of major repairs to be undertaken by a new owner. The Receiver has arranged for an

extension of the shoring agreement which expired on May 31, 2018 and for ongoing regular inspections of the parking garage by an engineering firm.

19. Due to the requirement for the rental units to be unoccupied during the pending garage repairs, many of the tenants at the Ottawa Property have terminated their leases and vacated the property. It is anticipated that only 3 of the 24 units will be occupied as of the end of June 2018.

V. FIRST SOURCE APS

20. The First Source APS contemplated the sale to First Source of the Ottawa Property, the Brockville Property and all of the assets and undertakings of the Respondents acquired for or used in relation to the Real Property, with the closing of the sale scheduled to occur on March 9, 2018 or such other date as agreed between First Source and the Receiver.
21. On March 8, 2018, First Source requested an extension of the closing date to April 13, 2018 as its new lender was requiring new environmental site assessments for the Real Property. The Receiver agreed to the extension.
22. On April 9, 2018, First Source requested a second extension of the closing date to May 14, 2018, to resolve an outstanding issue with the final commitment from its principal lender. The Receiver, with BMO's consent, agreed to the second extension.
23. In early May, First Source indicated that it was not ready to close by May 15, 2018 and that it was in discussions with various parties to find a purchaser for the Brockville Property. On May 16, 2018, BMO advised the Receiver that since First

Source was unable to close its transaction with the Receiver, it was BMO's view that the Receiver should find another purchaser for the Brockville Property.

24. On May 17, 2018, the Receiver terminated the First Source APS and notified First Source that the Receiver would be identifying potential buyers for the Brockville property and requested that First Source refrain from any further contact with potential buyers. With respect to the Ottawa Property, the Receiver inquired of First Source whether it was interested in completing a transaction to acquire that property, and if so, the terms of its offer, which would have to include a cash component at least equivalent to the priority payables relating to the property specifically and also to general costs of this proceeding.

VI. FIRMLAND APS

25. Subsequent to the termination of the First Source APS, the Receiver contacted and initiated negotiations with Firmland, one of the parties with whom First Source had been discussing a sale of the Brockville Property. During the Sales Process, Firmland had submitted the second highest and unconditional offer for the Brockville Property.
26. On June 6, 2018, the Receiver and Firmland executed an Agreement of Purchase and Sale with Firmland for the sale of the Brockville Property and all of the assets and undertakings of the Respondents acquired for or used in relation to the property (the "**Firmland APS**"). A copy of the Firmland APS with the purchase price redacted is attached hereto as **Appendix "F"**. A copy of the unredacted Firmland APS is being filed with the Court as **Confidential Appendix "1"**.

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27. The Firmland APS was conditional until June 13, 2018 upon the Purchaser satisfying itself, in its sole and absolute discretion, with respect to obtaining financing for the transaction herein on terms and conditions satisfactory to it in its sole and unfettered discretion. On June 13, 2018, Firmland requested a one-day extension and on June 14, 2018, Firmland waived the condition and its offer became firm. Firmland has requested that title on closing be transferred to its affiliate Firmland (Brockville) Inc.
28. The salient terms of the Firmland APS (all capitalized terms not defined in this report are used as defined in the Firmland APS) include:
- a) the Purchased Assets include the Brockville Property and all of the assets and undertakings of the Respondents acquired for or used in relation to the Brockville Property;
 - b) a deposit of \$100,000 is to be paid within two Business Days of the full execution of the agreement;
 - c) a second deposit of \$200,000 is to be paid within two Business Days after satisfaction or waiver of the Purchaser's conditions;
 - d) the agreement is conditional on court approval of the Firmland APS and the issuance of an order vesting title to the Purchased Assets in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the agreement;
 - e) the Purchaser is buying the Purchased Assets on an "as is, where is" basis;
- and

-
- f) closing of the sale is scheduled to occur on July 4, 2018 or such other date as agreed between the Purchaser and the Receiver.

Approval of Sale of Brockville Property

29. While the purchase price under the Firmland APS is lower than the offer received from Firmland in January 2018, it is still substantially higher than the next highest offers for the Brockville Property received by the Receiver in January 2018, as can be seen from the analysis in Confidential Appendix 2 to the First Report.
30. The Firmland APS provides for an early closing on July 4, 2018.
31. The Firmland APS allows for the repayment in full of the BMO mortgage.
32. While the purchase price allows for only partial repayment of the First Source mortgage, First Source supports the Receiver's acceptance of the Firmland APS.
33. The Receiver therefore recommends the approval of the Firmland APS by this Honourable Court.
34. The Receiver believes that details of the Firmland APS should be kept confidential until the closing of the transaction. The Receiver is of the view that public disclosure thereof would have a negative impact on the future marketing of the Brockville Property should the transaction(s) not be approved or completed. The Receiver respectfully requests that **Confidential Appendix "1"** be sealed by this Honourable Court until after the sale transaction closes.

VII. FIRST SOURCE OTTAWA APS

35. On June 13, 2018, First Source presented the Receiver with an offer to purchase the Ottawa Property on substantially the same terms offered by First Source under

the First Source APS. After reviewing the offer from First Source, the Receiver executed an Agreement of Purchase and Sale with First Source (the “**First Source Ottawa APS**”) on June 13, 2018. A copy of the First Source Ottawa APS is attached hereto as **Appendix “G”**.

36. The offer received from First Source represented the highest and best realization for the Ottawa Property. The Receiver has calculated the purchase price under that offer to be in excess of \$5.0 million, calculated as follows:

- (a) extinguishment of the First Source secured debt less \$1,500,000. The Receiver calculates that based on the quantum of the amounts owing to First Source as at June 13, 2018 of \$9,287,094.44 on the Real Property and the amounts expected to be received by First Source from the proceeds of sale of the Brockville Property under the Firmland APS, this represents consideration of more than \$5,000,000;
- (b) cash payment of the “Priority Payables”, operating expenses and the Receiver’s professional fees and disbursements including the fees and disbursements of Chaitons. Based on the quantum of the amounts that fall within this definition, this represents consideration of \$427,456.

37. The salient terms of the First Source Ottawa APS (all capitalized terms not defined in this report are used as defined in the First Source Ottawa APS) include:

- a) the Purchased Assets include the Ottawa Property and all of the assets and undertakings of the Respondents acquired for or used in relation to the property;
- b) no deposit is required on the execution of the agreement;
- c) an amount sufficient to satisfy the Priority Payables is payable on closing;

-
- d) the agreement is conditional on court approval of the First Source Ottawa APS and the issuance of an order vesting title to the Purchased Assets in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the agreement;
 - e) the Purchaser is buying the Purchased Assets on an “as is, where is” basis; and
 - f) closing of the sale is scheduled to occur on July 4, 2018 or such other date as agreed between the Purchaser and the Receiver.

Approval of Sale of Ottawa Property

- 38. The Purchase Price under the First Source Ottawa APS exceeds the other offer received by the Receiver for the Ottawa Property. The First Source Ottawa APS is unconditional and provides for an early closing date of July 4, 2018.
- 39. During the Sales Process conducted by the Receiver, the Receiver received only one other offer for the Ottawa Property and that offer was conditional upon a due diligence period of 30 days. Given the significant expenditures required of a purchaser to address the garage repairs, roof repairs and upgrades to the rental units, the Ottawa Property was not attractive to prospective purchasers.
- 40. The Receiver therefore recommends the approval of the First Source Ottawa APS by this Honourable Court.

VIII. SECURED OR PRIORITY CLAIMS

First and Second Mortgagees

41. As set out in the First Report, the Receiver has received legal opinions from Chaitons that, subject to the assumptions and qualifications contained in Chaitons' opinion letters, the security over the Real Property granted in favour of BMO and First Source pursuant to their mortgages and general security agreements create valid security interests against the Real Property.
42. Attached hereto as **Appendix "H"** to this report is a copy of correspondence from BMO's legal counsel setting out its claim in the amount of \$3,551,979.43 as of April 13, 2018. Attached hereto as **Appendix "I"** is a copy of a detailed statement from First Source dated June 13, 2018 setting out its claim in the amount of \$9,287,094.44.

Claims of Canada Revenue Agency ("CRA")

43. On February 14, 2018, the Receiver contacted CRA and was advised that GDH#5 has a corporate account but no payroll or HST account, so there is no payroll or HST liability.
44. CRA advised that while GDH#7 did not have a payroll account, it has a HST account on which there was a HST liability of \$1.5 million. However, CRA stated that the HST liability did not comprise a deemed trust as the liability arises from a self-assessment, rather than from HST collected. The liability arose from new housing built by GDH#7 on which GDH#7 was required to self-assess the value of the property and pay taxes on it.

Property Taxes

45. As of June 5, 2018, the outstanding property taxes on the Brockville Property totalled \$179,160.22. This balance does not include the 2018 final tax instalment which is not due until August 2018. As of June 6, 2018, the property taxes on the Ottawa Property totalled \$188,473.60, which includes the final tax instalment for 2018 which is payable June 21, 2018.
46. The Receiver does not have the funds to pay the 2018, 2017 or prior period taxes. Accordingly, payment of the outstanding property taxes will occur at the time of the closing of the sale of the Real Property.

IX. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

47. Attached as **Appendix "J"** is the Receiver's Interim Statement of Receipts and Disbursements for each of the properties, and on a consolidated basis, for the period June 23, 2017 to June 8, 2018. During this period, receipts were \$678,442, including advances of \$100,000 under Receiver Certificate No. 1 described below, and disbursements were \$602,020, resulting in a net cash balance of \$76,422 on an aggregate basis for both properties. As of the date of this report, the above-noted advance has not been repaid by the Receiver.

X. PROPOSED DISTRIBUTIONS

48. Upon the closing of the sale of the Brockville Property, funds will be available for the Receiver to make a payment to BMO in full repayment of its claim under its mortgage on the Brockville Property, to pay the priority payables and expenses in

respect of that property, and to make a payment to First Source in partial repayment of its claim under its second mortgage on the Brockville Property.

49. Upon the closing of the sale of the Ottawa Property and receipt by the Receiver of the cash portion of the Purchase Price, funds will be available for the Receiver to pay the priority payables and expenses in respect of that property.
50. On the closing of the sales of the Brockville Property and the Ottawa Property, the Receiver proposes to:
 - (a) pay the outstanding property taxes;
 - (b) pay any unpaid accounts of the Receiver on account of operating expenses and the Receiver's professional fees and disbursements including the fees and disbursements of Chaitons;
 - (c) repay the advances under Receiver Certificate #1, to the extent that the advances were used to pay operating expenses of the Brockville Property;
 - (d) make a cash distribution to BMO for payment in full of the amount owed under its mortgage; and
 - (e) make a cash distribution to First Source in partial payment of the amount owed under its mortgage on the Brockville Property.
51. The Receiver has requested written confirmation from First Source that it does not require repayment of advances it has made to the Receiver, directly or indirectly, under Receiver Certificate # 1 or otherwise, to the extent that the advances were used to pay operating expenses of the Ottawa Property.

XI. PROFESSIONAL FEES

52. Pursuant to the February 9 Ancillary Order, the accounts of the Receiver for the period ending January 26, 2018 were approved. The Receiver's accounts total \$37,569.50 and \$107.78 in fees and disbursements, respectively, plus HST of \$4,898.05 for a total amount of \$42,575.36 from January 27, 2018 to May 31, 2018, plus an additional \$27,000 plus HST for fees estimated to completion. A copy of the Receiver's interim accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Brenda Wong sworn June 14, 2018 that is attached as **Appendix "K"**.
53. Pursuant to the February 9 Ancillary Order, the accounts of the Receiver's counsel, Chaitons, for the period ending January 26, 2018 were approved. The fees and disbursements of Chaitons for the period January 27, 2018 to June 11, 2018 total \$35,914.50 and \$3,083.40, respectively, plus \$4,986.06 for HST, for a total of \$43,983.96 (the "**Chaitons Accounts**"), plus an additional \$20,000 plus HST for fees estimated to completion. Attached hereto as **Appendix "L"** is the Affidavit of Stephen Schwartz sworn June 12, 2018 which includes copies of the Chaitons Accounts and a summary of the personnel, hours and hourly rates described in the Chaitons Accounts.
54. The Receiver has reviewed the Chaitons Accounts and is of the view that the fees and disbursements charged were reasonable and appropriate.

XII. RECEIVER'S DISCHARGE

55. As the administration of this receivership will be substantially complete upon completion of the proposed sale transactions, and in order to avoid the costs of bringing a subsequent motion to the Court to obtain the Receiver's discharge, the Receiver is presently seeking an order discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver. The Receiver is proposing that the Discharge Order become effective on the day that the Receiver files with the Court a Certificate in which the Receiver certifies that the Receiver has completed the Remaining Duties (defined below).

XIII. REMAINING DUTIES

56. The Receiver's remaining duties (the "**Remaining Duties**") include the following:
- (a) making the distributions described above from the proceeds of sale of the proposed sale transactions;
 - (b) paying the priority payables, operating expenses and the Receiver's fees and disbursements including the fees and disbursements of Chaitons;
 - (c) preparing Interim and Final Statements of Receiver pursuant to s.246(2) and s.246(3) of the Bankruptcy and Insolvency Act; and
 - (d) preparing a final statement of receipts and disbursements, a copy of which is to be attached to the Receiver Discharge Certificate.
57. Once the Receiver has completed its Remaining Duties, the Receiver intends to file a Receiver Discharge Certificate indicating that the Receiver has completed the Remaining Duties, thereby resulting in the Receiver's discharge.

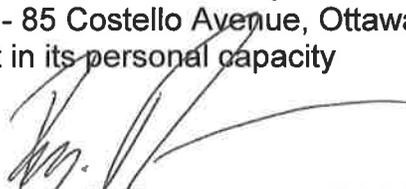
XIV. CONCLUSION

58. The Receiver respectfully requests that the Court grant the relief described in paragraph 9 above.

All of which is respectfully submitted to this Court as of this 14th day of June, 2018.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of
64, 68 and 70 Reynolds Drive, Brockville, On;
10, 14, 18 and 22 Salisbury Avenue, Brockville, On;
and 39 - 85 Costello Avenue, Ottawa, On
and not in its personal capacity



Per: Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

APPENDIX A

Court File No. 17-72881

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE MADAM

)

WEDNESDAY, THE 21st DAY OF

JUSTICE CORTHORN

)

JUNE, 2017

)

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

(- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Collins Barrow Toronto Limited ("**Collins Barrow**") as receiver (in such capacities, the "**Receiver**") without security, over the lands and premises municipally known as: (i) 39-85 Costello Avenue, Ottawa, Ontario and having the legal description set out in Schedule "A" (the "**Ottawa Property**") and (ii) 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario and having the legal description set out in Schedule "A" (the "**Brockville Property**" and with the Ottawa Property, the "**Real Property**"), owned by Golden Dragon Ho 7 Inc. and Golden Dragon Ho 5 Inc. (collectively, the "**Debtor**"), respectively, was heard this day at the courthouse, Ottawa, Ontario.

ON READING the affidavit of David Mandel sworn June 7, 2017 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, being advised the Debtor does not oppose the Application and on reading the consent of Collins Barrow to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Collins Barrow is hereby appointed Receiver, without security, of the Real Property and for all of the assets and undertakings of the Debtor acquired for, or used in relation to the Real Property, including all proceeds therefrom (together with the Real Property, the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical

- 3 -

inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage and operate the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, or cease to perform any contracts of the Debtor in respect of the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets in respect of the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor in respect of the Property and to exercise all remedies of the Debtor in respect of the Property in collecting such monies, including, without limitation, to enforce any security held by the Debtor in respect of the Property;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor in respect of the Property;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or

- 4 -

hereafter instituted with respect to the Debtor in respect of the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- 5 -

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor in respect of the Property;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have in respect of the Property; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals,

firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor relating to the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including

and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor in respect of the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor in respect of the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names in respect of the Property, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into new property-specific accounts to be opened by the Receiver for each of the Ottawa Property and the Brockville Property as well as a new account for receipts and disbursements that do not relate specifically to either Real Property (the "Segregated Accounts"). For certainty, all receipts in respect of the Ottawa Property or the Brockville Property shall be deposited into the Segregated Account opened in respect of such property and all Permitted Disbursements (defined below) in respect of such property shall be drawn from the Segregated Account opened for that property. "Permitted Disbursements" shall mean realty taxes, utilities, payroll, insurance, maintenance expenses, other reasonable property-specific expenses and business expenses associated with the Property. The monies standing to the credit of such Segregated Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to

it shall not be applied against the Brockville Property for fees and disbursements relating specifically to the Ottawa Property.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. Notwithstanding the foregoing, the Receiver's Borrowings Charge shall not be applied against the Ottawa Property for expenditures relating specifically to the Brockville Property, and shall not be applied against the Brockville Property for expenditures relating specifically to the Ottawa Property, and any borrowings that do not

relate specifically to either property shall be allocated equally against each Real Property.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.collinsbarrow.com/en/cbn/current-engagements-toronto/Golden-Dragon-Costello-Reynolds-Properties>.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or

distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Justice Corbett

ENTERED AT OTTAWA
 INSCRIT A OTTAWA

ON/LE JUN 23 2017

DOCUMENT # *0411*

IN BOOK NO. 73-13
 AU REGISTRE NO. 73-13

SCHEDULE "A"**Legal Descriptions****Brockville Property**

BLOCK F, PLAN 250, BROCKVILLE, CITY OF BROCKVILLE BEING ALL OF PIN 44175-0386 (LT)

Ottawa Property

BLOCK L, PLAN 529418, NEPEAN, CITY OF OTTAWA BEING ALL OF PIN 04694-0184 (LT)

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Collins Barrow Toronto Limited, the receiver (the "Receiver") of the Property of the Debtors, as such terms are defined in the Order of the Ontario Superior Court of Justice (the "Court") dated the 21st day of June, 2017 (the "Order") appointing the Receiver, made in an application having Court file number 17-72881, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued

by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the _____ day of _____, 20__

Collins Barrow Toronto Limited, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____
Name:
Title:

APPENDIX B

Court File No. CV-17-587715-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE
JUSTICE HAINEY

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)
)

TUESDAY, THE 5TH DAY
OF DECEMBER, 2017

BETWEEN:

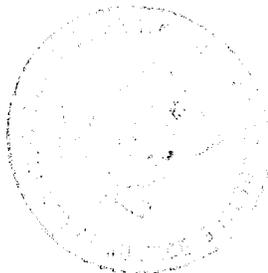
RSM CANADA LIMITED

Applicant

-AND-

1194678 ONTARIO INC.

Respondent



Application under Rule 14.05(3)(h) of the *Rules of Civil Procedure*

SUBSTITUTION ORDER

THIS APPLICATION made by RSM Canada Limited was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of RSM Canada Limited, including the Affidavit of Bryan A. Tannenbaum sworn December 4, 2017, together with the exhibits attached thereto (the "**Affidavit**"), and on hearing the submissions of counsel for RSM Canada Limited and counsel listed on the Counsel Slip, no one else appearing although served as evidenced by the Affidavit of Service:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record herein is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

EFFECTIVE DATE

1. THIS COURT ORDERS that the effective date of this order (the “**Effective Date**”) shall be December 1, 2017, being the effective date of the acquisition transaction described in the Affidavit and the change of name to RSM Canada Limited (“**Transaction**”).

BIA MANDATES

2. THIS COURT ORDERS that the name RSM Canada Limited be and is hereby substituted in place of the name Collins Barrow Toronto Limited as Trustee in Bankruptcy (the “**Bankruptcy Trustee**”) of the estate files listed as bankruptcies on **Schedule “A”** hereto (the “**BIA Estates**”) and as Proposal Trustee (the “**Proposal Trustee**”) of the estate files listed as proposals on **Schedule “A”** hereto (collectively with the BIA Estates, the “**BIA Mandates**”) and any reference to the name Collins Barrow Toronto Limited in any Court Order in respect of such BIA Mandates or any schedule to such Court Order shall be replaced by the name RSM Canada Limited.

3. THIS COURT ORDERS AND DIRECTS that, for greater certainty all, real and personal property wherever situate of the BIA Estates shall be, remain and is hereby vested in RSM Canada Limited in its capacity as Bankruptcy Trustee, to be dealt with by RSM Canada Limited in accordance with the provisions of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), pursuant to its powers and obligations as Bankruptcy Trustee of the BIA Estates.

4. **THIS COURT ORDERS** that RSM Canada Limited is authorized and directed to continue and to complete the administration of the BIA Mandates, to deal with the property in the BIA Mandates in accordance with its duties and functions as Bankruptcy Trustee or Proposal Trustee, as the case may be, as set out in the BIA and to receive all remuneration of the Bankruptcy Trustee or Proposal Trustee in the BIA Mandates for services performed from the commencement of each of the BIA Mandates until the discharge of the Bankruptcy Trustee or Proposal Trustee, as applicable.

5. **THIS COURT ORDERS** that the requirement and responsibility for taxation of the Bankruptcy Trustee's or Proposal Trustee's accounts in respect of the BIA Mandates with respect to all work performed in respect of such BIA Mandate from the initial appointment of Collins Barrow Toronto Limited or any other party, through to the completion of the administration of such BIA Mandates and discharge of RSM Canada Limited as Bankruptcy Trustee or Proposal Trustee, as applicable, shall be completed using the name RSM Canada Limited.

6. **THIS COURT ORDERS AND DIRECTS** to the extent that security has been given in the name of Collins Barrow Toronto Limited in cash or by bond of a guarantee company pursuant to section 16(1) of the BIA (the "**Security**"), such Security shall be transferred from the name Collins Barrow Toronto Limited to the name RSM Canada Limited and any party holding such Security be and is hereby directed to take all steps necessary to effect such transfer. RSM Canada Limited shall retain all obligations respecting the Security.

RECEIVERSHIP PROCEEDINGS

7. **THIS COURT ORDERS** that the name RSM Canada Limited be and is hereby substituted in place of the name Collins Barrow Toronto Limited as the Receiver, Receiver and

Manager, or Interim Receiver (collectively, “**Receiver**”) in respect of the mandates listed in **Schedule “B”** hereto (the “**Receivership Proceedings**”) and any reference to the name Collins Barrow Toronto Limited in any Court Order in respect of such Receivership Proceedings or any schedule to such Court Order shall be replaced by the name RSM Canada Limited.

CONSTRUCTION LIEN ACT PROCEEDINGS

8. **THIS COURT ORDERS** that the name RSM Canada Limited be and is hereby substituted in place of the name Collins Barrow Toronto Limited as trustee under the *Construction Lien Act* in respect of the mandates listed in **Schedule “C”** hereto (the “**CLA Proceedings**”) and any reference to the name Collins Barrow Toronto Limited in any Court Order in respect of such CLA Proceedings or any schedule to such Court Order shall be replaced by the name RSM Canada Limited.

ESTATE TRUSTEE DURING LITIGATION PROCEEDINGS

9. **THIS COURT ORDERS** that the name RSM Canada Limited be and is hereby substituted in place of the name Collins Barrow Toronto Limited as Estate Trustee During Litigation in respect of the mandate listed in **Schedule “D”** hereto (the “**Estate Trustee During Litigation Proceeding**”) and any reference to the name Collins Barrow Toronto Limited in any Court Order in respect of such Estate Trustee During Litigation Proceeding or any schedule to such Court Order shall be replaced by the name RSM Canada Limited.

SUBSTITUTED MANDATES

10. Collectively, the BIA Mandates, the Receivership Proceedings, the CLA Proceedings and the Estate Trustee During Litigation Proceeding are referred to herein as the “**Substituted Mandates**”.

11. **THIS COURT ORDERS** that RSM Canada Limited (and its directors, officers, employees, agents, legal counsel and other representatives, as applicable, collectively “**Representatives**”) will continue to have all rights, benefits, protections and obligations granted to Collins Barrow Toronto Limited (and its Representatives, as applicable) under any order made in the Substituted Mandates or any statute applicable to the Substituted Mandates or any contract or agreement to which RSM Canada Limited is party under the name Collins Barrow Toronto Limited in the Substituted Mandates. For greater certainty and without limitation, this includes the benefit of any indemnity, charge or priority granted in the Substituted Mandates and relief from the application of any statute including the *Personal Information Protection and Electronic Documents Act* (Canada) (“**PIPEDA**”).

12. **THIS COURT ORDERS** that to the extent required by the applicable Orders in the BIA Mandates, Receivership Proceedings, CLA Proceedings and Estate Trustee During Litigation Proceeding, the accounts of Collins Barrow Toronto Limited and its legal counsel in respect of the Substituted Mandates shall be passed in accordance with the applicable Orders in the Substituted Mandates in the name and on the application of RSM Canada Limited.

ACCOUNTS

13. **THIS COURT ORDERS** that RSM Canada Limited be and is hereby authorized to transfer any and all accounts from the name Collins Barrow Toronto Limited to the name RSM Canada Limited and, if the name on such accounts cannot be changed, to transfer all funds that remain in its trust bank accounts that belong or relate to the Substituted Mandates, or otherwise, to accounts in the name RSM Canada Limited, and RSM Canada Limited be and is hereby authorized to take all steps and to execute any instrument required for such purpose. Any bank, financial institution or other deposit-taking institution with which RSM Canada Limited banks be

and is hereby authorized to rely on this Order for all purposes of this paragraph and shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any of the foregoing actions.

14. **THIS COURT ORDERS AND DIRECTS** that RSM Canada Limited be and is hereby authorized to endorse for deposit, deposit, transfer, sign, accept or otherwise deal with all cheques, bank drafts, money orders, cash or other remittances received in relation to any of the Substituted Mandates where such cheques, bank drafts, money orders, cash or other remittances are made payable or delivered to the name Collins Barrow Toronto Limited, in relation to the same, and any bank, financial institution or other deposit-taking institution with which RSM Canada Limited banks be and is hereby authorized to rely on this Order for all purposes of this paragraph and shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any of the foregoing actions.

REAL PROPERTY

15. **THIS COURT ORDERS AND DIRECTS** that the Registrar of Land Titles in any Land Title District wherein any registration was previously made in the name Collins Barrow Toronto Limited in its capacity as Bankruptcy Trustee, Proposal Trustee, Receiver, trustee under the *Construction Lien Act* or Estate Trustee During Litigation in respect of Substituted Mandates including, without limitation, the registrations in respect of the real property described in Schedule "E" hereto, be and is hereby authorized and directed to amend any such registration to reflect the substitution of the name RSM Canada Limited for Collins Barrow Toronto Limited.

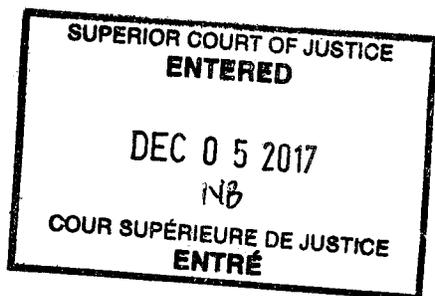
GENERAL

16. **THIS COURT ORDERS** that this Order shall be effective in all judicial districts in Ontario which govern any of the Substituted Mandates.

17. **THIS COURT ORDERS** that the requirement for a separate Notice of Motion and supporting Affidavit to be filed in the Court file of each of the Substituted Mandates be and is hereby waived.

18. **THIS COURT ORDERS** that RSM Canada Limited shall notify the parties on the Service Lists of the Substituted Mandates (if applicable) of the new website established for such Substituted Mandate and shall post a copy of this Order to the website of each Substituted Mandate and that such notice shall satisfy all requirements for service or notification of this application and this Order on any interested party in the Substituted Mandates including, without limitation, proven creditors within the BIA Mandates, parties on the Service Lists of the Substituted Mandates (if applicable), the applicable bankrupts or debtors within the Substituted Mandates, and any other person, and any other requirements of service or notification of this application be and is hereby waived.

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



A handwritten signature in black ink, appearing to read "Hainey J.", written over a horizontal line.

Schedule "A": BIA Mandates

Bankruptcies

Name	Estate Number
1. Carrington Homes Ltd.	31-OR-207962-T
2. CHF (formerly known as Canadian Hunger Foundation)	33-2051143
3. Nordic Gold Salmon Products Ltd.	31-OR-208026-T
4. Sean Teperman Consulting Corp.	31-2294107
5. 1-800 Mascots Inc.	31-2177932
6. George Fernicola	31-457619
7. D. Mady Investments Inc.	31-2281994
8. David Mady Investments (2008) Inc	31-2281991
9. D. Mady Holdings Inc.	35-2292366

Proposals

Name	Estate Number
1. Sean Teperman Consulting Corp.	31-2294107
2. D. Mady Investments Inc.	31-2281994
3. David Mady Investments (2008) Inc.	31-2281991
4. John Robert Charles Hunter	32-1886289
5. William Ian Innes	31-1877401

Schedule "B": Receivership Proceedings

Name	Court File Number
1. 2131059 Ontario Limited	CV-15-10951-00CL
2. 2380009 Ontario Limited	CV-16-011354-00CL
3. 64, 68 and 70 Reynolds Drive, Brockville, Ontario and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario, and 39-85 Costello Avenue, Ottawa, Ontario	17-72881
4. Branch 1-7 of The Polish Alliance of Canada and Polish Association of Toronto, Limited	CV-08-361644
5. Dang Variety Store and Gas Bar and Lucky Restaurant Inc.	C-585-16
6. 2267 Industrial Street Investments Ltd.	CV-15-4228-00

Schedule "C": CLA Proceedings

Name	Court File Number
1. 144 Park Ltd.	CV-15-10843-00CL
2. Jade-Kennedy Development Corporation	CV-15-10882-00CL

Schedule "D": Estate Trustee During Litigation Proceeding

Name	Court File Number
1. Estate of Lev Alexandr Karp	05-100/17

Schedule E: Real Property

Receivership Proceedings

- (i) With respect to the receivership proceedings of 2380009 Ontario Limited, the following properties:

MUNICIPAL ADDRESS: 2370 South Sheridan Way, Mississauga, ON
LEGAL DESCRIPTION: PT LT 33, CON 2 SDS TT , PTS 1 TO 6, 43R10160 ; EXCEPT S/T RO580849; S/T RO646570; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 1, 2, 3, PL 43R34842 AS IN PR2350267; CITY OF MISSISSAUGA
ROLL NUMBER: 05-02-0-048-14400-0000-0 3
PIN: 13429-0002 (LT)

- (ii) With respect to the receivership proceedings of 64, 68 and 70 Reynolds Drive, Brockville, Ontario and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario, and 39-85 Costello Avenue, Ottawa, Ontario, the following properties:

- *Brockville Property*
BLOCK F, PLAN 250, BROCKVILLE, CITY OF BROCKVILLE BEING ALL OF PIN 44175-0386 (LT)
- *Ottawa Property*
BLOCK L, PLAN 529418, NEPEAN, CITY OF OTTAWA BEING ALL OF PIN 04694-0184 (LT)

CLA Proceedings

- (i) With respect to the CLA proceeding of 144 Park Ltd., the unsold units listed below in respect of the following properties:

PIN: 22417-0135 (LT)
LRO: # 58
Property Description: Part of Lots 217, 218, 219 & 267 Plan 385, Being Part 1 on 58R- 17836; Subject to an easement as in WR666363; City of Waterloo

PIN: 22417-0134 (LT)
LRO: # 58
Property Description: Lots 2 & 3, Part of Lots 1, 4, 5, & 6 Plan 186, Being Part 2 on 58R-17836; Subject to an easement as in WR666363; City of Waterloo

144 Park Ltd.: Unsold Units

Unit	23591	0002
Parking	23591	0033
Locker	23591	0016

- (ii) With respect to the CLA proceeding of Jade-Kennedy Development Corporation, the unsold units listed below in respect of the following properties:

Jade-Kennedy Development Corporation: Unsold Phase I Commercial Units

PIN	Property Description
29759-0742 (LT)	Unit 388, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0744 (LT)	Unit 390, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0774 (LT)	Unit 25, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0805 (LT)	Unit 56, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0806 (LT)	Unit 57, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-08014 (LT)	Unit 65, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham

Jade-Kennedy Development Corporation: Unsold Residential Units

PIN	Property Description
29796-0429 (LT)	Unit 178, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0430 (LT)	Unit 179, Level B, York Region Standard Condominium Plan No. 1265

PIN	Property Description
	and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham

Jade-Kennedy Development Corporation: Unsold Phase II Commercial Units

PIN	Property Description
29759-0839 (LT)	Unit 360, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0840 (LT)	Unit 361, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0841 (LT)	Unit 85, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham

Estate Trustee During Litigation Proceeding

With respect to Lev Alexandr Karp, the following property:

PIN 5911 - 0011 LT
Description UNIT 11, LEVEL 1, SIMCOE CONDOMINIUM PLAN NO. 119; PT LT 48 CON 11 (FORMERLY TWP NOTTAWASAGA), PTS 7, 8, 9, 10, 12, 13, 14 & 15 51R18700, PTS 1 & 2 51R19269, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT171901 & LT175111;
 COLLINGWOOD
Address 43 LIGHTHOUSE LANE E
 COLLINGWOOD

RSM CANADA LIMITED

1194678 ONTARIO INC.

and

Applicant

Respondent Court File No: CV-17-587715-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

SUBSTITUTION ORDER

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Lawyers for the Applicant,
RSM Canada Limited

APPENDIX C

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

**FIRST REPORT OF THE RECEIVER OF
64, 68 and 70 REYNOLDS DRIVE, BROCKVILLE, ON;
10, 14, 18 and 22 SALISBURY AVENUE, BROCKVILLE, ON;
and 39 - 85 COSTELLO AVENUE, OTTAWA, ON**

January 29, 2018

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I. INTRODUCTION

1. Pursuant to an application made by First Source Financial Management Inc. (“**First Source**”), by Order of the Ontario Superior Court of Justice (“the **Court**”) dated June 21, 2017, entered and issued on June 23, 2017 (the “**Appointment Order**”), Collins Barrow Toronto Limited was appointed as receiver over (a) the lands and premises municipally known as 64, 68 and 70 Reynolds Drive, Brockville, Ontario and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (collectively, the “**Brockville Property**”), and (b) the lands and premises municipally known as 39-85 Costello Avenue, Ottawa, Ontario (the “**Ottawa Property**”, and together with the Brockville Property, collectively referred to herein as the “**Real Property**”), and all of the assets and undertakings of the Respondents acquired for or used in relation to the Real Property, including all proceeds therefrom (together with the Real Property, the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. On December 5, 2017, Justice Hainey made an Order (the “**Substitution Order**”) that the name RSM Canada Limited (“**RSM**” or the “**Receiver**”) be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting). A copy of the Substitution Order is attached hereto as **Appendix “B”**.
3. The Appointment Order authorized the Receiver to, among other things, take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property.

-
4. In addition, the Receiver was expressly empowered and authorized to:
 - a) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
 - b) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - i. without the approval of the Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - ii. with the approval of the Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds \$250,000.
 5. The Appointment Order and other court documents have been posted on the Receiver's website, which can be found at <http://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements/golden-dragon-costello-reynolds-properties.html>.
 6. The Receiver has retained the firm of Chaitons LLP ("**Chaitons**") to act as the Receiver's independent legal counsel.

II. PURPOSE OF FIRST REPORT

7. The purpose of this report (the “**First Report**”) is to:
- (a) report to the Court on the activities of the Receiver from the date of its appointment to January 26, 2018;
 - (b) provide to the Court details of the marketing activities undertaken prior to and subsequent to the appointment of the Receiver;
 - (c) provide the Court with a summary of the Receiver’s cash receipts and disbursements for the period June 23, 2017 to January 19, 2018; and
 - (d) seek an order:
 - i. authorizing and directing the Receiver to enter into and carry out the terms of the First Source APS (defined below), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion;
 - ii. vesting title to the Purchased Assets (as defined in the First Source APS) in the Purchaser, or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the First Source APS and the delivery of a Receiver’s certificate to the Purchaser;
 - iii. sealing the confidential appendices to the First Report until the closing of the sale of the Real Property;
 - iv. authorizing and directing the Receiver to make a distribution to Bank of Montreal (“**BMO**”) as described below;

-
- v. approving the First Report and the Receiver's conduct and activities to January 26, 2018; and
 - vi. approving the fees and disbursements of the Receiver and of Chaitons incurred to January 26, 2018.

Terms of Reference

- 8. In preparing this report and making the comments herein, the Receiver has relied upon certain information from third-party sources (collectively, the "**Information**"). The Receiver has, to the extent possible, reviewed the Information for reasonableness. 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 Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
- 9. Unless otherwise stated, all dollar amounts contained in this report are expressed in Canadian dollars.

III. BACKGROUND

- 10. Golden Dragon Ho 5 Inc. ("**GDH#5**") is an Ontario corporation that owns the Brockville Property. According to a Corporation Profile Report issued by the Province of Ontario Ministry of Government Services ("**CP Report**") dated May 29, 2017, a copy of which is attached hereto as **Appendix "C"**, Chi Van Ho is the president, treasurer, secretary and sole director of GDH#5.

-
11. According to a CP Report dated September 5, 2017, a copy of which is attached hereto as **Appendix “D”**, on or about May 31, 2017, Golden Dragon Ho 7 Inc. (“**GDH#7**”) amalgamated with M.Y. Residential Inc. (corporate number 2571358) to become M.Y. Residential Inc. (corporate number 1971531) (“**MYR**”), and Anthony Devonish is the president, treasurer, secretary and sole director of MYR. A title search conducted by the Receiver on January 26, 2018 still shows GDH#7 as the registered owner of the Ottawa Property.
 12. The Brockville Property and the Ottawa Property are each multi-tenant residential rental properties.
 13. The Brockville Property consists of seven adjacent, 2-storey apartment buildings containing 11 units each for a total of 77 units. As of June 23, 2017, there were 20 vacant units at this property. As of January 1, 2018, there were 32 vacant units at this property. The increase in vacant units is due to the eviction of tenants who were not paying rent in addition to the ordinary turnover of tenants.
 14. The Ottawa Property is a 2-storey townhouse complex containing two rows of 12 units each. As of June 23, 2017, there were 6 vacant units at this property. As of January 1, 2018, there were 13 vacant units at this property. The increase in vacant units is due to the eviction of tenants who were not paying rent and the poor condition of the property which prevents vacant units from being rented out before the completion of repairs or renovations.
 15. First Source is an Ontario corporation in the business of providing mortgage financing. First Source holds a mortgage in the principal amount of \$7,287,500 with first-ranking priority against the Ottawa Property and a mortgage with second-

ranking priority against the Brockville Property. As of January 26, 2018, the aggregate amount claimed under the mortgages held by First Source was \$8,774,032.31.

16. BMO holds a first-ranking mortgage in the principal amount of \$3,863,420 registered against the Brockville Property. As of January 8, 2018, the aggregate amount claimed under the mortgage held by BMO was \$3,437,663.
17. On May 27, 2017, First Source delivered rent attornment notices to the tenants of the Ottawa Property and the Brockville Property.
18. First Source sought the appointment of the Receiver pursuant to a Notice of Application dated June 8, 2017, citing, *inter alia*, the Respondents' default under their obligations to First Source, the Respondents' interference with First Source's attornment of rents, the state of disrepair of the Real Property, and the manner that the Respondents listed the Real Property for sale.
19. On June 23, 2017, the Court issued the Appointment Order and the Receiver was appointed over the Property.

IV. RECEIVER'S ACTIVITIES TO DATE

20. The Receiver has undertaken the activities set out below since the date of its appointment.

Property Manager

21. As set out in more detail below, upon its appointment, the Receiver determined that the Real Property would require significant attention and funds to be brought to a stabilized state of operations.
22. Prior to the Receiver's appointment, First Source had consulted with InvestorCentric Inc. ("**InvestorCentric**" or the "**Property Manager**"), a designer, builder, developer and property manager of residential projects. After speaking with InvestorCentric with respect to the Real Property and the management thereof, and in order to minimize the costs to be incurred by the Receiver in addressing the day-to-day issues at the Real Property, the Receiver entered into agreements with InvestorCentric to provide property management services for the Real Property. Copies of the management agreements for each of the Brockville Property and the Ottawa Property are attached hereto collectively as **Appendix "E"**. The services being provided by InvestorCentric include collection of rents, dealing with tenants, addressing building repairs and maintenance, building security issues and leasing of vacant units.
23. The property management agreements provided for a higher flat rate management fee to be paid during the first 60 days, which fee was to be renegotiated after the initial 60-day period. Based on the projected future management required at the Real Property, with the concurrence of First Source, the initial flat rate provided for in each of the property management agreements was extended to March 1, 2018.

Notice to Tenants

24. The Receiver prepared a letter to the tenants of the Real Property giving notice of the Receiver's appointment and of the engagement of InvestorCentric as the new property manager for the Real Property (the "**Tenant Notice**"). The Tenant Notice, which also provided tenants with direction with respect to the payment of rent on a go-forward basis, was distributed to the tenants by the Property Manager on or around June 26, 2017. A copy of the Tenant Notice is attached hereto as **Appendix "F"**.

Cash Receipts

25. Upon its appointment, the Receiver opened trust accounts for each of the properties in order that the receipts and disbursements could be accounted for on a property-by-property basis. Details of the receipts and disbursements pertaining to the receivership are set out later in this report.
26. As set out above, prior to the Receiver's appointment, First Source had notified tenants that it was attorning rents commencing June 1, 2017. Upon its appointment, the Receiver notified First Source that any rent payments collected by First Source on or after June 23, 2017 were payable to the Receiver. Since June 23, 2017, First Source has transferred to the Receiver the amounts of \$22,056.13 and \$10,196.86 for rent received by First Source from tenants of the Brockville Property and the Ottawa Property, respectively. The Receiver continues to liaise with First Source with respect to rent payments that have been paid to

First Source during the receivership in order to ensure that those rent payments are deposited to the Receiver's bank accounts.

Insurance

27. On June 21, 2017, Ryan Tuck Insurance Inc. ("**Tuck**"), the Respondents' insurance broker, advised the Receiver that the Respondents had instructed Tuck to cancel the insurance coverage for the Brockville Property. At the request of the Receiver, Tuck advised that the cancellation of the policy would be postponed for a few days in order to give the Receiver an opportunity to place alternate insurance. The Receiver obtained quotes for insurance from two brokers and new coverage was bound on June 26, 2017.
28. Upon the appointment of the Receiver, Tuck confirmed that the insurance policy for the Ottawa Property was in full force and effect. However, on June 29, 2017, Tuck informed the Receiver that the insurer of the Ottawa Property was not prepared to continue coverage and had given notice that the policy would be cancelled effective July 20, 2017. The Receiver obtained new insurance for the property effective July 17, 2017.
29. In addition, as the Receiver was concerned that the insurance policies that were in place as of the date of the Receiver's appointment may not fully insure the Receiver against potential claims, the Receiver arranged for its own separate general liability policies, as it considered appropriate, until the new insurance coverage became effective.

Statutory Notices

30. On July 13, 2017, the Receiver sent a Notice and Statement of Receiver under Section 245(1) of the Bankruptcy and Insolvency Act (the “BIA”) to known creditors of the Brockville Property (the “**Brockville Notice**”). A copy of the Brockville Notice is attached hereto as **Appendix “G”**. On January 12, 2018, the Receiver filed its interim report pursuant to Section 246(2) of the BIA for the period ending December 31, 2017.
31. With respect to the Ottawa Property, and based on information available at that time, the appointment of the Receiver did not meet the definition of a receiver under Section 243(2) of the BIA in that the Ottawa Property did not represent “substantially all of” the property of GDH#7. MYR (the successor to GDH#7) also owned other real property located in Ontario, and possibly other assets, the particulars of which are not known to the Receiver. Accordingly, the Receiver did not, after consulting with the Office of the Superintendent of Bankruptcy, issue a notice to known creditors of MYR.

Repair and Maintenance Issues

32. Shortly following its engagement as property manager, InvestorCentric reported on the condition of the Brockville Property and the Ottawa Property. Due to the state and condition of the properties, repair and maintenance issues were identified necessitating significant capital expenditures.
33. Some of the issues identified by InvestorCentric did not require immediate attention and would require significant time and funding to address. The Receiver

determined that the repairs required in respect of such issues would be best left to be dealt with by purchasers of the Real Property.

34. There were certain urgent repairs and maintenance issues that were required to be addressed as soon as possible. These issues, which have been addressed by the Receiver, are set out below:

- a) during an annual fire alarm system inspection conducted at the Brockville Property in June 2016, several deficiencies were identified by GDH#5's contractor. As of June 23, 2017, those deficiencies did not appear to have been addressed by GDH#5. The Receiver arranged for the fire alarm system to be inspected and for the deficiencies identified in 2016 and new deficiencies identified to be remedied;
- b) it was determined that eighteen of the security/fire doors at the Brockville Property were missing hardware and as a result were not functioning properly. The Receiver arranged for a locksmith to install the missing hardware and to re-key all the security/fire doors to a new master key;
- c) on July 27, 2017, the City of Brockville issued an Order to Remedy Violation of Standards of Maintenance and Occupancy to Paquin Property Management (a former owner) requiring that garbage, debris and items being stored near the utility shed on the Brockville Property be removed on or before August 15, 2017. The Receiver arranged for the removal of the garbage, debris, etc. on August 12 and 15, 2017;
- d) the Receiver became aware that the master key for the Brockville Property was being used by a person related to a former superintendent to gain

-
- access to vacant units for unauthorized purposes. The Receiver arranged for the locks at the property to be re-keyed;
- e) upon attending at the Ottawa Property, the Property Manager determined that there were no working smoke and CO2 detectors installed in the residential units. The Receiver arranged for one combination smoke/CO2 detector to be installed on each floor of every unit; and
 - f) on July 28, 2017, the City of Ottawa advised that it had received several complaints about a large amount of garbage at the Ottawa Property and requested that the garbage be removed by July 31st. Arrangements were made for the removal of the garbage on July 26 and July 28, 2017.

Order issued by City of Ottawa

- 35. On July 24, 2017, the City of Ottawa (the “**City**”) issued an Order to Remedy an Unsafe Building (the “**July 24 Order**”) to GDH#7 and the Receiver in respect of the parking garage at the Ottawa Property, which required that a report be prepared by a structural engineer licensed to practice in the Province of Ontario, detailing the extent of corrosion and decay and required repairs and remediation, and that the report be provided to the City. The July 24 Order set out that compliance was required by July 24, 2017.
- 36. The July 24 Order was a re-issue of an earlier order issued by the City to GDH#7 on October 30, 2014, as GDH#7 did not comply with the 2014 order.
- 37. The Receiver became aware of structural issues concerning the parking garage in late June 2017 while it was in the process of dealing with a water leakage in the

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- garage. On June 29, 2017, the Property Manager toured the garage with Concentric, a structural engineer. Concentric prepared for the Receiver a report dated July 31, 2017 on the condition of the parking garage and areas of required repair (the “**Concentric Report**”).
38. On August 9, 2017, the Receiver forwarded a copy of the Concentric Report to the City of Ottawa. On August 17, 2017, the City of Ottawa sent to the Receiver an Inspection Report with respect to the parking garage and other complaints related to the Ottawa Property. The Inspection Report required that the Receiver install localized shoring immediately in the parking garage, as described in the Concentric Report.
39. The Receiver retained Concentric to prepare the tender documents and drawings and to run the tender process to solicit bids for the shoring work. At the conclusion of the tender process, a contractor was selected to complete the work at a cost of \$47,000 plus HST. The work was completed in December 2017.
40. As the Receiver did not have sufficient funds on hand to pay for the shoring work, the cost of the shoring work was paid for by First Source via its insurance company, FCT Insurance Company Ltd. (“**FCT**”), under a title insurance claim made by First Source in respect of outstanding work orders that had not been disclosed by GDH#7 at the time the First Source loan to the Respondents was advanced. FCT reimbursed the Receiver for the initial 10% deposit that the Receiver had paid and forwarded directly to the contractor the balance that was due. FCT also paid for engineering costs associated with the shoring work. Due to the nature of the

advance, the Receiver did not consider it necessary to issue a Receiver's Certificate in respect of same to First Source.

41. The City of Ottawa had also issued work orders against GDH#7 in respect of renovations that GDH#7 had made at several units at the Ottawa Property for which it had not obtained permits or which did not conform to the permit issued. The Receiver has not addressed these work orders as the City of Ottawa has not required immediate compliance.

Tenant Information

42. The Receiver obtained from Chi Suites Inc. copies of rent rolls and tenant leases for the Real Property. The Receiver understands that Chi Suites Inc. is controlled by Mr. Ho and was the property manager for the Real Property prior to the Receiver's appointment. The rent rolls provided by Chi Suites Inc. were not up to date and the leases provided were incomplete. Accordingly, and in order to determine the status and legitimacy of the tenancies at the Real Property, the Property Manager contacted the occupants to obtain the identities of the tenants and request copies of their leases. A review of the leases obtained by the Receiver indicates that many of the tenants are occupying the premises on a month-to-month basis. The Receiver does not have leases for all the rented units at the Brockville Property and the Ottawa Property.
43. The Receiver has executed eight new leases at the Brockville Property in respect of new tenant occupancies or tenants relocating to another unit.

Property Taxes

44. As of June 28, 2017, the outstanding property taxes for the Brockville Property and the Ottawa Property were \$24,129.19 and \$107,807.84, respectively. The Receiver has not had funding and did not borrow funds to pay the property tax arrears, future amounts due, or ongoing interest or penalties accruing thereon during the receivership period.
45. As of January 18, 2018, the outstanding property taxes for the Brockville Property and the Ottawa Property were \$110,595 and \$129,546, respectively, before consideration of amounts for 2018 property taxes which were not yet due. Payment of the outstanding property taxes will be made at the time of the sale of the Real Property.

V. BOOKS AND RECORDS

46. On June 23, 2017, the Receiver wrote to Mr. Ho to request information required for the administration of the receivership, including the rent roll, list of creditors and service contracts for each of the properties. Subsequently, the Receiver requested additional information from Mr. Ho and/or Chi Suites Inc. Copies of the Receiver's correspondence of June 23, 26 and 27, and July 13, 2017 are attached hereto as **Appendix "H"**.
47. The Respondents have been slow in responding to the Receiver's information requests and some of the information that has been provided is incomplete or not up to date. Emails to follow up on information requested were sent by the Receiver to Mr. Ho or Chi Suites Inc. on June 29 and 30, and July 5, 10, 11, 18, 19, 21 and

25, 2017. The Receiver was able to obtain copies of certain of the information requested from other sources. On August 2, 2017, Chaitons sent a letter to Mr. Ho summarizing the outstanding information, a copy of which is attached hereto as **Appendix "I"**.

48. Subsequent to the date of Chaitons' letter, the Respondents provided the Receiver with some additional information. As of the date of this report, the Receiver has not received copies of missing leases, the keys for the laundry room/machines at the Ottawa Property, or an accounting of, and transfer to the Receiver of, the funds, if any, held by the Respondents in respect of the Real Property. The Receiver has not pursued these items due to the uncertainty of the costs versus potential benefits that will be derived from these items.

VI. MARKETING ACTIVITIES

Marketing Activity Prior to the Receivership

49. Prior to the appointment of the Receiver, the Respondents signed listing proposals with Koble Commercial Real Estate & Brokerage ("**Koble**") on March 10, 2017 to market the Real Property. Prior to Koble launching its marketing campaign, the Respondents cancelled the listing agreement with Koble and listed for sale the Real Property with Century 21.
50. To the best of the Receiver's knowledge, no firm offers were received by the Respondents prior to the Receiver's appointment.

Listing Proposals

51. On or around July 27, 2017, the Receiver invited six realtors to submit listing proposals for the marketing and sale of the Real Property, on the assumptions that (a) the sale process would be a request for offers by a firm bid date and (b) offers were to be unconditional with no due diligence period provided. The Receiver sought proposals on this basis since the Receiver was concerned that in view of the condition of the two properties, offerors would submit offers at an amount to “tie up” the properties, only to further negotiate with the Receiver following completion of their due diligence investigations.
52. The Receiver requested that the realtors include in their proposals: (a) what compensation the realtor would require if the successful offer (i) is submitted by a third party purchaser or (ii) is a credit bid by the secured lender, who is to be treated as an excluded party for purposes of the listing agreement; and (b) how long a marketing period was recommended from the date that marketing commenced to the deadline for bids to be submitted.
53. One of the realtors, CBRE Limited, declined the invitation to submit a proposal, and a second, Royal LePage, did not respond. Proposals were submitted by brokers from Avison Young, Century 21 Explorer Realty Inc., Colliers International, and ReMax Hallmark Realty Group. A summary of the four listing proposals, including the suggested listing prices proposed by the various realtors, is attached hereto as Confidential **Appendix “1”**.

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54. The Receiver reviewed the listing proposals with First Source. The suggested listing prices were all below the amount owing to First Source, after taking into account, among other things, (a) the commissions that would be payable on a sale, (b) payment of outstanding realty taxes on closing, and (c) the amount owing to BMO on account of its first charge on the Brockville Property. At that time, First Source expressed its view that since it appeared that its indebtedness would not be repaid in full, it wished to submit a credit bid for the Real Property. Accordingly, the Receiver did not proceed to engage a real estate agent to market the Real Property at that time and delayed its launch of a marketing process.
55. As of November 30, 2017, First Source had not submitted an offer to the Receiver. The Receiver proceeded to market the Real Property for sale and determined that it could conduct an effective sales process and at a significantly lower cost than that which would be charged by a listing broker.

Marketing Activities of the Receiver

56. The Receiver launched its marketing campaign on December 11, 2017. The process ran from December 11, 2017 to January 16, 2018 and included a mailing campaign, newspaper advertisements, tours of the Real Property, and access to confidential information on the Real Property. Offerors were asked to submit firm, unconditional offers using the Receiver's form of agreement of purchase and sale.
57. A summary of the marketing activities undertaken by the Receiver is set out below:
- (a) on December 11 and December 12, 2017, the Receiver distributed an information letter with a description of the Real Property and general terms

and conditions of sale (the “**Information Letter**”) to 213 brokers and real estate contacts. The Information Letter stated that if the successful purchaser was represented by a real estate broker, the Receiver will pay to that broker a commission of 2.25% of the final sale price upon the closing of the sale;

- (b) on December 13 and December 19, 2017, an advertisement (the “**Advertisement**”) was placed in the business section of the national edition of the National Post newspaper;
- (c) on December 13 and December 19, 2017, the Advertisement was placed in the Ottawa Citizen newspaper;
- (d) on December 13 and December 19, 2017, the Advertisement was placed in the Brockville Reporter newspaper;
- (e) on December 27, 2017, January 2, 2018 and January 8, 2018, an advertisement was placed in the *Insolvency Insider* (the “**Insider Ad**”), a weekly electronic newsletter on Canadian Insolvency news and events including assets currently for sale that is sent to the Canadian insolvency community and other interested parties;
- (f) the Information Letter was posted on the Receiver’s website; and
- (g) an electronic data room was set up to provide access to confidential information on the Real Property to parties who signed the Receiver’s confidentiality agreement.

Copies of the Information Letter, the Advertisement, and the Insider Ad are attached hereto collectively as **Appendix “J”**.

Response to Marketing Activities

58. Prior to the January 16, 2018 deadline for submission of offers:
- (a) 28 Confidentiality Agreements were signed by prospective purchasers or brokers, all of whom were given access to the electronic data room;
 - (b) 4 tours of the Ottawa Property were conducted for 3 different parties between December 19, 2017 and January 16, 2018; and
 - (c) 7 tours of the Brockville Property were conducted for 5 different parties between December 15, 2017 and January 16, 2018.

VII. OFFERS RECEIVED

59. Interested parties were requested to submit their offers for the Real Property by noon on January 16, 2018 using a form of agreement of purchase and sale prepared by the Receiver and made available electronically to all interested parties.
60. As of January 16, 2018, eight offers/letters of intent in connection with one or both of the Brockville Property and Ottawa Property had been submitted to the Receiver. A summary of the offers/letters of intent is attached hereto as **Confidential Appendix "2"**.
61. Included also in Confidential Appendix "2" are descriptions of offers presented to the Receiver prior to the Receiver's sales process which were not pursued by the Receiver. The parties which submitted these offers (or their real estate brokers) were notified of the Receiver's sales process.

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62. On January 23, 2018, the Receiver wrote to the parties which submitted offers/letters of intent during the Receiver's sales process and provided them with the opportunity to submit a revised, improved offer prior to 4:00 pm on January 24, 2018, before a final determination was made by the Receiver as to which offer would be accepted. The Receiver further stated that if the Receiver did not receive an amended offer from a party, the Receiver would assume that that party's original offer was their best and final offer and intended by that party to be the offer to be considered by the Receiver.
63. As of January 24, 2018, three of the parties increased their offered purchase price, and one party advised the Receiver that it would not pursue the transaction and requested a return of its deposit. A copy of the offer summary reflecting the offers received as at January 26, 2018 is attached hereto as **Confidential Appendix "3"**.
64. The offer received from First Source represented the highest and best realization for the Real Property. The Receiver has calculated the purchase price under that offer to be approximately \$11.26 million (the "**Purchase Price**"), calculated as follows:
- (a) extinguishment of the First Source secured debt less \$1.5 million. The Receiver calculates that based on the quantum of the amounts owing to First Source as at January 26, 2018 of \$8,774,032, this represents consideration of \$7,274,032;

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- (b) cash payment of the “Priority Payables”. Based on the quantum of the amounts that fall within this definition, this represents consideration of \$554,067; and
 - (c) payment of the BMO Secured Debt. As at January 8, 2018, the amount owed to BMO was \$3,437,663.
65. After reviewing the offer from First Source and after subsequent discussions with First Source, the Receiver executed an Agreement of Purchase and Sale with First Source (the “**First Source APS**”) on January 26, 2018. A copy of the executed First Source APS is attached hereto as **Appendix “K”**.

VIII. SALIENT TERMS OF THE APS

66. Other salient terms of the First Source APS (all defined terms are as defined in the First Source APS) include:
- a) the Purchased Assets include the Ottawa Property, the Brockville Property and all of the assets and undertakings of the Respondents acquired for or used in relation to both properties;
 - b) no deposit is required on the execution of the agreement;
 - c) an amount sufficient to satisfy both the BMO Secured Debt and the Priority Payables is payable on closing;
 - d) the agreement is conditional on court approval of the First Source APS and the issuance of an order vesting title to the Purchased Assets in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the agreement;

- e) the Purchaser is buying the Purchased Assets on an “as is, where is” basis;
and
- f) closing of the sale is scheduled to occur on March 9, 2018 or such other date as agreed between the Purchaser and the Receiver.

IX. APPROVAL OF SALE

67. The Receiver believes that the marketing process undertaken by the Receiver (i) was appropriate for the type of property in question, and (ii) provided sufficient market exposure to the Real Property, for the following reasons:

- a) the Real Property was advertised for sale in the Ottawa Citizen, the Brockville Reporter, Insolvency Insider and the national edition of the National Post; and
- b) notice of the sale of the Real Property was sent to more than 200 parties, including
 - (i) real estate brokers with previous knowledge and or involvement with the Real Property prior to the receivership or to the official launch of the Receiver’s marketing process, who were already familiar with the Real Property; and
 - (ii) prospective purchasers who had been identified prior to the official launch of the Receiver’s marketing process.

68. The Purchase Price under the First Source APS exceeds both the offers received by the Receiver as well as the combined estimated net proceeds from the Real

Property described in each of the listing proposals described in paragraph 53 above.

69. The Receiver therefore recommends the approval of the First Source APS by this Honourable Court.
70. The Receiver believes that details of the listing proposals and other offers submitted for the Real Property should be kept confidential until the closing of the transaction under the First Source APS. The Receiver is of the view that public disclosure thereof would have a negative impact on the future marketing of the Real Property should the transaction with the Purchaser not be approved or completed. The Receiver respectfully requests that the Confidential Appendices be sealed by this Honourable Court until after the sale transaction closes.

X. SECURED OR PRIORITY CLAIMS

Secured Creditors

71. Attached hereto collectively as **Appendix "L"** are copies of searches of the Parcel Register for Property Identifier reports from the Ontario Land Registry Office dated September 5, 2017 for the Brockville Property and January 26, 2018 for the Ottawa Property ("**Title Searches**").
72. Attached hereto collectively as **Appendix "M"** are copies of searches conducted against the Respondents and MYR under the Personal Property Security Registration System dated October 1, 2017 and October 9, 2017, respectively ("**PPSA Searches**").

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73. By virtue of their mortgages, BMO has a first-ranking charge against the Brockville Property, and First Source has a second-ranking charge against the Brockville Property and a first-ranking charge against the Ottawa Property.
74. The Receiver has received opinions from Chaitons that, subject to the standard qualifications and assumptions, *inter alia*:

BMO

- a) the mortgage in favour of BMO provides BMO with a valid and enforceable registered charge over the Brockville Property;
- b) the security agreements granted in favour of BMO create a security interest in all of GDH#5's present and future personal property;
- c) the financing statements registered under the PPSA perfect BMO's security in the personal property and are first-in-time statements registered against GDH#5 under the PPSA;

First Source

- d) the mortgage in favour of First Source provides First Source with a valid and enforceable registered charge over the Brockville Property;
- e) the security agreement granted in favour of First Source creates a security interest in all of GDH#5's equipment, inventory, accounts receivable, intangibles, documents of title, chattel paper, instruments, documents and undertaking (the "**Brockville Personal Property**");
- f) the financing statements registered under the PPSA perfect First Source's security interest in the Brockville Personal Property and are third-in-time

- statements registered against GDH#5 under the PPSA, behind registrations in favour of BMO;
- g) the mortgage in favour of First Source provides First Source with a valid and enforceable registered charge over the Ottawa Property;
 - h) the security agreement granted in favour of First Source creates a security interest in all of MYR's equipment, inventory, accounts receivable, intangibles, documents of title, chattel paper, instruments, documents and undertaking (the "**Ottawa Personal Property**"); and
 - i) the financing statement registered under the PPSA perfects First Source's security in the Ottawa Personal Property.
75. Attached hereto as **Appendix "N"** to this report is a copy of correspondence from BMO's legal counsel setting out its claim in the amount of \$3,437,662.95 as of January 8, 2018. Attached hereto as **Appendix "O"** is a copy of a detailed statement from First Source dated January 26, 2018 setting out its claim in the amount of \$8,774,032.31.

Claims of Canada Revenue Agency ("CRA")

a) HST

76. As no HST is collected on residential rental income, the Receiver does not have an obligation to file HST returns and is not eligible to claim input tax credits.
77. The Receiver is not aware of whether the Respondents or MYR conduct or have conducted operations for which those companies may be liable to remit HST.
78. The Receiver wrote to CRA on January 16, 2018 in order to determine whether any HST obligations are outstanding. A copy of the Receiver's letter to CRA is

- attached hereto as **Appendix "P"**. CRA had not responded to the Receiver's letter
- as of the date of this report.
79. The Receiver is of the view that it is not liable for any outstanding HST obligations of the Respondents or MYR.
80. CRA will be served with notice of the Receiver's motion and supporting materials, including this report.
81. The Receiver will be proceeding on the basis that there are no amounts outstanding for HST and, if there are, the Receiver is not liable for any outstanding HST obligations of the Respondents or MYR, and that any claims by CRA in respect of HST not paid by the Respondents or MYR do not have priority over the secured claims of First Source and BMO against the Real Property or the other property of the Respondents.

b) Corporate Taxes/Capital Gains

82. The purchase price under the First Source APS exceeds the combined prices paid by the Respondents for the Real Property as shown on the Title Searches.
83. The Receiver does not have sufficient information to determine whether completion of the transactions under the First Source APS would trigger a corporations tax liability for either of the Respondents or MYR as a result of any capital gain realized.
84. The Approval and Vesting Order being sought by the Receiver provides that, for the purposes of determining the nature and priority of claims against the proceeds from the sale of the Purchased Assets, the net proceeds shall stand in the place and stead of the Purchased Assets, and that from and after completion of the

transactions, all claims and encumbrances shall attach to the net proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

85. Since the Respondents' indebtedness to First Source will not be repaid following completion of the First Source APS, there will be no funds available from the sale of the Purchased Assets to pay any corporations tax/capital gains liability or other amounts payable to CRA which may have resulted from the sale of the Real Property.

Property Taxes

86. As of January 18, 2018, the outstanding property taxes on the Brockville Property and Ottawa Property totalled \$110,595.46 and \$129,545.97, respectively. The Receiver does not have the funds to pay the 2018, 2017 or prior period taxes. Accordingly, payment of the outstanding property taxes will occur at the time of the closing of the sale of the Real Property.

XI. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

87. Attached as **Appendix "Q"** is the Receiver's Interim Statement of Receipts and Disbursements for each of the properties, and on a consolidated basis, for the period June 23, 2017 to January 19, 2018. During this period, receipts were \$475,601, including advances of \$100,000 under Receiver Certificate No. 1

described below, and disbursements were \$419,668, resulting in a net cash balance of \$55,933 on an aggregate basis for both properties.

88. Included in the disbursements are \$82,454 for repairs (excluding the shoring work), \$62,448 for property management fees, \$40,178 for insurance, and \$33,845 for utilities. The fees of the Receiver have been allocated to each property as follows:
- (a) for fees specifically identifiable to the Brockville Property, to that property;
 - (b) for fees specifically identifiable to the Costello Property, to that property;
and
 - (c) for fees not specifically identifiable to either the Brockville Property or the Costello Property, 50% of the fees have been allocated to the Brockville Property and 50% of the fees have been allocated to the Costello Property.
89. The fees of Chaitons have been equally divided between the Ottawa and Brockville properties as it was determined that, for the most part, the nature of the legal services provided by Chaitons pertained equally to both properties.
90. Neither the Brockville Property nor the Ottawa Property generated sufficient funds to cover ongoing and/or anticipated costs during the period of the receivership.
91. The Receiver obtained an advance of \$100,000 from First Source to cover anticipated cash deficiencies, as evidenced by Receiver Certificate No.1 dated June 29, 2017. As of the date of this report, the above-noted advance has not been repaid by the Receiver.

XII. PROPOSED DISTRIBUTION

92. Upon the closing of the sales of the Brockville Property and the Ottawa Property, and receipt by the Receiver of the cash portion of the Purchase Price, funds will be available for the Receiver to make a distribution to BMO in full repayment of its claim under its mortgage on the Brockville Property.
93. As set out above, the Receiver has received legal opinions from Chaitons that, subject to the assumptions and qualifications contained in Chaitons' opinion letters, the security over the Real Property granted in favour of BMO and First Source pursuant to their mortgages and general security agreements create valid security interests against the Real Property.
94. On the closing of the sales of the Brockville Property and the Ottawa Property, the Receiver proposes to:
- (a) pay the outstanding property taxes;
 - (b) pay any unpaid accounts of the Receiver on account of operating expenses and the Receiver's professional fees and disbursements including the fees and disbursements of Chaitons; and
 - (c) make a cash distribution to BMO for the amount owed under its mortgage.
95. The Receiver has requested written confirmation from First Source that it does not require repayment of advances it has made to the Receiver, directly or indirectly, under Receiver Certificate # 1 or otherwise.

XIII. PROFESSIONAL FEES

96. The Receiver's accounts for the period June 5, 2017 to January 26, 2018 total \$188,743.05 in fees and disbursements plus HST of \$24,536.60 for a total amount of \$213,279.68 (the "**Receiver's Accounts**"). A copy of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Daniel Weisz sworn January 29, 2018 that is attached as **Appendix "R"**.
97. The accounts of the Receiver's counsel, Chaitons, total \$37,826.40 in fees and disbursements and \$4,782.23 for HST for a total of \$42,608.63 (the "**Chaitons Accounts**") for the period ending January 26, 2018. A copy of the Chaitons Accounts, together with a summary of the personnel, hours and hourly rates described in the Chaitons Accounts, supported by the Affidavit of George Benchetrit sworn January 29, 2018, is attached as **Appendix "S"**.
98. The Receiver has reviewed the Chaitons Accounts and is of the view that the fees and disbursements charged were reasonable and appropriate.

XIV. CONCLUSION

99. The Receiver respectfully requests that the Court grant the relief described in paragraph 7 above.

All of which is respectfully submitted to this Court as of this 29th day of January, 2018.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of
64, 68 and 70 Reynolds Drive, Brockville, On;
10, 14, 18 and 22 Salisbury Avenue, Brockville, On;
and 39 - 85 Costello Avenue, Ottawa, On
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice President

APPENDIX D

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) FRIDAY, THE 9TH DAY
JUSTICE *K. Phillips*) OF FEBRUARY, 2018

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver (the “**Receiver**”) of, *inter alia*, 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the “**Brockville Real Property**”) and 39-85 Costello Avenue, Ottawa (the “**Ottawa Real Property**” and collectively, “**Real Properties**”) and for all of the assets and undertakings of Golden Dragon Ho 5 Inc. (“**GDH 5**”) and Golden Dragon Ho 7 Inc. (“**GDH 7**” and collectively, the “**Debtors**”) acquired for, or used in relation to, respectively, the Brockville Real Property and the Ottawa Real Property including all proceeds therefrom, for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and First Source Financial Management Inc. made as of January 22, 2018 and appended to the Report of the Receiver dated January 29, 2018 (the “**Report**”), and vesting in the Purchaser (as defined below): (i) GDH 5’s right, title and interest in and to the assets described in the Sale Agreement (the “**GDH 5 Assets**”) and (ii) GDH 7’s right title and interest in and to the assets described in the Sale Agreement (the “**GDH 7 Assets**” and collectively, the “**Purchased Assets**”), was heard this day at the court house at 161 Elgin Street, Ottawa, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amy Casella sworn January 30, 2018, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to CR Properties Management Limited Partnership (the “**Purchaser**”).

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver's Certificate**”):

- (a) all of GDH 5’s right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**GDH 5 Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those GDH 5 Claims listed on Schedule B hereto (all of which are collectively referred to as the “**GDH 5 Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule C) and, for greater certainty, this Court orders that all of the GDH 5 Encumbrances affecting or relating to the GDH 5 Assets are hereby expunged and discharged as against the GDH 5 Assets; and

- (b) all of GDH 7's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (the "**GDH 7 Claims**" and, with the GDH 5 Claims, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those GDH 7 Claims listed on Schedule E hereto (all of which are collectively referred to as the "**GDH 7 Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule F) and, for greater certainty, this Court orders that all of the GDH 7 Encumbrances affecting or relating to the GDH 7 Assets are hereby expunged and discharged as against the GDH 7 Assets.

3. THIS COURT ORDERS that upon the registration in the (i) Land Registry Office for Ottawa-Carleton (No. 4) and (ii) Land Registry Office for Leeds (No. 28) of Applications for Vesting Orders in the form prescribed by the Land Titles Act (Ontario) and/or the Land Registration Reform Act (Ontario), the Land Registrar is hereby directed to enter the Purchaser as the owner of the Real Properties identified in Schedule D hereto (the "**Real Properties**") in fee simple, and is hereby directed to delete and expunge from title to the Brockville Real Property all of the GDH 5 Claims listed in Schedule B hereto and from title to the Ottawa Real Property all of the GDH 7 Claims listed in Schedule E hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims:

- (a) the net proceeds from the sale of the GDH 5 Assets, shall stand in the place and stead of the GDH 5 Assets, and that from and after the delivery of the Receiver's Certificate all GDH 5 Claims and GDH 5 Encumbrances shall attach to the net proceeds from the sale of the GDH 5 Assets with the same priority as they had with respect to the GDH 5 Assets immediately prior to the sale, as if the GDH 5 Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale; and
- (b) the net proceeds from the sale of the GDH 7 Assets, shall stand in the place and stead of the GDH 7 Assets, and that from and after the delivery of the Receiver's Certificate all GDH 7 Claims and GDH 7 Encumbrances shall attach to the net proceeds from the sale of the GDH 7 Assets with the same priority as they had with respect to the GDH 7 Assets immediately prior to the sale, as if the GDH 7 Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Receiver's possession pertaining to the Debtors' past and current employees as well as all information in its possession relating to tenants at the Real Properties. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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



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ON/LE	FEB 09 2018
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IN BOOK NO. 73-13	
AU REGISTRE NO. 73-13	

Schedule A – Form of Receiver’s Certificate

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017), Collins Barrow Toronto Limited was appointed as the receiver (the “**Receiver**”) of *inter alia*, 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the “**Brockville Real Property**”) and 39-85 Costello Avenue, Ottawa (the “**Ottawa Real Property**” and, collectively, “**Real Properties**”) and for all of the assets and undertakings of Golden Dragon Ho 5 Inc. (“**GDH 5**”) and Golden Dragon Ho 7 Inc. (“**GDH 7**” and collectively, the “**Debtors**”) acquired for, or used in relation to, respectively, the Brockville Real Property and the Ottawa Real Property (collectively the “**Property**”), including all proceeds therefrom.

B. Pursuant to an Order of the Court dated December 5, 2017, the name RSM Canada Limited was ordered to be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting).

C. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of January 22, 2018 (the “**Sale Agreement**”) between the Receiver and First Source Financial Management Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtors’ right, title and interest in and to the Purchased Assets, which vesting is

to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

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

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver of the Property, and not
in its personal or corporate capacity and without
personal or corporate liability**

Per: _____

Name: ►

Title: ►

Schedule B
Claims to be deleted and expunged from title to Brockville Real Property

1. Instrument No. LR323448, registered on August 1, 2002, is a Transfer/Deed of Land in favour of Paquin Property Management Ltd. ("**Paquin**") showing a consideration in the amount of \$2,500,000.
2. Instrument No. LE32497, registered on December 14, 2010, is a Charge/Mortgage of Land, in the amount of \$3,863,420, given by Paquin in favour of Bank of Montreal ("**BMO**").
3. Instrument No. LE32498, registered December 14, 2010, is a Notice of Assignment of Rents General, given by Paquin in favour of BMO.
4. Instrument No. LE34143, registered on February 24, 2011, is an Application to Change Name Owner from Paquin to Golden Dragon Ho 5 Inc. ("**Golden Dragon**").
5. Instrument No. LE81462, registered on May 12, 2016, is a Charge/Mortgage of Land, in the amount of \$7,287,500, given by Golden Dragon in favour of First Source Financial Management Inc. ("**First Source**").
6. Instrument No. LE81463, registered May 12, 2016, is a Notice of Assignment of Rents General, given by Golden Dragon in favour of First Source.

Schedule C
Permitted Encumbrances, Easements and Restrictive Covenants
related to the Brockville Real Property

(unaffected by the Vesting Order)

1. Any reservations, restrictions, rights of way, easements or covenants that run with the Real Property.
2. Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service.
3. All laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the real property.
4. Any minor easements for the supply of utility service to the real property or adjacent properties.
5. Encroachments disclosed by any errors or omissions in existing surveys of the real property or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the real property and survey matters generally.
6. Any unregistered leases to tenants or other rights of occupation of tenants in possession of any part of the real property.
7. The exceptions and qualifications set forth in the land titles act (Ontario).
8. The reservations contained in the original grant from the Crown.
9. Instrument No. 47B8778, registered on February 17, 1955, is a Transfer of Easement in favour of The Bell Telephone Company of Canada (the "**Bell Easement**").
10. Reference Plan 28R-7978, registered on March 2, 1993.
11. Instrument No. LR244687, registered on September 23, 1993, is a Transfer of Easement in favour of The Corporation of the City of Brockville.
12. Instrument No. LR257274, registered on January 13, 1995, is a Notice of Claim relating to the Bell Easement.
13. Instrument No. LR330600, registered on April 28, 2003, is a Transfer of Easement in favour of Hydro One Networks Inc.

Schedule D
Real Properties

1. Block F, Plan 250, Brockville, City of Brockville being all of PIN 44175-0386 (LT)
2. Block L, Plan 529418, Nepean, City of Ottawa being all of PIN 04694-0184 (LT)

Schedule E
Claims to be deleted and expunged from title to Ottawa Real Property

1. Instrument No. OC1548034, registered on December 19, 2013, is a Transfer/Deed of Land in favour of Golden Dragon Ho 7 Inc. ("**Golden Dragon**") showing a consideration in the amount of \$2,500,000.
2. Instrument No. QC1786618, registered on May 12, 2016, is a Charge/Mortgage of Land, in the amount of \$7,287,500, given by Golden Dragon in favour of First Source Financial Management Inc. ("**First Source**").
3. Instrument No. QC1786619, registered May 12, 2016, is a Notice of Assignment of Rents General, given by Golden Dragon in favour of First Source.

Schedule F
Permitted Encumbrances, Easements and Restrictive Covenants
related to the Ottawa Real Property

(unaffected by the Vesting Order)

1. Any reservations, restrictions, rights of way, easements or covenants that run with the Real Property.
2. Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service.
3. All laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the real property.
4. Any minor easements for the supply of utility service to the real property or adjacent properties.
5. Encroachments disclosed by any errors or omissions in existing surveys of the real property or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the real property and survey matters generally.
6. Any unregistered leases to tenants or other rights of occupation of tenants in possession of any part of the real property.
7. The exceptions and qualifications set forth in the land titles act (Ontario).
8. The reservations contained in the original grant from the Crown.
9. Instrument No. CR469213, registered on November 22, 1963, is a Subdivision Agreement in favour of The Corporation of the Township of Nepean (the "**Township**").
10. Instrument No. CR472387, registered on February 7, 1964, is a Transfer of Easement, partially released by Instrument CR533681, in favour of The Bell Telephone Company of Canada ("**Bell**").
11. Instrument No. CR534059, registered on November 8, 1967, is a Transfer of Easement in favour of Public Fuel Transmission Systems Limited.
12. Instrument No. CR539535, registered on March 14, 1968 is a Transfer of Easement in favour of Bell

FIRST SOURCE FINANCIAL MANAGEMENT INC.

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Applicant

Respondents

Court File No. 17-72881

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceedings commenced at Ottawa

APPROVAL AND VESTING ORDER

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

George Benchetrit (LSUC #34163H)

Tel: (416) 218-1141

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E-mail: george@chaitons.com

Lawyers for the Receiver

APPENDIX E

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	FRIDAY, THE 9 TH DAY
JUSTICE <i>K. Phillips</i>)	OF FEBRUARY, 2018

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver (the “**Receiver**”) of, *inter alia*, 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the “**Brockville Real Property**”) and 39-85 Costello Avenue, Ottawa (the “**Ottawa Real Property**”) and for all of the assets and undertakings of Golden Dragon Ho 5 Inc. (“**GDH 5**”) and Golden Dragon Ho 7 Inc. (“**GDH 7**”) and collectively, the “**Debtors**”) acquired for, or used in relation to, respectively, the Brockville Real Property and the Ottawa Real Property including all proceeds therefrom, for an order, *inter alia*, sealing the confidential appendices to the First Report of the Receiver dated January 29, 2018 (the “**First Report**”), authorizing and directing the Receiver to make a distribution to Bank of Montreal (“**BMO**”), and approving the activities and fees and disbursements of the Receiver and its counsel, was heard this day at the court house at 161 Elgin Street, Ottawa, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amy Casella sworn January 30, 2018, filed:

1. **THIS COURT ORDERS** that the confidential appendices to the First Report shall be sealed until the filing of the Receiver's certificate confirming completion of the First Source Transaction (as defined in the First Report) or further order of this Court.
2. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make a distribution to BMO as described in the First Report.
3. **THIS COURT ORDERS** that the activities and fees and disbursements of the Receiver and its counsel as described in the First Report are hereby approved.



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FIRST SOURCE FINANCIAL MANAGEMENT INC.

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Applicant

Respondents

Court File No. 17-72881

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceedings commenced at Ottawa

ORDER

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

George Benchetrit (LSUC #34163H)

Tel: (416) 218-1141

Fax: (416) 218-1841

E-mail: george@chaitons.com

Lawyers for the Receiver

APPENDIX F

AGREEMENT OF PURCHASE AND SALE

This AGREEMENT dated the 6th day of June, 2018.

BETWEEN:

RSM Canada Limited, solely in its capacity as court-appointed receiver over the Property (defined below), and not in its personal or corporate capacity and without personal or corporate liability
(the “**Vendor**”)

OF THE FIRST PART

and

FIRMLAND ACQUISITIONS CORPORATION,
a company incorporated in accordance with the laws of the Province of Ontario
(the “**Purchaser**”)

OF THE SECOND PART

WHEREAS

- A. Pursuant to the Receivership Order (defined below), Collins Barrow Toronto Limited was appointed receiver to, among other things, market and sell the Purchased Assets;
- B. Pursuant to an Order of the Court dated December 5, 2017, the name RSM Canada Limited was ordered to be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting); and
- C. Subject to the Court issuing the Approval and Vesting Order, the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, the right, title and interest of the Debtor in and to the Purchased Assets on the terms and conditions set out herein.

IN CONSIDERATION of the mutual agreements contained in this Agreement, the receipt and sufficiency of which are acknowledged by each of the Vendor and the Purchaser, the Vendor and the Purchaser agree as follows:

1. DEFINITIONS

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) “**Act**” means, for purposes of Section 22 only, the *Excise Tax Act* (Canada);
- (b) “**Agreement**” means this agreement together with the attached schedules;

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- (c) **“Approval and Vesting Order”** means an order of the Court substantially in the form attached hereto as Schedule 1(c) approving the Transaction and ordering that the Debtor’s right, title and interest in the Purchased Assets be vested in the Purchaser free and clear of encumbrances except for Permitted Encumbrances upon satisfaction by the Purchaser of its obligations under this Agreement;
- (d) **“Buildings”** means the buildings situate on the Lands, including all improvements thereto and all fixtures forming a part thereof, and including all of the Debtor’s rights and interests under leases entered into with tenants in the Buildings;
- (e) **“Business Day”** means any day other than a Saturday or a Sunday or a statutory holiday in the Province of Ontario;
- (f) **“Chattels”** means any items of movable property located on the Lands at Closing;
- (g) **“Closing”** shall have the meaning ascribed to it in Section 9;
- (h) **“Court”** means the Ontario Superior Court of Justice;
- (i) **“Date of Closing”** shall have the meaning ascribed to it in Section 9 hereof;
- (j) **“Debtor”** means Golden Dragon Ho 5 Inc.;
- (k) **“Deposit”** shall have the meaning ascribed to it in Section 5;
- (l) **“Environmental Law”** means any and all applicable international, federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials;
- (m) **“Government Authority”** means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal governments having or claiming to have jurisdiction over part or all of the Property, the transaction contemplated in this Agreement and/or one or both of the parties hereto;
- (n) **“HST”** shall have the meaning ascribed thereto in Section 22 hereof;
- (o) **“Hazardous Materials”** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any **“Contaminants”**, **“Dangerous Substances”**, **“Hazardous Materials”**, **“Hazardous Substances”**, **“Hazardous Wastes”**, **“Industrial Wastes”**, **“Liquid Wastes”**, **“Pollutants”** and **“Toxic Substances”**,

- 3 -

all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or poly-chlorinated biphenyl wastes;

- (p) **“Lands”** means the lands and premises municipally known as 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario, as legally described in Schedule 1(p);
- (q) **“Permitted Encumbrances”** means those encumbrances listed in Schedule 1(q).
- (r) **“Property”** means the Lands and all of the assets and undertakings of the Debtor acquired for, or used in relation to, the Lands, including all proceeds therefrom;
- (s) **“Purchase Price”** shall have the meaning ascribed thereto in Section 4 hereof;
- (t) **“Purchased Assets”** means the interests of the Debtor in the Buildings, Lands and Chattels;
- (u) **“Purchaser”** shall have the meaning ascribed to it on page 1 above;
- (v) **“Purchaser’s Solicitors”** means Gardiner Roberts LLP;
- (w) **“Receiver”** means RSM Canada Limited in its capacity as receiver appointed pursuant to the Receivership Order;
- (x) **“Receivership Order”** means the order of the Court dated June 21, 2017 (issued June 23, 2017) appointing Collins Barrow Toronto Limited as receiver to, among other things, market and sell the Property;
- (y) **“Registry Office”** shall have the meaning ascribed thereto in Section 10 hereof;
- (z) **“Transaction”** means the transaction contemplated under this Agreement;
- (aa) **“Vendor”** shall have the meaning ascribed to it on page 1 above;
- (bb) **“Vendor’s Solicitors”** means the firm of Chaitons LLP.

2. SCHEDULES

The following Schedules are appended to this Agreement:

Schedule 11(c) Approval and Vesting Order

Schedule 11(p) Lands

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6. DEPOSIT

The Deposit shall be held in trust by the Vendor's Solicitors and shall be:

- a) credited to the Purchaser as an adjustment against the Purchase Price on the Closing Date if the Transaction is completed;
- b) refunded to the Purchaser without interest or deduction if the Transaction is not completed, provided that the Purchaser is not in default under this Agreement; or,
- c) retained by the Vendor as a genuine pre-estimate of liquidated damages and not as a penalty, in addition to any other rights and remedies that the Vendor may have under this Agreement and at law, including offering the Purchased Assets for sale to another person, if the Transaction is not completed as a result of the Purchaser's breach hereunder.

7. APPROVAL AND VESTING ORDER

Within 7 days after the Vendor's acceptance (subject to approval of the Court) of this Agreement and payment by the Purchaser of the First Deposit, the Vendor will seek an appointment with the Court for a motion to be heard within 30 days, or otherwise as soon as reasonably possible, to seek the Approval and Vesting Order.

The Vendor and the Purchaser acknowledge and agree that the above-noted term is a true condition precedent to the completion of the Transaction that cannot be waived by either party. If the condition is not fulfilled, the Deposit shall be returned to the Purchaser forthwith in full without deduction or set-off.

8. CLOSING ADJUSTMENTS

Adjustments shall be made, as of 12:01 a.m. on the Date of Closing, for realty taxes, local improvement rates, rental payments, and last month's rent deposits, municipal/provincial levies and charges, water and assessment rates, and utilities. The day of Closing shall be for the account of the Purchaser.

If the final cost or amount of an item that is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Vendor, acting reasonably, as of the Closing Date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. In each case, when such cost or amount is determined, the Vendor or Purchaser, as the case may be, shall, within 30 days of determination, provide a complete statement thereof to the other and within 30 days thereafter the Vendor and Purchaser shall make a final adjustment as of the Closing Date for the item in question. In the absence of agreement by the parties, the final cost or amount of an item shall be determined by an accountant or such other financial professional appointed jointly by the Vendor and the Purchaser, with the cost of such accountant's or other financial professional's determination being shared equally between the parties. All re-adjustments shall be requested in a detailed manner on

- 6 -

or before the 60th day after the Closing Date, after which time neither party shall have any right to request re-adjustment.

9. DATE OF CLOSING

The Transaction will close on ^{July 4, 2018} ~~the ninth Business Day following the date on which the Approval and Vesting Order is granted~~, or such other date as agreed between the Vendor and the Purchaser in writing (the "**Date of Closing**" or "**Closing**"). If, prior to the Closing, the Approval and Vesting Order (or any orders dismissing appeals thereof) shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Transaction, then the Date of Closing may be extended by the Vendor, in which case the Date of Closing shall mean the day that is two Business Days after the date on which any such appeals and/or proceedings are dismissed.

10. ELECTRONIC REGISTRATION

- (a) In the event that the electronic registration system ("**TERS**") is operative in the relevant land registry office (the "**Registry Office**"), the following provisions shall apply:
- (i) The Purchaser shall be obliged to retain a solicitor who is both an authorized TERS user and is in good standing with the Law Society of Upper Canada to represent the Purchaser in connection with the completion of the transaction and shall authorize such solicitor to enter into a document registration agreement with the Vendor's Solicitors in the form as agreed by the parties (the "**DRA**"), establishing the procedures and timing for completing this transaction.
 - (ii) The delivery and exchange of the closing documents:
 - (A) shall not occur contemporaneously with the registration of the Application for Vesting Order and other registerable documentation; and
 - (B) shall be governed by the DRA, pursuant to which the Vendor's Solicitors and Purchaser's Solicitors shall hold all closing documents in escrow, and will not be entitled to release them except in strict accordance with the provisions of the DRA.
- (b) The Purchaser expressly acknowledges and agrees that the Vendor will not release the Receiver's Certificate confirming the effectiveness of the Approval and Vesting Order until the balance of funds due on Closing, in accordance with the Statement of Adjustments, are remitted by wire transfer to the Vendor's Solicitors (or in such other manner as the Vendor or Vendor's Solicitors may in writing direct).
- (c) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall

- 7 -

be deemed to have been made by the Vendor upon the Purchaser, or by the Purchaser upon the Vendor, when the Vendor's Solicitors have:

- (i) delivered all documents required to be delivered by the Vendor to the Purchaser pursuant to Section 18 hereof;
- (ii) advised the Purchaser's Solicitors in writing that the Vendor is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
- (iii) completed all steps required by TERS to complete the Transaction that can be performed or undertaken by the Vendor's Solicitors without the cooperation or participation of the Purchaser's Solicitors, and specifically when the "**completeness signatory**" for the Application for Vesting Order has been electronically "**signed**" by the Vendor's Solicitors,

without the necessity of personally attending upon the Purchaser or the Purchaser's Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing.

- (d) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Purchaser upon the Vendor, when the Purchaser's Solicitors have:

- (i) delivered the balance due at Closing and all the documents required to be delivered by the Purchaser to the Vendor pursuant to Section 19 hereof;
- (ii) advised the Vendor's Solicitors in writing that the Purchaser is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
- (iii) completed all steps required by TERS to complete this transaction that can be performed or undertaken by the Purchaser's Solicitors without the cooperation or participation of the Vendor's Solicitors, and specifically when the "**completeness signatory**" for the Application for Vesting Order has been electronically "**signed**" by the Purchaser's Solicitors,

without the necessity of personally attending upon the Vendor or the Vendor's Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing.

- (e) If through no fault of the Purchaser's Solicitors or the Vendor's Solicitors TERS is unavailable on the Date of Closing, such that the Purchaser's Solicitors are unable to register the Application for Vesting Order, then the Transaction shall be completed in escrow in accordance with the terms of the DRA which shall apply until such time as TERS becomes available. Upon TERS becoming available, the

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Vendor's Solicitors shall advise the Purchaser's Solicitors forthwith and the parties shall arrange to complete the registration of the Approval and Vesting Order as expeditiously as possible, whereupon the escrow shall be released.

In the event of any conflict or inconsistency between the terms of this Section 10 and the terms of the DRA, the terms of this Section 10 shall prevail.

11. PRE-CLOSING RISK

The Purchased Assets are and shall remain at the Vendor's risk until Closing and the Vendor shall hold all insurance policies and the proceeds thereunder, in trust, for the parties as their respective interests may appear pending Closing. In the event that the Purchased Assets shall be materially damaged prior to Closing, then the Vendor shall promptly notify the Purchaser in writing of such damage. If the cost of rectifying such damage exceeds Five Hundred Thousand (\$500,000) Dollars, as determined by an independent third party expert appointed by the Vendor, then the Purchaser shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement, by delivery of written notice to the Vendor within ten (10) Business Days following receipt of the Vendor's notice of damage, and in such event the parties hereto shall be released from all obligations and liabilities hereunder and the Deposit shall be returned to the Purchaser forthwith, without interest or deduction. If the Purchaser does not elect to terminate this Agreement as set out above, or if the cost of rectifying such damage does not exceed Five Hundred Thousand (\$500,000) Dollars, then the Transaction shall be completed and the Vendor shall release its interest in the insurance proceeds payable in respect thereof, if any, to the Purchaser.

12. PURCHASER'S REPRESENTATIONS AND WARRANTIES

The Purchaser represents and warrants to the Vendor that, as at the date hereof:

- (a) the Purchaser is a corporation duly incorporated, organized and validly subsisting under the laws of the Province of Ontario and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement; neither the execution of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the Transaction will violate:
 - (i) the Purchaser's articles of incorporation and by-laws;
 - (ii) any agreement to which the Purchaser is bound;
 - (iii) any judgement or order of a court of competent authority or any Government Authority; or
 - (iv) any applicable law;

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and the Purchaser has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder;

- (b) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (c) there are no orders or proceedings pending before any Government Authority, or threatened to be brought by or before any Government Authority by or against the Purchaser, affecting the legality, validity or enforceability of this Agreement or the consummation of the transaction contemplated hereby by the Purchaser;
- (d) the Purchaser has made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the Purchase Price to the Vendor on Closing;
- (e) the Purchaser will be responsible for and will remit to or reimburse, as applicable, all taxes, including (without limitation) land transfer tax, levies or the like that arise from the sale of the Purchased Assets unless otherwise specified in this Agreement; and
- (f) either (i) the Purchaser is not a “**non-Canadian**”, as defined in the *Investment Canada Act* (Canada) (“**ICA**”); or (ii) if the Purchaser is a “**non-Canadian**”, this transaction is not a reviewable transaction under the ICA, *or*, if applicable, the Purchaser is a non-Canadian for the purpose of the ICA and will within three (3) Business Days of the execution of this Agreement submit to Investment Canada a fully completed Application for Review with respect to the transaction contemplated in this Agreement and will use its best efforts to obtain approval from Investment Canada prior to Closing.

The Purchaser shall promptly deliver to the Vendor written notice specifying the occurrence or likely occurrence of any event which may result in any of the Purchaser’s representations and warranties contained in this Agreement not continuing to be true as at Closing.

13. NO REPRESENTATIONS OR WARRANTIES BY VENDOR

The Purchaser acknowledges that:

- (a) it is relying entirely upon its own searches, investigations and inspections in entering into this Agreement;
- (b) the Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Property is or will be lawful or permitted;
- (c) it is satisfied with the Property and all matters and things connected therewith or in any way related thereto;

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- (d) it is purchasing the Property on an “as is, where is” and “without recourse” basis including, without limitation, outstanding work orders, deficiency notices, compliance requests, development fee, imposts, lot levies, sewer charges, zoning and building code violations and any outstanding requirements which have been or may be issued by any governmental authority having jurisdiction over the Property;
- (e) any documentation relating to the Property obtained from the Vendor has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Agreement;
- (f) the Vendor shall have no liability for, or obligation with respect to, the value, state or condition of the Property;
- (g) the Vendor has made no representations or warranties with respect to or in any way related to the Property, including without limitation, the following:
 - i. the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Property, either stated or implied;
 - ii. the environmental state of the Property, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law and the existence, state, nature, kind, identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, under or about the Property or elsewhere; and
- (h) it will ensure that any environmental and/or structural reports prepared on behalf of the Purchaser shall also be addressed to the Vendor and a copy of each such report shall be delivered to the Vendor promptly after the completion thereof, regardless of whether the transaction contemplated by this Agreement closes.

14. ENCROACHMENTS

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Buildings or Lands, or encroachments onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting any of the Purchased Assets.

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15. INDEMNIFICATION

The Purchaser shall indemnify and save harmless the Vendor and its directors, officers, employees, agents and representatives (collectively, the "Indemnitees") from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the operations of the Purchaser on the Buildings or Lands after the Closing Date, or any order, notice, directive, or requirement under, or breaches, violations or non-compliance with any Environmental Laws after the Closing Date, or as a result of the disposal, storage, release or spill, or threat of release or spill, on or about the Lands and/or the Building, of any Hazardous Substance after the Closing Date. The obligation of the Purchaser hereunder shall survive the Closing Date.

16. RELEASE

The Purchaser agrees to release and discharge the Vendor together with its directors, officers, employees, agents and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Substance relating to the Buildings or Lands. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor to clean up or remove or pay for the cleanup or removal of any Hazardous Substance, remediate any condition or matter in, on, under or in the vicinity of the Buildings or Lands, or seek an abatement in the Purchase Price or damages in connection with any Hazardous Materials. This provision shall not expire with, or be terminated or extinguished by or merged in, the Closing of the Transaction and shall survive the termination of this Agreement for any reason or cause whatsoever and the closing of this transaction.

17. NON-REGISTRATION

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document, instrument or court order or judgement providing evidence of this Agreement against title to the Buildings or Lands. Should the Purchaser be in default of its obligations under this Section, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Buildings or Lands. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Buildings or Lands. The Purchaser acknowledges and agrees that the Vendor may rely on the terms of this Section 17 as a full estoppel to any proceeding, suit, claim, motion or other action brought by the Purchaser in order to obtain and attempt to register against the title to the Buildings or Lands any of the items set out in this Section 17.

17A. PURCHASER'S CONDITION

This Agreement is conditional up to and including 6:00 p.m. on ~~the date that is seven (7) Business Days after full acceptance of this Agreement~~ ^{June 13, 2018} (the "Conditional Date"), upon the Purchaser

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satisfying itself, in its sole and absolute discretion, with respect to obtaining financing for the transaction herein on terms and conditions satisfactory to it in its sole and unfettered discretion.

In the event the foregoing condition has not been waived or satisfied in writing by the Purchaser on or before the Conditional Date this Agreement shall be terminated, in which event all deposit money shall forthwith be repaid without deduction to the Purchaser and this Agreement of Purchase and Sale shall be null and void and the parties hereto relieved of any obligation and liability hereunder.

18. VENDOR'S CLOSING DELIVERIES

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date expressly provided herein:

- (a) the Approval and Vesting Order;
- (b) a statement of adjustments prepared in accordance with Section 8 hereof;
- (c) the Vendor's certificate setting out that the Vendor is not a "**non-resident**" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada);
- (d) all master keys and duplicate keys relating to the Property in the Vendor's possession;
- (e) the following that are in its possession or control: all surveys, plans, drawings, specifications, fire safety documentation, copies of all leases affecting the Property, tenant files and a rent roll;
- (f) as soon as reasonably possible after the Conditional Date, at the Purchaser's request and cost, letters allowing the Purchaser to contact the issuers of any Phase 1 environmental reports or appraisal reports in connection with the Property and to request from them letters allowing the Purchaser and/or its lenders to rely on such reports, provided that the refusal of such issuers to allow such reliance will not affect the requirement of the Purchaser to fulfill its obligations under this Agreement; and
- (g) any other documents relative to the completion of this Agreement as may reasonably be required by the Purchaser or its solicitors.

19. PURCHASER'S CLOSING DELIVERIES

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at or prior to Closing:

- (a) **Purchaser's Certificates:** the Purchaser's certificate and indemnity setting out that each of the Purchaser's representations and warranties contained in this Agreement

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are true as at Closing and, if applicable, the Purchaser's certificate described in Subsection 22(b) hereof;

- (b) **HST Indemnity:** the indemnity provided for under Subsection 22(c) hereof;
- (c) **Direction re Title:** a direction re title to confirm the name in which title to the Purchased Assets will be taken, provided that such direction must be provided to the Vendor no less than 7 days before the hearing date for the motion to obtain the Approval and Vesting Order;
- (d) **Balance Due at Closing:** the balance of the Purchase Price described in Subsection 5(c) hereof;
- (e) **Application for Vesting Order(s):** the Purchaser's solicitor will prepare the application for vesting order in Teraview in accordance with the Purchaser's direction re title; and
- (f) **Further Documentation:** any other documentation relative to the completion of this Agreement as may reasonably be required by the Vendor or its solicitors.

20. DOCUMENTATION PREPARATION AND REGISTRATION

The Vendor shall prepare or cause to be prepared all documentation described in Sections 18 and 19 hereof and shall deliver draft documentation to the Purchaser not less than three (3) Business Days prior to Closing. Except as otherwise expressly provided in this Agreement, all such documentation shall be in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably. The Purchaser shall be responsible for and pay all registration costs incurred in connection with the Transaction. Except as otherwise expressly provided in this Agreement, each of the Vendor and the Purchaser shall be responsible for and pay all legal and other professional/consultant fees and disbursements incurred by it, directly or indirectly, in connection with this Agreement.

21. LAND TRANSFER TAXES AND RETAIL SALES TAXES

The Purchaser shall pay all land transfer taxes (as required pursuant to the *Land Transfer Tax Act* (Ontario)) and, if applicable, all retail sales taxes (as required pursuant to the *Retail Sales Tax Act* (Ontario)) payable in connection with the transfer of the Purchased Assets pursuant to this Agreement.

22. HARMONIZED SALES TAX

- (a) **Application of HST to this Agreement:** The Purchaser acknowledges and agrees that the transaction contemplated hereunder shall be subject to the goods and services tax and harmonized sales tax ("HST") levied pursuant to the Act and that HST shall be in addition to and not included in the Purchase Price and shall be collected and remitted in accordance with the Act.

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(b) **Self-Assessment:** If:

- (i) the Vendor is a non-resident of Canada or the Vendor would be a non-resident of Canada but for Subsection 132(2) of the Act; and/or
- (ii) the Purchaser is a “prescribed recipient” under the Act and/or is registered under the Act,

then the Purchaser shall deliver, prior to Closing, its certificate in form prescribed by the Act or, if no such form is prescribed, then in form satisfactory to the Vendor and the Vendor’s Solicitors, certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Government Authority all HST payable in respect of the transaction contemplated hereunder. If Subsection (b)(i) hereof shall be applicable, then the Purchaser’s certificate shall also include certification of the Purchaser’s prescription and/or registration, as the case may be, and the Purchaser’s HST registration number. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Vendor, at Closing, in addition to the balance otherwise due at Closing, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the said transaction.

- (c) **HST Indemnity:** The Purchaser shall indemnify and save harmless the Vendor, its directors, officers, employees, agents and representatives from all claims, liabilities, penalties, interest, costs and legal and other expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated hereunder.

23. OPERATION OF PROPERTY

The Vendor shall continue to cause the Property to be operated in a prudent manner and in the manner it is being operated on the date hereof. From and after the Conditional Date, the Vendor shall not enter into any new leases or amend any current leases of the Property without the Purchaser's prior written consent.

24. PLANNING ACT (ONTARIO)

This Agreement shall be effective to create an interest in the Buildings or Lands for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing or if a Court orders the completion of the Transaction notwithstanding what would otherwise be non-compliance with Part VI of the *Planning Act* (Ontario).

25. NOTICE

Any notice given hereunder shall be in writing and delivered or communicated by telecopier machine or e-mail to:

in the case of the Purchaser at:

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3625 Dufferin Street, Suite 200
Toronto, Ontario
M3K 1Z2
Fax: (416) 635-8056
Attention: Michael Klugmann
Email: mklugmann@lindvest.com

with a copy to the Purchaser's solicitor:

Gardiner Roberts LLP
22 Adelaide Street West, Suite 3600
Toronto, Ontario
M5H 4E3
Fax: 416 865-6636
Attention: Zev Zlotnick
Email: zzlotnick@grllp.com

and in the case of the Vendor at:

RSM Canada Limited
11 King Street West, Suite 700, Box 27
Toronto ON M5H 4C7
Fax: 416-480-2646
Attention: Daniel Weisz
Email: daniel.weisz@rsmcanada.com

with a copy to the Vendor's Solicitors:

Chaitons LLP
5000 Yonge Street, Suite 1000
Toronto ON M2N 7E9
Fax: 416-218-1841
Attention: George Benchetrit
Email: george@chaitons.com

Such notice shall be deemed to have been delivered upon delivery or communicated upon transmission unless such notice is delivered or transmitted outside of usual business hours, in which event the notice shall be deemed to have been delivered or transmitted on the next Business Day. A party may change its address and/or telecopier machine number by providing notice in accordance with this Section 25.

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26. WAIVER OF CONDITIONS

Except as otherwise provided in this Agreement, all conditions contained herein have been inserted for the benefit of either the Vendor or the Purchaser, as indicated, and are conditions of the obligations of such party to complete the transaction contemplated hereunder at Closing and are not conditions precedent of this Agreement. Any one or more of the said conditions may be waived, in writing, in whole or in part, by the benefiting party without prejudice to the benefiting party's right of termination in the event of the non-fulfilment of any other condition, and, if so waived, this Agreement shall be read exclusive of the said condition or conditions so waived. For greater certainty, the closing of the Transaction by a party hereof shall be deemed to be a waiver by such party of compliance with any condition inserted for its benefit and not satisfied at Closing.

27. SEVERABILITY

If any provision contained in this Agreement or the application thereof to any person/entity or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to persons/entities or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each provision contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

28. DIVISION/HEADINGS

The division of this Agreement into Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings or captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any part hereof.

29. ENTIRE AGREEMENT

This Agreement and the schedules attached hereto constitute the entire agreement between the Vendor and the Purchaser in respect of the Purchased Assets. Each of the parties acknowledges that, except as contained in this Agreement, there is no representation, warranty, collateral agreement or condition (whether a direct or collateral condition or an express or implied condition) which induced it to enter into this Agreement. Each of the parties agrees that all provisions of this Agreement, and all provisions of any and all documents and security delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, shall survive the closing of the transactions contemplated by this Agreement.

30. CUMULATIVE REMEDIES

No remedy conferred upon or reserved to one or both of the parties hereto is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

31. INTERPRETATION

This Agreement shall be read with all changes of gender and number as required by the context.

32. REFERENCES TO STATUTES

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and any and all regulations from time to time promulgated thereunder and to such statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific section or sections, paragraph or paragraphs and/or clause or clauses of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

33. TIME OF ESSENCE

Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Vendor and the Purchaser or their respective solicitors who are hereby expressly appointed for that purpose.

34. CANADIAN FUNDS

All references to dollar amounts contained in this Agreement shall be deemed to refer to Canadian funds.

35. TENDER

Any tender of notices, documents and/or monies hereunder may be made upon the Vendor or the Purchaser or their respective solicitors. Monies may be tendered by a negotiable cheque certified or bank draft drawn on or issued by a Canadian chartered bank.

36. FURTHER ASSURANCES

Except as otherwise expressed herein to the contrary, each party shall, without receiving additional consideration therefor, co-operate with and take such additional actions as may be requested by the other party, acting reasonably, in order to carry out the purpose and intent of this Agreement.

37. CONFIDENTIALITY

The Purchaser agrees that all information and documents supplied by the Vendor or anyone on its behalf to the Purchaser or anyone on the Purchaser's behalf (including but not limited to information in the schedules hereto) shall, unless and until Closing occurs, be received and kept by the Purchaser and anyone acting on the Purchaser's behalf on a confidential basis and, without the Vendor's prior written consent shall not be disclosed to any third party. If for any reason Closing does not occur, all such documents shall forthwith be returned intact to the Vendor and no copies or details thereof shall be retained by the Purchaser or anyone acting on its behalf. The Purchaser and Vendor further agree that unless and until the terms of this Agreement become public knowledge in connection with an application to the Court, the Purchaser shall keep such terms confidential and shall not disclose them to anyone except the Purchaser's solicitors, agents or lenders acting in connection herewith and then only on the basis that such persons also keep such terms confidential as aforesaid.

38. NON-BUSINESS DAYS

In the event that any date specified or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

39. GOVERNING LAWS

This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario.

40. ASSIGNMENT

No party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, the Purchaser shall have the right, until five (5) Business Days prior to the granting of the Approval and Vesting Order, upon written notice to the Vendor's Solicitors, to assign, in whole or part, its rights to acquire the Purchased Assets hereunder to any company or companies affiliated (as that term is defined in the Ontario *Business Corporations Act*) with the Purchaser, provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

41. VENDOR'S CAPACITY

It is acknowledged by the Purchaser that the Vendor is entering into this Agreement solely in its capacity as Court-Appointed Receiver of the Property and that the Vendor shall have no personal or corporate liability under or as a result of this Agreement. Any claim against the Vendor shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as Receiver of the Property and shall not apply to its personal property and other assets held by it in any other capacity. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Property.

42. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

43. COUNTERPARTS

This Agreement may be executed in any number of original counterparts, with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the reference date set out above and accepted on the date of the last signature, and only one of which need be produced for any purpose.

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44. IRREVOCABLE

This Agreement shall be irrevocable by the Purchaser until 5:00 p.m. on the date that is 48 hours after delivery of the Agreement to the Vendor, after which time if not accepted, this Agreement shall become null and void.

[the remainder of this page has intentionally been left blank]

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DATED as of the date first mentioned above.

**FIRMLAND ACQUISITIONS
CORPORATION**

Per: 
 Name: Michael Klugmann
 Title: President
 I/We have authority to bind the Corporation.

The Vendor hereby accepts this Agreement to purchase and its terms and agrees with the Purchaser to duly complete the transaction contemplated thereunder.

DATED at Toronto, Ontario this 6TH day of June, 2018.

**RSM Canada Limited, solely in its capacity
as Court-appointed Receiver of the Property
and not in its personal or corporate capacity
and without personal or corporate liability**

Per: 
 Name: ~~Daniel Weisz~~ Bryan Tannenbaum
 Title: ~~Senior Vice-President~~ President

I have authority to bind the corporation.

service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule B hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule C) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the *Land Titles Act*

and/or the *Land Registration Reform Act*], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule D hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule B hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

Schedule A – Form of Receiver’s Certificate

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017), RSM Canada Limited was appointed as the receiver (the “**Receiver**”) of the lands and premises municipally known as 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the “**Real Property**”) and for all of the assets and undertakings of Golden Dragon Ho 5 Inc. (the “**Debtor**”) acquired for, or used in relation to, the Real Property (collectively, the “**Property**”), including all proceeds therefrom.

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the “**Sale Agreement**”) between the Receiver and [NAME OF PURCHASER] (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

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

RSM Canada Limited, solely in its capacity as Court-appointed Receiver of the Property, and not in its personal or corporate capacity and without personal or corporate liability

Per: _____

Name: ►

Title: ►

Schedule B – Claims to be deleted and expunged from title to Real Property

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Schedule D – Legal Description

Block F, Plan 250, Brockville, City of Brockville being all of PIN 44175-0386 (LT)

SCHEDULE 1(p)**LANDS**

Block F, Plan 250, Brockville, City of Brockville being all of PIN 44175-0386 (LT)

SCHEDULE 1(q)
PERMITTED ENCUMBRANCES

APPENDIX G

AGREEMENT OF PURCHASE AND SALE

This AGREEMENT dated the day of June, 2018.

BETWEEN:

RSM Canada Limited, solely in its capacity as court-appointed receiver over the Property (defined below), and not in its personal or corporate capacity and without personal or corporate liability
(the “**Vendor**”)

OF THE FIRST PART

and

First Source Financial Management Inc., a company incorporated in accordance with the laws of the Province of Ontario
(the “**Purchaser**”)

OF THE SECOND PART

WHEREAS

- A. Pursuant to the Receivership Order (defined below), Collins Barrow Toronto Limited was appointed receiver to, among other things, market and sell the Purchased Assets;
- B. Pursuant to an Order of the Court dated December 5, 2017, the name RSM Canada Limited was ordered to be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting);
- C. On May 31, 2017 Golden Dragon Ho 7 Inc. (corporate number 1933182) amalgamated with M.Y. Residential Inc. (corporate number 2571358) to become M.Y. Residential Inc. (corporate number 1971531); and
- D. Subject to the Court issuing the Approval and Vesting Order, the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, the right, title and interest of the Debtor in and to the Purchased Assets on the terms and conditions set out herein.

IN CONSIDERATION of the mutual agreements contained in this Agreement, the receipt and sufficiency of which are acknowledged by each of the Vendor and the Purchaser, the Vendor and the Purchaser agree as follows:

1. DEFINITIONS

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) “**Act**” means, for purposes of Section 22 only, the *Excise Tax Act* (Canada);
- (b) “**Agreement**” means this agreement together with the attached schedules;
- (c) “**Approval and Vesting Order**” means the order of the Court substantially in the form attached hereto as Schedule 1(c) approving the Transaction and ordering that the Debtor’s right, title and interest in the Purchased Assets be vested in the Purchaser free and clear of encumbrances except for Permitted Encumbrances upon satisfaction by the Purchaser of its obligations under this Agreement;
- (d) “**Assumed Contracts**” means all service or supply contracts relating to the Property as may be specifically assumed by the Purchaser by written notice provided to the Vendor prior to Closing;
- (e) “**Buildings**” means the buildings situate on the Lands, including all improvements thereto and all fixtures forming a part thereof, and including all of the Debtor’s rights and interests under leases entered into with tenants in the Buildings;
- (f) “**Business Day**” means any day other than a Saturday or a Sunday or a statutory holiday in the Province of Ontario;
- (g) “**Chattels**” means any items of movable property located on the Lands at Closing;
- (h) “**Closing**” shall have the meaning ascribed to it in Section 8;
- (i) “**Court**” means the Ontario Superior Court of Justice;
- (j) “**Date of Closing**” shall have the meaning ascribed to it in Section 8 hereof;
- (k) “**Debtor**” means M.Y. Residential Inc., and includes its respective predecessors;
- (l) “**Environmental Law**” means any and all applicable international, federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials;
- (m) “**First Source Secured Debt**” means the amount owed by M.Y. Residential Inc. to First Source Financial Management Inc., inclusive of principal, interest and costs, for which it holds security against the Ottawa Property;
- (n) “**Government Authority**” means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal governments having or claiming to have jurisdiction over part or all of the Property, the transaction contemplated in this Agreement and/or one or both of the parties hereto;

- (o) “**HST**” shall have the meaning ascribed thereto in Section 22 hereof;
- (p) “**Hazardous Materials**” means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any “**Contaminants**”, “**Dangerous Substances**”, “**Hazardous Materials**”, “**Hazardous Substances**”, “**Hazardous Wastes**”, “**Industrial Wastes**”, “**Liquid Wastes**”, “**Pollutants**” and “**Toxic Substances**”, all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or poly-chlorinated biphenyl wastes;
- (q) “**Lands**” means the Ottawa Property;
- (r) “**Ottawa Property**” means the lands and premises municipally known as 39-85 Costello Avenue, Ottawa, Ontario, as legally described in Schedule 1(r);
- (s) “**Permitted Encumbrances**” means those encumbrances listed in Schedule 1(s).
- (t) “**Priority Payables**” means any amounts payable or accrued by the Debtor which rank or are capable of ranking prior to or *pari passu* with the mortgage held by the Purchaser registered against the Lands, including but not limited to outstanding realty taxes with respect to the Lands and all amounts secured by the Receiver’s Charge and the Receiver’s Borrowings Charge (as those terms are defined in the Receivership Order);
- (u) “**Property**” means the Lands and all of the assets and undertakings of the Debtor acquired for, or used in relation to, the Lands, including all proceeds therefrom;
- (v) “**Purchase Price**” shall have the meaning ascribed thereto in Section 4 hereof;
- (w) “**Purchased Assets**” means the interests of the Debtor in the Buildings, Lands, Chattels, Tenant Leases and Assumed Contracts;
- (x) “**Purchaser**” shall have the meaning ascribed to it on page 1 above;
- (y) “**Receiver**” means RSM Canada Limited in its capacity as receiver appointed pursuant to the Receivership Order;
- (z) “**Receivership Order**” means the order of the Court dated June 21, 2017 (issued June 23, 2017) appointing the Receiver;
- (aa) “**Registry Office**” shall have the meaning ascribed thereto in Section 9 hereof;

- (bb) **“Tenant Leases”** means all leases entered into by the Debtor with tenants of the Buildings, including any accounts receivable due thereunder;
- (cc) **“Transaction”** means the transaction contemplated under this Agreement;
- (dd) **“Vendor”** shall have the meaning ascribed to it on page 1 above;
- (ee) **“Vendor’s Solicitors”** means the firm of Chaitons LLP.

2. SCHEDULES

The following Schedules are appended to this Agreement:

Schedule 1(c) Approval and Vesting Order

Schedule 1(r) Ottawa Property

Schedule 1(s) Permitted Encumbrances

3. NATURE OF TRANSACTION

The Purchaser shall purchase and the Vendor shall sell the Purchased Assets, upon and subject to the terms of this Agreement.

4. PURCHASE PRICE

The purchase price for the Purchased Assets, exclusive of all applicable sales and transfer taxes, shall be the amount which is the sum of: (a) the Priority Payables; and (b) the First Source Secured Debt less \$1,500,000 (the **“Purchase Price”**).

5. METHOD OF PAYMENT

The Purchase Price shall be paid, accounted for and satisfied as follows.

- (a) **Extinguishment of the First Source Secured Debt less \$1,500,000:** The extinguishment of the First Source Secured Debt less \$1,500,000. For greater certainty, the amount of \$1,500,000 shall remain payable by Golden Dragon Ho 5 Inc. and M.Y. Residential Inc. to First Source Financial Management Inc.
- (b) **Balance of Cash Due at Closing:** The balance of the Purchase Price (net of the First Source Secured Debt less \$1,500,000), subject to the adjustments contemplated in this Agreement and including all taxes payable, by payment at Closing to the Vendor or to the order of the Vendor.

The balance of cash due on Closing shall be paid, at the option of the Vendor, by way of certified cheque, bank draft or wire drawn on or issued by a Canadian chartered bank.

The Vendor and the Purchaser acknowledge and agree that they shall each make their own allocations of the Purchase Price between the Purchased Assets for the purposes of the *Income Tax Act* (Canada) and any filings in accordance with the provisions thereof.

6. APPROVAL AND VESTING ORDER

Within 7 days after the Vendor's acceptance (subject to approval of the Court) of this Agreement, the Vendor will seek an appointment with the Court for a motion to be heard within 30 days after execution of this Agreement by the Purchaser and the Vendor, or otherwise as soon as reasonably possible, to seek the Approval and Vesting Order.

The Vendor and the Purchaser acknowledge and agree that the above-noted term is a true condition precedent to the completion of the Transaction that cannot be waived by either party.

7. CLOSING ADJUSTMENTS

Adjustments shall be made, as of 12:01 a.m. on the Date of Closing, for realty taxes, local improvement rates, rental payments, municipal/provincial levies and charges, water and assessment rates, and utilities. The day of Closing shall be for the account of the Purchaser.

If the final cost or amount of an item that is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Vendor, acting reasonably, as of the Closing Date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. In each case, when such cost or amount is determined, the Vendor or Purchaser, as the case may be, shall, within 30 days of determination, provide a complete statement thereof to the other and within 30 days thereafter the Vendor and Purchaser shall make a final adjustment as of the Closing Date for the item in question. In the absence of agreement by the parties, the final cost or amount of an item shall be determined by an accountant or such other financial professional appointed jointly by the Vendor and the Purchaser, with the cost of such accountant's or other financial professional's determination being shared equally between the parties. All re-adjustments shall be requested in a detailed manner on or before the 60th day after the Closing Date, after which time neither party shall have any right to request re-adjustment.

8. DATE OF CLOSING

The Transaction will close on July 4, 2018 provided that the Approval and Vesting Order has been granted by such date, failing which the transaction will close two business days following the date on which the Approval and Vesting Order is granted (the "**Date of Closing**" or "**Closing**"). In either case, the Date of Closing may be such other date as the Purchaser and Vendor may agree in writing. If, prior to the Closing, the Approval and Vesting Order (or any orders dismissing appeals thereof) shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Transaction, then the Date of Closing may be extended by the Vendor, in which case the Date of Closing shall mean the day that is two Business Days after the date on which any such appeals and/or proceedings are dismissed.

9. ELECTRONIC REGISTRATION

- (a) In the event that the electronic registration system (“TERS”) is operative in the relevant land registry office (the “Registry Office”), the following provisions shall apply:
- (i) The Purchaser shall be obliged to retain a solicitor who is both an authorized TERS user and is in good standing with the Law Society of Upper Canada to represent the Purchaser in connection with the completion of the transaction and shall authorize such solicitor to enter into a document registration agreement with the Vendor’s Solicitors in the form as agreed by the parties (the “DRA”), establishing the procedures and timing for completing this transaction.
 - (ii) The delivery and exchange of the closing documents:
 - (A) shall not occur contemporaneously with the registration of the Application for Vesting Order and other registerable documentation; and
 - (B) shall be governed by the DRA, pursuant to which the Vendor’s Solicitors and Purchaser’s Solicitors shall hold all closing documents in escrow, and will not be entitled to release them except in strict accordance with the provisions of the DRA.
- (b) The Purchaser expressly acknowledges and agrees that the Vendor will not release the Receiver’s Certificate confirming the effectiveness of the Approval and Vesting Order until the balance of funds due on Closing, in accordance with the Statement of Adjustments, are remitted by wire transfer to the Vendor’s Solicitors (or in such other manner as the Vendor or Vendor’s Solicitors may in writing direct).
- (c) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Vendor upon the Purchaser when the Vendor’s Solicitors have:
- (i) delivered all documents required to be delivered by the Vendor to the Purchaser pursuant to Section 18 hereof;
 - (ii) advised the Purchaser’s Solicitors in writing that the Vendor is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
 - (iii) completed all steps required by TERS to complete the Transaction that can be performed or undertaken by the Vendor’s Solicitors without the cooperation or participation of the Purchaser’s Solicitors, and specifically

when the “**completeness signatory**” for the Application for Vesting Order has been electronically “**signed**” by the Vendor’s Solicitors,

without the necessity of personally attending upon the Purchaser or the Purchaser’s Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing.

- (d) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Purchaser upon the Vendor, when the Purchaser’s Solicitors have:
- (i) delivered the balance due at Closing and all the documents required to be delivered by the Purchaser to the Vendor pursuant to Section 19 hereof;
 - (ii) advised the Vendor’s Solicitors in writing that the Purchaser is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
 - (iii) completed all steps required by TERS to complete this transaction that can be performed or undertaken by the Purchaser’s Solicitors without the cooperation or participation of the Vendor’s Solicitors, and specifically when the “**completeness signatory**” for the Application for Vesting Order has been electronically “**signed**” by the Purchaser’s Solicitors,

without the necessity of personally attending upon the Vendor or the Vendor’s Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing.

- (e) If through no fault of the Purchaser’s Solicitors or the Vendor’s Solicitors TERS is unavailable on the Date of Closing, such that the Purchaser’s Solicitors are unable to register the Application for Vesting Order, then the Transaction shall be completed in escrow in accordance with the terms of the DRA which shall apply until such time as TERS becomes available. Upon TERS becoming available, the Vendor’s Solicitors shall advise the Purchaser’s Solicitors forthwith and the parties shall arrange to complete the registration of the Approval and Vesting Order as expeditiously as possible, whereupon the escrow shall be released.

In the event of any conflict or inconsistency between the terms of this Section 9 and the terms of the DRA, the terms of this Section 9 shall prevail.

10. PRE-CLOSING RISK

The Purchased Assets are and shall remain at the Vendor’s risk until Closing and the Vendor shall hold all insurance policies and the proceeds thereunder, in trust, for the parties as their respective interests may appear pending Closing. In the event that the Purchased Assets shall be materially damaged prior to Closing, then the Vendor shall promptly notify the Purchaser in writing of such

damage. If the cost of rectifying such damage exceeds Five Hundred Thousand (\$500,000) Dollars, as determined by an independent third party expert appointed by the Vendor, then the Purchaser shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement, by delivery of written notice to the Vendor within ten (10) Business Days following receipt of the Vendor's notice of damage, and in such event the parties hereto shall be released from all obligations and liabilities hereunder and the Deposit shall be returned to the Purchaser forthwith, without interest or deduction. If the Purchaser does not elect to terminate this Agreement as set out above, or if the cost of rectifying such damage does not exceed Five Hundred Thousand (\$500,000) Dollars, then the Transaction shall be completed and the Vendor shall release its interest in the insurance proceeds payable in respect thereof, if any, to the Purchaser.

11. PURCHASER'S REPRESENTATIONS AND WARRANTIES

The Purchaser represents and warrants to the Vendor that, as at the date hereof:

- (a) the Purchaser is a corporation duly incorporated, organized and validly subsisting under the laws of the Province of Ontario and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement; neither the execution of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the Transaction will violate:
 - (i) the Purchaser's articles of incorporation and by-laws;
 - (ii) any agreement to which the Purchaser is bound;
 - (iii) any judgement or order of a court of competent authority or any Government Authority; or
 - (iv) any applicable law;and the Purchaser has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder;
- (b) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (c) there are no orders or proceedings pending before any Government Authority, or threatened to be brought by or before any Government Authority by or against the Purchaser, affecting the legality, validity or enforceability of this Agreement or the consummation of the transaction contemplated hereby by the Purchaser;

- (d) the Purchaser has made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the cash portion of the Purchase Price to the Vendor on Closing;
- (e) the Purchaser will be responsible for and will remit to or reimburse, as applicable, all taxes, including (without limitation) land transfer tax, levies or the like that arise from the sale of the Purchased Assets unless otherwise specified in this Agreement;
- (f) ***Investment Canada Act (Canada)***: either (i) the Purchaser is not a “**non-Canadian**”, as defined in the *Investment Canada Act (Canada)* (“ICA”); or (ii) if the Purchaser is a “**non-Canadian**”, this transaction is not a reviewable transaction under the ICA, *or*, if applicable, the Purchaser is a non-Canadian for the purpose of the ICA and will within three (3) Business Days of the execution of this Agreement submit to Investment Canada a fully completed Application for Review with respect to the transaction contemplated in this Agreement and will use its best efforts to obtain approval from Investment Canada prior to Closing;
- (g) the Purchaser acknowledges that it is responsible for conducting its own searches and investigations of the current and past uses of the Property;
- (h) the Purchaser acknowledges the Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Property is or will be lawful or permitted;
- (i) the Purchaser is satisfied with the Property and all matters and things connected therewith or in any way related thereto;
- (j) the Purchaser is relying entirely upon its own investigations and inspections in entering into this Agreement;
- (k) the Purchaser is purchasing the Property on an “as is, where is” and “without recourse” basis including, without limitation, outstanding work orders, deficiency notices, compliance requests, development fee, imposts, lot levies, sewer charges, zoning and building code violations and any outstanding requirements which have been or may be issued by any governmental authority having jurisdiction over the Property;
- (l) the Purchaser relies entirely on its own judgment, inspection and investigation of the Property, and any documentation relating to the Property obtained from the Vendor has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Agreement;
- (m) the Purchaser acknowledges the Vendor shall have no liability for, or obligation with respect to, the value, state or condition of the Property;

- (n) the Purchaser acknowledges that the Vendor has made no representations or warranties with respect to or in any way related to the Property, including without limitation, the following:
- (i) the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Property, either stated or implied;
 - (ii) the environmental state of the Property, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law and the existence, state, nature, kind, identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, under or about the Property or elsewhere; and
- (o) the Purchaser will ensure that any environmental and/or structural reports on behalf of the Purchaser shall also be addressed to the Vendor and a copy of each such report shall be delivered to the Vendor promptly after the completion thereof, regardless of whether the transaction contemplated by this Agreement closes. If for any reason such transaction is not consummated, the Purchaser agrees to deliver promptly to the Vendor any and all reports and other data pertaining to the Property and any inspections or examinations conducted hereunder.

The Purchaser shall promptly deliver to the Vendor written notice specifying the occurrence or likely occurrence of any event which may result in any of the Purchaser's representations and warranties contained in this Agreement not continuing to be true as at Closing.

12. ENCROACHMENTS

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Buildings or Lands, or encroachments onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting any of the Purchased Assets.

13. INDEMNIFICATION

The Purchaser shall indemnify and save harmless the Vendor and its directors, officers, employees, agents and representatives (collectively, the "**Indemnitees**") from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with

the operations of the Purchaser on the Buildings or Lands after the Closing Date, or any order, notice, directive, or requirement under, or breaches, violations or non-compliance with any Environmental Laws after the Closing Date, or as a result of the disposal, storage, release or spill, or threat of release or spill, on or about the Lands and/or the Building, of any Hazardous Materials after the Closing Date. The obligation of the Purchaser hereunder shall survive the Closing Date.

14. RELEASE

The Purchaser agrees to release and discharge the Vendor together with its directors, officers, employees, agents and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Materials relating to the Buildings or Lands. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor to clean up or remove or pay for the cleanup or removal of any Hazardous Materials, remediate any condition or matter in, on, under or in the vicinity of the Buildings or Lands, or seek an abatement in the Purchase Price or damages in connection with any Hazardous Materials. This provision shall not expire with, or be terminated or extinguished by or merged in, the Closing of the Transaction and shall survive the termination of this Agreement for any reason or cause whatsoever and the closing of this transaction.

15. NON-REGISTRATION

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document, instrument or court order or judgement providing evidence of this Agreement against title to the Buildings or Lands. Should the Purchaser be in default of its obligations under this Section, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Buildings or Lands. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Buildings or Lands. The Purchaser acknowledges and agrees that the Vendor may rely on the terms of this Section 15 as a full estoppel to any proceeding, suit, claim, motion or other action brought by the Purchaser in order to obtain and attempt to register against the title to the Buildings or Lands any of the items set out in this Section 15.

16. PURCHASER'S CONDITIONS.

The Purchaser shall not be obliged to complete the transaction contemplated hereunder unless, on or before the Closing Date, the following conditions shall have been satisfied, it being understood that the conditions are included for the exclusive benefit of the Purchaser and may be waived in writing in whole or in part by the Purchaser at any time:

- (a) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Vendor on or before the Closing Date shall have been complied with or performed by the Vendor;

- (b) no court order restraining or prohibiting the Closing shall have been made; and
- (c) the Approval and Vesting Order shall have been issued and no appeals thereof shall be pending.

17. VENDOR'S CONDITIONS.

The Vendor shall not be obliged to complete the transaction contemplated hereunder unless, on or before the Closing Date, the following conditions shall have been satisfied, it being understood that the conditions are included for the exclusive benefit of the Vendor and may be waived in writing in whole or in part by the Purchaser at any time:

- (a) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed by the Purchaser;
- (b) no court order restraining or prohibiting the Closing shall have been made;
- (c) the Purchased Assets shall not have been removed from the Vendor's control; and
- (d) the Approval and Vesting Order shall have been issued and no appeals thereof shall be pending.

18. VENDOR'S CLOSING DELIVERIES

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date expressly provided herein:

- (a) the Approval and Vesting Order;
- (b) a statement of adjustments prepared in accordance with Section 7 hereof;
- (c) the Vendor's certificate setting out that the Vendor is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada); and
- (d) all master keys and duplicate keys relating to the Property in the Vendor's possession.
- (e) assignment of any Assumed Contracts;
- (f) assignment of Tenant Leases; and
- (g) any other documents relative to the completion of this Agreement as may reasonably be required by the Purchaser or its solicitors.

19. PURCHASER'S CLOSING DELIVERIES

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at or prior to Closing:

- (a) **Purchaser's Certificates:** the Purchaser's certificate and indemnity setting out that each of the Purchaser's representations and warranties contained in this Agreement are true as at Closing and, if applicable, the Purchaser's certificate described in Subsection 22(b) hereof;
- (b) **HST Indemnity:** the indemnity provided for under Subsection 22(c) hereof;
- (c) **Direction re Title:** a direction re title to confirm the name in which title to the Purchased Assets will be taken, provided that such direction must be provided to the Vendor no less than 7 days before the hearing date for the motion to obtain the Approval and Vesting Order;
- (d) **Balance Due at Closing:** the balance of the Purchase Price described in Subsection 5(b) hereof;
- (e) **Application for Vesting Order(s):** the Purchaser's solicitor will prepare the application for vesting order in Teraview in accordance with the Purchaser's direction re title; and
- (f) **Further Documentation:** any other documentation relative to the completion of this Agreement as may reasonably be required by the Vendor or its solicitors.

20. DOCUMENTATION PREPARATION AND REGISTRATION

The Vendor shall prepare or cause to be prepared all documentation described in Sections 18 and 19 hereof and shall deliver draft documentation to the Purchaser not less than three (3) Business Days prior to Closing. Except as otherwise expressly provided in this Agreement, all such documentation shall be in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably. The Purchaser shall be responsible for and pay all registration costs incurred in connection with the Transaction. Except as otherwise expressly provided in this Agreement, each of the Vendor and the Purchaser shall be responsible for and pay all legal and other professional/consultant fees and disbursements incurred by it, directly or indirectly, in connection with this Agreement.

21. LAND TRANSFER TAXES AND RETAIL SALES TAXES

The Purchaser shall pay all land transfer taxes (as required pursuant to the *Land Transfer Tax Act* (Ontario)) and, if applicable, all retail sales taxes (as required pursuant to the *Retail Sales Tax Act* (Ontario)) payable in connection with the transfer of the Purchased Assets pursuant to this Agreement.

22. HARMONIZED SALES TAX

- (a) **Application of HST to this Agreement:** The Purchaser acknowledges and agrees that the transaction contemplated hereunder shall be subject to the goods and services tax and harmonized sales tax (“HST”) levied pursuant to the Act and that HST shall be in addition to and not included in the Purchase Price and shall be collected and remitted in accordance with the Act.
- (b) **Self-Assessment:** If:
- (i) the Vendor is a non-resident of Canada or the Vendor would be a non-resident of Canada but for Subsection 132(2) of the Act; and/or
 - (ii) the Purchaser is a “prescribed recipient” under the Act and/or is registered under the Act,

then the Purchaser shall deliver, prior to Closing, its certificate in form prescribed by the Act or, if no such form is prescribed, then in form satisfactory to the Vendor and the Vendor’s Solicitors, certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Government Authority all HST payable in respect of the transaction contemplated hereunder. If Subsection (b)(i) hereof shall be applicable, then the Purchaser’s certificate shall also include certification of the Purchaser’s prescription and/or registration, as the case may be, and the Purchaser’s HST registration number. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Vendor, at Closing, in addition to the balance otherwise due at Closing, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the said transaction.

- (c) **HST Indemnity:** The Purchaser shall indemnify and save harmless the Vendor, its directors, officers, employees, agents and representatives from all claims, liabilities, penalties, interest, costs and legal and other expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated hereunder.

23. PLANNING ACT (ONTARIO)

This Agreement shall be effective to create an interest in the Buildings or Lands for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing or if a Court orders the completion of the Transaction notwithstanding what would otherwise be non-compliance with Part VI of the *Planning Act* (Ontario).

24. NOTICE

Any notice given hereunder shall be in writing and delivered or communicated by telecopier machine or e-mail to:

in the case of the Purchaser at:

First Source Financial Management Inc.
1 Valleybrook Dr., Suite 100
Toronto, ON. M3B 2S7
Attention: David Mandel

Email: david@firstsourcemortgage.ca

and in the case of the Vendor at:

RSM Canada Limited
11 King Street West, Suite 700, Box 27
Toronto ON M5H 4C7

Fax: 416-480-2646
Attention: Bryan Tannenbaum
Email: bryan.tannenbaum@rsmcanada.com

with a copy to the Vendor's Solicitors:

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto ON M2N 7E9

Fax: 416-222-8402
Attention: George Benchetrit
Email: george@chaitons.com

Such notice shall be deemed to have been delivered upon delivery or communicated upon transmission unless such notice is delivered or transmitted outside of usual business hours, in which event the notice shall be deemed to have been delivered or transmitted on the next Business Day. A party may change its address and/or telecopier machine number by providing notice in accordance with this Section 24.

25. WAIVER OF CONDITIONS

Except as otherwise provided in this Agreement, all conditions contained herein have been inserted for the benefit of either the Vendor or the Purchaser, as indicated, and are conditions of the obligations of such party to complete the transaction contemplated hereunder at Closing and are not conditions precedent of this Agreement. Any one or more of the said conditions may be waived, in writing, in whole or in part, by the benefiting party without prejudice to the benefiting party's right of termination in the event of the non-fulfilment of any other condition, and, if so waived, this Agreement shall be read exclusive of the said condition or conditions so waived. For greater certainty, the closing of the Transaction by a party hereof shall be deemed to be a waiver by such party of compliance with any condition inserted for its benefit and not satisfied at Closing.

26. SEVERABILITY

If any provision contained in this Agreement or the application thereof to any person/entity or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to persons/entities or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each provision contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

27. DIVISION/HEADINGS

The division of this Agreement into Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings or captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any part hereof.

28. ENTIRE AGREEMENT

This Agreement and the schedules attached hereto constitute the entire agreement between the Vendor and the Purchaser in respect of the Purchased Assets. Each of the parties acknowledges that, except as contained in this Agreement, there is no representation, warranty, collateral agreement or condition (whether a direct or collateral condition or an express or implied condition) which induced it to enter into this Agreement. Each of the parties agrees that all provisions of this Agreement, and all provisions of any and all documents and security delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, shall survive the closing of the transactions contemplated by this Agreement.

29. CUMULATIVE REMEDIES

No remedy conferred upon or reserved to one or both of the parties hereto is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

30. INTERPRETATION

This Agreement shall be read with all changes of gender and number as required by the context.

31. REFERENCES TO STATUTES

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and any and all regulations from time to time promulgated thereunder and to such statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific section or sections, paragraph or paragraphs and/or clause or clauses of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

32. TIME OF ESSENCE

Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Vendor and the Purchaser or their respective solicitors who are hereby expressly appointed for that purpose.

33. CANADIAN FUNDS

All references to dollar amounts contained in this Agreement shall be deemed to refer to Canadian funds.

34. TENDER

Any tender of notices, documents and/or monies hereunder may be made upon the Vendor or the Purchaser or their respective solicitors. Monies may be tendered by a negotiable cheque certified or bank draft drawn on or issued by a Canadian chartered bank.

35. FURTHER ASSURANCES

Except as otherwise expressed herein to the contrary, each party shall, without receiving additional consideration therefor, co-operate with and take such additional actions as may be requested by the other party, acting reasonably, in order to carry out the purpose and intent of this Agreement.

36. CONFIDENTIALITY

The Purchaser agrees that all information and documents supplied by the Vendor or anyone on its behalf to the Purchaser or anyone on the Purchaser's behalf (including but not limited to information in the schedules hereto) shall, unless and until Closing occurs, be received and kept by the Purchaser and anyone acting on the Purchaser's behalf on a confidential basis and, without the Vendor's prior written consent shall not be disclosed to any third party. If for any reason Closing does not occur, all such documents shall forthwith be returned intact to the Vendor and no copies or details thereof shall be retained by the Purchaser or anyone acting on its behalf. The Purchaser and Vendor further agree that unless and until the terms of this Agreement become public knowledge in connection with an application to the Court, the Purchaser shall keep such terms confidential and shall not disclose them to anyone except the Purchaser's solicitors, agents or lenders acting in connection herewith and then only on the basis that such persons also keep such terms confidential as aforesaid.

37. NON-BUSINESS DAYS

In the event that any date specified or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

38. GOVERNING LAWS

This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario.

39. ASSIGNMENT

No party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, the Purchaser shall have the right, until five (5) Business Days prior to the granting of the Approval and Vesting Order, upon written notice to the Vendor's Solicitors, to assign, in whole or part, its rights to acquire the Purchased Assets hereunder to any company or companies affiliated (as that term is defined in the Ontario *Business Corporation s Act*) with the Purchaser, provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

40. VENDOR'S CAPACITY

It is acknowledged by the Purchaser that the Vendor is entering into this Agreement solely in its capacity as Court-Appointed Receiver of the Property and that the Vendor shall have no personal or corporate liability under or as a result of this Agreement. Any claim against the Vendor shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as Receiver of the Property and shall not apply to its personal property and other assets held by it in any other capacity. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Property.

41. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

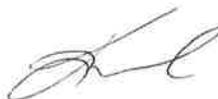
42. COUNTERPARTS

This Agreement may be executed in any number of original counterparts, with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the reference date set out above and accepted on the date of the last signature, and only one of which need be produced for any purpose.

[the remainder of this page has intentionally been left blank]

DATED as of the date first mentioned above.

First Source Financial Management Inc.



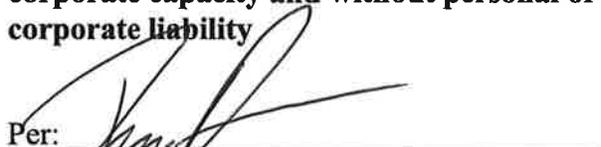
Per: _____
Name: David Mandel
Title: President

I/We have authority to bind the Corporation.

The Vendor hereby accepts this offer to purchase and agrees with the Purchaser to duly complete the transaction contemplated thereunder, subject to the conditions stated above.

DATED at Toronto, Ontario this 13TH day of June, 2018.

**RSM Canada Limited, solely in its capacity
as Court-appointed Receiver of the
Property and not in its personal or
corporate capacity and without personal or
corporate liability**


Per: _____
Name: Bryan Tannenbaum
Title: President

I have authority to bind the corporation.

SCHEDULE 1(C)**APPROVAL AND VESTING ORDER**

Court File No. 17-72881

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE ►) ► DAY, THE ► DAY
JUSTICE ►) OF ►, 2017

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by **RSM Canada Limited** in its capacity as the Court-appointed receiver (the “**Receiver**”) of, *inter alia*, the lands and premises municipally known as 39-85 Costello Avenue, Ottawa, Ontario (the “**Real Property**”) and for all of the assets and undertakings of Golden Dragon Ho 7 Inc. (the “**Debtor**”) acquired for, or used in relation to, the Real Property, including all proceeds therefrom, for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and First Source Financial Management Inc. (the “**Purchaser**”) made as of June ●, 2018 and appended to the Report of the Receiver dated June ●, 2018 (the “**Report**”), and vesting in the Purchaser the Debtor’s right title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the

service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule B** hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule C**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Ottawa-Carleton (No. 4) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and/or the *Land Registration Reform Act* (Ontario), the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in

Schedule D hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule B hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent

preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

SCHEDULE A TO APPROVAL AND VESTING ORDER

Form of Receiver's Certificate

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Corthorn dated June 21, 2017 (issued June 23, 2017), Collins Barrow Toronto Limited was appointed as the receiver (the "**Receiver**") of the lands and premises municipally known as (a) 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario, and (b) 39-85 Costello Avenue, Ottawa, Ontario (collectively, the "**Real Property**") and for all of the assets and undertakings of Golden Dragon Ho 5 Inc. and Golden Dragon Ho 7 Inc. (collectively, the "**Debtor**") acquired for, or used in relation to, the Real Property (collectively, the "**Property**"), including all proceeds therefrom.

B. Pursuant to an Order of the Court dated December 5, 2017, the name RSM Canada Limited was ordered to be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting).

C. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "**Sale Agreement**") between the Receiver and First Source Financial Management Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets,

which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

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

RSM Canada Limited, solely in its capacity as Court-appointed Receiver of the Property, and not in its personal or corporate capacity and without personal or corporate liability

Per: _____

Name: ►

Title: ►

SCHEDULE B TO APPROVAL AND VESTING ORDER**Claims to be deleted and expunged from title to Real Property**

1. Instrument No. OC1548034, registered on December 19, 2013, is a Transfer/Deed of Land in favour of Golden Dragon Ho 7 Inc. ("**Golden Dragon**") showing a consideration in the amount of \$2,500,000.
2. Instrument No. QC 1786618, registered on May 12, 2016, is a Charge/Mortgage of Land, in the amount of \$7,287,500, given by Golden Dragon in favour of First Source Financial Management Inc. ("**First Source**").
3. Instrument No. QC1786619, registered May 12, 2016, is a Notice of Assignment of Rents General, given by Golden Dragon in favour of First Source.

SCHEDULE C TO APPROVAL AND VESTING ORDER**Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property (unaffected by the Vesting Order)**

1. Any reservations, restrictions, rights of way, easements or covenants that run with the Real Property.
2. Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service.
3. All laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the real property.
4. Any minor easements for the supply of utility service to the real property or adjacent properties.
5. Encroachments disclosed by any errors or omissions in existing surveys of the real property or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the real property and survey matters generally.
6. Any unregistered leases to tenants or other rights of occupation of tenants in possession of any part of the real property.
7. The exceptions and qualifications set forth in the land titles act (Ontario).
8. The reservations contained in the original grant from the Crown.
9. Instrument No. CR469213, registered on November 22, 1963, is a Subdivision Agreement in favour of The Corporation of the Township of Nepean (the "Township").
10. Instrument No. CR472387, registered on February 7, 1964, is a Transfer of Easement, partially released by Instrument CR533681, in favour of The Bell Telephone Company of Canada ("**Bell**").
11. Instrument No. CR534059, registered on November 8, 1967, is a Transfer of Easement in favour of Public Fuel Transmission Systems Limited.
12. Instrument No. CR539535, registered on March 14, 1968 is a Transfer of Easement in favour of Bell.

SCHEDULE D TO APPROVAL AND VESTING ORDER

Ottawa Property

Block L, Plan 529418, Nepean, City of Ottawa, being all of PIN 04694-0184 (LT).

SCHEDULE 1(r)

OTTAWA PROPERTY

Block L, Plan 529418, Nepean, City of Ottawa, being all of PIN 04694-0184 (LT).

SCHEDULE 1(s)**PERMITTED ENCUMBRANCES**

1. Any reservations, restrictions, rights of way, easements or covenants that run with the Real Property.
2. Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service.
3. All laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the real property.
4. Any minor easements for the supply of utility service to the real property or adjacent properties.
5. Encroachments disclosed by any errors or omissions in existing surveys of the real property or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the real property and survey matters generally.
6. Any unregistered leases to tenants or other rights of occupation of tenants in possession of any part of the real property.
7. The exceptions and qualifications set forth in the land titles act (Ontario).
8. The reservations contained in the original grant from the Crown.
9. Instrument No. CR469213, registered on November 22, 1963, is a Subdivision Agreement in favour of The Corporation of the Township of Nepean (the "Township").
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APPENDIX H



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

April 5, 2018

Delivered via E-mail (sweng@chaitons.com)

Chaitons LLP
5000 Yonge Street
10th Floor
Toronto, ON M2N 7E9

Attention: Samantha Weng

Dear Ms. Weng:

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0543

Re: Golden Dragon Ho 5 Inc. – Bank of Montreal mortgage over the property municipally known as 64, 66 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville (the “Property”)

The amount owing to Bank of Montreal and secured under the mortgage held by it over the Property as of April 13, 2018 is \$3,551,979.43, broken down as follows:

• Principal	\$3,300,883.12
• Interest	\$ 172,217.44
• Prepayment charge	\$ 68,078.87
• Discharge Fee	\$ 300.00
• Legal Costs	<u>\$ 10,500.00</u>
TOTAL	<u>\$3,551,979.43</u>

The per diem rate of interest is \$460.05.

The prepayment charge is calculated as of April 4, 2018 and will reduce slightly based on the actual payout date. Any excess will be returned.

Bank of Montreal is also reviewing the tax account for the mortgage as it appears that there may be a surplus in the tax account. In the event that there is a surplus, the surplus will be returned.

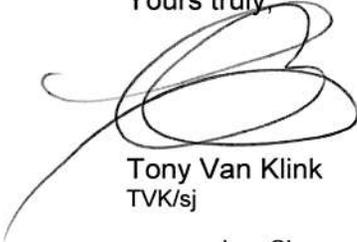
The above payout amount does not include any cost to register a discharge of the mortgage. We assume that because a vesting order has been obtained, a discharge of the mortgage will not be required.

Payment may be made by depositing certified funds or a bank draft payable to “Bank of Montreal” at any branch of Bank of Montreal to the Special Accounts Management Unit

Suspense Account (Account No. 0390-1105-209). Please have the person making the deposit make the notation "Golden Dragon Payout – Attention: Chun". Please notify Mr. Chun (416.643.1630) and myself once the funds have been deposited so that they can be applied against the mortgage.

I trust that the above is the information which you require at this time.

Yours truly,



Tony Van Klink
TVK/sj

c. Leo Chun



APPENDIX I

FIRST SOURCE

FINANCIAL MANAGEMENT INC.

BORROWER

(CostelloAv) Golden Dragon Ho 5 Inc. and Golden Dragon Ho 7 Inc.
532 Montreal Road, Suite 110
Ottawa ON K1K 4R4

ACCOUNT NO.	1219.16.04
STATEMENT CLOSING DATE	6/13/2018

STATEMENT SUMMARY

Payoff Amount \$9,287,094.44
Payoff Due Date 6/13/2018

After 6/13/2018, please pay an additional \$2,178.96 per day. This notice expires on 7/4/2018, at which time you are instructed to contact this office for additional instructions.

Interest Rate 10.500%
Daily Periodic Rate 0.029167%
Average Daily Balance \$7,406,012.98

Property: 39-85 Costello Ave Nepean ON K2H 7C3

PLEASE DETACH THE TOP PORTION OF THIS STATEMENT AND RETURN IT WITH YOUR PAYMENT

Funds may be tendered any time up to 1:00 pm June 14, 2018 based on the existing statement.
If funds are tendered after 1:00 pm, June 14, 2018 please add additional per diem to NEXT business day.
E. & O.E.

ACCOUNT ACTIVITY

Date	Reference	Description	Reserve	Charges	Credits	Balance
3/1/2017		Balance Forward	\$139,605.76			\$7,285,358.37
3/1/2017	000243	Payment Received - Thank You			\$63,765.63	\$7,221,592.74
3/1/2017	000243	Payment Reversed - NSF		\$63,765.63		\$7,285,358.37
3/3/2017		Late Charge		\$565.00		\$7,285,923.37
3/7/2017		NSF Payment Charge		\$565.00		\$7,286,488.37
3/17/2017	RESERVE	Payment Received - Thank You	-\$63,765.63			\$7,286,488.37
4/13/2017		Sched. A.2 m): Each meeting required by the Borrower or		\$1,695.00		\$7,288,183.37
4/13/2017		Sched. A.2 n):Each 3 phone attendances and/or emails		\$10,170.00		\$7,298,353.37
4/13/2017		Sched. A.2c) Failure to provide proof of current taxes after		\$1,130.00		\$7,299,483.37
4/13/2017		Sched. A.2 k): Request for Discharge Statement or notice of		\$1,695.00		\$7,301,178.37
5/31/2017	APT 37-DD	Payment - Other	\$850.00		\$850.00	\$7,300,328.37
6/1/2017	040- RENT	Payment - Other	\$733.99		\$733.99	\$7,299,594.38
6/1/2017	001- RENT	Payment - Other	\$668.64		\$668.64	\$7,298,925.74
6/1/2017	080-RENT	Payment - Other	\$950.00		\$950.00	\$7,297,975.74
6/2/2017	052-RENT	Payment - Other	\$1,821.93		\$1,821.93	\$7,296,153.81
6/2/2017	RENT	Payment - Other	\$795.00		\$795.00	\$7,295,358.81
6/2/2017		Insurance Policy Renewal - Costello Ave (June 2017) -		\$947.20		\$7,296,306.01
6/2/2017		Processing Fee for Handling Insurance		\$565.00		\$7,296,871.01
6/5/2017	325-RENT	Payment - Other	\$1,195.25		\$1,195.25	\$7,295,675.76
6/5/2017	019-RENT	Payment - Other	\$1,156.78		\$1,156.78	\$7,294,518.98
6/5/2017	INSURANCE	Payment - Other	-\$947.20			\$7,294,518.98
6/9/2017	DD-RENT	Payment - Other	\$525.00		\$525.00	\$7,293,993.98
6/12/2017	127-RENT	Payment - Other	\$1,287.74		\$1,287.74	\$7,292,706.24
6/12/2017	DD-RENT	Payment - Other	\$780.00		\$780.00	\$7,291,926.24
6/12/2017		5% Management Fee as per Sched.A #14.		\$364,375.00		\$7,656,301.24
6/12/2017	Legal fees	Legal fees payable to Morris Sosnovitch LLP re: inv.#60532		\$322.45		\$7,656,623.69
6/16/2017	RENT	Payment - Other	\$802.36		\$802.36	\$7,655,821.33
6/16/2017	RENT	Payment - Other	\$925.00		\$925.00	\$7,654,896.33
6/16/2017	RENT	Payment - Other	\$759.50		\$759.50	\$7,654,136.83
6/23/2017	002900-REN	Payment - Other	\$2,455.00		\$2,455.00	\$7,651,681.83
7/5/2017	110-RENT	Payment - Other	\$1,156.78		\$1,156.78	\$7,650,525.05
7/5/2017	321-RENT	Payment - Other	\$1,335.42		\$1,335.42	\$7,649,189.63
7/5/2017	326-RENT	Payment - Other	\$1,295.00		\$1,295.00	\$7,647,894.63
7/5/2017	RENT	Payment - Other	\$1,278.72		\$1,278.72	\$7,646,615.91
7/5/2017	RENT	Payment - Other	\$913.40		\$913.40	\$7,645,702.51
7/5/2017	RENT	Payment - Other	\$1,586.25		\$1,586.25	\$7,644,116.26
7/5/2017	RENT	Payment - Other	\$795.00		\$795.00	\$7,643,321.26
7/5/2017	RENT	Payment - Other	\$750.00		\$750.00	\$7,642,571.26
7/10/2017	10006754-R	Payment - Other	\$775.00		\$775.00	\$7,641,796.26

ACCOUNT ACTIVITY

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Date	Reference	Description	Reserve	Charges	Credits	Balance
8/1/2017	994817-R	Payment - Other	\$456.70		\$456.70	\$7,641,339.56
8/1/2017	40042968-R	Payment - Other	\$750.00		\$750.00	\$7,640,589.56
8/1/2017	9948172-R	Payment - Other	\$761.25		\$761.25	\$7,639,828.31
8/4/2017	INSURANCE	Payment - Other	-\$947.22			\$7,639,828.31
8/4/2017		Insurance Policy - Costello Ave (July 2017)- reimburse FS		\$947.22		\$7,640,775.53
8/8/2017	10006892	Payment - Other	\$775.00		\$775.00	\$7,640,000.53
8/9/2017	ASSESSMENT	Payment - Other	-\$2,557.30			\$7,640,000.53
8/9/2017		Inv # 20170721-1		\$2,557.30		\$7,642,557.83
9/1/2017	9975528RE	Payment - Other	\$761.25		\$761.25	\$7,641,796.58
9/5/2017	40043028	Payment - Other	\$750.00		\$750.00	\$7,641,046.58
9/11/2017	10007098	Payment - Other	\$775.00		\$775.00	\$7,640,271.58
10/1/2017	40043079	Payment - Other	\$775.00		\$775.00	\$7,639,496.58
10/1/2017	0015470	Payment - Other	\$761.25		\$761.25	\$7,638,735.33
10/4/2017	10007290	Payment - Other	\$750.00		\$750.00	\$7,637,985.33
10/24/2017	WIRE	Payment - Other	-\$5,650.00			\$7,637,985.33
10/24/2017		Retainer: Estimate of Market Value - Costello Ave. &		\$5,650.00		\$7,643,635.33
10/26/2017		Collins Barrow Professional Fees as of Oct.26/17		\$10,531.00		\$7,654,166.33
11/1/2017	40043138	Payment - Other	\$750.00		\$750.00	\$7,653,416.33
11/1/2017	0042887RE	Payment - Other	\$761.25		\$761.25	\$7,652,655.08
11/7/2017	10007428	Payment - Other	\$775.00		\$775.00	\$7,651,880.08
11/9/2017		Legal fees payable to Paliare Roland LLP		\$50,529.88		\$7,702,409.96
11/10/2017		Sched. A. 14: Admin Fee on Management Costs (50 hours)		\$25,425.00		\$7,727,834.96
11/23/2017	RENT	Payment - Other	-\$4,572.50			\$7,727,834.96
11/23/2017		Rent Funds for Reynolds & Salisbury		\$4,572.50		\$7,732,407.46
11/24/2017	APPRAISAL	Payment - Other	-\$6,102.00			\$7,732,407.46
11/24/2017		Inv. # B2772-17 B2771-17		\$6,102.00		\$7,738,509.46
11/30/2017		Sched. A. 17: Possession Costs + 15% Management Fee		\$115,179.40		\$7,853,688.86
12/1/2017	RENT	Payment - Other	\$761.25		\$761.25	\$7,852,927.61
12/1/2017	RENT	Payment - Other	\$775.00		\$775.00	\$7,852,152.61
12/11/2017	RENT	Payment - Other	\$750.00		\$750.00	\$7,851,402.61
12/11/2017	FINANCING	Payment - Other	-\$7,500.00			\$7,851,402.61
12/11/2017	FINANCING	Payment - Other	-\$7,500.00			\$7,851,402.61
12/11/2017	FINANCING	Payment - Other	-\$11,550.00			\$7,851,402.61
12/11/2017		Costello Financing: Good Faith Deposit		\$7,500.00		\$7,858,902.61
12/11/2017		Financing Application Fee		\$11,550.00		\$7,870,452.61
12/11/2017		Reynolds & Salisbury Financing: Good Faith Deposit		\$7,500.00		\$7,877,952.61
1/2/2018	RENT	Payment - Other	\$761.25		\$761.25	\$7,877,191.36
1/2/2018	RENT	Payment - Other	\$750.00		\$750.00	\$7,876,441.36
1/3/2018	RENT	Payment - Other	\$775.00		\$775.00	\$7,875,666.36
1/5/2018	RENT	Payment - Other	-\$2,286.25			\$7,875,666.36
1/5/2018		Rent monies paid to receiver for Reynolds Dec 1st 2017		\$2,286.25		\$7,877,952.61
2/1/2018	RENT	Payment - Other	\$750.00		\$750.00	\$7,877,202.61
2/1/2018	RENT	Payment - Other	\$761.25		\$761.25	\$7,876,441.36
2/8/2018	RENT	Payment - Other	\$775.00		\$775.00	\$7,875,666.36
3/1/2018	RENT	Payment - Other	\$761.25		\$761.25	\$7,874,905.11
3/1/2018	RENT	Payment - Other	\$750.00		\$750.00	\$7,874,155.11
3/8/2018	UNDERWRITE	Payment - Other	\$11,550.00			\$7,874,155.11
3/8/2018		Charge Adjustment: Financing Application Fee			\$11,500.00	\$7,862,655.11
3/8/2018		Charge Adjustment: Financing Application Fee			\$11,550.00	\$7,851,105.11
3/9/2018	RENT	Payment - Other	\$775.00		\$775.00	\$7,850,330.11
3/15/2018	000193	Payment - Other	-\$4,655.00			\$7,850,330.11
3/15/2018	000194	Payment - Other	-\$2,406.09			\$7,850,330.11
3/15/2018		Invoice# 20180312-1		\$2,406.09		\$7,852,736.20
3/15/2018		Invoice#1		\$4,655.00		\$7,857,391.20
3/21/2018	WIRE	Payment - Other	-\$6,858.75			\$7,857,391.20
3/21/2018	RENT	Rent monies for Jan.Feb.Mar.2018 payable to the receiver		\$6,858.75		\$7,864,249.95
3/22/2018	000195	Payment - Other	-\$4,076.69			\$7,864,249.95
3/22/2018		Investor Centric invoice # 20180321-3		\$4,076.69		\$7,868,326.64
4/3/2018	000197	Payment - Other	-\$6,593.50			\$7,868,326.64
4/3/2018	000198	Payment - Other	-\$3,274.92			\$7,868,326.64
4/3/2018	RENT	Payment - Other	\$761.25		\$761.25	\$7,867,565.39
4/3/2018	RENT	Payment - Other	\$750.00		\$750.00	\$7,866,815.39
4/3/2018		Somerset Renovations Invoice #2		\$6,593.50		\$7,873,408.89

ACCOUNT ACTIVITY

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Date	Reference	Description	Reserve	Charges	Credits	Balance
4/3/2018		Investor Centric invoice# 20180326-1		\$3,274.92		\$7,876,683.81
4/4/2018	000200	Payment - Other	-\$2,486.00			\$7,876,683.81
4/4/2018		Paterson Group Inc. Invoice #91805		\$3,220.50		\$7,879,904.31
4/4/2018		Paterson Group Inc. invoice # 91803		\$2,486.00		\$7,882,390.31
4/10/2018	RESERVE	Payment - Other	-\$6,725.87			\$7,882,390.31
4/10/2018	RENT	Payment - Other	\$775.00		\$775.00	\$7,881,615.31
4/10/2018		InvestorCentric invoice#20180405-1 (Construction costs)		\$6,725.87		\$7,888,341.18
4/12/2018	000199	Payment - Other	-\$3,220.50			\$7,888,341.18
4/12/2018	000202	Payment - Other	-\$1,775.33			\$7,888,341.18
4/12/2018	000203	Payment - Other	-\$5,130.99			\$7,888,341.18
4/12/2018	000204	Payment - Other	-\$435.05			\$7,888,341.18
4/12/2018	000205	Payment - Other	-\$1,253.96			\$7,888,341.18
4/12/2018		Somerset Renovations invoice # 3 (Costello property)		\$435.05		\$7,888,776.23
4/12/2018		Osler invoice # 12119157		\$12,104.56		\$7,900,880.79
4/12/2018		Investor Centric invoice# 20180411-1		\$1,775.33		\$7,902,656.12
4/12/2018		Somerset Renovations invoice# 3 (Reynolds property)		\$5,130.99		\$7,907,787.11
4/12/2018		Court Ordered return of prepaid rent for March 2018		\$1,253.96		\$7,909,041.07
4/13/2018		Payment - Other	-\$12,104.56			\$7,909,041.07
4/13/2018	VOID000171	Payment - Other	\$7,500.00			\$7,909,041.07
4/13/2018	VOID000170	Payment - Other	\$7,500.00			\$7,909,041.07
4/13/2018		Charge Adjustment: Costello Financing: Good Faith Deposit			\$7,500.00	\$7,901,541.07
4/13/2018		Charge Adjustment: Reynolds & Salisbury Financing: Good			\$7,500.00	\$7,894,041.07
4/23/2018	VACATE	Payment - Other	-\$1,813.35			\$7,894,041.07
4/23/2018		Charge Adjustment: Costello Financing: Good Faith Deposit			\$7,500.00	\$7,886,541.07
4/23/2018		Charge Adjustment: Reynolds & Salisbury Financing: Good			\$7,500.00	\$7,879,041.07
4/23/2018		Tenant Rental Compensation		\$1,813.35		\$7,880,854.42
4/25/2018	ACQUISITIO	Payment - Other	-\$2,330.63			\$7,880,854.42
4/25/2018		Water & Sewer Bill BO420-00002		\$134.44		\$7,880,988.86
4/25/2018		Acquisition INV # 12138749		\$2,330.63		\$7,883,319.49
4/26/2018		Charge Adjustment: Financing Application Fee			\$50.00	\$7,883,269.49
4/30/2018	PHASE I	Payment - Other	-\$3,896.47			\$7,883,269.49
4/30/2018		INV# 2623- Phase I work		\$2,766.47		\$7,886,035.96
4/30/2018		INV# 2577- Retaining Fee		\$1,130.00		\$7,887,165.96
5/1/2018	RENT	Payment - Other	\$761.25		\$761.25	\$7,886,404.71
5/1/2018	RENT	Payment - Other	\$775.00		\$775.00	\$7,885,629.71
5/1/2018	RENT	Payment - Other	\$750.00		\$750.00	\$7,884,879.71
5/8/2018	RESERVE	Payment - Other	-\$7,645.29			\$7,884,879.71
5/8/2018		Somerset renovations invoice #04		\$7,645.29		\$7,892,525.00
5/14/2018	RESERVE	Payment - Other	-\$451.00			\$7,892,525.00
5/14/2018		Tina Smallridge as per tenant agreement		\$451.00		\$7,892,976.00
5/25/2018	RESERVE	Payment - Other	-\$184.59			\$7,892,976.00
5/25/2018		Water & Sewer Bill on Costello Property Acct#0154-1130-13		\$184.59		\$7,893,160.59
6/1/2018	RENT	Payment - Other	\$761.25		\$761.25	\$7,892,399.34
6/1/2018		Invoice #230369 - Legal Fees		\$7,642.08		\$7,900,041.42
6/4/2018	RESERVE	Payment - Other	-\$610.20			\$7,900,041.42
6/4/2018	RESERVE	Payment - Other	-\$1,553.75			\$7,900,041.42
6/4/2018		Invoice #2649 payable to Paul Dowsett Architecture Limited		\$1,553.75		\$7,901,595.17
6/4/2018		Invoice # 2412 payable to Concentric Associates		\$610.20		\$7,902,205.37
6/6/2018	EFT	Payment - Other	-\$5,347.50			\$7,902,205.37
6/6/2018		Rent monies for April & May 2018 payable to the receiver		\$5,347.50		\$7,907,552.87
6/7/2018	RENT	Payment - Other	\$775.00		\$775.00	\$7,906,777.87
6/11/2018		INV#20180326-1 Missing HST from Invoice		\$425.74		\$7,907,203.61
6/12/2018	RESERVE	Payment - Other	-\$425.74			\$7,907,203.61
6/12/2018		Final 2018 Taxes- Costello Ave. Roll #0614.120.735.02000		\$188,473.60		\$8,095,677.21
6/13/2018	INT BONUS	Adjustment		\$191,296.89		\$8,286,974.10
6/13/2018		Interest Charge		\$1,000,120.34		\$9,287,094.44
			\$17,969.14	\$2,169,048.91	\$167,312.84	

INTEREST CHARGE SUMMARY

Balance Date	Daily Balance	Days	Daily Periodic Rate	Interest Rate	Interest Charges
3/1/2017	\$7,419,314.13	16	0.029167%	10.500%	\$34,623.47

INTEREST CHARGE SUMMARY

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Balance Date	Daily Balance	Days	Daily Periodic Rate	Interest Rate	Interest Charges
3/17/2017	\$7,355,548.50	253	0.029167%	10.500%	\$542,778.18
11/30/2017	\$7,470,727.90	194	0.029167%	10.500%	\$422,718.69
		<u>463</u>			<u>\$1,000,120.34</u>

Note: Daily balances exclude reserve balances, impound balances, late charges.

APPENDIX J

RSM Canada Limited
 Court-Appointed Receiver of
 64, 68 and 70 Reynolds Drive, Brockville, Ontario
 and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario
 and 39 – 85 Costello Avenue, Ottawa, Ontario
 Interim Statement of Receipts and Disbursements
 for the period from June 23, 2017 to June 8, 2018

	<i>Note</i>	<i>Brockville</i>	<i>Ottawa</i>	<i>Total</i>
Receipts				
Advances from secured lender	1	\$ 12,000	\$ 98,340	\$ 110,340
Rental Income		433,411	130,668	564,080
Other Income		3,904	119	4,023
Total Receipts		\$ 449,315	\$ 229,127	\$ 678,442
Disbursements				
Administrative costs		\$ 1,348	\$ 265	\$ 1,612
Advertising (sales process)		2,598	2,598	5,196
Appliance purchases		3,300	748	4,048
Cleaning and maintenance		55,338	12,580	67,918
Consulting services	2	-	10,339	10,339
Landscaping, snow removal		3,075	12,062	15,137
HST/PST paid		31,125	17,812	48,937
Insurance	3	32,820	20,460	53,279
Legal fees to July 31, 2017	4	6,384	6,384	12,768
Other miscellaneous disbursements		1,557	1,468	3,024
Parking permits	5	-	2,940	2,940
Property management fees		75,248	22,000	97,248
Receiver's fees to July 31, 2017	6	26,230	23,031	49,261
Repairs - fire safety	7	8,695	5,533	14,228
Repairs - other		51,348	35,857	87,205
Shoring of parking garage	8	-	5,600	5,600
Security/locksmith	9	11,890	-	11,890
Tenant evictions	10	4,423	8,167	12,590
Utilities - gas		-	16,467	16,467
Utilities - hydro		37,384	10,216	47,600
Utilities - water		24,503	-	24,503
Waste Removal	11	3,128	7,102	10,230
Total Disbursements		\$ 380,393	\$ 221,627	\$ 602,020
Net cash on hand		\$ 68,922	\$ 7,500	\$ 76,422

*This Appendix forms part of the First Report of the Receiver dated June 14, 2018
 and should only be read in conjunction therewith.*

RSM Canada Limited
 Court-Appointed Receiver of
 64, 68 and 70 Reynolds Drive, Brockville, Ontario
 and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario
 and 39 – 85 Costello Avenue, Ottawa, Ontario
 Interim Statement of Receipts and Disbursements
 for the period from June 23, 2017 to June 8, 2018

Notes

- 1 The \$110,340 represents funds advanced by First Source under Receiver Certificate No. 1 and from its insurers.
- 2 This represents fees charged by Concentric, the engineering consultant, in respect of its report on the condition and required repairs to the Ottawa Property's parking garage, and subsequent work related thereto.
- 3 This amount represents the cost of new insurance coverage that was obtained by the Receiver. The premiums are being paid in monthly installments of \$2,591.71 and \$1,519.05 for Reynolds and Costello, respectively.
- 4 Legal fees billed to date and estimated to completion are summarized below. Legal fees have been allocated equally between the two properties.

	<u>Total</u>	<u>Paid</u>	<u>Outstanding</u>
June 23 to 30, 2017	\$ 10,464.62	\$10,464.62	\$ -
July 1 to 31, 2017	3,931.97	3,931.97	-
August 1 to 31, 2017	3,954.44	-	3,954.44
September 1 to 30, 2017	1,446.16	-	1,446.16
October 1 to 31, 2017	5,964.30	-	5,964.30
November 1 to 30, 2017	4,451.66	-	4,451.66
December 1 to 31, 2017	3,183.87	-	3,183.87
January 1 to 31, 2018	11,132.87	-	11,132.87
February 1 to 28, 2018	14,968.44	-	14,968.44
March 1 to 31, 2018	3,947.34	-	3,947.34
April 1 to May 31, 2018	16,547.90	-	16,547.90
June 1 to 11, 2018	6,599.02	-	6,599.02
Estimated to completion	22,600.00	-	22,600.00
	<u>\$109,192.59</u>	<u>\$14,396.59</u>	<u>\$ 94,796.00</u>

- 5 This is the cost of monthly parking permits for tenants of the Ottawa Property to park on city streets as the parking garage was closed in December 2017.
- 6 Receiver's fees billed to date and estimated to completion are summarized below:

	<u>Reynolds</u>	<u>Ottawa</u>	<u>Combined</u>	<u>Paid</u>	<u>Outstanding</u>
June 5 to 30, 2017	\$ 4,237.50	\$ 1,781.45	\$ 22,987.59	\$ 29,006.54	\$ -
July 1 to 31, 2017	7,948.68	6,790.49	11,919.12	26,658.29	-
August 1 to 31, 2017	6,890.18	7,741.52	17,791.77	-	32,423.47
September 1 to 30, 2017	4,938.69	5,575.42	6,140.11	-	16,654.22
October 1 to 31, 2017	5,636.20	9,132.10	4,588.72	-	19,357.02
November 1 to 30, 2017	3,677.29	12,542.85	6,198.62	-	22,418.76
December 1 to 31, 2017	2,285.31	3,734.09	23,768.99	-	29,788.39
January 1 to 27, 2018	5,075.01	5,432.25	26,465.73	-	36,972.99
January 27 to February 28, 2018	2,490.62	3,313.30	11,004.12	-	16,808.04
March 1 to 31, 2018	3,757.82	2,699.47	1,784.84	-	8,242.13
April 1 to 30, 2018	1,590.48	1,151.47	986.49	-	3,728.44
May 1 to 31, 2018	3,874.21	3,717.14	6,205.40	-	13,796.75
Estimated to completion	11,300.00	8,136.00	11,074.00	-	30,510.00
	<u>\$ 63,701.99</u>	<u>\$ 71,747.55</u>	<u>\$ 150,915.50</u>	<u>\$ 55,664.83</u>	<u>\$230,700.21</u>

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Interim Statement of Receipts and Disbursements
for the period from June 23, 2017 to June 8, 2018

- 7 Included in this amount is the cost of the annual fire inspection and addressing the deficiencies.
- 8 The cost of shoring the Ottawa Property's parking garage was \$47,000 plus HST. A 10% deposit of \$4,700 was paid by the Receiver and the balance was paid directly to the contractor by First Source's insurance company. The additional expense relates to the cost of inspection visits by the engineering consultant.
- 9 This represents the cost of repairing and rekeying the fire/security doors and changing the locks on tenant units at the Brockville Property, as the master key had been used by one person for unauthorized purposes.
- 10 This amount represents the costs of filing L1 applications and attendance at Landlord and Tenant Board hearings in order to evict tenants who are in arrears on their rent or for other causes.
- 11 This is mostly comprised of the cost of removing excess garbage/junk located on the properties including disposal of construction materials left behind in vacant units.

APPENDIX K

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Respondents

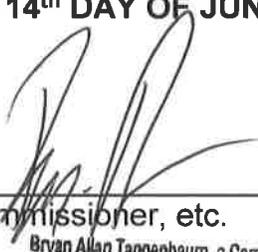
**AFFIDAVIT OF BRENDA WONG
(Sworn June 14, 2018)**

I, **BRENDA WONG**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am Senior Manager of RSM Canada Limited and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.

2. Pursuant to an application made by First Source Financial Management Inc., by Order of the Ontario Superior Court of Justice dated June 21, 2017, entered and issued on June 23, 2017, Collins Barrow Toronto Limited ("**CBTL**") was appointed as receiver over (a) the lands and premises municipally known as 64, 68 and 70 Reynolds Drive, Brockville, Ontario and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario, and (b) the lands and premises municipally known as 39-85 Costello Avenue, Ottawa, Ontario.

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF BRENDA WONG SWORN BEFORE ME
THIS 14th DAY OF JUNE, 2018**



A Commissioner, etc.

**Bryan Allan Tannenbaum, a Commissioner, etc.,
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021.**



GST/HST: 80784 1440 RT 0001

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Toronto, ON M5H 4C7

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To RSM Canada Limited, Court-Appointed Receiver
re 64, 68 and 70 Reynolds Drive, Brockville, ON and
10, 14, 18 and 22 Salisbury Avenue, Brockville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date March 23, 2018

Client File 300945-41359

Invoice 9

No. C000645

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 64, 68 and 70 Reynolds Drive, Brockville, ON and 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON ("Reynolds") for the period January 27, 2018 to February 28, 2018:

Date	Professional	Description
1/29/2018	Brenda Wong	Review emails from D. McBride; review disbursement to pay.
1/29/2018	Daniel Weisz	Review summary of activities.
1/30/2018	Brenda Wong	Review InvestorCentric and hydro bills for payment.
1/31/2018	Brenda Wong	Review rent cheques received and send copy to D. McBride; review emails from D. McBride; send Georgian Bay Fire & Safety Ltd. invoice to D. McBride for approval.
1/31/2018	Daniel Weisz	Process e-receipts.
2/1/2018	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
2/1/2018	Brenda Wong	Review invoices submitted for payment and emails with T. Oliver for clarification re charges; review amended invoice; review City of Brockville water bills and process for payment.
2/1/2018	Daniel Weisz	Review and sign cheques; process electronic rent payment.
2/2/2018	Brenda Wong	Review deposit made by D. McBride and check online statement.
2/5/2018	Brenda Wong	Email to First Source Financial Management Inc. regarding rent cheques received for January and February; review Hydro One invoices for payment.
2/5/2018	Daniel Weisz	Process e-receipts.
2/7/2018	Brenda Wong	Review email from D. McBride re rent deposited on February 6; review Hydro One invoices received.
2/8/2018	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

March 23, 2018
 Invoice 9
 Page 2

Date	Professional	Description
2/9/2018	Brenda Wong	Review email from Wiltse's regarding invoice for payment and forward to T. Oliver for approval; update list of tenant deposits; review correspondence and send Green Things invoice to T. Oliver for review and approval.
2/12/2018	Brenda Wong	Discussion with T. Oliver regarding Green Things service issues; review emails re approval of invoices to pay; email to D. McBride re rent cheque received.
2/12/2018	Daniel Weisz	Process e-receipt.
2/13/2018	Daniel Weisz	Process e-receipt.
2/16/2018	Cindy Baeta	Prepare bank reconciliation; prepare disbursement cheques; post deposits to Ascend.
2/16/2018	Daniel Weisz	Review and sign cheques.
2/21/2018	Brenda Wong	Review invoices for payment.
2/22/2018	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
2/22/2018	Daniel Weisz	Review and sign cheques.
2/23/2018	Daniel Weisz	Process e-receipts.
2/27/2018	Brenda Wong	Review invoices for payment and email to T. Oliver regarding approval of Wiltse's invoice.
2/27/2018	Daniel Weisz	Process e-receipt.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

March 23, 2018
 Invoice 9
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	1.30	\$ 495	\$ 643.50
Brenda Wong, CIRP, LIT	Senior Manager	3.20	\$ 375	1,200.00
Cindy Baeta	Estate Administrator	2.90	\$ 110	319.00
Total hours and professional fees		7.40		\$ 2,162.50
Disbursements				
Couriers			<u>\$ 41.59</u>	
Total disbursements				41.59
Total professional fees and disbursements				\$ 2,204.09
HST @ 13%				286.53
Total payable				\$ 2,490.62

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"



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To RSM Canada Limited, Court-Appointed Receiver
 re 64, 68 and 70 Reynolds Drive, Brockville, ON and
 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date May 10, 2018

Client File 300945-41359

Invoice 10

No. C000672

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 64, 68 and 70 Reynolds Drive, Brockville, ON and 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON ("Reynolds") for the period March 1, 2018 to March 31, 2018:

Date	Professional	Description
3/1/2018	Cindy Baeta	Post deposits to Ascend; prepare disbursement cheques.
3/1/2018	Daniel Weisz	Review and sign cheques; process e-receipts.
3/2/2018	Cindy Baeta	Post deposits to Ascend; prepare disbursement cheques.
3/2/2018	Daniel Weisz	Review and sign cheques; process e-receipts.
3/6/2018	Daniel Weisz	Process e-receipt.
3/7/2018	Daniel Weisz	Process e-receipts; review bank account.
3/8/2018	Brenda Wong	Review Hydro One invoices.
3/8/2018	Daniel Weisz	Process e-receipt.
3/9/2018	Cindy Baeta	Post deposits to Ascend; prepare disbursement cheques; prepare bank reconciliation.
3/9/2018	Daniel Weisz	Review and sign cheques.
3/12/2018	Brenda Wong	Review Landlord and Tenant Board notice re eviction hearing and send to T. Oliver; review invoice from Green Things and forward to T. Oliver for approval; review invoice for payment.
3/12/2018	Daniel Weisz	Review Notice of Hearing re tenant matter.
3/14/2018	Brenda Wong	Review Hydro One bill for new account, call to Hydro One to inquire re status of unit and email to T. Oliver to inquire re new tenant lease; review letter from Laushway Law re slip and fall incident, forward to Chaitons LLP and Hoffman Insurance and discussion with T. Oliver re same.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

Date	Professional	Description
3/14/2018	Daniel Weisz	Review letter from Laushway Law re slip and fall claim and discussion with B. Wong on same; email to J. Larry of Paliare Roland Rosenberg Rothstein LLP re same; discussion with B. Wong re her discussion with T. Oliver and her correspondence with C. Hoffman of Murray Hoffman Insurance Ltd..
3/15/2018	Daniel Weisz	Review email re slip and fall claim and forward same to J. Larry; attend conference call with B. Wong, G. Benchetrit of Chaitons LLP and J. Larry to discuss potential claim; review draft email to the insurer and provide comments to B. Wong.
3/15/2018	Brenda Wong	Call with D. Weisz, G. Benchetrit and J. Larry re slip and fall incident; draft email to C. Hoffman re reporting of incident to insurance company.
3/16/2018	Brenda Wong	Emails with T. Oliver re approval of disbursements; check online statement for processing of March insurance PAD; review summary of activities.
3/19/2018	Brenda Wong	Review invoices for payment; review two new tenant leases and arrange for signing and return to D. McBride; review email from D. McBride re rent deposit made; email to K. Collu of First Source Financial Management Inc. ("First Source") re rent to be transferred to Receiver; call from E. Conboy, adjuster retained by Cansure.
3/21/2018	Brenda Wong	Review invoice for payment; call from insurance adjuster and email to T. Oliver re information requested; update wire transfer instructions and forward to K. Collu; email to K. Collu re transfer and copies of March cheques; reconcile rent cheques to transfer received from First Source and emails with K. Collu re same.
3/21/2018	Daniel Weisz	Review summary of activities.
3/22/2018	Cindy Baeta	Post deposits to Ascend; prepare disbursement cheques.
3/22/2018	Daniel Weisz	Review and sign cheques.
3/22/2018	Brenda Wong	Check online banking for receipt of EFT from First Source, review email from K. Collu re breakdown of rent; review and sign disbursement cheques.
3/23/2018	Brenda Wong	Review hydro bills for payment.
3/29/2018	Cindy Baeta	Post deposits to Ascend; prepare disbursement cheques.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

May 10, 2018
 Invoice 10
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	2.50	\$ 495	\$ 1,237.50
Brenda Wong, CIRP, LIT	Senior Manager	4.60	\$ 375	1,725.00
Cindy Baeta	Estate Administrator	3.30	\$ 110	363.00
Total hours and professional fees		10.40		\$ 3,325.50
HST @ 13%				432.32
Total payable				\$ 3,757.82

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED



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To RSM Canada Limited, Court-Appointed Receiver
re 64, 68 and 70 Reynolds Drive, Brockville, ON and
10, 14, 18 and 22 Salisbury Avenue, Brockville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date May 23, 2018

Client File 300945-41359

Invoice 11

No. C000682

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 64, 68 and 70 Reynolds Drive, Brockville, ON and 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON ("Reynolds") for the period April 1, 2018 to April 30, 2018:

Date	Professional	Description
4/2/2018	Daniel Weisz	Process e-rent receipts.
4/2/2018	Brenda Wong	Review email from T. Oliver re invoice to pay; review Landlord and Tenant Board ("LTB") Order received and forward to T. Oliver.
4/3/2018	Brenda Wong	Review emails from D. McBride re rent receipts.
4/3/2018	Daniel Weisz	Process e-receipt re rent.
4/4/2018	Brenda Wong	Review email from T. Oliver re invoices to pay; review Hydro One bills for payment.
4/5/2018	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
4/5/2018	Brenda Wong	Review Ottawa Citizen invoices for payment; review email from T. Oliver re expense reimbursements; review and sign disbursement cheques.
4/5/2018	Daniel Weisz	Review and sign cheques.
4/6/2018	Brenda Wong	Review emails from D. McBride re rent deposits; review invoice for payment.
4/9/2018	Daniel Weisz	Process e-receipts.
4/13/2018	Cindy Baeta	Post deposit to Ascend; prepare disbursement cheques; prepare bank reconciliation.
4/17/2018	Brenda Wong	Review emails re invoices to pay; respond to email re payment for April invoice.
4/18/2018	Cindy Baeta	Prepare disbursement cheques.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

May 23, 2018
Invoice 11
Page 2

Date	Professional	Description
4/18/2018	Brenda Wong	Check online banking for processing of monthly insurance PAD and email to C. Baeta for posting.
4/23/2018	Brenda Wong	Review email from T. Oliver to insurance adjuster re slip and fall and email to T. Oliver re same.
4/27/2018	Cindy Baeta	Post deposit to Ascend.
4/27/2018	Brenda Wong	Review invoice to pay.
4/30/2018	Brenda Wong	Review water bills, respond to emails re invoices to pay.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

May 23, 2018
 Invoice 11
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.60	\$ 495	\$ 297.00
Brenda Wong, CIRP, LIT	Senior Manager	1.70	\$ 375	637.50
Cindy Baeta	Estate Administrator	4.30	\$ 110	473.00
Total hours and professional fees		6.60		\$ 1,407.50
HST @ 13%				182.98
Total payable				\$ 1,590.48

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

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To RSM Canada Limited, Court-Appointed Receiver
re 64, 68 and 70 Reynolds Drive, Brockville, ON and
10, 14, 18 and 22 Salisbury Avenue, Brockville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 12, 2018

Client File 300945-41359

Invoice 12

No.

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 64, 68 and 70 Reynolds Drive, Brockville, ON and 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON ("Reynolds") for the period May 1, 2018 to May 31, 2018:

Date	Professional	Description
5/4/2018	Cindy Baeta	Post deposits to Ascend; prepare disbursement cheques; prepare bank reconciliation.
5/4/2018	Brenda Wong	Discussion with C. Baeta re missing documentation for two April deposits; email to D. McBride to request copies of missing deposit slips.
5/4/2018	Bryan Tannenbaum	Review and sign cheques.
5/4/2018	Daniel Weisz	Review and sign cheques.
5/9/2018	Daniel Weisz	Review summary of activities.
5/11/2018	Cindy Baeta	Post deposit to Ascend; prepare disbursement cheques.
5/11/2018	Daniel Weisz	Review and sign cheques.
5/14/2018	Daniel Weisz	Discussion with P. Hamel re status of the sale of the property.
5/15/2018	Daniel Weisz	Respond to enquiry from service provider and refer him to T. Oliver.
5/15/2018	Brenda Wong	Review invoices to pay and prepare cheque requisitions; follow up with D. McBride for breakdown for April tenant rent deposits; return call from vender regarding where to send invoices.
5/16/2018	Cindy Baeta	Prepare disbursement cheques.
5/16/2018	Bryan Tannenbaum	Review and sign cheques.
5/16/2018	Daniel Weisz	Review email re banking of rent payments and discussion with B. Wong on same; review and sign cheques.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

Date	Professional	Description
5/16/2018	Brenda Wong	Review InvestorCentric invoice and prepare cheque requisition; review email re status of closing; emails with D. Weisz re rent deposited by InvestorCentric; emails to T. Oliver re rent to be transferred to the Receiver and missing breakdown for two April rent deposits; discussion with T. Oliver re rent and status of sale; emails with D. McBride re breakdown for April 13 and 19 rent deposits.
5/17/2018	Brenda Wong	Check online banking statement for receipt of funds transferred from InvestorCentric; email to D. Weisz re PADs set up by InvestorCentric for rent payments; discussion with D. Weisz re status of sale.
5/23/2018	Daniel Weisz	Review summary of activities.
5/24/2018	Brenda Wong	Review InvestorCentric invoice to pay and supporting documentation for expenses claimed.
5/25/2018	Cindy Baeta	Prepare disbursement cheques.
5/25/2018	Bryan Tannenbaum	Review and sign cheque.
5/25/2018	Brenda Wong	Follow-up email to D. McBride to request backup for April 19 and May 24 deposits.
5/28/2018	Bryan Tannenbaum	Review and sign cheques.
5/28/2018	Brenda Wong	Emails to D. McBride re rent cheques received and request for backup for May 25 deposit to be resent.
5/29/2018	Bryan Tannenbaum	Receipt and review of G. Benchetrit of Chaitons LLP email re consent for prospective purchaser due diligence; execute same and return; conference call with B. Wong and G. Benchetrit re First Source ("FS") and BMO and background and status of FS credit bid for both properties.
5/29/2018	Brenda Wong	Review email from D. McBride re May 24 deposit and forward to C. Baeta for posting; review emails from T. Oliver re invoices to pay, review invoices and prepare cheque requisitions; call with B. Tannenbaum and G. Benchetrit re status of sale of Brockville property; review and respond to email from Chaitons requesting appraisal, Phase 1 ESA and rent roll.
5/30/2018	Brenda Wong	Review invoices to pay; email to FS to request transfer of April, May and June rent collected by FS to Receiver.
5/30/2018	Bryan Tannenbaum	Arrange for a conference call with FS; meeting with G. Benchetrit to discuss status of offers, etc. and call to B. Wong to obtain financial information; conference call with D. Mandel, J. Larry, B. Wong, G. Benchetrit regarding status and possible transfer of matter to Toronto Commercial list, transaction with FS, Receiver's cash flow issues, BMO position, and negotiations with Firmland Acquisitions Corporation.
5/30/2018	Brenda Wong	Make revision to projected cost schedule to extend to September; conference call with G. Benchetrit, B. Tannenbaum, D. Mandel and J. Larry to discuss sale status.
5/31/2018	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
5/31/2018	Bryan Tannenbaum	Receipt and review of D. Mandel email regarding Receiver's fees; responding email sent.; emails from B. Wong and G. Benchetrit re professional fees to date; review, approve and sign cheques.
5/31/2018	Donna Nishimura	Deposit rent cheques at the bank.

June 12, 2018
Invoice 12
Page 3

Date	Professional	Description
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

June 12, 2018
 Invoice 12
 Page 4

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	1.80	\$ 525	\$ 945.00
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.80	\$ 495	396.00
Brenda Wong, CIRP, LIT	Senior Manager	4.10	\$ 375	1,537.50
Cindy Baeta/Donna Nishimura	Estate Administrator	5.00	\$ 110	550.00
Total hours and professional fees		11.70		\$ 3,428.50
HST @ 13%				445.71
Total payable				\$ 3,874.21

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

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 RSM CANADA LIMITED



GST/HST: 80784 1440 RT 0001

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To RSM Canada Limited, Court-Appointed Receiver
re 39 - 85 Costello Avenue, Ottawa, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date March 23, 2018

Client File 300945-41360

Invoice 9

No. C000644

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 39 – 85 Costello Avenue, Ottawa, ON (“Costello”) for the period January 27, 2018 to February 28, 2018:

Date	Professional	Description
1/29/2018	Daniel Weisz	Review summary of activities.
1/30/2018	Brenda Wong	Review InvestorCentric invoice; review Ottawa Hydro bills and email to D. McBride regarding hydro charges for vacant units.
1/31/2018	Brenda Wong	Review rent cheques received and send copy to D. McBride.
2/1/2018	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
2/1/2018	Daniel Weisz	Review and sign cheques; process electronic rent payment.
2/5/2018	Brenda Wong	Review email from and call with T. Oliver on N5 issued and letter from tenant's lawyer re same; discussion with T. Oliver regarding second quote to address work orders; emails with D. McBride regarding tenant request to hold off on depositing her rent cheque; review invoices from Somerset Renovations; send email to D. McBride re rent cheque received; review Somerset quote for addressing outstanding work orders and forward to J. Larry of Paliare Roland Rosenberg Rothstein LLP with a copy of the Concentric cancelled cheque.
2/7/2018	Brenda Wong	Review and respond to emails from J. Larry and FCT Insurance Company Ltd. re quotes to address work orders; email to D. McBride re NSF cheque; prepare rent receipt for 85 Costello; review emails with City of Ottawa re 51 Costello bathroom issue.
2/8/2018	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
2/9/2018	Brenda Wong	Review emails re 51 and 63 Costello repairs; review email from Concentric and T. Oliver response re status; send follow up emails to Reliance re buyout of Ottawa Home Services (“OHS”) hot water tanks and set up of Reliance accounts; review and respond to emails from OHS re 67 Costello tank.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

Date	Professional	Description
2/12/2018	Brenda Wong	Review emails from Reliance and OHS re status of hot water tanks and reply re discrepancies; review email from tenant of 51 Costello re outstanding repair; call and email from City of Ottawa re garbage violation and forward email to property manager.
2/14/2018	Brenda Wong	Respond to email from tenant re where to send March rent cheques; discussion with W. Rueger of Canada Revenue Agency ("CRA") regarding HST position of Golden Dragon Ho 7 Inc. ("GDH #7").
2/16/2018	Cindy Baeta	Prepare bank reconciliation; prepare disbursement cheque.
2/16/2018	Daniel Weisz	Review and sign cheques.
2/16/2018	Brenda Wong	Return call from CRA regarding question on GDH #7's amalgamation; email to Bank of Montreal ("BMO") regarding discrepancy on bank statement of rent deposit on January 2 versus amount recorded on bank statement.
2/16/2018	Donna Nishimura	Deposit cheque at the bank.
2/20/2018	Brenda Wong	Review Enbridge bills; follow up email to OHS regarding hot water tank rentals at Costello; follow up call to Enercare regarding its charges for hot water tanks bought out by Reliance.
2/20/2018	Daniel Weisz	Process e-receipt.
2/21/2018	Brenda Wong	Review email from OHS confirming ownership of tanks; review email from BMO regarding credit for missing deposit cheque and check online statement; review invoice for payment.
2/22/2018	Cindy Baeta	Post deposits to Ascend; prepare disbursement cheques; filing.
2/22/2018	Brenda Wong	Call and letter to Enbridge regarding accounts for 57, 65 and 67 Costello.
2/22/2018	Daniel Weisz	Review and sign cheques.
2/23/2018	Daniel Weisz	Process e-receipt.
2/26/2018	Brenda Wong	Call from Frances Home Environment regarding billing for HVAC services provided; discussions with G. Benchetrit of Chaitons LLP and T. Oliver regarding wording of N13 notices.
2/26/2018	Daniel Weisz	Review notice to be issued to tenants of Costello.
2/27/2018	Brenda Wong	Review invoice from Francis Home Environment and forward to T. Oliver for approval; prepare cheque requisition.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

March 23, 2018
 Invoice 9
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.80	\$ 495	396.00
Brenda Wong, CIRP, LIT	Senior Manager	6.00	\$ 375	2,250.00
Cindy Baeta/Donna Nishimura	Estate Administrator	2.40	\$ 110	264.00
Total hours and professional fees		<u>9.20</u>		\$ 2,910.00
Disbursements				
Courier			\$ 22.12	
Total disbursements				22.12
Total professional fees and disbursements				\$ 2,932.12
HST @ 13%				381.18
Total payable				\$ 3,313.30

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"



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RSM CANADA LIMITED
 Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

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www.rsmcanada.com

To RSM Canada Limited, Court-Appointed Receiver
 re 39 - 85 Costello Avenue, Ottawa, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date May 10, 2018

Client File 300945-41360

Invoice 10

No. C000673

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 39 – 85 Costello Avenue, Ottawa, ON (“Costello”) for the period March 1, 2018 to March 31, 2018:

Date	Professional	Description
3/1/2018	Cindy Baeta	Post deposit to Ascend.
3/1/2018	Brenda Wong	Review rent cheques received and forward copy to D. McBride; review emails with tenant re eviction notice.
3/1/2018	Daniel Weisz	Process e-receipt; review and sign cheque.
3/2/2018	Cindy Baeta	Prepare disbursement cheque; post deposits to Ascend.
3/2/2018	Daniel Weisz	Review and sign cheque; process e-receipt.
3/5/2018	Daniel Weisz	Discussion with B. Wong on notice from City of Ottawa.
3/5/2018	Brenda Wong	Call from Enercare regarding cancellation of charges for hot water tanks; review Order received from City of Ottawa and send to T. Oliver.
3/6/2018	Brenda Wong	Review Order from City of Ottawa regarding access to the garage and patio and email to T. Oliver re same; respond to email from G. Benchetrit of Chaitons LLP re compliance with Order.
3/6/2018	Daniel Weisz	Review notice from City of Ottawa and forward to G. Benchetrit.
3/8/2018	Brenda Wong	Review Landlord and Tenant Board (“LTB”) Order re rent to be refunded to tenant of 51 Costello, emails with T. Oliver and discussion with D. Weisz re same; respond to emails from tenant of 51 Costello re current status and rent receipt; review utility bills.
3/8/2018	Daniel Weisz	Review Order issued by the LTB in regards to a hearing held; discussion with B. Wong on same.
3/9/2018	Cindy Baeta	Post deposits to Ascend; prepare disbursement cheques; prepare bank reconciliation.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver’s name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

Date	Professional	Description
3/9/2018	Daniel Weisz	Process e-receipt; review and sign cheques.
3/12/2018	Brenda Wong	Review invoice for payment.
3/14/2018	Brenda Wong	Review invoice to payment.
3/16/2018	Brenda Wong	Review emails re tenants and City of Ottawa Order re garage; review email from and call to Hydro Ottawa re 75 Costello; review summary of activities.
3/19/2018	Brenda Wong	Call to Francis Home Environment re invoice number required for outstanding bill; respond to email from D. McBride re March rent received.
3/21/2018	Brenda Wong	Review invoices for payment.
3/21/2018	Daniel Weisz	Review email from P. Hamel re status of the property and reply thereto; review summary of activities.
3/22/2018	Cindy Baeta	Prepare disbursement cheques.
3/22/2018	Daniel Weisz	Review and sign cheques.
3/22/2018	Brenda Wong	Review Enbridge bills and charges for hot water tanks, send email to Reliance to request clarification re charges being billed; review and sign disbursement cheques; review emails re termination of 55 Costello lease and return of April rent cheque.
3/26/2018	Brenda Wong	Call from Hydro Ottawa re 75 Costello.
3/27/2018	Brenda Wong	Emails with D. McBride re parking permit fee for April and rent cheques received.
3/28/2018	Brenda Wong	Follow up with D. McBride re 75 Costello and respond to email from Hydro Ottawa.
3/29/2018	Cindy Baeta	Post deposits to Ascend.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

May 10, 2018
 Invoice 10
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	1.10	\$ 495	\$ 544.50
Brenda Wong, CIRP, LIT	Senior Manager	4.40	\$ 375	1,650.00
Cindy Baeta	Estate Administrator	1.60	\$ 110	176.00
Total hours and professional fees		7.10		\$ 2,370.50
Disbursements				
Courier			\$ 18.41	
Total disbursements				18.41
Total professional fees and disbursements				\$ 2,388.91
HST @ 13%				310.56
Total payable				\$ 2,699.47

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"



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Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

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To RSM Canada Limited, Court-Appointed Receiver
re 39 - 85 Costello Avenue, Ottawa, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date May 23, 2018

Client File 300945-41360

Invoice 11

No. C000681

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 39 – 85 Costello Avenue, Ottawa, ON ("Costello") for the period April 1, 2018 to April 30, 2018:

Date	Professional	Description
4/2/2018	Brenda Wong	Respond to emails from tenants re closing and N9 notice; process April rent cheques.
4/4/2018	Brenda Wong	Review Landlord and Tenant Board ("LTB") Order and forward to T. Oliver; review Ottawa Hydro bills for payment.
4/5/2018	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
4/5/2018	Brenda Wong	Review and sign disbursement cheques; send D. McBride printout of April rent received to date.
4/5/2018	Daniel Weisz	Review and sign cheques.
4/6/2018	Brenda Wong	Review invoice for payment; review LTB Notice of Rescheduled Hearing and forward to T. Oliver and D. McBride.
4/12/2018	Brenda Wong	Respond to tenant email requesting rent receipt and update on closing.
4/13/2018	Cindy Baeta	Prepare disbursement cheque; prepare bank reconciliation.
4/17/2018	Brenda Wong	Review invoices to pay.
4/18/2018	Cindy Baeta	Prepare disbursement cheques.
4/19/2018	Brenda Wong	Follow up re email from Concentric re outstanding invoices.
4/27/2018	Cindy Baeta	Post deposits to Ascend.
4/27/2018	Brenda Wong	Review schedule of hot water tank rental charges to be claimed from Reliance Home Comfort and send email to C. Baeta to request that she update the schedule; review and respond to email from T. Oliver requesting refund of last month's rent to tenant; review invoice to pay.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

May 23, 2018
Invoice 11
Page 2

Date	Professional	Description
4/27/2018	Daniel Weisz	Review and sign cheques; review request for reimbursement of last month's rent for tenant who vacated the property.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

May 23, 2018
 Invoice 11
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.30	\$ 495	\$ 148.50
Brenda Wong, CIRP, LIT	Senior Manager	1.50	\$ 375	562.50
Cindy Baeta	Estate Administrator	2.80	\$ 110	308.00
Total hours and professional fees		4.60		\$ 1,019.00
HST @ 13%				132.47
Total payable				\$ 1,151.47

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
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To RSM Canada Limited, Court-Appointed Receiver
re 39 - 85 Costello Avenue, Ottawa, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 12, 2018

Client File 300945-41360

Invoice 12

No.

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 39 – 85 Costello Avenue, Ottawa, ON ("Costello") for the period May 1, 2018 to May 31, 2018:

Date	Professional	Description
5/4/2018	Cindy Baeta	Post deposits to Ascend; prepare disbursement cheques; prepare bank reconciliation; prepare Excel spreadsheet of hot water tank rental charges.
5/4/2018	Brenda Wong	Review updated schedule of duplicate hot water tank charges to be claimed from Reliance and email to C. Baeta re question on same.
5/4/2018	Bryan Tannenbaum	Review and sign cheques.
5/4/2018	Daniel Weisz	Review and sign cheques.
5/7/2018	Brenda Wong	Review summary of hot water tank rental charges, make edits and check to list of Reliance tanks, send email to Reliance to request reimbursement for charges and to follow up on Reliance bills for Costello.
5/8/2018	Brenda Wong	Respond to tenant request for rent receipt and for update on where June rent cheques are to be sent.
5/9/2018	Daniel Weisz	Review summary of activities.
5/10/2018	Brenda Wong	Review email from C. Hoffmann of Murray Hoffman Insurance regarding the insurance company's request for an update on the property; email to T. Oliver to request updated photos and discussion re same.
5/11/2018	Cindy Baeta	Prepare disbursement cheque.
5/14/2018	Daniel Weisz	Process e-receipt.
5/15/2018	Brenda Wong	Review invoice to pay and prepare cheque requisition.
5/16/2018	Cindy Baeta	Post deposit to Ascend; prepare disbursement cheques.
5/16/2018	Bryan Tannenbaum	Review and sign cheques.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

Date	Professional	Description
5/16/2018	Daniel Weisz	Review emails re status of temporary shoring at the property; review and sign cheques.
5/16/2018	Brenda Wong	Review email from Concentric re shoring and emails with D. Weisz re same; email to Alti Construction to request quote for shoring.
5/17/2018	Brenda Wong	Check online banking for posting of May insurance PAD and send to C. Baeta for posting to Ascend; follow up with T. Oliver, D. McBride re photos requested by insurance company; review email from D. McBride re June parking permits and prepare cheque requisition; respond to Hoffman re number of vacant units; discussion with D. Weisz re status of insurance.
5/18/2018	Brenda Wong	Follow up emails to D. McBride/T. Oliver re photos for insurance company.
5/22/2018	Brenda Wong	Send follow up emails to T. Oliver and D. McBride re photos required for insurance company; email to T. Oliver re Alti Construction quote for cost of continued shoring; review photos received from D. McBride; send email to Hoffman with photos; review Landlord and Tenant Board ("LTB") Order and forward to D. McBride and T. Oliver.
5/23/2018	Daniel Weisz	Review summary of activities.
5/24/2018	Daniel Weisz	Discussion with B. Wong re continuation of shoring for the property.
5/24/2018	Brenda Wong	Review additional photos of property, email to D. McBride for clarification re garage shots and send photos to Hoffman Insurance; review InvestorCentric invoice to pay and supporting documentation for expenses claimed.
5/25/2018	Cindy Baeta	Prepare disbursement cheques.
5/25/2018	Bryan Tannenbaum	Review and sign cheque.
5/25/2018	Brenda Wong	Email to Alti Construction re acceptance of quote for shoring and scheduling of June inspection.
5/28/2018	Bryan Tannenbaum	Review and sign cheques.
5/28/2018	Brenda Wong	Email to Hoffman Insurance to provide update on expected vacancy rate; review Concentric May inspection report and email to T. Oliver re same.
5/29/2018	Brenda Wong	Emails with T. Oliver re Alti Construction inspection and shoring; review T. Oliver email re tenant payments and discussion with her re same; update projected cash requirements schedule and send to Chaitons.
5/30/2018	Bryan Tannenbaum	Arrange for a conference call with First Source; meeting with G. Benchetrit of Chaitons LLP to discuss status of offers, etc. and call to B. Wong to obtain financial information; conference call with D. Mandel, J. Larry, B. Wong, G. Benchetrit regarding status and possible transfer of matter to Toronto Commercial list, transaction with First Source, Receiver's cash flow issues, BMO position, and negotiations with Firmland Acquisitions Corporation.
5/31/2018	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
5/31/2018	Bryan Tannenbaum	Receipt and review of D. Mandel email re \$100K in funding from insurer for structural repairs.
5/31/2018	Bryan Tannenbaum	Receipt and review of D. Mandel email regarding Receiver's fees; responding email sent.; emails from B. Wong and G. Benchetrit re professional fees to date; review, approve and sign cheques
5/31/2018	Donna Nishimura	Deposit rent cheque at the bank.

June 12, 2018
Invoice 12
Page 3

Date	Professional	Description
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

June 12, 2018
 Invoice 12
 Page 4

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	1.60	\$ 525	\$ 840.00
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.70	\$ 495	346.50
Brenda Wong, CIRP, LIT	Senior Manager	4.20	\$ 375	1,575.00
Cindy Baeta/Donna Nishimura	Estate Administrator	4.80	\$ 110	528.00
Total hours and professional fees		11.30		\$ 3,289.50
HST @ 13%				427.64
Total payable				\$ 3,717.14

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

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Toronto, ON M5H 4C7

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www.rsmcanada.com

To RSM Canada Limited, Court-Appointed Receiver
re 39 - 85 Costello Avenue, Ottawa, ON;
64, 68 and 70 Reynolds Drive, Brockville, ON and
10, 14, 18 and 22 Salisbury Avenue, Brockville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date March 22, 2018

Client File 300945-41381

Invoice 9

No. C000641

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 39 – 85 Costello Avenue, Ottawa, ON; 64, 68 and 70 Reynolds Drive, Brockville, ON and 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON (“COMBINED”) for the period January 27, 2018 to February 28, 2018:

Date	Professional	Description
1/29/2018	Brenda Wong	Review Chaitons LLP (“Chaitons”) changes to Receiver’s draft report, make additional updates and reference report to source documents; review summary of activities; emails with Chaitons regarding service list and appendices.
1/29/2018	Daniel Weisz	Review G. Benchetrit of Chaitons changes to draft report and update report, meet with B. Wong re same and email to G. Benchetrit re same; review summary of activities; conference call with G. Benchetrit and B. Wong to review comments on draft report; review draft notice of motion and forward comments to G. Benchetrit; discussion with J. Larry of Paliare Roland Rosenberg Rothstein LLP regarding status of the Receiver’s certificate and forward statement of receipts and disbursements; review, update and swear fee affidavit; discussion with J. Larry on information relating to the Receiver’s certificates issued; discussion with B. Wong on updated report; discussion with B. Wong on affidavit of fees of Chaitons; discussion with G. Benchetrit on First Source Financial Management Inc. (“First Source”) mortgage statement.
1/30/2018	Brenda Wong	Finalize report and send to Chaitons; review motion record and arrange for posting of documents to Receiver’s webpage; review updated insurance documents; follow up with prospective purchaser re instructions for return of its deposit.
1/30/2018	Daniel Weisz	Review updated statement of receipts and disbursements and discussion with B. Wong on same; review and update report, finalize and sign.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver’s name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

Date	Professional	Description
1/31/2018	Brenda Wong	Review response from prospective purchaser regarding return of deposit and prepare cheque requisition and cover letter.
1/31/2018	Daniel Weisz	Review draft approval and vesting order and provide comments to G. Benchetrit; review updated draft order and email to G. Benchetrit re same.
2/1/2018	Brenda Wong	Review and sign disbursement cheques; review emails regarding changes to approval and vesting order; emails with D. McBride regarding rent payments.
2/1/2018	Daniel Weisz	Review draft factum and provide comments to G. Benchetrit and discussion with G. Benchetrit on same; review emails.
2/2/2018	Brenda Wong	Receipt of Factum and Brief of Authorities for February 9 motion and arrange for posting to Receiver's webpage; follow up with Canada Revenue Agency regarding its response to Receiver's letter re HST status of Golden Dragon Ho 5 Inc. (GDH #5) and Golden Dragon Ho 7 Inc. (GDH #7).
2/2/2018	Daniel Weisz	Review and file emails; review initialed changes to the Agreement of Purchase and Sale ("APS"); review email re Bank of Montreal position re APS and exchange emails with G. Benchetrit re same; review draft court order and exchange emails with G. Benchetrit re same; discussion with a tenant re her concerns.
2/9/2018	Bryan Tannenbaum	Review and sign cheques.
2/9/2018	Brenda Wong	Review and sign disbursement cheques; emails re Court approval of sale today.
2/9/2018	Daniel Weisz	Review email re court orders obtained and email to D. Mandel of First Source and J. Larry re same.
2/12/2018	Daniel Weisz	Discussion with B. Wong on status of various matters; exchange emails with G. Benchetrit re closing.
2/13/2018	Daniel Weisz	Exchange emails with G. Benchetrit re closing of the sale.
2/14/2018	Daniel Weisz	Review B. Wong email regarding HST liability of the debtors and email to G. Benchetrit regarding same; discussion with G. Benchetrit regarding various matters including HST and advising J. Larry of same.
2/15/2018	Daniel Weisz	Discussion with G. Benchetrit re his discussion with J. Larry re closing of the sale.
2/16/2018	Daniel Weisz	Discussion with B. Wong on my discussion yesterday with G. Benchetrit re closing of the sale; review emails.
2/16/2018	Brenda Wong	Review and sign disbursement cheques; check online statement for monthly insurance debits; review invoices to pay; call from T. Oliver re status of sale; email to First Source re additional rent collected; update summaries of utility bills paid by the Receiver and forward to T. Oliver.
2/20/2018	Daniel Weisz	Email to G. Benchetrit re status of closing of the sale; review Chaitons January 2018 account; review of emails.
2/22/2018	Brenda Wong	Review and sign disbursement cheques.
2/22/2018	Daniel Weisz	Discussion with G. Benchetrit re status of sale.
2/23/2018	Daniel Weisz	Telephone discussion with J. Larry re status of closing of sale and email to G. Benchetrit re same.

March 22, 2018

Invoice 9

Page 3

Date	Professional	Description
2/26/2018	Brenda Wong	Emails to D. McBride re March rent cheques received; call from T. Oliver re First Source's right to issue N13 eviction notices; call with D. Weisz and G. Benchetrit re N13 notices and status of sale.
2/26/2018	Daniel Weisz	Discussion with B. Wong re status of closing of the sale and request for N13 notices to Costello tenants to be issued; discussion with G. Benchetrit re same; email to D. Mandel and J. Larry requesting conference call; attend conference call with G. Benchetrit, D. Mandel and J. Larry to discuss the status of the closing of the sale.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

March 22, 2018
 Invoice 9
 Page 4

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	0.10	\$ 525	\$ 52.50
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	13.00	\$ 495	6,435.00
Brenda Wong, CIRP, LIT	Senior Manager	8.60	\$ 375	3,225.00
Total hours and professional fees		<u>21.70</u>		\$ 9,712.50
Disbursements				
Courier			<u>\$ 25.66</u>	
Total disbursements				25.66
Total professional fees and disbursements				\$ 9,738.16
HST @ 13%				1,265.96
Total payable				\$ 11,004.12

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

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 re 39 - 85 Costello Avenue, Ottawa, ON;
 64, 68 and 70 Reynolds Drive, Brockville, ON and
 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date May 10, 2018

Client File 300945-41381

Invoice 10

No. C000671

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 39 – 85 Costello Avenue, Ottawa, ON; 64, 68 and 70 Reynolds Drive, Brockville, ON and 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON (“COMBINED”) for the period March 1, 2018 to March 31, 2018:

Date	Professional	Description
3/1/2018	Brenda Wong	Review emails from D. McBride re e-transfers received and from T. Oliver re approval of invoices to pay; review invoices for payment; review and sign disbursement cheques.
3/2/2018	Daniel Weisz	Reply to email from G. Benchetrit of Chaitons LLP re status of the sale of the properties.
3/5/2018	Brenda Wong	Review emails re rent deposits and print online statements.
3/6/2018	Brenda Wong	Email to D. McBride re rent cheque received; email to K. Collu of First Source Financial Management Inc. (“First Source”) to inquire if First Source has received any March rent cheques.
3/6/2018	Daniel Weisz	Review Chaitons February account; review emails; review Agreement of Purchase and Sale (“APS”); exchange emails with G. Benchetrit re amendment to APS required.
3/7/2018	Daniel Weisz	Exchange emails with G. Benchetrit re closing of transaction.
3/8/2018	Brenda Wong	Review emails re rent receipts and invoices to pay.
3/8/2018	Daniel Weisz	Exchange emails with G. Benchetrit re status of closing; review subsequent emails re same.
3/9/2018	Brenda Wong	Review and sign disbursement cheques; review cash position.
3/12/2018	Daniel Weisz	Review and file emails.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver’s name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

May 10, 2018
Invoice 10
Page 2

Date	Professional	Description
3/16/2018	Brenda Wong	Review summary of activities.
3/21/2018	Brenda Wong	Call from T. Oliver re various matters including closing date.
3/21/2018	Daniel Weisz	Discussion with B. Wong on the status of various matters.
3/21/2018	Daniel Weisz	Review summary of activities.
3/23/2018	Brenda Wong	Emails to D. McBride re rent payments received this week.
3/23/2018	Daniel Weisz	Review and filing of emails.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

May 10, 2018
 Invoice 10
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	1.60	\$ 495	\$ 792.00
Brenda Wong, CIRP, LIT	Senior Manager	2.10	\$ 375	787.50
Total hours and professional fees		3.70		\$ 1,579.50
HST @ 13%				205.34
Total payable				\$ 1,784.84

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED



GST/HST: 80784 1440 RT 0001

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited, Court-Appointed Receiver
re 39 - 85 Costello Avenue, Ottawa, ON;
64, 68 and 70 Reynolds Drive, Brockville, ON and
10, 14, 18 and 22 Salisbury Avenue, Brockville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date May 23, 2018

Client File 300945-41381

Invoice 11

No. C000680

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 39 – 85 Costello Avenue, Ottawa, ON; 64, 68 and 70 Reynolds Drive, Brockville, ON and 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON (“COMBINED”) for the period April 1, 2018 to April 30, 2018:

Date	Professional	Description
4/5/2018	Daniel Weisz	Discussion with G. Benchetrit of Chaitons LLP re status of closing; email to J. Larry of Paliare Roland Rosenberg Rothstein LLP re same; review response from J. Larry and discussion with G. Benchetrit on same.
4/9/2018	Daniel Weisz	Review email re extension to closing requested; review mail received; discussion with T. Oliver on status; discussion with G. Benchetrit re status of closing.
4/10/2018	Daniel Weisz	Preliminary review of commitment letter re pending transaction.
4/11/2018	Daniel Weisz	Discussion with G. Benchetrit re commitment letter re pending transaction; read commitment letter and email to G. Benchetrit on same.
4/16/2018	Daniel Weisz	Exchange of emails with G. Benchetrit re extension to closing.
4/18/2018	Bryan Tannenbaum	Review and sign cheques.
4/20/2018	Brenda Wong	Review summary of activities.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

May 23, 2018
 Invoice 11
 Page 2

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	0.20	\$ 525	\$ 105.00
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	1.40	\$ 495	693.00
Brenda Wong, CIRP, LIT	Senior Manager	0.20	\$ 375	75.00
Total hours and professional fees		1.80		\$ 873.00
HST @ 13%				113.49
Total payable				\$ 986.49

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"



RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

GST/HST: 80784 1440 RT 0001

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited, Court-Appointed Receiver
re 39 - 85 Costello Avenue, Ottawa, ON;
64, 68 and 70 Reynolds Drive, Brockville, ON and
10, 14, 18 and 22 Salisbury Avenue, Brockville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 12, 2018

Client File 300945-41381

Invoice 12
No.

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 39 – 85 Costello Avenue, Ottawa, ON; 64, 68 and 70 Reynolds Drive, Brockville, ON and 10, 14, 18 and 22 Salisbury Avenue, Brockville, ON (“COMBINED”) for the period May 1, 2018 to May 31, 2018:

Date	Professional	Description
5/2/2018	Brenda Wong	Respond to email from S. Weng of Chaitons LLP (“Chaitons”) requesting rent rolls; email to D. McBride to request updated rent roll.
5/3/2018	Brenda Wong	Review invoices to pay; review updated rent rolls provided by T. Oliver and email questions re rent rolls to T. Oliver and review responses; review rent roll for deposits received by the Receiver; email to D. McBride to request copy of May rent deposits; emails and call with Chaitons re closing adjustments, send rent rolls to Chaitons; email to K. Collu of First Source (“FS”) re April and May rents received by FS.
5/3/2018	Daniel Weisz	Discussion with G. Benchetrit of Chaitons regarding extension of closing, possible modification re sale of properties, review exchange of emails.
5/4/2018	Brenda Wong	Review email re status of sale; review status of insurance policy and monthly payments.
5/4/2018	Daniel Weisz	Review email from G. Benchetrit re Bank of Montreal position re transaction.
5/7/2018	Daniel Weisz	Discussion with G. Benchetrit re status of agreement of purchase and sale; discussion with B. Wong on the status of the receivership administration.
5/8/2018	Brenda Wong	Discussion with T. Oliver re status of sale and tenant issues.
5/8/2018	Daniel Weisz	Discussion with G. Benchetrit re status of the transaction and Receiver's proposed course of action.

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

Date	Professional	Description
5/9/2018	Daniel Weisz	Review summary of activities.
5/10/2018	Daniel Weisz	Discussion with B. Wong on her discussion with T. Oliver.
5/11/2018	Brenda Wong	Check general ledger for amounts advanced by FS under Receiver Certificate No. 1 available to be transferred from Reynolds to Costello; calculate April and May rent collected by FS to be transferred to Receiver; emails with D. McBride re deposits made on May 4 and 11.
5/11/2018	Daniel Weisz	Review email from G. Benchetrit; discussion with B. Wong on cash position; discussion with G. Benchetrit re his call with T. Van Klink of Miller Thomson LLP and J. Larry of Paliare Roland Rosenberg Rothstein LLP; review email from T. Van Klink and discussion with G. Benchetrit re same; review further emails re status.
5/14/2018	Daniel Weisz	Draft email to D. Mandel re status of receivership funding; discussion with G. Benchetrit re status; review email re status of transaction.
5/15/2018	Daniel Weisz	Review J. Larry email to T. Van Klink and offer included therein; discussions with G. Benchetrit re status of transaction re sale of the properties.
5/16/2018	Daniel Weisz	Exchange email with G. Benchetrit; call in to J. Larry; discussions with G. Benchetrit; discussion with J. Larry.
5/17/2018	Daniel Weisz	Review email from B. Wong re status of rent payments; exchange emails with G. Benchetrit to set up conference call; review file and prepare for call with G. Benchetrit; discussion with G. Benchetrit re status of sales process; discussion with B. Wong on status.
5/18/2018	Daniel Weisz	Email to G. Benchetrit re status; discussion with J. Larry and exchange emails with G. Benchetrit re same; discussion with B. Wong re cash requirements.
5/18/2018	Brenda Wong	Review emails re status of sale; email to T. Oliver re status of sale and estimated cash requirements; review summary of activities.
5/22/2018	Brenda Wong	Discussion with T. Oliver re cost of required repairs and sales status; respond to calls from Colliers re status of sale; emails with D. Weisz re insurance policies renewal dates.
5/22/2018	Daniel Weisz	Conference call with G. Benchetrit and J. Larry re status of the sale transaction; subsequent conference call with G. Benchetrit and J. Larry.
5/23/2018	Daniel Weisz	Review summary of activities; review email from J. Larry re request to reinstate agreement of purchase and sale and exchange emails with G. Benchetrit re same.
5/25/2018	Brenda Wong	Follow up with T. Oliver re anticipated cash requirements; review schedule of projected costs and discussion with T. Oliver re same, update schedule for additional costs and projected cash position.
5/31/2018	Brenda Wong	Update priority payables schedule; contact City of Ottawa and City of Brockville re updated property tax arrears.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

June 12, 2018
 Invoice 12
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	6.70	\$ 495	\$ 3,316.50
Brenda Wong, CIRP, LIT	Senior Manager	5.80	\$ 375	2,175.00
Total hours and professional fees		12.50		\$ 5,491.50
HST @ 13%				713.90
Total payable				\$ 6,205.40

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

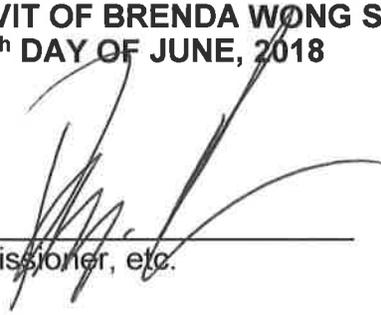
WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF BRENDA WONG SWORN BEFORE ME
THIS 14th DAY OF JUNE, 2018**



A Commissioner, etc.

Bryan Allan Tannenbaum, a Commissioner, in
Province of Ontario, for RSM Canada L.L.C.
and RSM Canada Limited.
Expires January 5, 2021

**In the Matter of the Receivership of
64, 68 and 70 Reynolds Drive, Brockville, Ontario
and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario
and 39-85 Costello Avenue, Ottawa, Ontario
Summary of Receiver's Fees
For the Period January 27 to May 31, 2018 and estimated to completion**

Invoice Date	Period	Hours	Fees	Disburse - ments	Subtotal	HST	Total	Average Hourly Rate
Brockville								
23-Mar-18	January 27 to February 28, 2018	7.40	\$ 2,162.50	\$ 41.59	\$ 2,204.09	\$ 286.53	\$ 2,490.62	\$ 292.23
10-May-18	March 1 to 31, 2018	10.40	3,325.50	-	3,325.50	432.32	3,757.82	\$ 319.76
23-May-18	April 1 to 30, 2018	6.60	1,407.50	-	1,407.50	182.98	1,590.48	\$ 213.26
12-Jun-18	May 1 to 31, 2018	11.70	3,428.50	-	3,428.50	445.71	3,874.21	\$ 293.03
		36.10	\$ 10,324.00	\$ 41.59	\$ 10,365.59	\$ 1,347.53	\$ 11,713.13	\$ 285.98
Ottawa								
22-Mar-18	January 27 to February 28, 2018	9.20	\$ 2,910.00	\$ 22.12	\$ 2,932.12	\$ 381.18	\$ 3,313.30	\$ 316.30
10-May-18	March 1 to 31, 2018	7.10	2,370.50	18.41	2,388.91	310.56	2,699.47	\$ 333.87
23-May-18	April 1 to 30, 2018	4.60	1,019.00	-	1,019.00	132.47	1,151.47	\$ 221.52
12-Jun-18	May 1 to 31, 2018	11.30	3,289.50	-	3,289.50	427.64	3,717.14	\$ 291.11
		32.20	\$ 9,589.00	\$ 40.53	\$ 9,629.53	\$ 1,251.84	\$ 10,881.38	\$ 297.80
Combined								
22-Mar-18	January 27 to February 28, 2018	21.70	\$ 9,712.50	\$ 25.66	\$ 9,738.16	\$ 1,265.96	\$ 11,004.12	\$ 447.58
10-May-18	March 1 to 31, 2018	3.70	1,579.50	-	1,579.50	205.34	1,784.84	\$ 426.89
23-May-18	April 1 to 30, 2018	1.80	873.00	-	873.00	113.49	986.49	\$ 485.00
12-Jun-18	May 1 to 31, 2018	12.50	5,491.50	-	5,491.50	713.90	6,205.40	\$ 439.32
		39.70	\$ 17,656.50	\$ 25.66	\$ 17,682.16	\$ 2,298.68	\$ 19,980.85	\$ 444.75
Total to May 31, 2018		108.00	\$ 37,569.50	\$ 107.78	\$ 37,677.28	\$ 4,898.05	\$ 42,575.36	\$ 347.87
Estimated fees to completion			27,000.00	-	27,000.00	3,510.00	30,510.00	
Total			\$ 64,569.50	\$ 107.78	\$ 64,677.28	\$ 8,408.05	\$ 73,085.36	

APPENDIX L

Court File No. 17-72881

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :**FIRST SOURCE FINANCIAL MANAGEMENT INC.****Applicant****- and -****GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.****Respondents**

AFFIDAVIT OF STEPHEN SCHWARTZ

I, Stephen Schwartz, of the City of Vaughan, in the Province of Ontario **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a partner with the law firm of Chaitons LLP (“**Chaitons**”), lawyers for RSM Canada Limited, in its capacity as court-appointed receiver (in such capacity, the “**Receiver**”) of the lands and premises municipally known as (i) 39-85 Costello Avenue, Ottawa, Ontario (the “**Ottawa Property**”) and (ii) 64, 68 and 70 Reynolds Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the “**Brockville Property**”, and together with the Ottawa Property, the “**Real Property**”), and of all the assets and undertakings of the Respondents acquired for or used in relation to the Real Property.

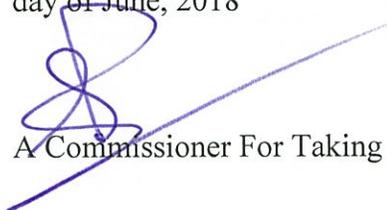
2. Attached hereto collectively as **Exhibit “A”** are true copies of the accounts issued by Chaitons to the Receiver for the period from January 1, 2018¹ to and including May 31, 2018 and a statement of unbilled time and disbursements for the period June 1, 2018 to and including June 11, 2018.

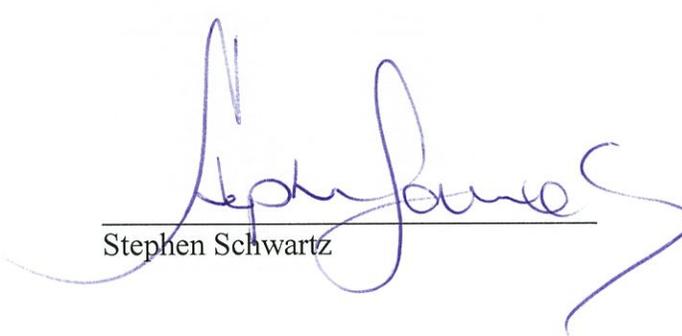
¹ The time and disbursements incurred by Chaitons for the period to and including January 26, 2018 were approved by the Court pursuant to the Order dated February 9, 2018.
Doc#4114323v2

3. I confirm that the accounts and statement described above accurately reflect the services provided by Chaitons in this matter, and the fees and disbursements claimed by it during the period described above.

4. Additionally, attached hereto as **Exhibit "B"** is a summary of additional information with respect to the aforesaid accounts and statement indicating all members of Chaitons who worked on this matter during the period described above, their year of call to the bar, total time charges and hourly rates, and I hereby confirm that this list represents an accurate account of such information.

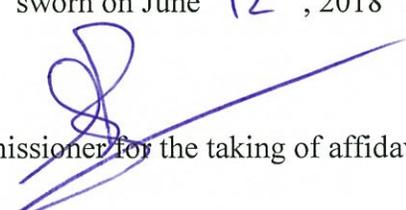
SWORN before me at the City)
of Toronto, this 12th)
day of June, 2018)
)


A Commissioner For Taking Affidavit



Stephen Schwartz

This is Exhibit "A" to the Affidavit of Stephen Schwartz
sworn on June 12, 2018



A Commissioner for the taking of affidavits, etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com



INVOICE NUMBER: 265587

January 31, 2018

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

Re: **GOLDEN DRAGON**
Our file: 006998-52863

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including January 31, 2018:

PROFESSIONAL FEES		
SUBJECT TO HST	\$9,523.50	
SUB-TOTAL		\$9,523.50
DISBURSEMENTS		
NON TAXABLE	\$29.75	
SUBJECT TO HST	\$302.27	
SUB-TOTAL		\$332.02
HST at 13.00%		\$1,277.35
GRAND TOTAL		\$11,132.87

Amount payable on the current invoice	\$11,132.87
Plus outstanding invoices on this matter	\$19,000.43
Amount Due	<u>\$30,133.30</u>
Trust Balance	

GST No R124110923

INVOICE NUMBER: 265587

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, Interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4121040v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

2.



PROFESSIONAL FEES:

Jan 5, 18	GBB	Memos to and from D Weisz re changes to CDA by Capreit
Jan 8, 18	SPR	Reviewed and responded to questions regarding security opinions;
Jan 9, 18	GBB	Telephone conference with D Weisz re update on sale process
Jan 10, 18	GBB	Telephone conference with D Weisz re status of offers
Jan 11, 18	GBB	Telephone conference with and memos to and from D Weisz re timing for hearing; Telephone conference with B Wong re Olivecorp requests
Jan 16, 18	GBB	Review of RSM offer summary; review of Firmland APS and accompanying documents; Telephone conference with T Katz re Firmland EOI for Costello; Telephone conferences with and memos to and from D Weisz and J Larry re sale process and credit bid
Jan 17, 18	GBB	Review of and revisions to draft schedules to vesting orders for Ottawa and Brockville properties; Telephone conference with D Weisz re status of offers
Jan 18, 18	GBB	Memos to and from and Telephone conference with D Weisz re structure and figures for credit bid offer and re HST issues
Jan 19, 18	GBB	Telephone conference with B Wong and M Vininsky re HST issues; telephone conference with D Weisz re time table for delivery of motion materials and relief to be sought
Jan 22, 18	GBB	Review of First Source APS and draft order; memos to and from D Weisz re related issues and next steps
Jan 23, 18	GBB	Telephone conferences with D Weisz and memo to J Larry with requested revisions to First Source APS
Jan 24, 18	GBB	Review of revised APS from First Source; review of revised offer summary
Jan 25, 18	GBB	Review of and revisions to draft court report; drafting notice of motion for February 9 hearing
Jan 26, 18	GBB	Telephone conferences with RSM re various issues; memo to T Van Klink re sale to First Source

GST No R124110933

INVOICE NUMBER: 265587

R. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, Interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4121040v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

3.



Jan 29, 18	GBB	Telephone conference with RSM re final revisions to court report; revising notice of motion; settling service list; memo to J Larry re items required from First Source
Jan 30, 18	GBB	Finalizing motion material and coordinating for service

TOTAL PROFESSIONAL FEES	\$9,523.50
HST at 13.00%	1,238.06

DISBURSEMENTS:**Subject to HST:**

Internet Search Fee Taxable	\$26.10	
Teraview Charges Taxable	\$26.45	
Long Distance Telephone Taxable	\$4.32	
Photocopying Charges Taxable	\$245.40	
		\$302.27

Non-Taxable:

Teraview Charges Non-taxable	\$13.75	
Government Disbursement Internet Search Non-tax.	\$16.00	
		\$29.75

TOTAL DISBURSEMENTS	\$332.02
HST at 13.00%	39.30

GRAND TOTAL	\$11,132.87
--------------------	--------------------

CHATONS LLP

per: _____
George Benchetrit

GST No R124110933

INVOICE NUMBER: 265587

E. & O.E. Payment due on receipt of the account. In accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4121040v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
 www.chaitons.com

4.



LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
GEORGE BENCHETRIT	\$625.00	15.00	\$9,375.00
SAM RAPPOS	\$495.00	0.30	\$148.50
Total:		15.30	\$9,523.50

GST No R124110933

INVOICE NUMBER: 265587

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4121040v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com



INVOICE NUMBER: 265903

February 28, 2018

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

Re: GOLDEN DRAGON
Our file: 006998-52863

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including February 28, 2018:

PROFESSIONAL FEES

SUBJECT TO HST	\$12,747.50	
SUB-TOTAL		\$12,747.50

DISBURSEMENTS

NON TAXABLE	\$8.00	
SUBJECT TO HST	\$491.83	
SUB-TOTAL		\$499.83
HST at 13.00%		\$1,721.11

GRAND TOTAL

\$14,968.44

Amount payable on the current invoice	\$14,968.44
Plus outstanding invoices on this matter	\$30,133.30
Amount Due	\$45,101.74
Trust Balance	

GST No R124110933

INVOICE NUMBER: 265903

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4143814v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

2.

**PROFESSIONAL FEES:**

Feb 1, 18	GBB	Drafting factum for February 9 motion; memos to and from D Weisz to finalize factum
Feb 2, 18	GBB	Finalizing factum; memos to and from J Larry and T Van Klink re closing and other issues
Feb 8, 18	HGC	Fly to Ottawa; review sale approval motion materials and prepare argument;
Feb 9, 18	HGC	Finalize preparation and attend court on receiver's motion; relief sought was granted; report to client; return to Toronto;
Feb 12, 18	GBB	Meeting with S Weng re closing of sale transactions; memo to J Larry re closing issues
Feb 14, 18	GBB	Telephone conference with D Weisz re HST and closing transaction with First Source
Feb 15, 18	GBB	Telephone conferences with J Larry and D Weisz re various closing issues and memo to B Wong re HST issues
Feb 16, 18	GBB	Memos to and from RSM and J Larry re HST owing on GDH7
Feb 20, 18	SW	To review of file, the approval and vesting order, and the agreement of purchase and sale; to drafting closing agenda;
Feb 21, 18	SW	To reviewing receipted receivership orders; to drafting closing documents;
Feb 24, 18	SW	To reviewing and revising draft closing documents;
Feb 26, 18	GBB	Telephone conference with D Weisz and B Wong re notice to tenants to vacate property and postponement of closing, and review of form signed by D McBride; revisions to form N13; Telephone conference with D Mandel, J Larry, D Weisz re postponement of closing and related issues

TOTAL PROFESSIONAL FEES
HST at 13.00%

\$12,747.50
1,657.18

GST No R124110933

INVOICE NUMBER: 265503

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, Interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4143814v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

3.

**DISBURSEMENTS:****Subject to HST:**

Service of Documents Taxable	\$140.00	
Agency Fee(s) Taxable	\$30.00	
Internet Search Fee Taxable	\$14.20	
Courier and Taxi Charges Taxable	\$164.05	
Postage Charges Taxable	\$98.62	
Long Distance Telephone Taxable	\$1.38	
Telecopier Charges Taxable	\$0.98	
Photocopying Charges Taxable	\$42.60	
		\$491.83

Non-Taxable:

Government Disbursement Internet Search Non-tax.	\$8.00	
		\$8.00

TOTAL DISBURSEMENTS**\$499.83**

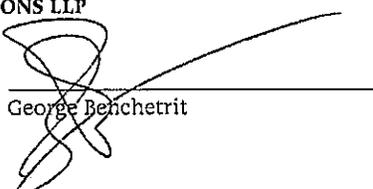
HST at 13.00%

63.94

GRAND TOTAL**\$14,968.44**

CHAITONS LLP

per:



George Benchetrit

GST No R124110933

INVOICE NUMBER: 265903

E. & O.E. Payment due on receipt of the account. In accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4143814v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

4.

**LAWYERS' SUMMARY:**

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
GEORGE BENCHETRIT	\$625.00	6.80	\$4,250.00
HARVEY G. CHAITON	\$695.00	10.50	\$7,297.50
SAMANTHA WENG	\$250.00	4.80	\$1,200.00
Total:		22.10	\$12,747.50

GST No R124110933

INVOICE NUMBER: 265903

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4143814v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com



INVOICE NUMBER: 266193

March 31, 2018

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

Re: **GOLDEN DRAGON**
Our file: **006998-52863**

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including March 31, 2018:

PROFESSIONAL FEES		
SUBJECT TO HST	\$2,075.00	
SUB-TOTAL		\$2,075.00
DISBURSEMENTS		
SUBJECT TO HST	\$1,418.22	
SUB-TOTAL		\$1,418.22
HST at 13.00%		\$454.12
GRAND TOTAL		\$3,947.34

Amount payable on the current invoice	\$3,947.34
Plus outstanding invoices on this matter	\$45,101.74
Amount Due	\$49,049.08
Trust Balance	

GST No R124110933

INVOICE NUMBER: 266193

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, Interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4163980v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

2.

**PROFESSIONAL FEES:**

Mar 8, 18	GBB	Memos to and from and Telephone conference with J Larry re extension of closing date
Mar 14, 18	GBB	Memos to and from RSM re personal injury claim
Mar 15, 18	GBB	Telephone conference with J Larry and D Weisz re personal injury claim
Mar 15, 18	SW	To updating draft closing documents to reflect revised closing date and to e-mail correspondence enclosing same to G. Benchetrit for review;
Mar 23, 18	GBB	Review of closing agenda and closing documents and memos to and from S Weng re next steps
Mar 28, 18	SW	To e-mail correspondence enclosing agreement of purchase and sale, vesting order, and draft closing documents to purchaser's solicitor; to revising closing agenda to reflect extension of closing date and purchaser's solicitor information; to drafting assignments of assumed contracts and tenant leases;
Mar 29, 18	GBB	Meeting with S Weng re closing documents and issues
Mar 29, 18	SW	To meeting with C. Wilson on file; to finalizing draft closing agenda and assignments of assumed contracts and tenant leases and to e-mail correspondence to G. Benchetrit enclosing same; to meeting with G. Benchetrit on file; to e-mail correspondence with T. Van Klink re mortgage payout statement for the Bank of Montreal; to e-mail correspondence enclosing closing agenda and assignments of assumed contracts and tenant leases to the purchaser's solicitor; to e-mail correspondence with the purchaser's solicitor re HST issues;

TOTAL PROFESSIONAL FEES**\$2,075.00**

HST at 13.00%

269.75

DISBURSEMENTS:**Subject to HST:**

General Taxable

\$1,418.22

GST No R124110933

INVOICE NUMBER: 266193

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www.chaitons.com



3.

\$1,418.22

TOTAL DISBURSEMENTS
HST at 13.00%

\$1,418.22
184.37

GRAND TOTAL

\$3,947.34

CHAITONS LLP

per:

George Benoit

A handwritten signature in black ink, appearing to be "George Benoit", written over a horizontal line.

GST No R124110933

INVOICE NUMBER: 266193

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, Interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4163980v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

4.

**LAWYERS' SUMMARY:**

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
GEORGE BENCHETRIT	\$625.00	2.40	\$1,500.00
SAMANTHA WENG	\$250.00	2.30	\$575.00
Total:		4.70	\$2,075.00

GST No R124110933

INVOICE NUMBER: 266193

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, Interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4183980v1



INVOICE NUMBER: 266914

May 31, 2018

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

Re: GOLDEN DRAGON
Our file: 006998-52863

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including May 31, 2018:

PROFESSIONAL FEES

SUBJECT TO HST	\$14,167.00	
SUB-TOTAL		\$14,167.00

DISBURSEMENTS

NON TAXABLE	\$352.60	
SUBJECT TO HST	\$165.12	
SUB-TOTAL		\$517.72
HST at 13.00%		\$1,863.18

GRAND TOTAL

\$16,547.90

Amount payable on the current invoice	\$16,547.90
Plus outstanding invoices on this matter	\$49,049.08
Amount Due	<u>\$65,596.98</u>
Trust Balance	

**PROFESSIONAL FEES:**

Apr 2, 18	SW	To meeting with C. Ingram on file;
Apr 2, 18	CI	To sending e-mails to City of Brockville and City of Ottawa re their fees for tax and water certificate;
Apr 9, 18	GBB	Telephone conference with D Weisz re postponement of closing
Apr 11, 18	GBB	Memos to and from J Larry and D Weisz and review of FN financing offer
Apr 11, 18	GBB	Telephone conferences with J Larry and D Weisz re FN offer letter and status of financing
Apr 12, 18	GBB	Telephone conferences with D Weisz and J Larry re FN letter of offer
May 1, 18	SW	To reviewing file regarding outstanding closing items; to meeting with C. Ingram re same; to e-mail correspondence to the purchaser's solicitor confirming closing date; to updating closing agenda and to reviewing and revising draft document registration agreement and authorizing resolution of the purchaser;
May 2, 18	GBB	Memos to and from B Rotenberg, S Weng and D Weisz re closing issues
May 2, 18	SW	To meeting with G. Benchetrit re status of file; to e-mail correspondence with B. Wong to obtain rent rolls for the month of May; to meeting with C. Ingram re status of file and to instructing C. Ingram to obtain updates re realty taxes and water accounts for the Brockville and Ottawa properties and to reviewing statements of arrears;
May 2, 18	CI	To attending to sub-search of Brockville and Ottawa properties; to amending DRA and resolutions; to attending to corporate search of First Source Financial Management Inc.; to preparation of notice and direction to tenants and acknowledgement and directions re transfer and charge; to contacting the City of Brockville and the City of Ottawa re water and tax department for a verbal update as to the status of these accounts;
May 3, 18	GBB	Telephone conferences with and memos to and from J Larry, B Rotenberg, D Weisz re buyer for Brockville property and related issues
May 3, 18	SW	To reviewing rent rolls for the Brockville and the Ottawa properties received from B. Wong; to reviewing e-mail correspondence from B. Wong re outstanding utilities and realty taxes; to meeting with C. Ingram re same; to e-mail correspondence to G. Benchetrit re issues;

GST No R124110933

INVOICE NUMBER: 266914

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.



May 3, 18	CI	To preparation of draft statement of adjustments; to telephone conversation with B. Wong (RSM); to discussions with S. Weng;
May 4, 18	GBB	Telephone conferences with and memos to and from J Larry and T Van Klink re sale of Brockville property; Telephone conference with D Weisz with update; memos to and from S Weng re closing documents
May 7, 18	GBB	Telephone conferences with J Larry and D Weisz re closing issues
May 7, 18	SW	To revising draft authorizing resolution of the purchaser, notice and direction to tenants, and acknowledgements and directions re application for vesting order; to e-mail correspondence enclosing said documents to G. Benchetrit for review and comment; to telephone conversation with G. Benchetrit re status of closing;
May 8, 18	GBB	Telephone conferences with D Weisz re closing issues; memos to and from S Weng re closing documents and issues; memos to and from J Larry re status of other transaction
May 9, 18	GBB	Telephone conference with T Van Klink re status of transaction; Telephone conference with D Weisz with update
May 9, 18	CI	To preparing draft purchase price calculations of the Brockville and Ottawa properties;
May 11, 18	GBB	Telephone conferences with and memos to and from T Van Klink, J Larry, D Weisz re closing under FS transaction and alternative transactions proposed by FS
May 15, 18	GBB	Telephone conferences with and memos to and from J Larry, T Van Klink and D Weisz; review of Firmland APS
May 16, 18	GBB	Review of January 24 Firmland offer; Telephone conferences with and memos to and from D Weisz and T Van Klink re next steps
May 17, 18	GBB	Telephone conference with D Weisz and memo to J Larry re termination of First Source transaction and resumption of sale process
May 18, 18	GBB	Telephone conferences with B Rotenberg, D Weisz re offers received for Brockville property, and memo to J Larry re delivery of offers
May 22, 18	GBB	Review of APSs from J Larry; telephone conferences with J Larry and D Weisz re sale process and next steps
May 23, 18	GBB	Memos to and from J Larry and D Weisz re offer from FS; memo to T Van Klink with recommendation re reinstatement agreement
May 25, 18	GBB	Memos to and from T Van Klink and D Weisz; drafting reinstatement and amending agreement



May 28, 18	GBB	Telephone conference with J Larry re First Source position and Firmland proposal; Telephone conference with Z Zlotnick re Firmland offer; Telephone conference with D Weisz re next steps; memos to and from T van Klink re BMO position
May 29, 18	GBB	Telephone conferences with Z Zlotnick re Firmland offer; revising draft RSM consent and draft template Brockville APS; review of cash flow statement from RSM; Telephone conference with B Tannenbaum
May 30, 18	GBB	Telephone conferences with B Tannenbaum, B Wong, J Larry, D Mandel re status of transactions and cash considerations; memos to and from Z Zlotnick re status of APS

TOTAL PROFESSIONAL FEES**\$14,167.00**

HST at 13.00%

1,841.71

DISBURSEMENTS:**Subject to HST:**

Internet Search Fee Taxable	\$14.20
Teraview Charges Taxable	\$59.75
Courier and Taxi Charges Taxable	\$89.73
Long Distance Telephone Taxable	\$1.44

\$165.12

Non-Taxable:

Tax Certificate(s) Non-taxable	\$143.00
Water Clearance Non-taxable	\$177.25
Teraview Charges Non-taxable	\$24.35
Government Disbursement Internet Search Non-tax.	\$8.00

\$352.60

TOTAL DISBURSEMENTS**\$517.72**

HST at 13.00%

21.47

GRAND TOTAL**\$16,547.90****CHAITONS LLP**

per: _____

GST No R124110933

INVOICE NUMBER: 266914

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

**LAWYERS' SUMMARY:**

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
GEORGE BENCHETRIT	\$625.00	19.60	\$12,250.00
SAMANTHA WENG	\$250.00	2.50	\$625.00
CINDY INGRAM	\$190.00	6.80	\$1,292.00
Total:		28.90	\$14,167.00

GST No R124110933

INVOICE NUMBER: 266914

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

-----MATTER DESCRIPTION-----

GOLDEN DRAGON

-----BILLING INSTRUCTIONS-----

-----CLIENT INFORMATION-----

RSM CANADA LIMITED

--CLIENT NUMBER--

006998

--ORIGINATING--

050
ROBERT MILLER

--BILLING--

012
GEORGE BENCHETRIT

--SUPERVISING--

012
GEORGE BENCHETRIT

-----CLIENT ADDRESS-----

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

-----MATTER ADDRESS-----

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

-----MATTER INFORMATION-----

PHONE: (416) 480-0160

REFERRED BY:

PHONE: (416) 646-8778

CONTACT: DANIEL WEISZ

STATUS:	OP	RATE:	1	TEMPLATE:	CS	MIN FEE:	
DATE OPENED:	Jun 6, 2017	DEPT:	00	TIME FORMAT:	0	MIN COST:	
DATE CLOSED:		LOCATION:	1	DISB FORMAT:	0	MIN TOTAL:	
LAST RATE:	Oct 5, 2004	PRACTICE:	38	INTRST CODE:	0	FEE MARKUP:	.00
HOLD FEES:		FEE FREQ:	M	INT FREE DAY:	30	COST MARKUP:	.00
HOLD COSTS:		COST FREQ:	M	FIXED COSTS:	N	FIXED FEES:	
TRUST RET ACCT:	11100	TRUST RETAIN:	100015.00	ARRANGEMENT:	H	CURRENCY:	CAD
FEE TAX STATUS:	HST					MAXIMUM BILLINGS:	

General

Last Bill Date: 05/31/18

-----TIME ENTRIES-----

-----TAXABLE TIME ENTRIES-----

INDEX	INIT	DATE	STAT	WORKED		BILLED		CUMULATIVE	DESCRIPTION
				HOURS	AMOUNT	HOURS	AMOUNT		
597825	162 (SW)	06/01/18	B	.10	25.00	.10	25.00	25.00	To instructing C. Ingram to contact B. Wong to obtain more information in relation to issue with obtaining tax certificate for the Ottawa property and to ordering tax certificate for the Brockville property;
597898	012 (GBB)	06/01/18	B	1.50	937.50	1.50	937.50	962.50	Telephone conferences with J Larry, D Mandel, B Tannenbaum, B Wong and Z Zlotnick re Firmland and First Source transactions

INDEX	INIT	DATE	STAT	HOURS	AMOUNT	HOURS	AMOUNT	CUMULATIVE	DESCRIPTION
597838	162	(SW) 06/02/18	B	.10	25.00	.10	25.00	987.50	To e-mail correspondence to G. Benchetrit to provide update;
598272	012	(GBB) 06/05/18	B	3.50	2187.50	3.50	2187.50	3175.00	Telephone conferences with and memos to and from RSM, J Larry, B Rotenberg, D Mandel, Z Zlotnick re transactions with First Source and Firmland, including revising draft APSS
598273	012	(GBB) 06/06/18	B	3.80	2375.00	3.80	2375.00	5550.00	Telephone conferences with and memos to and from RSM, J Larry, B Rotenberg, D Mandel, Z Zlotnick and Firmland re transactions with First Source and Firmland; drafting APS for sale of Ottawa property to First Source; review of draft lease re Brockville property and memo to B Wong with comments

TAXABLE FEE SUBTOTAL 5550.00

-----NON-TAXABLE TIME ENTRIES-----

INDEX	INIT	DATE	WORKED		BILLED		CUMULATIVE	DESCRIPTION
			STAT	HOURS	HOURS	AMOUNT		

NON-TAXABLE FEE SUBTOTAL							.00	

TOTAL FEES							5550.00	

-----COST ENTRIES-----

-----TAXABLE COST ENTRIES-----

INDEX	DATE	STAT	AMOUNT	SUM	DESCRIPTION	CODE	TKPER	VOUCHER
1871766	05/30/18	B	-1.44	Y	Long Distance Telephone Taxable	S97	012	
1870676	05/30/18	B	.48	Y	Long Distance Telephone Taxable Telephone	S97	012	
1870679	05/30/18	B	.96	Y	Long Distance Telephone Taxable Telephone	S97	012	
1870818	06/01/18	B	.96	Y	Long Distance Telephone Taxable Telephone	S97	012	
1870819	06/01/18	B	.48	Y	Long Distance Telephone Taxable Telephone	S97	012	
1870821	06/01/18	B	.96	Y	Long Distance Telephone Taxable Telephone	S97	012	
1872052	06/04/18	B	3.36	Y	Long Distance Telephone Taxable Telephone	S97	012	
1872054	06/04/18	B	6.72	Y	Long Distance Telephone Taxable Telephone	S97	012	

1872729	06/07/18	B	1.92	Y	Long Distance Telephone Taxable Telephone	S97	012	
1873109	06/11/18	B	25.00	Y	Conveyancer Levy Taxable - DO PROCESS SOFTWARE LTD. INV.DP6079168 MAY 3/18 CONVEYANCER SALE CHARGE	106	012	286231

Total Taxable Costs 39.40

-----NON-TAXABLE COST ENTRIES-----

INDEX	DATE	STAT	AMOUNT	SUM	DESCRIPTION	CODE	TKPER	VOUCHER
1870888	06/04/18	B	140.00	Y	Water Clearance Non-taxable	46	012	286026
1870889	06/04/18	B	70.00	Y	Tax Certificate(s) Non-taxable	03	012	286027
1870890	06/04/18	B	73.00	Y	Tax Certificate(s) Non-taxable	03	012	286028

Total Non-Taxable Costs 283.00

Total Costs 322.40

BALANCE DUE FROM PREVIOUS STATEMENT	65596.98
LESS PAYMENT(S)	.00
BALANCE FORWARD	65596.98
TIMECARD SUB-TOTAL (9.00)	5550.00
TAX ON FEES	721.50
NON-TAXABLE COSTS	283.00
TAXABLE COSTS	39.40
TOTAL COSTS	322.40
TAX ON COSTS	5.12
TOTAL TO BE BILLED	6599.02
TOTAL DUE	72196.00

TIME VALUE FOR THE MATTER AFTER THE CUTOFF DATE	0.00
COST VALUE FOR THE MATTER AFTER THE CUTOFF DATE	0.00

-----TRUST ACCOUNT SUMMARY-----

TRUST ACCOUNT: 11100	BMO Trust Acct.1029-662
BALANCE FROM PREVIOUS STATEMENT	.00
PLUS TOTAL DEPOSITS	100015.00
DISBURSEMENT(S):	
LESS TOTAL DISBURSEMENTS	.00
CURRENT BALANCE OF WHICH 100015.00 IS RETAINER	100015.00

-----TIME AND FEE SUMMARY-----

-----TIMEKEEPER-----	RATE	HOURS	%	FEE\$	%
GEORGE BENCHETRIT	625.00	8.80	97.8	5500.00	99.1
SAMANTHA WENG	250.00	.20	2.2	50.00	.9
TOTALS		9.00		5550.00	

-----COST CODE SUMMARY-----

-----COST CODE----- AMOUNT

-----Taxable Costs-----

106	Conveyancer Levy Taxable	25.00
S97	Long Distance Telephone Taxable	14.40
TOTAL TAXABLE COSTS		39.40

-----Non-Taxable Costs-----

03	Tax Certificate(s) Non-taxable	143.00
46	Water Clearance Non-taxable	140.00
TOTAL NON-TAXABLE COSTS		283.00

TOTAL COSTS 322.40

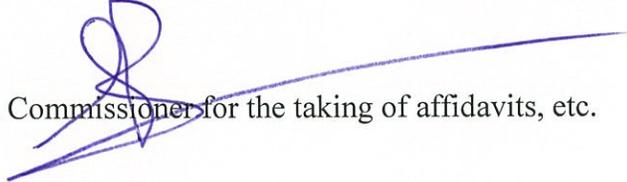
-----LEDGER SUMMARY-----

Ledger Code	Ledger Description	Debit	Credit	Credit Applied To
PAY1	PAYMENT		14396.59	
				12237.50 FEES
				1628.99 HST
				530.10 SCOST
FEES	FEES	66060.00		
GST	GST	0.00		
H COST	Hard Cost	2098.47		
HST	HST	9038.24		
SCOST	Soft Cost	2796.86		
TOTAL		79993.57	14396.59	

AGED ACCOUNTS RECEIVABLE: 16547.90 (-30) 0.00 (31-60) 3947.34 (61-90) 14968.44 (91-120) 30133.30 (+)

- () BILL COSTS AND FEES
- () BILL FEES ONLY
- () BILL COSTS ONLY
- () DO NOT BILL
- () CLOSE FILE
- () FINAL BILL

This is Exhibit "B" to the Affidavit of Stephen Schwartz
sworn on June 12, 2018


A Commissioner for the taking of affidavits, etc.

Summary of Lawyers

Lawyer	Year of Call	Hours	Hourly Rate	Total
Harvey G. Chaiton	1982	10.50	\$695.00	\$7,297.50
George Benchetrit	1993	39.80	\$625.00	\$24,875.00
Samantha Weng	2017	9.80	\$250.00	\$2,450.00
Cindy Ingram	Law Clerk	6.80	\$190.00	\$1,292.00
TOTAL				\$35,914.50

FIRST SOURCE FINANCIAL MANAGEMENT INC.

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Applicant

-and-

Respondents

Court File No. 17-72881

<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE</p> <p>Proceedings commenced at OTTAWA</p>	<p>AFFIDAVIT OF HARVEY G. CHAITON</p>
<p>CHAITONS LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9</p> <p>George Benchetrit Tel: (416) 218-1141 Fax: (416) 218-1841</p> <p>Lawyers for the Receiver</p>	

FIRST SOURCE FINANCIAL MANAGEMENT INC.

GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.

Applicant

-and-

Respondents

Court File No. 17-72881

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceedings commenced at OTTAWA

MOTION RECORD

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

George Benchetrit

Tel: (416) 218-1141

Fax: (416) 218-1841

Lawyers for the Receiver