

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
JUSTICE *RUMFINGER*) FRIDAY, THE 22ND DAY
) OF JUNE, 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*, 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, 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 Firmland Acquisitions Corporation made as of June 5, 2018 and appended to the Report of the Receiver dated June 14, 2018 (the “**Report**”), and vesting in the Purchaser (as defined below) 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, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service filed with the Court:

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 Land Titles Division of Leeds (#28) 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.

[Handwritten signature]

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INSCRIT A OTTAWA	
ON/LE	JUN 22 2018
DOCUMENT #	0411
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**

BETWEEN:

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)

FIRST SOURCE FINANCIAL MANAGEMENT INC.

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

Applicant

-and-

Respondents

Court File No. 17-72881

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SUPERIOR COURT OF JUSTICE

Proceedings commenced at OTTAWA

APPROVAL AND VESTING ORDER

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