

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

B E T W E E N:

**DBDC SPADINA LTD.
AND THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO**

Applicants

and

**NORMA WALTON, RONAULD WALTON, and THE ROSE & THISTLE
GROUP LTD., AND THOSE CORPORATIONS LISTED ON SCHEDULE B
HERETO**

Respondents

and

**THOSE CORPORATIONS LISTED ON SCHEDULE C HERETO, TO BE
BOUND BY RESULT**

MOTION RECORD OF THE RESPONDENT NORMA WALTON

Date: March 31, 2014

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Date: March 31, 2014

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Respondents

and

**THOSE CORPORATIONS LISTED ON SCHEDULE C HERETO, TO BE
BOUND BY RESULT**

**NOTICE OF MOTION
Returnable April 1, 2014**

The respondent NORMA WALTON will make a motion to the Court on April 1, 2014, at 10:00 a.m. or as soon thereafter as soon as the motion may be heard, at 330 University Avenue.

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

THE MOTION IS FOR

1) The motion is for:

- a) An order abridging the time for service of the motion record herein;

Orders related to properties:

- b) An Order varying the first Order of March 21, 2014 to provide that the remaining proceeds from the sale of 65 Front Street East after paying items 1 to 5, 7 and 8 should be paid as follows:
 - i) On closing, the sum of \$748,666.90 to be paid to the suppliers, trades and creditors as set out in the Respondents' material pursuant to invoices provided to Schonfeld Associates Inc. for review;
 - ii) The sum of \$361,750 or whatever lesser amount remains from the proceeds of sale to be paid to Global Mills Inc.; and
 - iii) The remainder, if any, to Canada Revenue Agency towards the corporate tax that will be due from Front Church Properties Limited due to the sale of 65 Front Street East.
- c) In the alternative to (b), an Order that the Respondent in lieu of selling 65 Front Street East be instead permitted to arrange a new second mortgage on 65 Front Street East, with such new second mortgage to pay out Dr. Bernstein's second mortgage, the HST lien, the property tax arrears, and the mortgage placement fees;
- d) An Order vacating the second Order of March 21, 2014;

- e) An Order approving the sale of 14 College Street in accordance with the Agreement of Purchase and Sale attached to the Respondent's affidavit, and with proceeds of sale to be used to pay regular closing adjustments and to pay out the first, second and third mortgages along with realty commission in accordance with the Direction provided by the Respondent in her affidavit;
- f) An Order approving the sale of 26 Gerrard Street East in accordance with the Agreement of Purchase and Sale attached to the Respondent's affidavit, and with proceeds of sale to be used to pay regular closing adjustments and to pay out the first and second mortgages, legal fees, and realty commissions in accordance with the Direction provided by the Respondent in her affidavit;
- g) An Order approving the sale of 66 Gerrard Street East in accordance with the Agreement of Purchase and Sale attached to the Respondent's affidavit, and with proceeds of sale to be used to pay regular closing adjustments and to pay out the first and second mortgages along with realty commissions, with the sum of \$140,000 to be paid to the Inspector and its lawyers to retire its invoice owing by the Respondent, with the sum of \$225,000 to be paid to Colliers related to the sale of 26 Gerrard, and the remainder to be used to pay creditors, suppliers and trades monies due to them from the property, all in accordance with the Direction provided by the Respondent in her affidavit;

Orders related to productions, clarifications, and schedules

- h) An Order that the Applicants forthwith clarify what is meant by the term "a full accounting of all monies received, disbursed, owed to and owed from the Schedule "B"

Corporations and The Rose and Thistle Group Ltd. since September 2010 to the present” as found in the October 25, 2013 Order;

- i) In the alternative to (h), a declaration from the court that paragraph 10 of the October 25, 2013 Order has been fulfilled;
- j) An Order amending Schedule “C” in this proceeding *nunc pro tunc* to remove from Schedule “C” the following properties:
 - i) 620 Richmond Street West;
 - ii) 875 Queen Street East;
 - iii) 3775 St. Clair Ave. E.;
 - iv) 14/17 Montcrest;
 - v) 185 Davenport Road;
 - vi) 1246 Yonge Street;
 - vii) 17 Yorkville;
 - viii) 19 Tennis Crescent;
 - ix) 646 Broadview Avenue;
 - x) 3 Post Road; and
 - xi) 2 Park Lane.
- k) An Order mandating the Applicants to forthwith apologize for and retract vague and somewhat threatening letters they sent to all of the third party owners of the Schedule “C” properties;

- l) An Order that the Applicants forthwith deliver to the Respondent the remaining productions, apparently comprising 36,000 pages, in a format that the Respondent can read to facilitate the printing of those productions, or alternatively that the Applicants deliver to the Respondent those productions in hard copy printed format;
- m) An Order revising the current schedule as follows:
 - i) The Applicants to deliver productions to the Respondents in a format that the Respondents can review and print on or before April 4, 2014;
 - ii) The Respondents to deliver responding material to the Applicants' motion on or before May 31, 2014;
 - iii) The parties to complete cross examinations before June 30, 2014; and
 - iv) The motion to be argued before September 30, 2014.
- n) Costs of this motion; and
- o) Such further and other relief as counsel may advise and this Court permits.

THE GROUNDS FOR THE MOTION ARE:

- 1) *The Rules of Civil Procedure*;

Orders related to properties:

- 2) The first Order of March 21, 2014 left unclear how the remaining proceeds from the sale of 65 Front Street East should be dealt with. This lack of clarity is putting the sale at risk. Hence the Court needs to determine what should happen with those proceeds of sale;

- 3) If the Court makes an order that causes the sale to be scuttled, the Respondents wish the Court's permission to refinance 65 Front Street East to pay out Dr. Bernstein's second mortgage and thereafter retain the Front Street property;
- 4) The second Order of March 21, 2014 was obtained on evidence that has since been shown to be highly inaccurate and the motion was brought on three hours' notice with no opportunity for the Respondents to respond. The results of that second Order are severe as against the Respondents. The original December 18, 2013 Order of the Court should be reinstated and the March 21, 2014 Order vacated;
- 5) The Respondents had entered into an agreement in principle to sell 14 College to their first mortgagee prior to the second March 21, 2014 Order. That Agreement was papered on March 26, 2014 with closing scheduled for April 3, 2014. The Respondents seek the Court's approval for that sale in accordance with the second March 21, 2014 Order;
- 6) The Respondents had entered into a written Agreement of Purchase and Sale to sell 26 Gerrard Street East to their tenants prior to the second March 21, 2014 Order being made. The Respondents seek the Court's approval for that sale in accordance with the second March 21, 2014 Order;
- 7) The Respondents had entered into a written Agreement of Purchase and Sale to sell 66 Gerrard Street East to a third party purchaser prior to the second March 21, 2014 Order being made. The Respondents seek the Court's approval for that sale in accordance with the second March 21, 2014 Order;

Orders related to productions, clarifications, and schedules

- 8) The Applicants continually complain to the Court that the Respondents have not provided an accounting as ordered October 25, 2013. The Respondent has advised that a full accounting was provided, but the Court has disagreed. The Respondent is thus seeking that the Applicants clarify exactly what they mean by “a full accounting of all monies received, disbursed, owed to and owed from the Schedule “B” Corporations and The Rose and Thistle Group Ltd. since September 2010 to the present” so the Respondent can comply with the Order;
- 9) If the Applicants cannot so clarify or if the clarification does not make sense, the Respondent seeks a declaration from the court that paragraph 10 of the October 25, 2013 Order has been fulfilled;
- 10) The Applicants provided a list of properties that has since been turned into Schedule “C” in this proceeding. The Applicants provided no background as to how that list was created. The list is inaccurate. The Respondent swore an affidavit on December 17, 2013 and further advised the court on March 21, 2014 that nine of the properties were not owned by the Respondents and two of the properties are already included in Schedule “B”. The Court queried the Applicants’ counsel as to where the list came from, then confirmed that any Order being made was only as against the Respondents in dealing with the properties listed in Schedule “C”.
- 11) Despite that understanding, the Applicants sent out vague and seemingly threatening letters to the owners of the Schedule “C” properties saying as follows: “Please find attached a notice of motion which seeks relief that relate to certain properties where you may be a

mortgagee or owner. The Court has set a schedule in respect of this motion, which provides for responding materials by April 4, cross-examinations by April 11 and the hearing of the motion on May 1 and 2, 2014.” and further on “If the property is sold under your control (be it power of sale or otherwise), please do not pay out any amounts without notice to us on behalf of our clients. In the event that those payments take place without notice to us, we will be seeking recovery of those amounts from you.”

- 12) The letter sent by the Applicants creates the impression in the minds of the recipients that they somehow have to become involved in the court proceeding and that they cannot sell their own property. The Applicants should be mandated to apologize for those letters and send out retraction letters telling the recipients to ignore the letters previously sent.
- 13) The Applicants were late in delivering their remaining productions to the Respondent’s former counsel, such productions being contained on a CD Rom captured in a program called “Summation”. The Respondent does not have that CD Rom nor does the Respondent have the program “Summation”. The Respondent thus requires either a hard copy of the 36,000 pages or alternatively a CD Rom with those productions saved in a format that the Respondent can read such as Word or Adobe/PDF;
- 14) There are apparently 36,000 pages including in those productions. Assuming a reading speed of 70 pages per hour, it will take the Respondent over 500 hours to review the Applicants’ productions;
- 15) The Respondent is not able to meet the current schedule;
- 16) After the Second March 21, 2014 Order, the Respondent was honour-bound to let her counsel go. The Respondent owes her two counsel \$365,690.48 and \$285,256.12 respectively for

work done previously, despite having paid them a significant amount of money already. Until the March 21, 2014 Order is vacated, the Respondent has no reasonable ability to pay for counsel because such payment would need to come from sale or refinancing of the Respondent's properties and pursuant to that Second March 21, 2014 Order, any net sale proceeds are to be paid to the Manager;

- 17) The Respondent is a mother of four children under the age of 8, with her youngest being a 10 ½ month old baby. The Respondent runs her business full-time and brings her baby into work with her. The Respondent is incapable of meeting the current schedule being dictated by the Applicants who appear to be employing multiple lawyers full-time prosecuting this matter.
 - 18) The Appeal from the November 5, 2013 Order is being heard by the Court of Appeal on May 21, 2014. If successful, the Appeal will make the Applicants' motion largely moot;
 - 19) The Respondent thus proposes that the schedule be amended to reflect the timing for the appeal and the time required to review the voluminous productions, prepare responding material and prepare to cross-examine the Applicants and argue the motion.
 - 20) Such further and other grounds as counsel may advise and this court permits.
-
- 1) THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion
 - a) The affidavit of Norma Walton sworn March 31, 2014;
 - b) Such further and other evidence as counsel may advise and this court admits.

Date: March 31, 2014

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Counsel to Windsor Private Capital Inc.

**ONTARIO SUPERIOR
COURT OF JUSTICE**

[COMMERCIAL LIST]

Proceeding commenced at:
TORONTO

**NOTICE OF MOTION
Returnable April 1, 2014**

NORMA WALTON
30 Hazelton Avenue
Toronto, Ontario M5R 2E2

Tel: (416) 489-9790 x103
Fax: (416) 489-9973
nwalton@roseandthistle.ca

Respondent

Court File No. CV-13-10280-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

B E T W E E N:

**DBDC SPADINA LTD.
AND THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO**

Applicants

and

**NORMA WALTON, RONAULD WALTON, and THE ROSE & THISTLE
GROUP LTD., AND THOSE CORPORATIONS LISTED ON SCHEDULE B
HERETO**

Respondents

and

**THOSE CORPORATIONS LISTED ON SCHEDULE C HERETO, TO BE
BOUND BY RESULT**

**AFFIDAVIT OF NORMA WALTON
SWORN MARCH 31, 2014**

**I, NORMA WALTON, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:**

- 1) I am a respondent in this litigation; I am an officer and director of the respondent The Rose and Thistle Group Ltd.; and I am a director of the respondent corporations listed in Schedule B of the application and motion record herein.**

- 2) As such, I have personal knowledge of the matters deposed to herein. Where I do not have personal knowledge, I set out the source of my information, which information I believe to be true.

65 Front Street East

- 3) Since this litigation began, Dr. Bernstein has been complaining through his counsel that he wants to be re-paid his second mortgage on 65 Front Street East, which term has ended. I thus brought a motion seeking permission to refinance Park Lane Circle and Front Street to facilitate the payout of Dr. Bernstein's second mortgage on Front Street. Dr. Bernstein objected to that motion.
- 4) With the court's permission, I then entered into an Agreement of Purchase and Sale to sell 65 Front Street to pay out Dr. Bernstein's second mortgage. A copy of that Agreement is attached to this Affidavit as Exhibit "A".
- 5) All conditions were waived and that Agreement became firm, with closing date originally planned for March 27, 2014. In anticipation of the closing of sale, I prepared a Direction regarding proceeds, a copy of which is attached to this Affidavit as Exhibit "B".
- 6) This Court ordered that upon sale, items 1 to 5, 7 and 8 of that Direction be paid, being the first mortgage to be assumed; the second mortgage held by Dr. Bernstein's company to be paid; the property taxes owing to be paid; the lien held by Canada Revenue Agency related to HST due to be paid; regular adjustments to be made; realty commission to be paid; and legal fees and disbursements to be paid. Attached as Exhibit "C" is a copy of that First March 21, 2014 Order.

- 7) This Court did not made an order concerning three other payments that I want made, namely items 6, 9 and 10 in the Direction.
- 8) 65 Front Street East is owned by Front Church Properties Limited. Front Church Properties Limited owes creditors, suppliers and trades the sum of \$748,666.90. I had promised all of those creditors, suppliers and trades that they would be paid upon closing of sale. Hence in item 6, I had directed that the suppliers, trades and creditors to whom money was due from Front Church Properties Limited be paid.
- 9) When we were in court on March 21, 2014 upon being provided with three hours notice, Dr. Bernstein's counsel objected to my controlling the payments to these suppliers, trades and creditors because he claimed he did not want me benefitting or any of my companies being paid. My counsel at the time advised him and the court that only third party suppliers, trades and creditors were to be paid. The court decided to pay the monies related to creditors, suppliers and trades to the Manager in trust so the Manager could confirm the invoices and pay what was due.
- 10) Attached as Exhibit "D" is an email stream between the manager, myself and counsel for Dr. Bernstein whereby the Manager's mandate is being questioned and there is general confusion as to what should occur. The Manager wants to pay only those suppliers, creditors and trades who may have lien rights; Dr. Bernstein doesn't want anyone paid but wants all money put into trust; and I want all of the suppliers, creditors and trades paid.
- 11) A list of those suppliers is attached as Exhibit "E". Their invoices have been supplied to the Manager. There are four reasons I believe the Court should order the suppliers, trades and creditors be paid:

- a) Most of them have been on site at the property over the past 45 days, thus many of them have potential lien claims, putting the purchaser at risk if they are not paid;
 - b) The purchaser is seeking to benefit from the warranties contained in the work done, which warranty is void if the invoice is not paid;
 - c) The purchaser is going to continue to use the same suppliers after closing, assuming many of their maintenance contracts, and those suppliers will be reluctant to work for the purchaser if they are not paid what is owing; and
 - d) I gave the suppliers, creditors and trades my word they would be paid on closing of sale of 65 Front Street East and it is the right thing to do to pay them.
- 12) I do not believe the purchaser will close this transaction if the trades, suppliers and creditors are not paid. Hence Dr. Bernstein's position is putting the sale at risk.
- 13) Once Dr. Bernstein's second mortgage is repaid, I do not understand the basis for the Court giving him any decision making ability over the remaining proceeds of 65 Front Street East. In September 2006, my husband and I bought 65 Front Street East. That was two years before we ever met Dr. Bernstein. We have \$3.25 million of preferred shareholders in Front Church Properties Limited that have agreed to move their investments over to other of our non-Bernstein properties to facilitate the sale. If they find out that Dr. Bernstein is proposing to put the entire surplus funds into the Receiver's trust account rather than pay creditors, suppliers and trades of 65 Front Street East, I believe they will instead seek that the surplus monies be paid to them given that their claim to those monies is superior to any claim Dr. Bernstein may have.

14) In item 9, I had requested that a debt due from 65 Front Street East to Global Mills Inc. be paid. Back when I was managing the Schedule B portfolio, I had arranged \$6 million of mortgages on the Don Mills properties to meet the portfolio's cash flow needs, which were significant as evidenced by the bulk of the \$6 million going almost immediately to service those needs. From that \$6 million the sum of \$2.1 million (unbeknownst to me at the time) was diverted into non-Bernstein properties. At the time that occurred, our company had purchased approximately \$350 million of real estate inside of three years. We were growing at a tremendous clip and our back office just could not keep up. We were hiring people to staff our accounting team on an ongoing basis but were still incredibly behind. When the Inspector began his review on October 4th, 2013, he commented that there was no cash flow projection system, that the books were in chaos and that the accounting system was sorely lacking. I have had no opportunity to respond to this matter in this proceeding and the assumption was made by the Court and the press that this was a willful diversion. The fact is that the first time I became aware that any money had been diverted from the joint portfolio to our own portfolio was when the Inspector completed his report. The Inspector can confirm this reality. The Inspector can further confirm that everything was completely transparent and open in the books and records of our companies. There was no attempt to hide anything. Hence although this situation has been called "akin to theft" and has made the front pages of two Toronto newspapers because it seems so salacious, the reality is far more prosaic. Our business, not unlike other businesses before us, grew so quickly that our back office could not keep pace with our front office, creating cash flow needs we simply could not meet.

15) The moment I learned of the diversion, I began making arrangements to re-pay the amounts

taken. Within a month of finding out about the diversion, I repaid almost \$700,000 of those funds through arranging a second mortgage on one of our properties. I intend to now repay a further \$361,750 from the sale of 65 Front Street East, which would mean I have then repaid over half of the amount due. This is not news to the Applicants as I have evidenced this desire to re-pay this debt throughout this litigation in my sworn affidavits and specifically advised the Applicants that I intended to re-pay the \$361,750 from Front proceeds of sale.

16) Dr. Bernstein initially demanded that I immediately re-pay the \$2.1 million that went outside of the joint portfolio. Now, though, he instead wants money paid to Schonfeld Associates Inc. generally as opposed to towards the repayment of that debt, for unknown reasons. This is not acceptable to me, nor is it beneficial to the property portfolio. Global Mills Inc. will need money to pay its mortgage and obligations going forward, and the \$361,750 will assist in meeting those obligations. That is beneficial to the portfolio.

17) In item 10, I had requested that any surplus funds be paid to Canada Revenue Agency because the sale of 65 Front Street East will result in a corporate tax bill of approximately \$1 million. My husband and I will have to pay that bill personally if the proceeds are not paid to CRA, and that tax is properly due from the company.

18) For reasons unknown, Dr. Bernstein is trying to prevent the payment of suppliers, creditors, trades, preferred shareholders and Canada Revenue Agency. He is seeking to somehow leapfrog over all of those stakeholders to insist that the surplus monies be held by the Manager in trust for some future determination. In my opinion, that is highly improper and I do not believe he should be entitled to do so.

19) I attach as Exhibit "F" the Direction I ask the Court to approve related to the sale of 65 Front Street East.

20) I do not want to sell 65 Front Street East if Dr. Bernstein prevents me from using the proceeds of sale to pay the creditors, suppliers and trades; repay Global Mills; and pay the balance to Canada Revenue Agency. I have spoken with the purchaser and I do not believe he will close the transaction as contemplated unless the trades, suppliers and creditors are paid, for the reasons set out above. If, therefore, the sale is scuttled as a result of this issue, I would prefer to keep the property and refinance to pay out Dr. Bernstein's second mortgage.

The Second March 21, 2014 Order

- 21) The Applicants have been trying to tie up our non-Bernstein properties ever since this litigation began. They have requested Certificates of Pending Litigation, No-Dealings Orders and Receivership Appointments.
- 22) Late on Wednesday, March 19th or early on Thursday, March 20th, the Applicants served a motion record to be heard in writing, asking the Court to vary the December 18, 2013 Order to require us to provide advance written notice of any dealings with our own properties and also asking to put the net proceeds of sale from 65 Front Street East into the Manager's trust account. That Second March 21, 2014 Order is attached as Exhibit "G".
- 23) On Friday, March 21st, upon providing my former counsel with approximately three hours notice of the appearance they had unilaterally scheduled for 1:30 pm that same day, and upon providing the material approximately one hour before that 1:30 pm appearance, the Applicants moved to the court to severely restrict my ability to deal with my non-Bernstein properties.

- 24) Given the short notice provided, I have only now had an opportunity to review Mr. Reitan's two affidavits, one sworn March 19th and the other sworn March 21st, which the court apparently relied upon to vary the December 18, 2013 Order and make the two new Orders both dated March 21, 2014.
- 25) I will respond to those two affidavits in detail. For the Court's ease of reference, I have attached these two affidavits (without exhibits) as Exhibit "H" and "I".
- 26) In paragraph 4 of his first affidavit sworn March 19, 2014, Mr. Reitan says he is concerned that notwithstanding all the Orders the Applicants have obtained from the Court, we still appear to have funds to carry on business. It becomes clear from reading that paragraph that the Applicants are trying to shut down the Respondents' business and are concerned they have not yet been successful. Hence they are seeking the court's assistance to fulfill their malign objective.
- 27) This statement of Mr. Reitan is consistent with a previous phone conversation with Dr. Bernstein wherein he told me that he wanted me both bankrupt and in jail.
- 28) In paragraph 2 of Mr. Reitan's March 21, 2014 affidavit, he alleges that my husband and I are dealing with properties without providing notice to the Applicants. He goes on in paragraphs 3 to 11 to detail the sale of 252 Carlton Street, a property that my husband and I previously owned and sold on March 6, 2014.
- 29) In fact, we had advised the Applicants of this sale on January 8, 2014 in a letter written to Mr. Griffin by Mr. Schible, which letter is attached as Exhibit "J". We said specifically "*a firm offer to sell 252 Carlton has been accepted and is scheduled to close on February 28, 2014.*" Given that Mr. Griffin commissioned Mr. Reitan's March 21, 2014 affidavit, it seems improper that he would let his client make claims and swear to be true claims that he

personally knew were false.

30) In paragraph 10 of Mr. Reitan's March 21, 2014 affidavit, he references the Inspector's Fourth Report in alleging that 252 Carlton Street may be subject to a claim by Dr. Bernstein. I attached as Exhibit "K" an email from the Inspector confirming that there is no Fourth Inspector's Report. The lack of existence of this Report calls into question the information Mr. Reitan is providing to the court in support of the orders sought.

31) In paragraphs 12 to 21, Mr. Reitan raises another of our properties, 14 College, and claims that we did not provide to him notice that 14 College was being listed for sale. Yet in paragraph 13 of his very own affidavit, he copies my affidavit of December 17th where we did just that, specifically under (vi) Activity, I said "*The Walton Group intends to list this property for sale in January 2014.*" Further, in the letter already attached as Exhibit "H", Mr. Schible writes about 14 College "*this property has been marketed for sale.*"

32) In paragraph 18, Mr. Reitan indicates that "in his experience from reviewing Walton transactions, he does not believe that the principal of the mortgage amount would have been paid down significantly, or at all, between July 2011 and July 2012. As a result, he believes the amount of the mortgage advanced by Windsor Bancorp Inc. in July 2011 would have been approximately \$5,000,000 (of the \$5,600,000 purchase price.)" Using that assumption, he then goes on to claim that monies from Bernstein went to 14 College.

33) Mr. Reitan's assumption is wrong. Windsor Bancorp's initial mortgage loan to us was \$5.5 million, not the \$5 million Mr. Reitan assumes. Everything that flows from his inaccurate assumption thereafter should therefore be ignored.

34) Mr. Reitan in paragraphs 22 to 24 deals with our property at 26 Gerrard. He states without any foundation "I have reason to believe that the Respondents may be dealing with property

at 26 Gerrard Street East.” He then goes on to reference the Fourth Inspector’s Report, which does not exist as I’ve indicated above.

35) On the basis of the evidence contained in those two affidavits of Mr. Reitan’s, the court varied the December 18, 2014 Order and made a second Order concerning Front Street. Now that I have reviewed and responded to Mr. Reitan’s affidavits, I do not believe Mr. Reitan’s evidence supports the making of either Order.

36) The new Order made March 21, 2014 will have a deleterious impact on the value of my non-Bernstein properties. Having to insert a clause about “This transaction is conditional upon court approval” lets the prospective purchaser know that there is litigation, and that will negatively impact the property’s value. Already as a result of the Order, the purchaser’s counsel for 26 Gerrard has indicated he’ll be looking to me to fund the additional time he will need to spend to ensure the transaction complies with the Order.

37) Further it is improper to order all net proceeds of sale paid into trust as there is no basis for such a draconian order. These are my and my husband’s properties, not properties owned by Dr. Bernstein. We should have the benefit of the net proceeds of sale. There is no judgment or Order giving Dr. Bernstein any right to our monies.

14 College

38) I entered into an agreement in principle with our first mortgagee at 14 College whereby I agreed that he could purchase the property for \$7.2 million. Attached as Exhibit “L” is a letter from my former counsel advising the Applicants of this agreement. Attached as Exhibit “M” is the Agreement of Purchase and Sale entered into to sell this property.

39) Closing is scheduled to occur April 3, 2014. Attached as Exhibit “N” is the Direction

regarding funds that we have delivered to our lawyer to deal with closing funds. We do not anticipate there will be any surplus funds available on Closing.

- 40) In accordance with the Second March 21, 2014 Order, I am seeking the court's approval for this sale. Attached as Exhibit "O" is my email to the Applicants providing them with the same details as are being provided to the Court and asking for their consent to the sale to avoid the court appearance.

26 Gerrard Street East:

- 41) I entered into an agreement of purchase and sale with our tenants at 26 Gerrard Street East for our tenants to purchase the property. Attached as Exhibit "L" is a letter from my former counsel advising the Applicants of this agreement. Attached as Exhibit "P" is the Agreement of Purchase and Sale entered into to sell this property.
- 42) Closing is scheduled to occur April 16, 2014. Attached as Exhibit "Q" is the Direction regarding funds that we have delivered to our lawyer to deal with closing funds. There will be no surplus funds available on Closing and our realtors will be owed approximately \$225,000 related to this sale after the Closing. We are asking that the \$225,000 be approved for payment from the sale proceeds of 66 Gerrard Street East.
- 43) In accordance with the Second March 21, 2014 Order, I am seeking the court's approval for this sale. Attached as Exhibit "R" is my email to the Applicants providing them with the same details as are being provided to the Court and asking for their consent to the sale to avoid the court appearance.

66 Gerrard Street East:

- 44) I entered into an agreement of purchase and sale with a third party purchaser to buy 66 Gerrard Street East. Attached as Exhibit "S" is the Agreement of Purchase and Sale entered into to sell this property.
- 45) Closing is scheduled to occur April 23, 2014. Attached as Exhibit "T" is the Direction regarding funds that we have delivered to our lawyer to deal with closing funds. We are asking the Court to permit us to pay to the Inspector the \$140,000 we owe him from our closing proceeds. We are also seeking to pay the balance of commissions due from the sale of 26 Gerrard Street East as set out above in the amount of \$225,000.
- 46) In accordance with the Second March 21, 2014 Order, I am seeking the court's approval for this sale. Attached as Exhibit "U" is my email to the Applicants providing them with the same details as are being provided to the Court and asking for their consent to the sale to avoid the court appearance.

Order for an Accounting

- 47) I have heard the Applicants complain a number of times to the Court that I have not provided an accounting as ordered on October 25, 2013. I have sworn an affidavit wherein I explain what I provided by October 28, 2013 to fulfill this requirement. My former counsel also asked the Applicants to clarify exactly what it was that was allegedly not done. I never saw a response. I am now asking the Court to have the Applicants clarify exactly what they mean by "a full accounting of all monies received, disbursed, owed to and owed from the Schedule "B" Corporations and The Rose and Thistle Group Ltd. since September 2010 to the present" so that I can comply with the Order. Failing that, I am asking for the Applicants to confirm I

have provided same. Attached as Exhibit "V" is a copy of that October 25, 2013 Order.

Schedule "C"

48) The Applicants provided a list of properties that has since been turned into Schedule "C" in this proceeding. I have no knowledge of how the Applicants created this list, and the Applicants have not provided any background as to how that list was created despite our queries and the Court's queries. The list is inaccurate.

49) I swore an affidavit on December 17, 2013 advising that nine of the properties were not owned by the Respondents and that two of the properties are already included in Schedule "B". For the Court's ease of reference, a copy of part of that Affidavit is attached as Exhibit "W".

50) On March 21, 2014 my former counsel provided the letter attached as Exhibit "X" to this Affidavit again advising that we do not own nine of the properties listed in Schedule "C".

51) On March 21, 2014 the Court queried the Applicants' counsel as to where the list came from. I did not hear his response. The court then confirmed that any Order being made was only as against the Respondents in dealing with the properties listed in Schedule "C".

52) Despite that comment by the Court, the Applicants sent out vague and seemingly threatening letters to the owners of the Schedule "C" properties saying as follows: *"Please find attached a notice of motion which seeks relief that relate to certain properties where you may be a mortgagee or owner. The Court has set a schedule in respect of this motion, which provides for responding materials by April 4, cross-examinations by April 11 and the hearing of the motion on May 1 and 2, 2014."* and further on *"If the property is sold under your control (be it power of sale or otherwise), please do not pay out any amounts without notice to us on*

behalf of our clients. In the event that those payments take place without notice to us, we will be seeking recovery of those amounts from you.” A copy of one of those letters is attached as Exhibit “Y” to my affidavit.

53) I believe the letters were intentionally vague on the Applicants’ behalf. I believe that the letters will have the effect of innocent third parties spending money on legal fees for no reason. I am asking this Court to order the Applicants to retract those letters and apologize to the people affected.

54) I am also asking this Court to amend Schedule C so it is meaningful and removes from that list those properties not owned by me and my husband. Attached as Exhibit “Z” showing the changes that should be made to Schedule “C” to make it meaningful.

Productions

55) The Applicants were late in delivering their productions to my former counsel, such productions being contained on a CD Rom captured in a program called “Summation”. I do not have that CD Rom nor do I have the program “Summation”. I am asking the Applicants for either a hard copy of the 36,000 pages comprising the productions or alternatively a CD Rom with those productions saved in a format that I can read such as Word or Adobe/PDF.

56) I am advised by my former counsel that there are apparently 36,000 pages included in those productions. Assuming a reading speed of 70 pages per hour, it will take me over 500 hours to review the Applicants’ productions.

Schedule

57) I am not able to meet the current schedule.

58) Once the Applicants obtained the two March 21 Orders, I realized that until those Orders were varied, I could not in good faith continue to retain my lawyers. I owe Faskens \$365,690.48 to the end of January 2014 and I owe Schible Law \$285,256.12 to current day. I have already paid both significant amounts of money thus far. I need access to my properties and the proceeds from the sale of my properties to pay those debts and also to have any ability to pay counsel moving forward. I cannot in good faith continue to keep my lawyers employed until I have the ability to pay them.

59) I am the mother of four children under the age of 8. My youngest is a 10 ½ month old baby. I run my business full-time and bring my baby to work with me every working day. The Applicants appear to be employing multiple lawyers full-time to litigate this matter. I cannot keep pace with them given my family and business obligations in addition to dealing with this litigation.

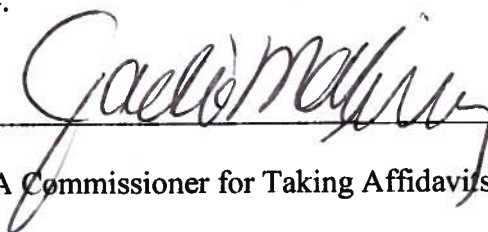
60) The Appeal from the November 5, 2013 Order in this matter is being heard by the Court of Appeal on May 21, 2014. If successful, that appeal decision will impact the Applicants' motion.

61) The matters in the motion are serious matters and require serious responses. I need time to review the Applicants' 36,000 pages of productions; time to prepare my responding material; time to prepare to cross-examine Dr. Bernstein and Mr. Reitan; time to prepare for the motion; and time to argue the motion.

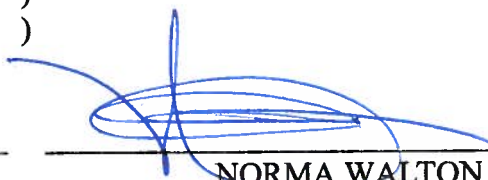
62) The Receivership is ongoing and to date, only one property sale has occurred with another three scheduled for approval tomorrow. I anticipate it will be months before all 32 of the properties are sold and closed.

63) I make this affidavit in support of my request that the court vary one of the March 21, 2014 Orders and vacate the other; grant approval for the sales of 14 College, 26 Gerrard and 66 Gerrard; force the Applicants to clarify what is required to satisfy the obligation to provide an accounting; correct Schedule C; force the Applicants to retract the letters they sent to innocent third parties; order delivery of productions in a format that can be reviewed; and amend the schedule/timetable for the motions currently before the Court.

SWORN before me at the City of Toronto, in)
the Province of Ontario, this 31st day of March,)
2014.)

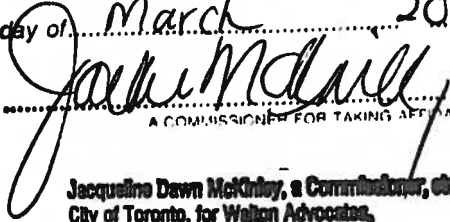


A Commissioner for Taking Affidavits



NORMA WALTON

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

This is Exhibit A referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

01/30/2014 10:16 FAX

1001

OREA Agreement of Purchase and Sale Commercial



This Agreement of Purchase and Sale dated this 23 day of January 2014

BUYER: BILL MANDELBAUM IN TRUST For a Company to be Incorporated, agree to purchase from

SELLER: FRONT CHURCH PROPERTIES LIMITED the following

REAL PROPERTY:

Address: 65 FRONT STREET EAST

fronting on the SOUTH side of FRONT STREET EAST

in the CITY OF TORONTO

and having a frontage of 40 Feet more or less by a depth of IRREGULAR more or less

and legally described as: SEE SCHEDULE "B"

PURCHASE PRICE: \$10,450,000.00 (the "property")

PURCHASE PRICE: Ten Million Four Hundred Fifty Thousand Dollars (CDN\$), 9,700,000.00

DEPOSIT: Buyer submit Upon acceptance \$100,000.00

One hundred Fifty Thousand Dollars (CDN\$), 150,000.00

by negotiable cheque payable to CLISHMAN & WAKEFIELD, BROKERAGE "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit. Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A, B, C and D attached hereto form(s) part of this Agreement.

1. IRREVOCABILITY This offer shall be irrevocable by Buyer until 6:00 p.m. on 30 day of JANUARY 2014 after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 20 day of See Schedule "A" 20. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

(INITIALS OF BUYER(S):

(INITIALS OF SELLER(S):

3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: FAX No.: (416) 441-9926
 (For delivery of Documents to Seller) (For delivery of Documents to Buyer)

Email Address: Email Address: thomasgoldman.com
 (For delivery of Documents to Seller) (For delivery of Documents to Buyer)

4. **CHATELAINS INCLUDED:**

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**

6. **RENTAL ITEMS (Including Leases, Lessee to Own):** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contracts, if assumable:

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption

7. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the day of 15 Days prior to Closing, 20...., (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (MIXED USE (Retail Office)) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

INITIALS OF BUYER(S): 

INITIALS OF SELLER(S): 

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the land present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance for save and except against risk of fire (title insurance) in favour of the Buyer and any mortgagees, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title. Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, nonregistrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGES:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any title or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee selling out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTIONS:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 30(22) of the Planning Act, R.S.O. 1990.
17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmastered public or private utility charges and unmastered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
22. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless Seller's spouse has executed the consent hereinafter provided.
23. **UFFB:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the Brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
25. **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

[Handwritten initials]

INITIALS OF SELLER(S):

[Handwritten initials]

28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of

IN WITNESS whereof I have hereunto set my hand and seal

DATE: 2014, 24, 2014

[Signature]

[Signature]

DATE: 2014, 24, 2014

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the broker(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the broker(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of

IN WITNESS whereof I have hereunto set my hand and seal

DATE: 2014, 27, 2014

[Signature]

[Signature]

DATE: 2014, 27, 2014

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at

of January 20, 2014

Listing Brokerage: CUSHMAN & WAKEFIELD, BROKERAGE
23 VONGE STREET, STE 1000 TORONTO
Comp/Buyer Brokerage: HARVEY KALLES REAL ESTATE LTD, BROKERAGE
2145 AVENUE ROAD TORONTO

ACKNOWLEDGEMENT
I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.
DATE: Jan 20, 2014
Address for Service: DEURY
Seller's Lawyer: Todd Holmes
Address: 95 Barber Green
Email: 416 446 5845

FOR OFFICE USE ONLY
To: Commission Brokerage shown on the Accepting Agreement of Purchase and Sale.
To: Commission Brokerage shown on the Accepting Agreement of Purchase and Sale.
To: Commission Brokerage shown on the Accepting Agreement of Purchase and Sale.

[Signature]

SCHEDULE "A"

AGREEMENT OF PURCHASE AND SALE - COMMERCIAL

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, **BILL MANDELBAUM IN TRUST**
(For a Company to be incorporated)

and

SELLER, **FRONT CHURCH PROPERTIES LIMITED**

for the purchase and sale of 65 FRONT STREET EAST, TORONTO, ONTARIO
dated the 23rd day of JANUARY, 2014.

The Buyer agrees to pay an additional deposit of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) by certified cheque or Bank Draft to the Seller, payable to the Seller's Agent, **CUSUMANO & ASSOCIATES, BROKERAGE, INC.**, two (2) Business days following upon the date all the Buyer's Conditions have been waived, to be held in trust pending completion or other termination of this Agreement and to be applied toward the Purchase Price on completion.

The Buyer shall on Closing assume the Seller's rights and obligations contained in the existing first charge on the Property securing the principal amount of \$3,370,000.00 held by **Alterra Savings and Credit Union Limited** (the "Charge") and registered on title to the Property as Instrument No. AT1262289 on September 22, 2006 and its counterpart notice of security interest registered as Instrument No. AT1263430 on September 22, 2006, notice (agreement amending charge) registered Instrument No. AT1961237 on November 22, 2008 and notice (agreement amending charge) registered as Instrument No. AT2711991 on June 3, 2011 and all other loan and security documents relating to or in respect of any of the foregoing, which charge, notice of security interest, notices and other documents are hereto after collectively called the "Existing First Charge", and the Buyer shall be entitled on Closing the outstanding principal amount and any accrued and unpaid interest thereon. *Estimated current principal balance is \$3,849,979.27.*

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, by bank draft or certified cheque, to the Seller on completion of this transaction.

3. SELLER'S REPRESENTATION - The Seller hereby represents, warrants and covenants that as of the date of this Agreement and on the Closing Date:

1. the Seller(s) has/ have the power, authority, right and capacity to own the Property and to enter into, execute and deliver this Agreement and are permitted and have the authority to carry out the transaction contemplated by this Agreement;
2. the Seller can transfer the legal and beneficial ownership of the Property and the fixtures and equipment thereon upon Closing;

3. to the best of the Seller's knowledge and belief, there are no notices of work orders or violations with respect to the Property which have not been complied with nor are there any actions, suits, expropriation proceedings or any other proceedings pending or threatened against the Seller or affecting the Property or the occupancy or use of the Property by the Seller or the tenants;
4. the Seller is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act (Canada)*;
5. the Seller shall comply with the *Bulk Sales Act (Ontario)*;
6. all fixtures, chattels and equipment which are the property of the Seller and forming part of the purchase shall be free and clear of encumbrance and shall be included as part of the Property;
7. there has not been received by the Seller or anyone on behalf of the Seller, any notice with respect to any by-law change affecting the Property or relating to any threatened, pending condemnation or expropriation of the Property and the operating business thereon from any governmental department, branch, agency, or office or other authority;
8. following the date of acceptance and up to closing, the Seller shall attend to ordinary day-to-day maintenance and operation of the Property, the Building and the business therein as it has to date, reasonable wear and tear excepted;
9. the Seller shall make continuous disclosure of all material information pertaining to the Property and the business thereon (whether solicited by the Buyer or not) from the date of execution of this Agreement to the Closing Date;
10. neither the Seller nor any tenant is in default of their respective obligations contained in the Leases and there are no disputes involving the terms of the same;
11. the Seller has not received any notice from any tenant indicating an intention to assign or sublet or surrender the term or otherwise part with possession of the premises governed by its tenancy agreement or lease;
12. on the Closing Date, all costs in respect of leasehold improvements, inducements, moving expense allowances, lease take-over payments and other similar items that are the responsibility of the Landlord under the Leases shall have been paid by the Seller except as disclosed in writing by the Seller to the Buyer and accepted in writing by the Buyer before the Closing Date and adjusted on Closing as provided herein;
13. all leases delivered to the Buyer pursuant to this Agreement are valid leases and constitute the entire agreement between the Seller and each respective tenant and there are no other or additional leases or agreements affecting the Property;



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14. Environmental Matters - The Seller further covenants and agrees to the best of its knowledge and belief that during the period of its ownership of the property, that:

- (a) all environmental laws and regulations have been complied with and no hazardous conditions or substances exist on the land;
- (b) no limitations or restrictions affecting the continued use of the property exist, other than those specifically provided for herein;
- (c) no pending litigation respecting Environmental matters; no outstanding Ministry of Environment and Energy Orders, investigations, charges or prosecutions regarding Environmental matters exist;
- (d) there has been no prior use as a waste disposal site and no hazardous materials or potential contaminants have been stored in the Building or on the Property; and
- (e) all applicable licenses are in force.

15. All Equipment in Good Working Order - The Seller warrants that all the mechanical, electrical, heating, ventilation, air conditioning systems, sprinkler systems (if present), all washers, dryers, coin change machines, coin return machines and all other equipment on the real property, including all the equipment pertaining to the Seller's business shall be in good working order on completion.

The parties agree that the Seller's representations, warranties, covenants and agreements contained herein shall form an integral part of this Agreement and shall survive the Closing Date but apply only to the state of the property at Completion of this transaction.

3. SURVEY AND RELEASE PRODUCTIONS

The Seller agrees to provide the Buyer or the Buyer's solicitor within five (5) Business days after initial acceptance of this Agreement of Purchase and Sale the following: *if in the Seller's possession or control:*

1. an up-to-date survey of the property, completed by an Ontario Land Surveyor, showing the correct location of all buildings, structures, additions, fences, improvements, easements, rights-of-way and encroachments affecting the property;
2. all documents, records, and reports concerning the building/property insurance, environmental, structural (including roof) and physical matters relating to the Property and Building or any part thereof that are in the possession of the Seller;
3. if requested by the Buyer, authorizations executed by the Seller and addressed to the appropriate municipal building department, zoning department, fire department and the Ministry of the Environment and to all other governmental authorities, authorizing the release of any information on file in respect of the

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- without*
- Property ~~without~~ authorizing further inspections by any such governmental authorities prior to closing, if requested by the Buyer, *unless agreed upon by Seller in advance.*
4. If in the possession of the Seller, copies of all written contracts and written details of any oral contracts, except as otherwise required to be delivered or made available hereunder, relating to the Property, the Building and the Seller's Business including without limitation, all service and maintenance contracts;
 5. copies of all building plans, mechanical drawings, and any other plans relating to the Building and the Property that are in the possession of the Seller;
 6. copies of all unexpired leases, lease agreements, lease assignment agreements or assignments, offers to Lease, and other contracts affecting the Property and details of all tenant improvements, rent free periods, leasehold improvement allowances and real estate commissions payable with respect to the Leases;
 7. Copy of Phase I Environmental Assessment dated October, 2005 prepared by Briggs Canada Limited;
 8. copies of all notices, orders, reports, contracts, tax documents and any other documents relating to property taxes, including notices of appeal;
 10. copies of all service contracts;
 11. copy of insurance binder;
 12. list of chattels included; and
 13. Copies of the Existing First Charge, commitment letter with respect to the Existing First Charge and all other loan and security documents granted to the Chargee in respect of or as collateral for the Existing First Charge.

4. CONDITIONS FOR PURCHASE HEREBY

The Agreement arising from the acceptance of this Offer is subject to and conditional for a period of FIFTEEN (15) Business Days following the receipt of all of the Seller's Pre-closing Documents (the "Buyer's Condition Date") upon the Buyer satisfying himself in its sole, absolute and unaided discretion on all aspects of the subject property, land, buildings, financial viability, and all and any other factors the Buyer deems pertinent in their evaluation of said property (the "Due Diligence Conditions"). If the Buyer's Conditions referred to herein are not satisfied at the expiration of the Buyer's Condition Date, then the Buyer shall have the option to declare this Agreement null and void whereupon the Deposit will be returned to the Buyer with all accrued interest and without deduction and the parties shall be released from all further obligations hereunder. Provided if no notice is given by the Buyer prior to the Buyer's Condition Date in respect of the conditions set forth herein then, notwithstanding anything to the contrary, including any immediate acts or negotiations between the parties, the Buyer's Conditions referred to herein shall be deemed not to have been waived or satisfied and this Agreement shall be deemed to be null and void and the deposit shall be returned to the Buyer with all accrued interest and without deduction.

*SUBJECTIVE
AND TERMS
OF EXISTING
FIRST CHARGE*

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TEN(10) BUSINESS

Upon the Buyer waiving the "Due Diligence Conditions" as set out above, this Agreement of Purchase and Sale is further subject to and conditional for a period of FORTY(40) days upon the Buyer having been approved by the Charges of the assumption of the Existing First Charge on Closing (the "Approval Condition"). The Due Diligence Conditions and the Approval Condition are hereinafter collectively called the "Buyer's Conditions". The Buyer's Conditions are for the sole benefit of the Buyer, and may be waived by the Buyer upon notice to the Seller on or prior to the respective expiry days thereof. If the Buyer's Conditions are not satisfied or waived as herein provided on or before the respective expiry dates thereof, this Agreement shall be terminated and become null and void and be of no further force or effect whatsoever, and the first Deposit shall be returned to the Buyer. If the Buyer has not given written notice to the Seller that any Buyer's Conditions has been satisfied or waived, such Buyer's Conditions shall be deemed not to have been satisfied.

5. THE CLOSING MANAGEMENT OBLIGATIONS AND FUTURE LEASING
Between the Assumption Date and the waiving of the Buyer's Conditions, the Seller will not enter into any agreements or contracts relating to the Property or any Agreements to lease or license or sublease or any modifications, renewals, extensions or variations of any of the Leases, Contracts or Permitted Encumbrances (collectively, for the purposes of this Section, the "Agreements") without first obtaining the prior written approval of the Buyer, which may not be unreasonably withheld. For the purposes of this Section, the Seller will promptly deliver to the Buyer a copy of all leases, offers to lease and other contracts affecting the Property as are from time to time proposed to be executed and all correspondence relating thereto, including sufficient financial information relating to any proposed tenant to enable the Buyer to make an informed consent decision. The Buyer shall notify the Seller, within three (3) Business Days following the receipt by the Buyer of such documents and information, whether the Buyer approves or does not approve the proposed Agreement, failing which the Buyer shall be deemed to have approved the proposed Agreement. After the Buyer has waived the Buyer's Conditions, the Seller shall not enter into any Agreements without first obtaining the written approval of the Buyer which may be unreasonably withheld.

In addition, the Seller shall not, from and after the date of execution of this Agreement by the Seller and the Buyer until Closing, enter into or execute or renew any agreement relating to the operation, management or maintenance of the Property or the Seller's Business or any part thereof, which is not capable of execution on Closing without the consent of the Buyer, which consent shall not be unreasonably withheld or delayed. The Seller further covenants and agrees that it will operate the Property and the Seller's Business in the ordinary course and will manage, maintain and keep in repair the Property as a prudent owner would and no major alteration, repair, improvement or other work will be carried out or directed to be done to the Property or any portions thereof except as otherwise set out herein, and/or if approved in writing by the Buyer and/or required as an emergency measure under required by any Governmental Authority, provided all of the above shall be fully paid for by the Seller prior to Closing.

IN WITNESS WHEREOF
I, the Seller, have hereunto set my hand and seal this 10th day of July, 2010.

ACCESS AND INSPECTIONS
The Buyer shall be entitled to conduct reasonable investigations, tests and inspections in respect of the Building and the Property during normal business hours, upon reasonable notice to the Seller and subject to the rights of or restrictions in favour of the tenant, as may be contained in their respective Leases. Without limiting the foregoing, the Buyer may enter upon the Property at its own risk and expense, and shall have the right to speak to tenants and employees of the Seller upon obtaining the prior approval of the Seller and in the presence of a representative of

the Seller; for such purpose the Seller shall make an employee of the Seller available to the Buyer at all reasonable times on reasonable prior notice. All inspections, investigations and testing carried out by the Buyer or its representative shall be carried out at the Buyer's sole cost, expense and risk and in accordance with the inspection rights and notice provisions contained in the respective Leases for each of the tenants of the Property and so as to cause the minimum amount of interference and disruption to tenants, their employees, suppliers and customers. Any damage caused to the Property or the Building as a result of the Buyer's entry upon the Property or the Building, or any part thereof, or any activities carried out by the Buyer or its representatives in respect of the Property, or any part thereof, shall be promptly repaired by the Buyer to the Seller's reasonable satisfaction (but the Buyer shall have no further obligation to the Seller in respect of such repairs if the Buyer completes this transaction). The Buyer agrees to indemnify and save harmless the Seller from all actions, costs, liabilities and damages resulting from the Buyer's entry and the activities carried out by the Buyer or its representatives relating to its inspection of the Property pursuant to this Section.

7. ADJUSTMENTS

The transaction contemplated by this Agreement shall be completed on the Closing Date, on and after which date, the Buyer shall be entitled to receive all rents and profits and shall bear all expenses in respect of or pertaining to the Property. The Seller shall be entitled to receive all rents and profits and shall bear all expenses in respect of or pertaining to the Property up to and including the day prior to the Closing Date. Realty taxes, water and sewer rates and charges, rentals, monthly additional rent, rental deposits, security deposits and last month's rent, utilities, fuel and all other amounts, matters or items usually adjusted in transactions similar to that contemplated by the terms hereof shall be adjusted, provided however, that no adjustment shall be made for rental payments pursuant to any of the Leases which are in arrears as of the Closing Date. To the extent any adjustment cannot be determined on the Closing Date, or in the event an error or omission is made, the parties will adjust or readjust as between themselves forthwith after such adjustments can be determined.

Rental arrears under the Leases at Closing shall remain the property of the Seller. All funds received by the Buyer from a tenant after Closing designated as payment of rental arrears for a period prior to Closing, shall be remitted to the Seller by the Buyer. The Buyer shall have no obligation, other than as aforesaid, to collect or pursue rental arrears on behalf of the Seller. The Seller agrees that it will not commence legal proceedings against any tenant for the collection of rental arrears after the Closing Date, without the Buyer's prior written consent, which shall not be unreasonably refused. The Seller shall be entitled to a credit for the rent payable by any tenants but uncollected for the month of Closing. No such credit will be available to the Seller for such uncollected rent if Closing occurs on or after the fifteenth day of the month.

The Seller shall prepare and deliver to the Buyer at least five Banking Days prior to Closing a statement of the Adjustments (the "Statement of Adjustments") for the Property to be made on Closing with all Adjustments made as of the Date of Closing.

8. LEGAL, TAX AND ENVIRONMENTAL ADVICE

The Parties to this Agreement acknowledge that the real estate Broker(s) so named in this Agreement has recommended that they obtain independent professional advice prior to signing this document. The parties further acknowledge that no information provided by such real estate broker(s) is to be construed as legal, tax or environmental advice.

9. FACSIMILE TRANSMISSION

In the event the Vendor or Purchaser utilizes facsimile transmitted signed documents, the Purchaser and the Vendor hereby agree to accept and rely upon such documents as if they bore original signatures.

10. ENTIRE AGREEMENT

This Agreement of Purchase and Sale constitutes the entire agreement between the parties with respect to the subject matter contained herein and, except as herein otherwise expressly stated and in the instruments or documents to be executed and delivered pursuant to this Agreement, contains all of the representations, warranties and agreements of the respective parties with respect to the Building and the Property. There are no written or verbal representations, undertakings, conditions or agreements of any kind between the parties, other than as specifically enumerated in writing in this Agreement.

11. ASSIGNMENT

The Seller acknowledges and agrees that the Buyer shall be entitled to assign this Agreement, in its entirety and upon notice of such assignment to the Seller, the named Buyer herein shall have no further liability hereunder.

12. ESTOPPEL CERTIFICATES AND LEASE DECLARATION

The Seller shall use commercially reasonable efforts to obtain a duly completed and executed Estoppel Certificate from each of the tenants, and shall deliver all such Estoppel Certificates obtained by the Seller to the Buyer immediately upon receipt thereof and in any event by not later than the fifth (5th) Banking Day prior to the Closing. The Seller shall use the Estoppel Certificate in the form attached hereto as Schedule "C" subject to reasonable modifications. All Estoppel Certificates shall be submitted to the Buyer. Failing the obtaining of all tenants' estoppel certificates, the Seller shall sign a statutory declaration confirming all lease particulars.

[Handwritten initials]

[Handwritten signature]

13. SCHEDULES

The following schedules are attached to this Agreement and form an integral part hereof:
Schedule "B" Legal Description and Permitted Encumbrances
Schedule "C" Form of Estoppel Certificate
Schedule "D" Rent Roll and Income and Expense Statement

14. CLOSING DATE

This Agreement shall be completed by no later than 6:00 PM on the 30th day following the date the Buyer waives all of the Buyer's Conditions.

15. ASSUMPTION OF EXISTING LIABILITIES

The Buyer agrees to assume the existing liabilities, as set out in the attached Schedule "D", which the Seller warrants are the only liabilities affecting the Property.

16. NOTICE TO TENANTS OF NEW OWNER

Upon completion, the Seller shall provide the Buyer with a notice to all tenants advising them of the new owner and requiring all future rents to be paid to the Buyer directly.

17. HERITAGE

The Buyer agrees and acknowledges that the Property is designated a Heritage Property under the Ontario Heritage Act.

[Handwritten signature]

SCHEDULE "B"

AGREEMENT OF PURCHASE AND SALE - COMMERCIAL

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, **BILL MANDELBAUM IN TRUST**
(For a Company to be Incorporated)

and

SELLER, **FRONT CHURCH PROPERTIES LIMITED**

for the purchase and sale of 45 FRONT STREET EAST, TORONTO, ONTARIO
dated the 23rd day of JANUARY, 2014.

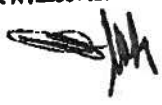
LEGAL DESCRIPTION:

PT WALKS AND GARDENS PL 5A TORONTO; PT STRIP OF LAND BTN WATERS EDGE
AND TOP OF BANK PL 5A TORONTO; PT LT 30B 3/4 FRONT ST E PL 5A TORONTO AS
IN CA570607; S/T CT273443; CITY OF TORONTO

PIN: 21400-0069 (LT)

PERMITTED ENCUMBRANCES

1. Liens for taxes levied upon the Property if same are not yet due and payable.
2. Minor title defects or irregularities.
3. Any subsisting reservations contained in the original grant of the Property from the Crown.
4. Registered agreements, easements, rights of way, restrictive covenants and servitudes and other similar rights in land granted to, reserved or taken by any governmental authority or public or private utility, or any registered subdivision, development, servicing, site plan or other similar agreement with any governmental authority or public utility.
5. Transfer easement registered as Instrument No. CT273443.
6. Agreement registered as Instrument No. CT703284.
7. Notice of lease registered as Instrument No. CA582338.
8. Agreement registered as Instrument No. CA601205.
9. Bylaw registered as Instrument No. A T2339742.



SCHEDULE "C"**AGREEMENT OF PURCHASE AND SALE - COMMERCIAL**

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, **BILL MANDELBAUM IN TRUST**
(For a Company to be incorporated)

and

SELLER, **FRONT CHURCH PROPERTIES LIMITED**

for the purchase and sale of 65 FRONT STREET EAST, TORONTO, ONTARIO
dated the 23rd day of JANUARY, 2014.

TENANT'S ACKNOWLEDGMENT AND ESTOPPEL CERTIFICATE

(TENANT'S NAME)

TO:

AND TO:

RE:

We confirm and acknowledge to the Buyer, any Assignee and to the Mortgagee that with respect to the lease to us for the Premises:

1. The lease from _____ to us dated the ____ day of _____ (the "Lease") has been validly executed and delivered by the undersigned as Tenant pursuant to due corporate action properly taken by our Corporation.
2. The Lease is in full force and effect and there have been no modifications, assignments or changes in the Lease, other than those listed below.
3. We have accepted and are in possession of the Premises demised to us and such Premises are fully operational.
4. All of the work to our Premises which is the responsibility of the landlord (if any), has been completed to our satisfaction in accordance with the Landlord's obligations. There are no tenant inducements and tenant allowances payable by the landlord which are outstanding, except as follows:
5. The term of the Lease commenced on the ____ day of _____, and will expire on the ____ day of _____, in accordance with the provisions of the Lease, subject to the rights of renewal, if any, as listed below:

6. The annual minimum or basic rent currently being paid for the Premises is _____
Such minimum or basic rent and additional rent has been paid in full to _____
The annual or basic rent is subject to adjustment during the term of the Lease on the following basis:
The said annual minimum or basic rent is paid in equal monthly instalments of \$ _____. The additional rent is being paid in equal monthly instalments of \$ _____.
7. We occupy approximately _____ square feet at the annual rent described in the Lease.
8. There is no prepayment of rent or security deposit standing to our credit, except as follows:
9. There is no default in respect of the Lease by us and we are not claiming any deduction, abatement or set-off of any rent due and payable under the Lease nor any counterclaim or defence against the enforcement of our obligations to be performed by us under the Lease.
10. There is no litigation or governmental or municipal proceedings commenced or pending or threatened against us with respect to the Premises demised to us.
11. There is no existing default in the Lease on the part of the landlord.
12. There are no agreements between us and the landlord other than that contained in the said Lease pertaining to the obligations of the landlord and the rights of the Tenant relating to the use and occupation by the Tenant of the Premises demised to us.
13. The Lease is a net lease save as otherwise provided in the Lease and we are paying, in addition to minimum annual rent, all other charges, including, without limitation, our proportionate share of operating costs, all utilities, realty and business taxes, all insurance premiums provided for in the Lease, all of which payments are up to date and without default.
14. The undersigned represents that the above statements, including any additions or exceptions which have been added thereto are correct, accurate, full and complete and are being relied on by the Purchaser, any Assignee and the Mortgagee.

Dated at _____ this _____ day of _____, 2014.
(Name of Tenant)

per: _____



SCHEDULE "D"

AGREEMENT OF PURCHASE AND SALE - COMMERCIAL

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER. **BILL MANDELBAUM IN TRUST**
(For a Company to be incorporated)

and

SELLER, FRONT CHURCH PROPERTIES LIMITED

for the purchase and sale of 69 FRONT STREET EAST, TORONTO, ONTARIO
dated the 23rd day of JANUARY, 2014.

Sl. No.	Unit	Furnishings	GLS Inventory		In-Plant Assessment Base		Lease Rates		Rent Savings		Total Savings
			Actual	Market	FUP	Standard	Actual	Standard	Actual	FUP	
1	3 Chops	High Condition			1,779	2,000	1,100		120.00	200.00	80.00
2	12 Chops	Medium-Bottom Quality	1,750	2,000	1,100	1,100	140.00	170.00	30.00	130.00	90.00
3	12 Chops	Low-Medium Range	2,100	1,100	1,100	90.00	100.00	100.00	100.00	0.00	0.00
4	3 Chops	7th Square Lot	1,200	1,700	1,100	1,100	100.00	100.00	0.00	0.00	0.00
5	10	Basic Medium-MSP	2,000	700	1,100	1,100	100.00	100.00	0.00	0.00	0.00
6	100	Market Performance	1,700	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
7	20	ALPS Management Company	1,200	700	1,100	1,100	100.00	100.00	0.00	0.00	0.00
8	20	Market Service & Co.	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
9	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
10	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
11	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
12	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
13	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
14	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
15	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
16	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
17	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
18	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
19	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
20	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
21	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
22	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
23	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
24	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
25	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
26	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
27	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
28	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
29	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
30	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
31	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
32	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
33	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
34	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
35	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
36	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
37	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
38	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
39	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
40	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
41	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
42	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
43	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
44	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
45	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
46	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
47	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
48	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
49	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
50	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
51	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
52	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
53	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
54	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
55	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
56	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
57	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
58	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
59	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
60	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
61	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
62	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
63	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
64	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
65	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
66	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
67	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
68	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
69	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
70	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
71	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
72	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
73	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
74	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
75	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
76	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
77	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
78	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
79	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
80	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
81	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
82	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
83	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
84	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
85	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
86	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
87	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
88	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
89	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
90	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
91	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
92	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
93	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
94	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
95	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
96	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
97	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
98	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
99	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
100	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
101	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
102	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
103	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
104	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
105	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
106	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
107	10	Market Service	1,100	1,100	1,100	1,100	100.00	100.00	0.00	0.00	0.00
108	10	Market Service	1,100								

Income	
From Rental Revenue	\$100,000
Depreciation From Investment	6,000
Total Gross Receipts	\$106,000
Expenses	
Cost of Goods Sold	\$25,000
Salaries & Wages	\$40,000
Depreciation & Amortization	\$5,000
Interest	\$5,000
Costs of Goods	\$20,000
Life Policy & Interest	\$2,000
Property, Administration & Professional	\$8,000
Marketing Fees	\$4,000
Party Taxes	\$14,000
Insurance	\$2,000
Total Operating Costs	\$125,000
Net Operating Costs	
	\$19,000

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Confirmation of Co-operation and Representation

Toronto
Real Estate
Board

SUBJECT: **BILL MANDELBAUM IN TRUST For a Company to be Incorporated**

STREET: **FRONT CHURCH PROPERTIES LIMITED**

For the transaction on the property known as: **65 FRONT STREET EAST** **TORONTO** **M5E 1B5**

For the purposes of the Confirmation of Cooperation and Representation, "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant, "sale" includes a lease, and "Agreement of Purchase and Sale" includes an Agreement to Lease. The following information is confirmed by the undersigned independent broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the Brokerage(s) agree to cooperate, in consideration of, and on the terms and conditions set out in this form.

DECLARATION OF INSURANCE: The undersigned independent broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 1992 (RSO 1990 c. 28) and Regulations.

1. LISTING BROKERAGE

- a) ☒ The listing Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:
- 1) ☐ The listing Brokerage is not representing or providing Customer Service to the Buyer. If the Buyer is working with a Co-operating Brokerage, Section 3 is to be completed by Co-operating Brokerage(s).
 - 2) ☐ The listing Brokerage is providing Customer Service to the Buyer.
- b) ☐ **MULTIPLE REPRESENTATION:** The listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all material information about the property known to the listing Brokerage. However, the listing Brokerage shall not disclose:
- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller.
 - That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer.
 - The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failing to disclose would constitute fraudulent, unlawful or unethical practice.
 - The price the Buyer should offer or the price the Seller should accept.
 - And, the listing Brokerage shall not disclose to the Buyer the terms of any other offer.
- However, it is understood that material information about comparable properties and information known to the listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusion.

Additional comments and/or disclosure by listing Brokerage: (e.g. The listing Brokerage represents more than one Buyer offering on this property)

2. PROPERTY SOLD BY BUYER BROKERAGE - PROPERTY NOT LISTED

- ☐ The Brokerage represents the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid:
- ☐ by the Seller in accordance with a Seller Customer Service Agreement
 - or: ☐ by the Buyer directly

Additional comments and/or disclosure by Buyer Brokerage: (e.g. The Buyer Brokerage represents more than one Buyer offering on this property)

INITIALS OF SELLER/SOLICITOR/BROKERAGE REPRESENTATIVE(S) (Where applicable)

CO-OPERATING BROKERAGE

SOLICITOR

LISTING BROKERAGE



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Form 328 Revised 2014 Page 1 of 2
J.E. McPartland & Associates

2. Co-operating Brokerage completes Section 3 and Listing Brokerage completes Section 4.
CO-OPERATION & EXPECTATIONS - REPRESENTATIONS

- a) ☒ The Co-operating Brokerage represents the interest of the Buyer in this transaction.
- b) ☐ The Co-operating Brokerage is providing Customer Service to the Buyer in this transaction.
- c) ☐ The Co-operating Brokerage is not representing the Buyer and has not entered into an agreement to provide customer service(s) to the Buyer.

CO-OPERATION - REMUNERATION - COMMISSIONS

- a) ☒ The Listing Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property
1.25% as per MLS Listing #C2787203
(Commission As Indicated in MLS® Information)
- b) ☐ The Co-operating Brokerage will be paid as follows:

Additional comments and/or disclosures by Co-operating Brokerage (e.g., The Co-operating Brokerage represents share deal on Buyer offering on this property)

Commission will be payable as detailed above, plus applicable taxes.

DISCLAIMER "MLS" AGREEMENT If the above Co-operating Brokerage is entitled payment of commission from the Listing Brokerage, then the agreement between the Listing Brokerage and Co-operating Brokerage includes a Commission Fee Agreement. Any commission for which the Co-operating Brokerage is entitled to receive is for a share of the property, not for the sale of the property. The Commission Fee Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission split of the Listing Brokerage's firm and shall be based on the last known MLS® rules and regulations in force. Otherwise, the provisions of the CREA recommended MLS® rules and regulations shall apply to the Commission Fee Agreement. For the purpose of this Commission Fee Agreement, the Commission Fee Agreement shall be the current one in Section 3. The Listing Brokerage hereby declares that it is not aware of any violation with Article 10.1 of the Code of Ethics and shall be held, in such, to such for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

HARVEY KALLES REAL ESTATE LTD., BROKERAGE
(Name of Co-operating/Buyer Brokerage)
2145 AVENUE ROAD TORONTO

tel (416) 441-2889 fax (416) 441-9776
Herman Wood Date: *Jan 27/14*
(Authorized to sign as Co-operating/Buyer Brokerage)

HERMAN WOOD
(Print Name of Broker/Salesperson Representative of the Brokerage)

CUSHMAN & WAKEFIELD, BROKERAGE
(Name of Listing Brokerage)
33 YONGE STREET, STE. 1000 TORONTO

tel (416) 862-1800 fax (416) 339-2613
Elliot Medoff/Noah Rechtsman Date: *Jan 27/14*
(Authorized to sign as Listing Brokerage)

ELLIOT MEDOFF/NOAH RECHTSMAN
(Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction)

The Buyer/Seller consents with their initials to their Brokerage representing more than one client for this transaction.

BUYER'S INITIALS

SELLER'S INITIALS

ACKNOWLEDGEMENT

I have read and understand the above information.

[Signature]
Signature of Buyer

Date: *Jan 27/14*

[Signature]
Signature of Seller

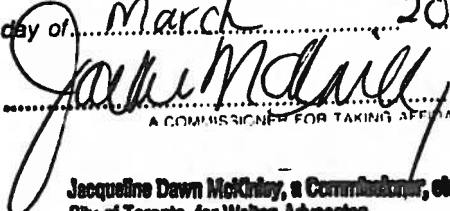
Date: *Jan 27/14*

Signature of Buyer

Date

Signature of Seller

Date

This is Exhibit B referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

DIRECTION

**TO: TODD HOLMES
DEVRY SMITH FRANK LLP**

AND TO: Any other solicitor acting for Front Church Properties Limited


RE: Sale of 65 Front Street East

Front Church Properties Limited hereby authorizes and directs you to deal with the gross proceeds of sale (\$10,300,000) as follows:

1. Adjust for the first mortgage assumption of approximately \$5,805,500;
2. Pay out the second mortgage of \$2,500,000 plus accrued interest of approximately \$92,000;
3. Adjust for 2013 and 2014 property taxes (\$165,000 est.);
4. Pay to CRA the amount to discharge their HST lien (\$203,000 est.);
5. Adjust for any other standard amounts in the Statement of Adjustments (\$150,000 est.);
6. Hold back in trust the sum of \$650,000 to pay suppliers, trades and creditors to whom money is due from Front Church to ensure there are no lien claims against the property after Closing, with Front Church to provide a list of those suppliers, trades and creditors upon Closing;
7. Pay realty commissions to Cushman Wakefield LePage (\$349,170 est.);
8. Pay your legal fees and disbursements (\$30,000 est.);
9. Pay to Global Mills Inc. the sum of \$361,750; and
10. Any surplus to be paid to Canada Revenue Agency towards the corporate tax that will be due from Front Church Properties Limited due to the sale of 65 Front Street East.

Dated at Toronto, Ontario this 21st day of March, 2014

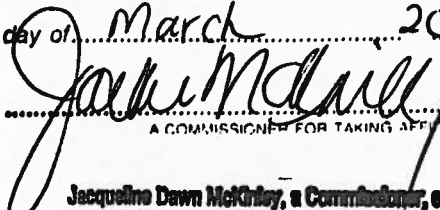
Front Church Properties Limited



Norma Walton
President

I have the authority to bind the Corporation

This is Exhibit C referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

**ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List**

THE HONOURABLE
JUSTICE NEWBOULD

)
)
)

FRIDAY, THE 21st
DAY OF MARCH, 2014

B E T W E E N:

DBDC SPADINA LTD.,
and THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO

Applicants

and

NORMA WALTON, RONAULD WALTON, THE ROSE & THISTLE GROUP
LTD. and EGLINTON CASTLE INC.

Respondents

and

THOSE CORPORATIONS LISTED ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

Defendant

ORDER

THIS MOTION, made by the Applicants for an Order varying the Orders of this Court dated December 18, 2013 and January 27, 2014, was heard in writing this day, at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

ON READING the Affidavit of Jim Reitan sworn March 18, 2014 and the Exhibits thereto,

60

1. THIS COURT ORDERS that the Orders of December 18, 2013 and January 27, 2014 be varied to provide that the proceeds from the sale of the property at 65 Front Street East, net of items 1-5, 7 and 8 on the attached Direction be remitted to Schonfeld Inc. to be held pending further Order of this Court *or written agreement of the Manager.*

Shirley

SCHEDULE "A" COMPANIES

1. Dr. Bernstein Diet Clinics Ltd.
2. 2272551 Ontario Limited
3. DBDC Investments Atlantic Ltd.
4. DBDC Investment Pape Ltd.
5. DBDC Investments Highway 7 Ltd.
6. DBDC Investments Trent Ltd.
7. DBDC Investments St. Clair Ltd.
8. DBDC Investments Tisdale Ltd.
9. DBDC Investments Leslie Ltd.
10. DBDC Investments Lesliebrook Ltd.
11. DBDC Fraser Properties Ltd.
12. DBDC Fraser Lands Ltd.
13. DBDC Queen's Corner Inc.
14. DBDC Queen's Plate Holdings Inc.
15. DBDC Dupont Developments Ltd.
16. DBDC Red Door Developments Inc.
17. DBDC Red Door Lands Inc.
18. DBDC Global Mills Ltd.
19. DBDC Donalda Developments Ltd.
20. DBDC Salmon River Properties Ltd.
21. DBDC Cityview Industrial Ltd.
22. DBDC Weston Lands Ltd.
23. DBDC Double Rose Developments Ltd.
24. DBDC Skyway Holdings Ltd.
25. DBDC West Mall Holdings Ltd.
26. DBDC Royal Gate Holdings Ltd.
27. DBDC Dewhurst Developments Ltd.
28. DBDC Eddystone Place Ltd.
29. DBDC Richmond Row Holdings Ltd.

SCHEDULE "B" COMPANIES

1. Twin Dragons Corporation
2. Bannockburn Lands Inc. / Skyline – 1185 Eglinton Avenue Inc.
3. Wynford Professional Centre Ltd.
4. Liberty Village Properties Inc.
5. Liberty Village Lands Inc.
6. Riverdale Mansion Ltd.
7. Royal Agincourt Corp.
8. Hidden Gem Development Inc.
9. Ascalon Lands Ltd.
10. Tisdale Mews Inc.
11. Lesliebrook Holdings Ltd.
12. Lesliebrook Lands Ltd.
13. Fraser Properties Corp.
14. Fraser Lands Ltd.
15. Queen's Corner Corp.
16. Northern Dancer Lands Ltd.
17. Dupont Developments Ltd.
18. Red Door Developments Inc. and Red Door Lands Ltd.
19. Global Mills Inc.
20. Donalda Developments Ltd.
21. Salmon River Properties Ltd.
22. Cityview Industrial Ltd.
23. Weston Lands Ltd.
24. Double Rose Developments Ltd.
25. Skyway Holdings Ltd.
26. West Mall Holdings Ltd.
27. Royal Gate Holdings Ltd.
28. Dewhurst Developments Ltd.
29. Eddystone Place Inc.
30. Richmond Row Holdings Ltd.
31. El-Ad Limited
32. 165 Bathurst Inc.

DIRECTION

**TO: TODD HOLMES
DEVRY SMITH FRANK LLP**

AND TO: Any other solicitor acting for Front Church Properties Limited


RE: Sale of 65 Front Street East

Front Church Properties Limited hereby authorizes and directs you to deal with the gross proceeds of sale (\$10,300,000) as follows:

1. Adjust for the first mortgage assumption of approximately \$5,805,500;
2. Pay out the second mortgage of \$2,500,000 plus accrued interest of approximately \$92,000;
3. Adjust for 2013 and 2014 property taxes (\$165,000 est.);
4. Pay to CRA the amount to discharge their HST lien (\$203,000 est.);
5. Adjust for any other standard amounts in the Statement of Adjustments (\$150,000 est.);
6. Hold back in trust the sum of \$650,000 to pay suppliers, trades and creditors to whom money is due from Front Church to ensure there are no lien claims against the property after Closing, with Front Church to provide a list of those suppliers, trades and creditors upon Closing;
7. Pay realty commissions to Cushman Wakefield LePage (\$349,170 est.);
8. Pay your legal fees and disbursements (\$30,000 est.);
9. Pay to Global Mills Inc. the sum of \$361,750; and
10. Any surplus to be paid to Canada Revenue Agency towards the corporate tax that will be due from Front Church Properties Limited due to the sale of 65 Front Street East.

Dated at Toronto, Ontario this 21st day of March, 2014

Front Church Properties Limited


Norma Walton
President

I have the authority to bind the Corporation

6
DBDC SPADINA LTD., and those corporations listed on Schedule A hereto
Applicants

-and- NORMA WALTON et al.
Respondents

Court File No. CV-13-10280-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

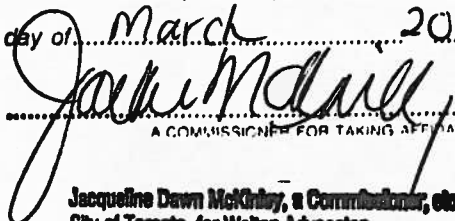
PROCEEDING COMMENCED AT TORONTO

ORDER

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**
Barristers
Suite 2600
130 Adelaide Street West
Toronto ON M5H 3P5

Peter H. Griffin (19527Q)
Tel: (416) 865-2921
Fax: (416) 865-3558
Email: pgriffin@litigate.com
Shara N. Roy (49950H)
Tel: (416) 865-2942
Fax: (416) 865-3973
Email: sroy@litigate.com

Lawyers for the Applicants

This is Exhibit D referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McGinty, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

Norma Walton

From: Norma Walton
Sent: Saturday, March 29, 2014 8:38 AM
To: Dunn, Mark
Cc: Peter Griffin; Todd Holmes (todd.holmes@devrylaw.com); Elena Piperopoulos (Elena.Piperopoulos@devrylaw.ca); Empey, Brian; Howard Cohen (cohen@cohensabsay.com); Shara N. Roy; Paul-Erik Veel; Mark Goldberg; 'harlan@schonfeldinc.com'; James Merryweather
Subject: RE: 65 Front Street

Dear Mr. Dunn,

Please clarify exactly what you believe to be the role of the Manager as it relates to the invoices.

Thanks,
 Norma

"Dunn, Mark" <mdunn@goodmans.ca> wrote:

To be clear, for the reasons I have previously articulated, the Manager is not reviewing the invoices relating to 65 Front. In our view, the March 21 order contemplates a much more limited role for the Manager. I will forward these invoices to the Applicants as it will likely assist them in formulating a position on this issue.

Mark Dunn

Goodmans LLP

416.849.6895
mdunn@goodmans.ca

Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, ON M5H 2S7
goodmans.ca

From: Norma Walton [mailto:nwalton@roseandthistle.ca]
Sent: Friday, March 28, 2014 4:17 PM
To: Peter Griffin; Dunn, Mark; Todd Holmes (todd.holmes@devrylaw.com); Elena Piperopoulos (Elena.Piperopoulos@devrylaw.ca)
Cc: Empey, Brian; Guillermo Schible (guillermo@schiblelaw.com); Howard Cohen (cohen@cohensabsay.com); Shara N. Roy; Paul-Erik Veel; Mark Goldberg
Subject: RE: 65 Front Street

Dear Mr. Griffin and Mr. Dunn,

Obviously I disagree with Mr. Griffin.

There are numerous parties with lien rights, all of whom have been on site in the past 45 days performing services. In addition, our purchaser is looking for warranties from the trades and suppliers and is going to be taking those suppliers on himself. Trying to tender on this transaction when our position puts the purchaser at risk is not an option, in my opinion.

I am struggling to understand the mentality that would see \$750,000 of trades, suppliers and creditors who are

3/31/2014

owed money for performing services on 65 Front Street East not be paid so you can put money into the Receiver's trust account? On what basis? What claim does your client have against 65 Front Street East after his second mortgage is paid in full? The only other claim, far as I can tell, is for the \$361,750 owed to Global Mills Inc. which you initially at the first part of this lawsuit insisted I pay back but are now opposing. The cash flow analysis you directed the Manager to perform shows that Front Church provided to Rose and Thistle a net benefit of \$1 million, not the other way around. Please help me understand your position. I do not understand the basis you are proposing to tie up the surplus funds. Nor do I understand why you feel Dr. Bernstein should be in front of the creditors, trades and suppliers?

It seems to me we are not going to reach agreement on Front Street.

With respect, you are not in a position to dictate to Mr. Holmes what should happen. Mr. Dunn's email initially contemplated assessing the invoices and determining payment. It did not contemplate what you are now insisting occur. We provided the invoices to the Inspector in accordance with the discussion on Friday, March 21st with the Inspector and His Honour. Are you now proposing that nothing can be paid anyways even after Schonfeld confirms everything is in order? Please be clear on your position because it has changed since Friday, far as I can tell.

Mr. Dunn, is the Inspector assessing the invoices? When will that review be completed? If Mr. Dunn could please advise, I'd be obliged.

I would suggest we arrange a time next week with Justice Newbould if he is available so we can both pitch our views on what should happen. I need to arrange some time with His Honour to raise other issues as well so I will contact the court administrator to find out his availability then will check with you on your availability.

That being said, an order directing the monies to remain in Schonfeld's account doesn't solve the basic problem caused by your suggestion of non-payment of trades, creditors and suppliers.

You don't control the purchaser so are not addressing the underlying issue. Your suggested approach of trying to bully the purchaser into closing will just create more litigation and is not in my view helpful.

I had previously provided you with a second option, being a refinancing to pay your client out. Please advise if that is agreeable assuming your litigious position on the sale prevents it from closing.

Regards,
Norma

Norma Walton B.A., J.D., M.B.A.
THE ROSE AND THISTLE GROUP LTD.
30 Hazelton Avenue
Toronto, Ontario, Canada M5R 2E2
Tel: (416) 489-9790 Ext. 103
Fax: (416) 489-9973

www.roseandthistlegroup.com

From: Janet Larocque [<mailto:JLarocque@litigate.com>] **On Behalf Of** Peter Griffin
Sent: Friday, March 28, 2014 3:54 PM
To: Mark Dunn (mdunn@goodmans.ca); Todd Holmes (todd.holmes@devrylaw.com); Elena Piperopoulos (Elena.Piperopoulos@devrylaw.ca)
Cc: Norma Walton; Brian Empey (bempey@goodmans.ca); Guillermo Schible (guillermo@schiblelaw.com); Howard Cohen (cohen@cohensabsay.com); Shara N. Roy; Paul-Erik Veel
Subject: 65 Front Street

I am writing further to Ms. Walton's email of earlier today with respect to this transaction.

3/31/2014

As far as I read the Agreement of Purchase and Sale, there is no justification for the purchaser insisting upon the payments which Ms. Walton insists must be made on closing.

The Agreement of Purchase and Sale is clear. There are no liens or other registrations against title which need to be cleared nor could there be any party with lien rights at this point in time.

The Order of Justice Newbould is perfectly clear, as is the Direction, that these are funds to be held back post-closing and they are properly held by the Manager in accordance with the March 21, 2014 Order.

No amendment can be made to the Agreement of Purchase and Sale or indeed the Direction without further court Order which we would strenuously resist.

Mr. Holmes must ensure that the transactions closes and tender on the purchaser if it fails to complete the transaction on April 3.

Peter Griffin.

Janet Larocque

Assistant to Peter Griffin

T 416-865-9500 Ext. 227

F 416-865-3558

jlarcque@litigate.com

Lenczner Slaght
130 Adelaide St W
Suite 2600
Toronto, ON
Canada M5H 3P5
www.litigate.com

This e-mail may contain legally privileged or confidential information. This message is intended only for the recipient(s) named in the message. If you are not an intended recipient and this e-mail was received in error, please notify us by reply e-mail and delete the original message immediately. Thank you. Lenczner Slaght Royce Smith Griffin LLP.

***** Attention *****

This communication is intended solely for the named addressee(s) and may contain information that is privileged, confidential, protected or otherwise exempt from disclosure. No waiver of confidence, privilege, protection or otherwise is made. If you are not the intended recipient of this communication, please advise us immediately and delete this email without reading, copying or forwarding it to anyone.

3/31/2014

Norma Walton

From: Norma Walton
Sent: Friday, March 28, 2014 12:05 PM
To: 'Peter Griffin'; 'Mark Dunn (mdunn@goodmans.ca)'
Cc: 'Howard Cohen (cohen@cohensabsay.com)'; 'Brian Empey (bempey@goodmans.ca)'; 'Shara N. Roy'; 'Paul-Erik Veel'; 'Todd Holmes'; 'Elena Piperopoulos'; Mark Goldberg
Subject: RE: 65 Front Street East

Dear Mr. Griffin and Mr. Dunn,

There are two potential options that are agreeable to us at this point regarding Front Street:

1. The sale closes on April 3, 2014 on condition that the \$750,000 of trades, suppliers and creditors are paid on closing and the remainder of monies available goes to Global Mills Inc.; or
2. The parties to the sale sign a mutual release (we'll likely need to pay the purchaser his damages) and we refinance the property with a new second mortgage of \$3.2 million that will retire your client's second mortgage plus interest and legal fees; the HST lien; and the property tax arrears with no surplus monies being paid to us.

Obviously we'll need either your consent or court approval to either option.

Please advise your preference or provide further options as you see them.

I believe I have been clear that the purchaser will not close without the \$750,000 paid, nor do we blame him. I believe I have also been clear that we do not want to close unless it is clear that the surplus monies are paid to Global Mills to retire the debt Front Church owes as a result of the Don Mills mortgages.

I am open to other ideas, but what Mr. Griffin proposed below is not viable given that he is proposing to force the purchaser to do something the purchaser is not willing to do.

I am happy to discuss the matter with the two of you if you wish. I will be available for a phone call after 2 pm if desired.

Regards,
Norma

From: Janet Larocque **On Behalf Of** Peter Griffin
Sent: Thursday, March 27, 2014 2:27 PM
To: Mark Dunn (mdunn@goodmans.ca)
Cc: John Campion (jcampion@fasken.com); Howard Cohen; Guillermo Schible (guillermo@schiblelaw.com); Brian Empey (bempey@goodmans.ca); Ken Herlin (kherlin@goodmans.ca); Todd Holmes; Elena Piperopoulos; Shara N. Roy; Paul-Erik Veel
Subject: RE: 65 Front Street East

Dear Mr. Dunn,

I am writing this note back to you, and the Waltons' counsel, as I do not intend to engage in

3/31/2014

correspondence with a represented party directly.

The Order of Justice Newbould of March 21, 2014, and the argument and interventions which preceded it, made it perfectly clear that Justice Newbould took the Direction at face value as setting up a holdback to be held post-closing, not amounts to be paid at closing. His Order is consistent with that.

Ms. Walton is quite mistaken by what she says in the second last paragraph of her email.

The Global Mills monies are to be held in accordance with the Order of Justice Newbould. That, too, is clear.

It is a bit difficult to credit the notion in the third paragraph of the email about the "continuity" which is to flow here. As with many other obligations, the respondents have failed to meet their obligations as they fall due and the purchaser, I am sure, will make their own continuing arrangements with suppliers under the circumstances.

The transaction should be closed as ordered.

Peter Griffin.

From: Norma Walton [<mailto:nwalton@roseandthistle.ca>]

Sent: Thursday, March 27, 2014 1:44 PM

To: Mark Dunn (mdunn@goodmans.ca)

Cc: Howard Cohen; Brian Empey (bempey@goodmans.ca); Paul-Erik Veel; Peter Griffin; Shara N. Roy; Ken Herlin (kherlin@goodmans.ca); Todd Holmes; Elena Piperopoulos

Subject: 65 Front Street East

Dear Mr. Dunn,

Thank you for your email below.

We can appreciate that your clients are busy and that reviewing the invoices provided will take some time. We have supplied to your clients a summary of the monies to be paid along with specific invoices backing up each amount. That was provided on Tuesday primarily, with three additional invoices provided yesterday.

We indicated very clearly at court on Friday, March 21st that neither the purchaser nor the vendor will close this transaction unless the trades, creditors and suppliers listed are paid. The purchaser is concerned about lien claims given that most of the suppliers listed have been on site in the past 45 days. The purchaser is also taking over warranties from the work completed in the invoices and if those invoices are not paid, the warranties are not valid. The purchaser is further intending to use the vendor's suppliers and maintenance staff going forward and if they are not paid what they are due on closing, they will likely not work for the purchaser.

The vendor has no other means of paying these suppliers, trades and creditors except from sale proceeds so the vendor is not willing to close without ensuring these debts are paid as the vendor has obligations to them; the work was completed; and the vendor is honour bound to fulfill its obligations.

To provide the time your client needs to assess the invoices provided, we have

3/31/2014

extended the closing date to April 3, 2014. Please advise if that will provide to your client sufficient time to confirm the invoices so they can all be paid.

If Mr. Griffin is indicating below that he is not supporting that any invoices be paid on closing or within a few days of closing, we will need to re-attend before Mr. Justice Newbould next week prior to closing to argue that issue. That was not my understanding of the position taken by His Honour last Friday. If that is the position to be taken, it is doubtful the purchaser will close the transaction.

Regarding the payment to Global Mills, we are adamant that the monies remaining be paid to Global Mills. We promised to pay back the \$2.1 million that was diverted from the Don Mills mortgages, and we have repaid approximately \$700,000 to date and with this payment will have re-paid half of the amount due. The Front Street property is our property and we should be entitled to direct how the excess funds are applied. Global Mills needs the money to cover its obligations, which are not being funded by Dr. Bernstein. Again, this issue will need to be addressed by His Honour if agreement cannot be reached.

Regards,

Norma Walton B.A., J.D., M.B.A.
THE ROSE AND THISTLE GROUP LTD.
30 Hazelton Avenue
Toronto, Ontario, Canada M5R 2E2
Tel: (416) 489-9790 Ext. 103
Fax: (416) 489-9973

www.roseandthistlegroup.com

-----Original Message-----

From: Janet Larocque [<mailto:JLarocque@litigate.com>] On Behalf Of Peter Griffin
Sent: March 27, 2014 10:11 AM
To: Dunn, Mark; John A. Campion (jcampion@fasken.com)
Cc: Emmeline Morse (emorse@fasken.com); Howard Cohen (cohen@cohensabsay.com); guillermo@schiblelaw.com; Empey, Brian; Paul-Erik Veel; Peter Griffin; Shara N. Roy; Herlin, Ken
Subject: RE: DBDC Spadina et al. v. Walton et al - 65 Front Street

Thank you for your email.

It is our position that the March 21, 2014 Order requires the Manager to hold the funds referred to in items 6, 9 and 10 on the Direction which is the schedule to that Order in trust pending further Order of the court.

Accordingly, it should not be paid directly to Global Mills.

As to the various amounts comprising item 6 on the Direction, both the language of the Direction and the conclusion reached by Justice Newbould was that those amounts were to be held back on closing, not paid at closing.

They likewise, consistent with the clear language of the Order, should be held in trust by the Manager and should be received directly from the Devry Smith firm in accordance with the Order which was provided to Mr. Holmes last Friday afternoon.

3/31/2014

Peter Griffin.

-----Original Message-----

From: Dunn, Mark [<mailto:mdunn@goodmans.ca>]
Sent: Wednesday, March 26, 2014 6:59 PM
To: John A. Campion (jcampion@fasken.com)
Cc: Emmeline Morse (emorse@fasken.com); Howard Cohen (cohen@cohensabsay.com); guillermo@schiblelaw.com; Empey, Brian; Paul-Erik Veel; Peter Griffin; Shara N. Roy; Herlin, Ken
Subject: DBDC Spadina et al. v. Walton et al - 65 Front Street

Mr Campion,

I am writing further to the Order of Justice Newbould dated March 21, 2014 in respect of the sale of 65 Front Street (the "Sale") and your client's subsequent e-mail to my client. Ms. Walton has forwarded a list of creditors with claims totaling approximately \$750,000 and asked that our client vet these claims in advance of closing tomorrow. As I am sure you can appreciate, this is a difficult task. The Manager is not familiar with the property and is simply not in a position to ascertain the validity of these debts in the time provided.

That said, the Manager does not wish to frustrate or delay the closing of the Sale. In the Manager's view, this balance can be maintained by only evaluating debts that, if unpaid, would interfere with the closing. Although Ms. Walton has asserted that all of the debts on her list need to be paid on closing, no liens have been registered against the property and many of the debts appear to relate to goods or services that cannot give rise to lien claims. Moreover, any lien claims could be dealt with using funds that the Manager will hold in trust pending further direction of the Court.

We have requested a list of amounts that need to be paid on closing from Mr. Holmes but have not yet received a response.

Although we appreciate that your client has requested payment of all debts, our view is that paying debts that could interfere with the closing while dealing with other claims by holding the funds in trust to be dealt with by the Court is more consistent with the language and intent of the Order. Of course, if this position will prevent the closing of the Sale then we are open to discussing it. However, we will require some explanation with respect to why the purchaser is requiring payment of all of the vendor's creditors as a closing condition. I am advised that this is quite uncommon.

We also would appreciate hearing from both parties in respect of the requested payment to Global Mills. Specifically, we ask that the applicants and the respondents provide their position with respect to whether this payment is authorized under the terms of the Order and, if so, whether it should be made.

Lastly, we would appreciate confirmation that the Sale is still scheduled to close tomorrow.

Regards,
Mark

3/31/2014

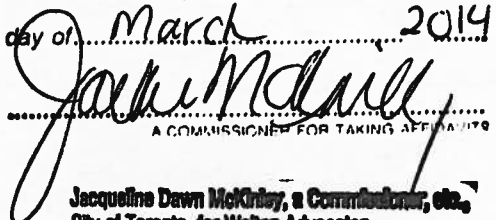
***** Attention *****

This communication is intended solely for the named addressee(s) and may contain information that is privileged, confidential, protected or otherwise exempt from disclosure. No waiver of confidence, privilege, protection or otherwise is made. If you are not the intended recipient of this communication, please advise us immediately and delete this email without reading, copying or forwarding it to anyone.

Norma Walton B.A., J.D., M.B.A.
THE ROSE AND THISTLE GROUP LTD.
30 Hazelton Avenue
Toronto, Ontario, Canada M5R 2E2
Tel: (416) 489-9790 Ext. 103
Fax: (416) 489-9973

www.roseandthistlegroup.com

This is Exhibit E referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors,
Expires November 9, 2014.

65 Front Street East

List of Suppliers and Trades to be paid on closing:

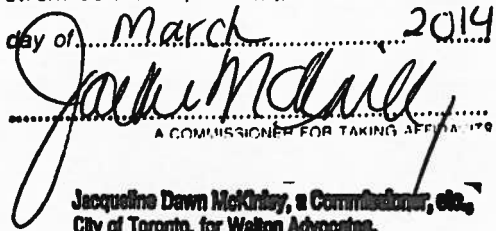
Amount owing:

Medi Group	\$81,943.08
Carcol Ltd.:	\$77,299.31
NET Drywall & Acoustics Ltd.:	\$75,755.20
Joseph Memme:	\$66,670.00
Caiquan Construction:	\$53,867.10
Abaco Glass:	\$49,419.42
1771105 Ontario Ltd.	\$43,957.00
Roofing Medics Ltd.:	\$40,002.00
Laser Heating and A/C:	\$37,918.53
Lennard Commercial Realty Inc.:	\$30,843.35
Perfect Painting and Renovation:	\$30,510.00
World Electric:	\$28,331.77
Gentry Environmental Systems:	\$25,813.10
EngCon Construction:	\$24,860.00
Blue Air Mechanical:	\$13,560.00
wba architects and engineers	\$11,447.01
Ample Electric Inc.:	\$6,996.00
Alcatraz Security Systems:	\$6,079.40
Noble Cleaning:	\$6,000.30
Jedd Jones Architect Ltd.:	\$5,395.75
Universal Recycling:	\$4,487.09
Maxguard:	\$4,322.25
Malja Renovation	\$3,964.92
Snap Pest Control:	\$3,616.00
G Line Sun Control:	\$3,384.35
Protocom Limited:	\$2,400.00
Marsal Fire Protection Services Ltd.:	\$1,695.00
Robert Kemp	\$1,500.00
Y.A. Siu Design Consultants:	\$1,356.00
Krzysztof Gil Electrical Services:	\$1,103.51
Quality Chemicals Mfg.	\$1,000.00 estimate - need invoice
Nexus Protective Services	\$749.19
Lady Bug Pest Control	\$576.30
Safety Media Inc.	\$532.23
Bell Canada:	\$463.02
Toronto Hydro:	\$462.15
March Elevator:	\$386.57

Grand Total:

\$748,666.90

This is Exhibit F referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinlay, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

DIRECTION

**TO: TODD HOLMES
DEVRY SMITH FRANK LLP**

AND TO: Any other solicitor acting for Front Church Properties Limited


RE: Sale of 65 Front Street East

Front Church Properties Limited hereby authorizes and directs you to deal with the gross proceeds of sale (\$10,300,000) as follows:

1. Adjust for the first mortgage assumption of approximately \$5,805,500;
2. Pay out the second mortgage of \$2,500,000 plus accrued interest of approximately \$92,000 and legal fees of approximately \$35,000;
3. Adjust for 2013 and 2014 property taxes (\$165,000 est.);
4. Pay to CRA the amount to discharge their HST lien (\$203,000 est.);
5. Adjust for any other standard amounts in the Statement of Adjustments (\$150,000 est.);
6. Pay the sum of \$748,666.90 directly to the suppliers, trades and creditors listed in Schedule "A" to this Direction;
7. Pay realty commissions to Cushman Wakefield LePage (\$349,170 est.);
8. Pay your legal fees and disbursements (\$30,000 est.);
9. Pay to Global Mills Inc. the sum of \$361,750 or whatever amount is available after payment of the above; and
10. Any surplus to be paid to Canada Revenue Agency towards the corporate tax that will be due from Front Church Properties Limited due to the sale of 65 Front Street East.

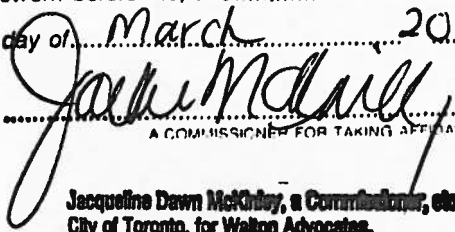
Dated at Toronto, Ontario this 31st day of March, 2014

Front Church Properties Limited



Norma Walton
President

I have the authority to bind the Corporation

This is Exhibit G referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McGilley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 8, 2014.

**ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List**

THE HONOURABLE
JUSTICE NEWBOULD

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)
)

FRIDAY, THE 21ST
DAY OF MARCH, 2014

BETWEEN:

DBDC SPADINA LTD.,
and THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO

Applicants

and

NORMA WALTON, RONAULD WALTON, THE ROSE & THISTLE GROUP
LTD. and EGLINTON CASTLE INC.

Respondents

and

THOSE CORPORATIONS LISTED ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

Defendant

ORDER

THIS MOTION, brought by the Applicants for various heads of interim relief was heard
this day at 330 University Avenue, Toronto, Ontario.

ON READING the motion record, and upon hearing from counsel for the Applicants, the
Respondents and the Manager, Schonfeld Inc.,

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

2. THIS COURT ORDERS that the Respondents, Norma Walton, Ronauld Walton, the Rose & Thistle Group Ltd. ("Rose & Thistle") and Eglinton Castle Inc. ("the Respondents") and any persons having knowledge of this order are hereby prohibited from dealing in any way with closing proceeds of sale payable to the vendor from the sale of property known municipally as 14 College Street, Toronto, Ontario ("the Sale") without further order of this Honourable Court.

3. THIS COURT ORDERS that the Respondents, and any person having notice of this order, pay the proceeds of the Sale to Schonfeld Inc. to be held pending further order of this Honourable Court.

4. THIS COURT ORDERS that subparagraph 3(c) of the Order of this Honourable Court dated December 18, 2013 is hereby amended *nunc pro tunc* to read as follows:

(a) the Respondents shall not deal with the following properties, including any transactions involving the equity of the legal or beneficial owner of the lands, without further Order of this Court:

(i) 2 Kelvin Avenue, Toronto, Ontario;

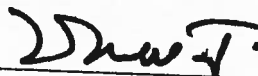
(ii) 346 Jarvis Street, Toronto, Ontario;

(iii) 3775 St. Clair Avenue East, Toronto, Ontario;

(iv) 14/17 Montcrest, Toronto, Ontario;

- (v) 1 William Morgan Drive, Toronto, Ontario;
- (vi) 324 Prince Edward Drive, Toronto, Ontario;
- (vii) 24 Cecil Street, Toronto, Ontario;
- (viii) 185 Davenport Road, Toronto, Ontario;
- (ix) 30 and 30A Hazelton Avenue, Toronto, Ontario;
- (x) 1246 Yonge Street, Toronto, Ontario;
- (xi) 777 St. Clarens Avenue, Toronto, Ontario;
- (xii) 17 Yorkville Avenue, Toronto, Ontario;
- (xiii) 252 Carlton Street and 478 Parliament Street, Toronto, Ontario;
- (xiv) 19 Tennis Crescent, Toronto, Ontario;
- (xv) 66 Gerrard Street East, Toronto, Ontario;
- (xvi) 646 Broadview Avenue, Toronto, Ontario;
- (xvii) 14 College Street, Toronto, Ontario;
- (xviii) 26 Gerrard Street Est, Toronto, Ontario;
- (xix) 2 Park Lane Circle Road, Toronto, Ontario;
- (xx) 2454 Bayview Avenue, Toronto, Ontario; and
- (xxi) 321 Carlaw, Toronto, Ontario,

5. THIS COURT ORDERS that the Respondents disclose forthwith to Schonfeld Inc. all dealings with each of the properties listed in subparagraph 3(c) of the December 18 Order including the status of each and what transactions, if any, have been entered into since December 18, 2013.
6. THIS COURT ORDERS that the Respondents provide written disclosure weekly by 5:00 p.m. on the Monday of each week to Schonfeld Inc. of the status of, and all dealings with, each of the properties listed in subparagraph 3(c) of the December 18, 2013 Order.
7. THIS COURT ORDERS that the Respondents, Norma Walton, Ronauld Walton and a representative of the Rose & Thistle Group Ltd., attend for examination under oath by the Inspector as to their assets in light of the nonpayment of Inspector fees required by paragraph 13 of the Order of this Honourable Court dated October 4, 2013, upon notice of examination served.
8. THIS COURT ORDERS that the Applicants are permitted to bring forward an application for contempt of the Orders of this Honourable Court against the Respondents to be determined at the scheduled hearing dates before this Honourable Court of May 1 and 2, 2014.

A handwritten signature in dark ink, appearing to be 'D. M. T.', is written above a horizontal line.

SCHEDULE "A" COMPANIES

1. Dr. Bernstein Diet Clinics Ltd.
2. 2272551 Ontario Limited
3. DBDC Investments Atlantic Ltd.
4. DBDC Investment Pape Ltd.
5. DBDC Investments Highway 7 Ltd.
6. DBDC Investments Trent Ltd.
7. DBDC Investments St. Clair Ltd.
8. DBDC Investments Tisdale Ltd.
9. DBDC Investments Leslie Ltd.
10. DBDC Investments Lesliebrook Ltd.
11. DBDC Fraser Properties Ltd.
12. DBDC Fraser Lands Ltd.
13. DBDC Queen's Corner Inc.
14. DBDC Queen's Plate Holdings Inc.
15. DBDC Dupont Developments Ltd.
16. DBDC Red Door Developments Inc.
17. DBDC Red Door Lands Inc.
18. DBDC Global Mills Ltd.
19. DBDC Donalda Developments Ltd.
20. DBDC Salmon River Properties Ltd.
21. DBDC Cityview Industrial Ltd.
22. DBDC Weston Lands Ltd.
23. DBDC Double Rose Developments Ltd.
24. DBDC Skyway Holdings Ltd.
25. DBDC West Mall Holdings Ltd.
26. DBDC Royal Gate Holdings Ltd.
27. DBDC Dewhurst Developments Ltd.
28. DBDC Eddystone Place Ltd.
29. DBDC Richmond Row Holdings Ltd.

SCHEDULE "B" COMPANIES

1. Twin Dragons Corporation
2. Bannockburn Lands Inc. / Skyline – 1185 Eglinton Avenue Inc.
3. Wynford Professional Centre Ltd.
4. Liberty Village Properties Inc.
5. Liberty Village Lands Inc.
6. Riverdale Mansion Ltd.
7. Royal Agincourt Corp.
8. Hidden Gem Development Inc.
9. Ascalon Lands Ltd.
10. Tisdale Mews Inc.
11. Lesliebrook Holdings Ltd.
12. Lesliebrook Lands Ltd.
13. Fraser Properties Corp.
14. Fraser Lands Ltd.
15. Queen's Corner Corp.
16. Northern Dancer Lands Ltd.
17. Dupont Developments Ltd.
18. Red Door Developments Inc. and Red Door Lands Ltd.
19. Global Mills Inc.
20. Donalda Developments Ltd.
21. Salmon River Properties Ltd.
22. Cityview Industrial Ltd.
23. Weston Lands Ltd.
24. Double Rose Developments Ltd.
25. Skyway Holdings Ltd.
26. West Mall Holdings Ltd.
27. Royal Gate Holdings Ltd.
28. Dewhurst Developments Ltd.
29. Eddystone Place Inc.
30. Richmond Row Holdings Ltd.
31. El-Ad Limited
32. 165 Bathurst Inc.

DBDC SPADINA LTD., and those corporations listed on Schedule A hereto
Applicants

-and- NORMA WALTON et al.
Respondents

Court File No. CV-13-10280-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

ORDER

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

**Barristers
Suite 2600
130 Adelaide Street West
Toronto ON M5H 3P5**

Peter H. Griffin (19527Q)

Tel: (416) 865-2921

Fax: (416) 865-3558

Email: pgriffin@litigate.com

Shara N. Roy (49950H)

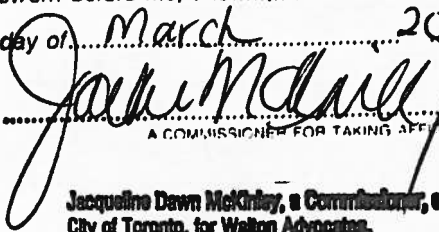
Tel: (416) 865-2942

Fax: (416) 865-3973

Email: sroy@litigate.com

Lawyers for the Applicants

3458833

This is Exhibit H referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinlay, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

Court File No. CV-13-10280-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

DBDC SPADINA LTD.,
AND THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO

Applicants

and

NORMA WALTON, RONAULD WALTON, THE ROSE & THISTLE GROUP
LTD. and EGLINTON CASTLE INC.

Respondents

and

THOSE CORPORATIONS LISTED ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

AFFIDAVIT OF JAMES REITAN

I, JAMES REITAN, in the City of Woodbridge, in the Province of Ontario,
MAKE OATH AND SWEAR:

1. I have sworn various affidavits in this proceeding.
2. On December 18, 2013, the Honourable Justice Newbould made an Order requiring that the Respondents provide the Applicants and the Manager with advance written notice of any dealings with the properties set out in Schedule C hereto. Attached hereto as Exhibit "A" is a copy of Justice Newbould's Order of December 18, 2013.

3. The Applicants have brought a motion returnable on May 1 and 2, 2014 seeking a tracing of the proceeds advanced by them into the Schedule C Properties and a constructive trust over the Schedule C Properties. Attached hereto as Exhibit "B" is a copy of the Applicants' Notice of Motion.
4. Due to our concerns that notwithstanding the various orders of the Court governing dealings with properties owned by the Respondents, they appear to have funds to carry on business, our counsel sought confirmation from counsel for the Respondents that there were no transactions affecting their equity interests in the corporations that own the Schedule C Properties. Attached hereto as Exhibit "C" is a copy of that correspondence. To the date of this affidavit, no response has been received.
5. On December 18, 2013, the Honourable Justice Newbould made an Order that the Respondents may not deal with the property at 65 Front Street East, without further order of the Court. As set out above, the Order of Justice Newbould is attached as Exhibit A hereto.
6. On January 27, 2014, the Honourable Justice Wilton-Siegel made an order which permitted the Respondents to negotiate an offer to purchase in respect of 65 Front Street East, acceptable to them, and providing that the proceeds of any sale be paid as directed by further order of the Court. Attached hereto as Exhibit "D" is a copy of Justice Wilton-Siegel's Order of January 27, 2014.
7. On January 23, 2014, the Respondents began negotiations in respect of an agreement of purchase and sale in respect of 65 Front Street East. On January 30, 2014, the agreement of purchase and sale was agreed to and finalized. Attached hereto as Exhibit "E" is a copy of the accepted agreement and sale and a covering email sent by Norma Walton.

8. On February 22, 2014, the Respondents and purchaser made certain amendments to the agreement of purchase and sale. On March 7, 2014, the Respondents agreed to an extension of the financing condition to March 12, 2014. Further accommodations were made on March 14, 2014. Attached hereto as Exhibit "F" is a copy of the extension clause and covering emails sent by Norma Walton

9. At that time, it was contemplated that the sale would close by March 28, 2014;

10. On March 14, 2014, our counsel, Peter Griffin, wrote to John Campion requesting an update on the projected closing. Attached hereto as Exhibit "G" is a copy of the letter from Peter Griffin to John Campion dated March 14, 2014.

11. To the date of this affidavit, no response has been received to Mr. Griffin's letter.

SWORN before me at the City of
Toronto, in the Province of Ontario,
this 19th day of March, 2014.



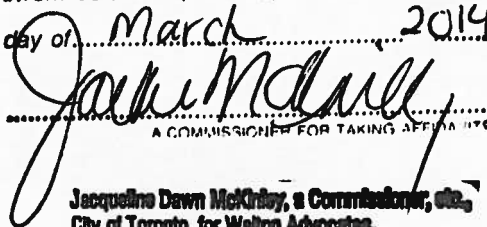
A Commissioner for taking affidavits

Shae N. Roy



JAMES REITAN

This is Exhibit.....I.....referred to in the
affidavit of NORMA WALTON
sworn before me, this.....31.....
day of March.....2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinlay, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

DBDC SPADINA LTD.,
AND THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO
Applicants

and

NORMA WALTON, RONAULD WALTON, THE ROSE & THISTLE GROUP
LTD. and EGLINTON CASTLE INC.
Respondents

and

THOSE CORPORATIONS LISTED ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

AFFIDAVIT OF JAMES REITAN

I, JAMES REITAN, in the City of Woodbridge, in the Province of Ontario,
MAKE OATH AND SWEAR:

1. I have sworn various affidavits in this proceeding.
2. It has come to my attention that the Respondents Norma and Ronauld Walton may be dealing with one or more of the properties listed in paragraph 3(c) of the Order of the Honourable Justice Newbould dated December 18, 2013, without providing notice of any kind to the Applicants, as they are required to do.

252 Carlton Street (paragraph 3(c)(xiii))

3. Attached hereto as Exhibit "A" is a copy of a transfer in respect of 252 Carlton Street. The transfer shows that on March 6, 2014, Norma Walton, on behalf of 1793530 Ontario Inc., transferred the property at 252 Carlton Street to Bloorston Farms Ltd.
4. Attached hereto as Exhibit "B" is a copy of a corporate search for Bloorston Farms Ltd.
5. In her affidavit sworn December 17, 2013 on behalf of the Respondents, Norma Walton referred to 252 Carlton Street as follows:

(q) 252 Carlton Street and 478 Parliament Street

- (i) **Shareholders:** Ronald and Norma Walton as common shareholders and approximately 10 individual investors as preferred shareholders for the amount of approximately \$1.1 million.
- (ii) **Ownership:** 1793530 Ontario Inc.
- (iii) **Mortgages:** Equitable Trust (approx. \$1.65mil)
- (iv) **Suppliers/Trades and Other Stakeholders:** The Salvation Army as tenant, Dance Umbrella of Ontario as tenant, Ginger Restaurant as tenant, Johnny Os Restaurant as tenant, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.
- (v) **Employees:** None
- (vi) **Activity:** The Walton Group has conditionally sold this property for \$3.1 million, with the sale closing expected January 31, 2014, assuming the purchaser waives his conditions before December 25, 2013. The Walton Group is expecting net sale proceeds in the amount of \$250,000.
- (vii) **Monies used from the Don Mills Mortgages:** None
- (viii) **Monies Paid back on account of this Property:** NA

- (ix) **Purchased in 2008 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property) The funds for the purchase of this property came from the Walton Group.**

6. None of the Respondents or their counsel provided notice of the closing of the sale of 252 Carlton Street or that a conditional Agreement of Purchase and Sale became unconditional.

7. The transfer also shows that the parties paid the Land Transfer Tax directly to the Ministry of Finance and the Municipal Land Transfer Tax directly to the City of Toronto. The transfer indicates that the total consideration for the transaction was \$0.

8. Attached hereto as Exhibit "C" is a copy of a title search conducted on March 20, 2014. There is no purchase price listed for the transfer of the property from 1793530 Ontario Inc. to Bloorston Farms Ltd. as it appears that land transfer tax and municipal land tax was paid directly to the Ministry of Revenue in advance of closing.

9. However, a charge was listed on the property on the day of purchase for \$1,803,750 in favour of the Bank of Montreal. The prior charge on the property in favour of The Equitable Trust Company was for \$1,743,750. As a result, I believe that the purchase price was in excess of \$1,803,750 and resulted in net proceeds to the Respondents.

10. In the Inspector's Fourth Report, the Inspector has concluded that the net transfer to Rose & Thistle from Schedule B companies was \$23 Million and that the net transfer from Rose & Thistle to 1793530 Ontario Ltd., the registered owner of 252 Carlton Street, was \$888,000.00.

11. Attached hereto as Exhibit "D" is a copy of an email sent by our counsel to counsel for the Respondents in respect of 252 Carlton Street on March 20, 2014. To the date and time of this affidavit, no response has been received.

14 College Street (paragraph 3(c)(xvii))

12. I have reason to believe that the Respondents may be seeking to sell or transfer the property at 14 College Street, as I understand that requests have been made to a mortgagee on the property to provide a mortgage discharge statement current to today.

13. In her affidavit sworn December 17, 2013, Ms. Walton swore at subparagraph 20(u)(vi) on pages 26 and 27 that the Respondents intended to list the property at 14 College Street for sale in January 2014:

(u) 14 College Street

(i) Shareholders: Ronauld and Norma Walton

(ii) Ownership: College Lane Ltd.

(iii) Mortgagees: First mortgagee is Rocco Marcello (approx. \$5mil), Stephen Handelman as second mortgagee (approx. \$750,000), and Eric Silverberg as third mortgagee (approx. \$1.35mil). Note that Eric Silverberg also has a second mortgage against 66 Gerrard (above) for the same \$1.35 million.

(iv) Suppliers/Trades and Other Stakeholders: Main Drug Mart as tenant along with various doctor subtenants, cleaners, maintenance people, HVAC

suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.

(v) Employees: None

(vi) Activity: The Walton Group intends to list this property for sale in January 2014.

(vii) Monies used from the Don Mills Mortgages: None

(viii) Monies Paid back on account of this Property: NA

(ix) Purchased in 2011 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property were from the Walton Group and Windsor Bancorp (with a mortgage that has since been discharged).

14. Accordingly, any Agreement of Purchase and Sale had to have been entered into after this Honourable Court's Order of December 18, 2013.

15. No notice was provided to the Applicants of any listing for sale or any other steps towards a sale of the property.

16. Attached hereto as Exhibit "E" is a copy of a letter sent by our counsel to counsel for the Respondent on March 20, 2014. To the date and time of this affidavit, no response has been received.

17. In her affidavit dated December 17, 2013, Ms. Walton swore that the property was purchased in 2011 with no funds from the "Bernstein Group". Attached hereto as Exhibit "F" is

a copy of a title search for 14 College Street, showing that it was purchased by College Lane Ltd. on July 5, 2011 from 1196495 Ontario Inc. for \$5,600,000. Attached hereto as Exhibit "G" is a copy of corporate search results for 1196495 Ontario Inc.

18. At the time of purchase, a mortgage was placed on the property by Windsor Bancorp Inc., which was discharged a year later by a mortgage advanced by Rocco Marcello in the amount of \$5,000,000. In my experience from reviewing Walton transactions, I do not believe that the principal of the mortgage amount would have been paid down significantly, or at all, between July 2011 and July 2012. As a result, I believe that the amount of the mortgage advanced by Windsor Bancorp Inc. in July 2011 would have been approximately \$5,000,000 (of the \$5,600,000 purchase price).

19. From my review of available bank statements, it appears that on June 30, 2011, four transfers were made from Schedule B Companies to the Rose & Thistle account totaling \$513,850. That same day, there were transfers from the Rose & Thistle account to the account for College Lane Ltd. in the amounts of \$330,750. Attached hereto at Exhibit "H" is a copy of my analysis. I believe that those funds were used to purchase 14 College Street.

20. From my review of bank statements, I have also noted the following transactions in July 2012, when the mortgage on 14 College Street was re-financed:

- (a) July 3, 2012 - \$1,250,000 Bernstein investment in Fraser deposited directly into the Rose & Thistle account;
- (b) July 3, 2012 - \$987,165 from the Rose & Thistle account invested in Fraser account;

(c) July 4, 2012 - \$901,850 transferred from the Fraser account to the Rose & Thistle account; and

(d) July 4, 2012 - \$983,475 transferred from the Rose & Thistle account to the College Lane account (associated with 14 College Street).

21. Further to paragraph 11 above, the Inspector has concluded in its Fourth Report that the net transfer from Rose & Thistle to College Lane Ltd. (the registered owner of 14 College Street) was \$1,071,000.00.

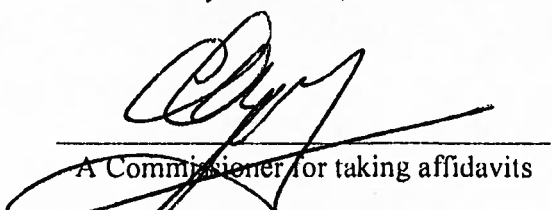
26 Gerrard Street East (paragraph 3(c)(xviii))

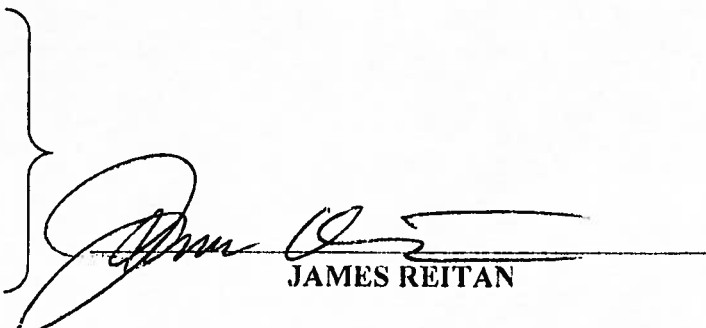
22. I have reason to believe that the Respondents may be dealing with property at 26 Gerrard Street East.

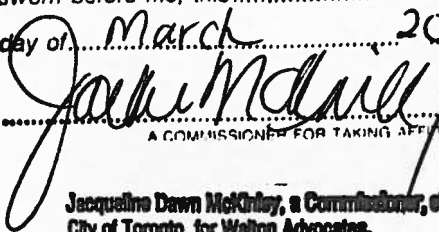
23. Attached hereto as Exhibit "I" is a copy of a letter sent by our counsel to counsel for the Respondent on March 20, 2014. To the date and time of this affidavit, no response has been received.

24. Further to paragraph 11 above, the Inspector has concluded in its Fourth Report that the net transfer from Rose & Thistle to Gerrard House (the registered owner of 26 Gerrard Street East) was \$1,240,700.00.

SWORN before me at the City of Toronto, in the Province of Ontario, this 21st day of March, 2014.


A Commissioner for taking affidavits
P. MICHAEL


JAMES REITAN

This is Exhibit J referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 8, 2014.



181 University Avenue, Suite 2200
Toronto, Ontario M5H 3M7
Tel: 416.642.3582
Fax: 416.352.5454

January 8, 2014

BY FAX TO: (416)865-3858:

► TWO PAGES ◀

Lenczner Slaght Royce Smith Griffin LLP
Barristers
130 Adelaide Street West, Suite 2600
Toronto, Ontario M5H 3P5

ATTENTION: Peter H. Griffin

BY FAX TO: (416)979-1234:

Goodmans LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

ATTENTION: Fred Myers

Dear Messrs. Griffin and Myers:

Re: **DBDC Spadina Ltd., et al. v. Norma Walton, et al.**
Court File No. CV-13-10280-00CL

By Order dated December 18, 2013, the Honourable Justice Newbould directed that, regarding 25 properties listed in sub-paragraph 1(h) of the Applicant's Amended Notice of Motion dated December 11, 2013, the Respondents shall "provide reasonable advance written notice to the applicants and the Manager of any dealings with the following properties [out of the ordinary course of business, including encumbering or selling the properties], so as to permit the Applicants and/or Manager to seek further relief of this Court in a timely manner".

This is an interim Order only pending cross examination, a new hearing date and final determination of two motions regarding the same issues.

In keeping with His Honour's Endorsement, the Respondents hereby inform you:

- (a) regarding 3270 American Drive, this property has been listed for sale effective January 6, 2014;
- (b) regarding 2 Kelvin Avenue, the Waltons intend to list this property for sale;

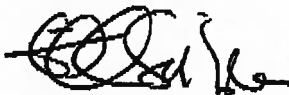
- (c) regarding 1 William Morgan Drive, the Waltons intend to list this property for sale;
- (d) regarding 24 Cecil Street, this property has been listed for sale effective January 6, 2014;
- (e) regarding 30 and 30A Hazelton Avenue, this property has been listed for sale and lease;
- (f) regarding 777 St. Clarens Avenue, there are ongoing discussions with the existing tenant respecting a lease extension or in the alternative a sale of the property to the tenant;
- (g) regarding 252 Carlton Street/478 Parliament Street, a firm offer to sell these properties has been accepted and is scheduled to close on February 28, 2014;
- (h) regarding 66 Gerard Street East, this property has been listed for sale;
- (i) regarding 14 College Street, this property has been marketed for sale;
- (j) regarding 26 Gerrard Street East, there are ongoing negotiations for the prospective sale of this property to the existing tenants;
- (k) regarding 2454 Bayview Avenue, this property has been listed for sale effective January 6, 2014; and
- (l) regarding 319 Carlaw Avenue, Suite 117, this property has been listed for sale.

Norma Walton will give notice of any such sale before it closes, if the order remains in force at the time.

I am sending a copy of this letter to Mr. Cohen, the solicitor for Ron Walton, Rose & Thistle Group Ltd. and Eglinton Castle Inc. I would ask him to confirm the accuracy of my letter on behalf of his clients.

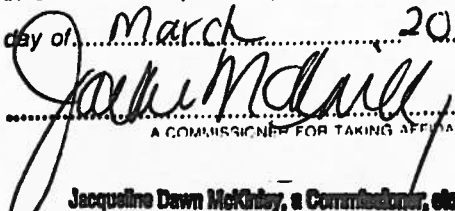
Yours truly,

SCHIBLE LAW



per. Guillermo Schible

cc: John A. Campion by fax to (416) 364-7813
Howard C. Cohen by fax to (416) 364-0083

This is Exhibit K referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinlay, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

Norma Walton

From: Norma Walton
Sent: Sunday, March 30, 2014 8:18 PM
To: Harlan Schonfeld
Cc: James Merryweather; Mark Dunn (mdunn@goodmans.ca); Brian Empey (bempey@goodmans.ca)
Subject: RE: URGENT: Fourth Inspector's Report

Thanks so much for clarifying.

Regards,
 Norma

Harlan Schonfeld <Harlan@schonfeldinc.com> wrote:

No. There is no Fourth Report filed in these proceedings. You are mistaken. Reitan does not have a copy of it.

S. Harlan Schonfeld CPA, CA, CIRP

SCHONFELD INC. Receivers + Trustees

438 University Avenue, 21st Floor
 Toronto, ON M5G 2K8
 Tel 416.862.7785
 Cell 416.254.1992
 Fax 416.862.2136

Schonfeld Inc.
 Receivers + Trustees

Experience acquired. Experience applied.

This email may contain confidential information and no rights to privilege have been waived. If you are not the intended recipient, please notify us immediately. Thank you.

From: Norma Walton [mailto:nwalton@roseandthistle.ca]
Sent: March-30-14 2:34 PM
To: Harlan Schonfeld; James Merryweather; Mark Dunn (mdunn@goodmans.ca); Brian Empey (bempey@goodmans.ca)
Subject: URGENT: Fourth Inspector's Report

Dear Gentlemen,

Is there a Fourth Inspector's Report that I have missed?? Please advise forthwith as if there is, Mr. Reitan seems to have a copy of it and I do not. If there is, please forthwith provide a copy.

Thanks,
 Norma

Norma Walton B.A., J.D., M.B.A.
 THE ROSE AND THISTLE GROUP LTD.
 30 Hazelton Avenue
 Toronto, Ontario, Canada M5R 2E2

3/31/2014

Tel: (416) 489-9790 Ext. 103
Fax: (416) 489-9973

www.roseandthistlegroup.com

This is Exhibit L referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinlay, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

www.fasken.com

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, Ontario, Canada M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile
1 800 268 8424 Toll free



John A. Campion
Direct +1 416 865 5437
jcampion@fasken.com

March 21, 2014

File No.: 296967.00001

VIA E-MAIL

Peter Griffin
Lenczner Slaght
130 Adelaide Street West
Suite 2600
Toronto, Ontario
M5H 3P5

Dear Mr. Griffin:

Re: *Walton, et al. ats DBDC Spadina Limited*
Court File No.: CV-13-10280-00CL

This letter is sent regarding the 14 College Street and 26 Gerrard Street East properties.

Title to 14 College Street is owned by College Lane Limited. Title to 26 Gerrard Street East is owned by Gerrard House Inc. Neither of those companies are party to this action. College Lane Limited has contracted to sell 14 College Street to its first mortgagee for \$7.2-million on the condition that all three outstanding mortgages be paid. There will be no surplus available after payment of all three mortgages. Out of courtesy I am attaching the Direction regarding sale proceeds. It is expected the sale will close on March 28, 2014.

Gerrard House Inc. has contracted to sell 26 Gerrard Street East to their tenants for \$5.72-million. There will be no surplus available after payment of the two mortgages

and there will not be sufficient funds to pay the realty commission in full. I am attaching the Direction regarding sale proceeds. It is expected this sale will close on April 16, 2014.

Yours very truly,



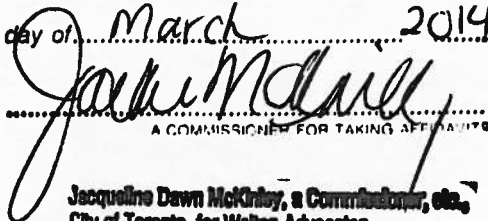
John Campion

JC/car

Attachment

c.c.: Guillermo Schible
David Merner
Norma Walton
Shara Roy

This is Exhibit M referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

AGREEMENT OF PURCHASE AND SALE

PURCHASER: **WINDSOR PRIVATE CAPITAL LP and/or
WINDSOR PRIVATE CAPITAL INC.**

VENDOR: **COLLEGE LANE LTD.**

REAL PROPERTY ADDRESS: **14 College Street, West, Toronto, Ontario**
fronting on the north side of College Street, City of Toronto
and having a frontage and depth, as per registered deed and legally described as
Part of Lot 106, Plan 159, Toronto, as in CA500591, T/W CA500591, City of Toronto (the "Property")

PURCHASE PRICE: SEVEN MILLION TWO HUNDRED THOUSAND (\$7,200,000.00) DOLLARS (Canadian)

DEPOSIT: Purchaser submits herewith TWO HUNDRED & FIFTY THOUSAND Dollars (Canadian) \$250,000.00 cash or certified cheque payable to Vendor's lawyer, DEVRY SMITH FRANK LLP IN TRUST, to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion.

The Purchaser agrees to assume an existing mortgage in favour of Rocco A. Marcello, securing the principal moneys of about \$5,000,000.00, bearing interest at the rate of 3.86%, payable monthly in blended payments of principal and interest in the amount of \$29,851.23, with such mortgage maturing on July 5, 2017, and being open for prepayment upon two month's written notice.

The vendor agrees to discharge any and all other mortgages, liens or encumbrances, etc., against the property on or before closing at the vendor's expense.

The Purchaser agrees to pay the balance of the purchase price, subject to adjustments, in cash or by certified cheque, to the vendor on the completion of this transaction.

The purchaser agrees to assume the existing tenant, Morkos Management, with lease expiring June 30, 2017, with further two five-year options to renew until June 30, 2022, and then June 30, 2027, presently paying an annual minimum rent of \$420,000.00, and then \$504,000.00 starting July 1, 2017, and \$588,000.00 starting July 1, 2022, with the tenant being required to pay all realty taxes for the property when due directly to the City of Toronto and the tenant is required to pay all utilities, costs and other charges for the property, in addition to the minimum rent, as per terms as more particularly described in the lease. The vendor agrees to assign all its interest in this lease to the purchaser on closing, and provide notice and direction to tenant re same. The vendor agrees to credit the purchaser with all prepaid rents or security deposits on closing. The vendor agrees to provide a tenant's acknowledgement confirming the amount of property taxes paid towards 2014 property taxes.

The purchaser agrees to assume all other maintenance contracts for the property entered into by the vendor and the vendor agrees to provide copies of same, and contact information on or before closing.

Vendor agrees to provide on or before closing an existing survey of the property, showing all existing buildings, fences, and improvements on the property, to the purchaser, at the vendor's expense.

Vendor agrees to discharge all other mortgages, liens or encumbrances against the property on or before closing, at the vendor's expense.

SCHEDULES: attached hereto form(s) part of this Agreement.

1. **CHATELS INCLUDED:** Existing electrical light fixtures, storm doors and windows, all windows and doors, gas or other heating equipment complete with all accessories, and all other permanent fixtures on or about the premises belonging to the vendor and deemed free of any liens or encumbrances.
2. **FIXTURES EXCLUDED:** NONE except those owned by the Tenant
3. **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase price. The purchaser agrees to assume the rental contract(s), if assumable:
4. **IRREVOCABILITY:** this Offer shall be irrevocable by Vendor until 5 p.m. on the **26th day of March, 2014**, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Purchaser in full without interest.

5. **COMPLETION DATE:** This agreement shall be completed by no later than 6:00 p.m. on the 3rd day of APRIL, 2014. Upon completion, vacant possession of the property shall be given to the Purchaser unless otherwise provided for in this Agreement.
6. **NOTICES:** The vendor and purchaser agree that any notices may be given by either party to each other or to their solicitors. Any notice relating hereto or provided for herein shall be in writing. This offer, any counter offer, notice of acceptance thereof, or any notice shall be deemed given and received, when hand delivered to the address for service provided in the Acknowledgment below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number. :
FAX NO. 416-489-9973 for vendor) FAX NO. 46515-2315 (for purchaser)
7. **GST/HST:** If the sale of the property (Real Property as described above) is subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect GST or HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act "(ETA)", together with a GST and/or HST registration number, and a warranty that the Buyer shall self-assess and remit the GST or HST payable and file the prescribed form and shall indemnify the Seller in respect of any GST or HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to GST or HST, Seller agrees to certify on or before closing that the transaction is not subject to GST or HST. Any HST on chattels if applicable, is not included in the purchase price.
8. **TITLE SEARCH:** purchaser shall be allowed until 6:00 p.m. on the 1st day of April, 2014 (Requisition Date) to examine the title to the property at his own expense and to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (residential/commercial) may be lawfully continued and that the principal building may be insured against risk of fire. Vendor hereby consents to the municipality of other governmental agencies releasing to Purchaser details of all outstanding work orders affecting the property, and Vendor agrees to execute and deliver such further authorizations in this regard as Purchaser may reasonably require.
9. **FUTURE USE:** Vendor and Purchaser agree that there is no representation or warranty of any kind that the future intended use of the property by Purchaser is or will be lawful except as may be specifically provided for in this Agreement.
10. **TITLE** provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, or evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services which do not materially affect the present use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to vendor and which vendor is unable or unwilling to remove, remedy or satisfy and which purchaser will not waive, this agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and vendor, and other parties to this agreement, shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Purchaser shall be conclusively deemed to have accepted vendor's title to the property.
11. Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Vendor. If requested by Purchaser, vendor will deliver any sketch or survey of the property within vendor's control to purchaser as soon as possible and prior to the requisition date. If a discharge of any charge/mortgage held by a corporation incorporated pursuant to the Trust and Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Purchaser on completion, is not available in registrable form on completion, Purchaser agrees to accept vendor's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same on title within a reasonable period of time after completion, provided that on or before completion Vendor shall provide to Purchaser a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, together with a direction executed by Vendor directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
12. **INSPECTION:** purchaser acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Purchaser and Vendor.
13. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of the Vendor. Pending completion, vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, purchaser may either terminate this agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If vendor is taking back a charge/mortgage, or purchaser is assuming a charge/mortgage, purchaser shall supply vendor with reasonable evidence of adequate insurance to protect vendor's or other mortgagee's interest on completion.
14. **PLANNING ACT:** this Agreement shall be effective to create an interest in the property only if vendor complies with the subdivision control provisions of the Planning Act by completion and vendor covenants to proceed diligently at his expense to obtain any necessary consent by completion.
15. **DOCUMENT PREPARATION:** The transfer/Deed shall, save for the land transfer Tax Affidavit, be prepared in registrable form at the expense of vendor, and any charge/mortgage to be given back by the purchaser to vendor at the expense of the purchaser. If requested by purchaser, vendor covenants that the transfer/deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O. 1990.

16. **RESIDENCY:** Purchaser shall be credited towards the Purchaser price with the amount, if any, necessary for Purchaser to pay to the Minister of National Revenue to satisfy Purchaser's liability in respect of tax payable by Vendor under the non-residency provisions of the Income Tax Act by reason of this sale. Purchaser shall not claim such credit if Vendor delivers on completion the prescribed certificate or a statutory declaration that vendor is not then a non-resident of Canada.
17. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to the purchaser.
18. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by vendor and purchaser or by their respective lawyers who may be specifically authorized in that regard.
19. **TENDER:** Any tender of documents or money hereunder may be made upon vendor or purchaser or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
20. **FAMILY LAW ACT:** Vendor warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless vendor's spouse has executed the consent hereinafter provided.
21. **UFFI:** Vendor represents and warrants to Purchaser that during the time Vendor has owned the property, vendor has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of vendor's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
22. **CONSUMER REPORTS:** The purchaser is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
23. **AGENCY:** Not applicable herein.
24. **AGREEMENT IN WRITING:** If there is conflict between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict. This Agreement including any Schedule attached hereto, shall constitute the entire agreement between the purchaser and vendor. There is no representation, warranty, collateral agreement or conditions, which affects this agreement other than as expressed herein. This agreement shall be read with all changes of gender or number required by the context.
25. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

DATED AT Toronto, this 26th day of March, 2014

SIGNED, SEALED AND DELIVERED
in the presence of:

In witness whereof, I have hereunto set
my hand and seal:

WINDSOR PRIVATE CAPITAL LP AND/OR
WINDSOR PRIVATE CAPITAL INC

Per: 
(Purchaser)

witness - purchaser

John Cundari, Chief Operating Officer

I HAVE AUTHORITY TO BIND THE CORPORATION

I, The UNDERSIGNED Vendor, ACCEPTS THE ABOVE OFFER,

SIGNED, SEALED AND DELIVERED
In the presence of:

In witness whereof, I have hereunto set
my hand and seal"

COLLEGE LANE LTD.

Per: 
(Vendor)

Norma Walton - President

I HAVE AUTHORITY TO BIND THE CORPORATION

CONFIRMATION OF EXECUTION: Notwithstanding anything contained herein to the contrary, I confirm the Agreement with all changes both typed and written, was finally executed by all parties at _____ a.m./p.m. this _____ day of March, 2014

signature of vendor/purchaser

ACKNOWLEDGEMENT:

I acknowledge receipt of my signed copy of this accepted agreement of purchase and sale:

_____, 2014
(Vendor)
_____, 2014
(Purchaser)

Purchaser:

Name: WINDSOR PRIVATE CAPITAL LP AND/OR WINDSOR PRIVATE CAPITAL INC.

Address: 28 Hazelton Avenue, Toronto, Ontario

Solicitor: Name/Address/Tel/Fax. No.

Gino A. J. Cundari, Barrister & Solicitor

1179 St. Clair Avenue, West, Toronto, Ontario M6E 1B5

Tel: 416 654 9000 Fax: 416 654 6688 E-Mail: cundari@bellnet.ca

Vendor:

Name: COLLEGE LANE LTD.

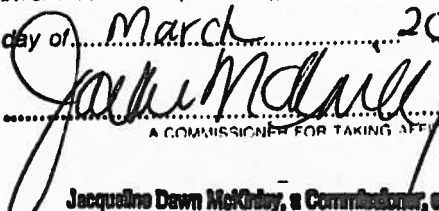
Address: 30 Hazelton Avenue, Toronto, Ontario

Solicitor: Name/Address/ Tel/Fax. No.

John Todd Holmes (Devry Smith Frank LLP), Barristers & Solicitors

100-95 Barber Greene Road, Toronto, Ontario M3C 3E9

Tel: 416 449 1400 Fax 416 449 7071 E-Mail: todd.holmes@devrylaw.ca

This is Exhibit N referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinlay, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

DIRECTION

**TO: TODD HOLMES
DEVRY SMITH FRANK LLP**

AND TO: Any other solicitor acting for College Lane Ltd.

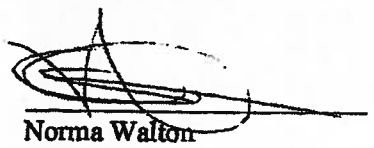
RE: Sale of 14 College Street

College Lane Ltd. hereby authorizes and directs you to deal with the gross proceeds of sale of \$7,200,000 as follows:

1. Discharge the first, second and third mortgages (\$7,100,000 est.);
2. Pay 2013 property tax arrears (\$90,000 est.);
3. Adjust for 2014 property taxes on the Statement of Adjustments (\$20,000 est.);
4. Adjust for last month's rent deposit and any other standard amounts in the Statement of Adjustments (\$75,000 est.);
5. Pay your legal fees and disbursements (\$15,000 est.); and
6. Note that College Lane Ltd. will be responsible for any deficiency related to the above as required.

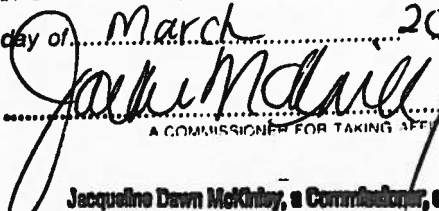
Dated at Toronto, Ontario this 19th day of March, 2014

College Lane Ltd.



Norma Walton
President

I have the authority to bind the Corporation

This is Exhibit 0 referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinlay, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

Norma Walton

From: Norma Walton
Sent: Friday, March 28, 2014 11:45 AM
To: 'Peter Griffin'; 'Mark Dunn (mdunn@goodmans.ca)'
Cc: 'Howard Cohen (cohen@cohensabsay.com)'; 'Brian Empey (bempey@goodmans.ca)'; 'Shara N. Roy'; 'Paul-Erik Veel'; 'Todd Holmes'; 'Elena Piperopoulos'; Mark Goldberg
Subject: RE: 14 College Street
Attachments: accepted APS mar 26, 14.pdf; amortization schedule for Marcello mortgage.pdf; handelman registered mortgage.pdf; DOCS-#13274306-v2-College_Lane_-_Discharge_Statement_(2).DOC; Discharge Statement.doc; direction regarding proceeds march 28, 14.pdf

Dear Mr. Griffin and Mr. Dunn,

I am attaching for your ease of reference the following documents:

1. The APS for 14 College Street;
2. The updated signed closing direction to Devry Smith Frank;
3. The amortization schedule for the first mortgage being assumed in the APS. Unfortunately I do not have a copy of that charge handy;
4. The second charge in favour of Stephen Handelman along with the draft discharge statement; and
5. The draft discharge statement for the third mortgage. I unfortunately do not have a copy of that charge handy.

I have not yet requested a commission invoice from Pointmark Realty but will forward it upon receipt.

The transaction is scheduled to close on April 3, 2014.

Please advise if either of you need anything further concerning this transaction.

Please also advise if you are prepared to approve this transaction as proposed to hopefully avoid the need for a contested hearing related to this property.

Regards,
 Norma

Norma Walton B.A., J.D., M.B.A.
 THE ROSE AND THISTLE GROUP LTD.
 30 Hazelton Avenue
 Toronto, Ontario, Canada M5R 2E2
 Tel: (416) 489-9790 Ext. 103
 Fax: (416) 489-9973

www.roseandthistlegroup.com

This is Exhibit P referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McIntyre, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.



Agreement of Purchase and Sale Commercial

Form 500
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 23rd day of January 20 14

BUYER, Sterling Group Inc., in trust for a company to be incorporated, agrees to purchase from
(Full legal names of all Buyers)

SELLER, Gerrard House Inc., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 26 Gerrard Street East

fronting on the North side of Gerrard Street

in the City of Toronto

and having a frontage of 50 feet more or less by a depth of 137 feet more or less

and legally described as PT LT 5 N/S Gerrard St PL 22A Toronto; PT LT 9-11 PL 377 City East as in CA 11295

(Legal description of land including easements not described elsewhere) (the "property")

PURCHASE PRICE:

Dollars (CDN\$) 5,720,000.00

Five Million Seven Hundred and Twenty Thousand Dollars

DEPOSIT: Buyer submits within five business days after acceptance, Fifty Thousand
(Herein/Upon Acceptance/as otherwise described in this Agreement)

Dollars (CDN\$) 50,000.00

by negotiable cheque payable to Devry Smith Frank LLP, In Trust "Deposit Holder"
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion.
For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the
Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that,
unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's
non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A attached hereto form(s) part of this Agreement.

1. **IRREVOCABILITY**: This Offer shall be irrevocable by Buyer until 6 pm a.m./p.m. on
the 27th day of January 20 14, after which time, if not accepted, this
Offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE**: This Agreement shall be completed by no later than 6:00 p.m. on the See Schedule A day
of 20. Upon completion, vacant possession of the property shall be given to the
Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): [Signature]

INITIALS OF SELLER(S): [Signature]



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Form 500 Revised 2012 Page 1 of 7

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3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counteroffer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.:
(For delivery of Documents to Seller)

FAX No.:
(For delivery of Documents to Buyer)

Email Address:
(For delivery of Documents to Seller)

Email Address:
(For delivery of Documents to Buyer)

4. **CHATELS INCLUDED:** None

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:** None

6. **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable: None

7. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the purchase price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 21st day of February, 2014, (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (See Schedule A) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

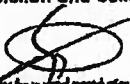
12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

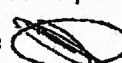
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):





16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
22. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless Seller's spouse has executed the consent hereinafter provided.
23. **UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
25. **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



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28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

Sterling Group Inc. in trust

.....
 (Witness)
 (Witness)
 (Buyer/Authorized Signing Officer)
 (Seal) DATE **23 January 2014**
 (Seal) DATE

I, the Undersigned Seller, agree to the above Offer, I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

Gerrard House Inc.

.....
 (Witness)
 (Witness)
 (Seller/Authorized Signing Officer)
 (Seal) DATE **Jan 23/14**
 (Seal) DATE

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

.....
 (Witness)
 (Spouse)
 (Seal) DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at.....a.m./p.m. this.....day
 of.....January....., 20.14.....
 (Signature of Seller or Buyer) **Buyer**

INFORMATION ON BROKERAGE(S)

Listing Brokerage Colliers Macaulay Nicolis (Ontario) Inc.	Tel.No. 416 . 777-2200
One Queen Street East, Suite 2200, Toronto, Ontario M5C 2Z2	
Co-op/Buyer Brokerage.....	Tel.No.

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

.....
 (Seller)
 DATE

.....
 (Buyer)
 DATE **27/1/14**

.....
 (Seller)
 DATE

.....
 (Buyer)
 DATE

Address for Service.....

Address for Service **17 CRESCENT HILL AVE**

Seller's Lawyer.....

Buyer's Lawyer **Phil Thompson - Thompson Raymond**

Address.....

Address **301-1595 Sixteenth Ave. Richmond Hill ON L4B 3N9**

.....
 Tel.No. FAX No.

.....
 Tel.No. **(905) 881-8505** FAX No. **(905) 881-8731**

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Cooperating Brokerage shown on the foregoing Agreement of Purchase and Sale, in consideration for the Cooperating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLSE Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLSE Rules and shall be subject to and governed by the MLSE Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.

Acknowledged by:

.....
 (Authorized to bind the Listing Brokerage)

.....
 (Authorized to bind the Cooperating Brokerage)



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Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Sterling Group Inc., in trust for a company to be incorporated....., and

SELLER, Gerrard House Inc......

for the purchase and sale of **26 Gerrard Street East**.....

..... dated the **23rd**..... day of **January**....., 20**14**.....

Buyer agrees to pay the balance as follows:

1. Should the transaction not close through no fault of the Buyer, the original deposit shall be immediately returned to the Buyer with interest (if any).

2. ~~The Purchaser shall deliver a second deposit of \$50,000~~
~~Should the transaction not close by virtue of a Buyer default hereunder, the original deposit shall be immediately released to the Vendor with interest (if any) in full satisfaction of all Buyer liability to the Vendor arising out of such default including but not limited to all claims for damages, costs, expenses or specific performance.~~
payable to Debra Smith for 2% interest

within 2 business days of waiving its condition.
3. The balance of the purchase price, subject to adjustments and the deposit set above, shall be paid by certified lawyer's trust cheque or bank draft.

4. The Purchaser will assume the existing lease with Urban Hotel Group Inc. ("Lease") on Closing.

5. The Seller acknowledges that any commissions owing to the Listing Brokerage related to the Lease are the liability of the Seller and neither the Buyer nor the tenant are liable for same.

6. The Purchase Price will be adjusted with respect to the following items: (i) the usual adjustments such as utilities and realty taxes; (ii) the Purchase Price will be reduced by the amount of all deposits paid by the tenant under the Lease and any HST paid thereon; (iii) the Purchase Price will be reduced by an amount on account of the rent-free period under the Lease equal to \$250,000.00; and (iv) the Purchase Price shall be reduced by \$221,000.00 plus HST on account of anticipated roof replacement.

\$150,000
7. The Seller agrees to assume and pay all municipal fees, costs, charges, levies and related consulting and professional fees associated with obtaining the tenant's building permit as currently before the City ("Permit") including all Committee of Adjustment hearing related costs and expenses, other than the usual building permit fee the tenant would have paid in the ordinary course as if the property was fully zoned and ready for the proposed hotel use as originally represented and warranted by the Seller ("Extraordinary Costs"); any Extraordinary Costs not so paid by the Seller that become liabilities or obligations of the Buyer or the Tenant or one of them has to pay for the Tenant to obtain the Permit will be adjustments that reduce the Purchase Price.

14th
8. The obligations of the Purchaser hereunder shall be conditional until February 20th, 2014 on the Purchaser arranging financing on terms satisfactory to the Purchaser in its sole and absolute discretion. Unless the Purchaser waives this condition in writing on or before Closing this Offer and the agreement made hereunder shall automatically terminate and the original deposit shall be immediately paid to the Purchaser with interest (if any).

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



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Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

9. The Closing of the transaction contemplated hereunder shall occur by 5 pm on the first business day that is ~~more than four weeks~~ ^{tenth} after the tenant receives its Permit; provided that if the tenant has not received its Permit by May 31st, 2014 and the parties do not mutually agree to extend the deadline provided for in this paragraph then this Offer and the agreement made hereunder shall automatically terminate and the original deposit shall be immediately paid to the Purchaser with interest (if any).

10. Within ~~five~~ ^{two} business days after acceptance of this Offer the Seller will provide the Buyer complete copies of all property condition reports, environmental reports and information, surveys and appraisals in its possession or under its control.

11. At the option of the Buyer the Seller agrees that this Offer may be converted to a share purchase transaction with respect to all shares of the Seller at the same effective purchase price as provided for hereunder pursuant to a share purchase agreement to be prepared by the lawyer for the Buyer and approved by the lawyer for the Seller both lawyers acting reasonably.

12. The Seller acknowledges that this Offer and any agreement made hereunder are without prejudice to any rights and remedies the tenant now has under the Lease.

13. This Offer supersedes and replaces all previous Offers made by the Buyer for this property which are hereby revoked.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

[Handwritten initials]

INITIALS OF SELLER(S):

[Handwritten initials]



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Form 500 Revised 2012 Page 1 of 7

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This is Exhibit.....Q.....referred to in the
affidavit of NORMA WALTON
sworn before me, this.....31.....
day of March.....2014

Jacqueline Dawn McKinley
A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

DIRECTION

**TO: TODD HOLMES
DEVRY SMITH FRANK LLP**

AND TO: Any other solicitor acting for Gerrard House Inc.


RE: Sale of 26 Gerrard Street East

Gerrard House Inc. hereby authorizes and directs you to deal with the gross proceeds of sale (\$5,720,000) as follows:

1. Pay the first mortgage plus accrued interest (\$4,285,500 est.);
2. Pay the second mortgage plus accrued interest (\$754,000 est.);
3. Adjust for 2013 and 2014 property taxes due less portion purchaser is responsible for (\$100,000 est.);
4. Adjust for any other standard amounts in the Statement of Adjustments including tenant deposit, tenant credits and park and education levies (\$457,000 est.);
5. Pay your legal fees and disbursements (\$15,000 est.); and
6. Pay the remaining amount to Colliers towards their realty commission.

Dated at Toronto, Ontario this 19th day of March, 2014

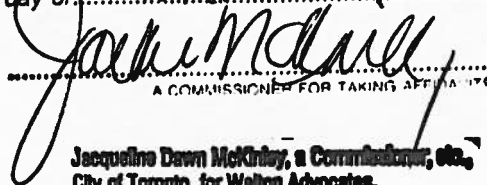
Gerrard House Inc.



Norma Walton
President

I have the authority to bind the Corporation

This is Exhibit R referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinlay, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 8, 2014.

Norma Walton

From: Norma Walton
Sent: Friday, March 28, 2014 11:22 AM
To: 'Peter Griffin'; Mark Dunn (mdunn@goodmans.ca)
Cc: 'Guillermo Schible (guillermo@schiblelaw.com)'; 'Howard Cohen (cohen@cohensabsay.com)'; 'Brian Empey (bempey@goodmans.ca)'; 'Shara N. Roy'; 'Paul-Erik Veel'; Todd Holmes; 'Elena Piperopoulos'; Mark Goldberg
Subject: RE: 26 Gerrard Street
Attachments: accepted aps jan 27, 14.pdf; colliers commission invoice.pdf; direction regarding funds march 19, 14.pdf; 26 Gerrard, Mortgage, AT2902540.pdf; 26 Gerrard, Charge AT2902539.PDF

Dear Mr. Griffin and Mr. Dunn,

I am attaching for your ease of reference the following documents:

1. The APS for 26 Gerrard Street East;
2. The Colliers commission invoice;
3. The signed closing direction to Devry Smith Frank;
4. The first mortgage with ROI Capital of \$4.2 million; and
5. The second mortgage with Ronald McDonald House for \$750,000.

All parties have agreed to an April 16th closing date. The purchaser initially had the option within the APS and wished to purchase the shares of Gerrard House Inc. but given the litigation, they have now decided to proceed with an asset purchase as originally contemplated.

There will be no surplus funds after payment of the closing obligations and Colliers will be short paid their commission, with approximately \$220,000 still owing after closing.

Please advise if either of you need anything further concerning this transaction.

Please also advise if you are prepared to approve this transaction as proposed to hopefully avoid the need for a contested hearing related to this property.

Regards,
 Norma

-----Original Message-----

From: Peter Griffin [mailto:pgriffin@litigate.com]
 Sent: Friday, March 28, 2014 11:11 AM
 To: Norma Walton
 Cc: Guillermo Schible (guillermo@schiblelaw.com); Howard Cohen (cohen@cohensabsay.com); Brian Empey (bempey@goodmans.ca); Mark Dunn (mdunn@goodmans.ca); Shara N. Roy; Paul-Erik Veel
 Subject: RE: 26 Gerrard Street

Thanks.

-----Original Message-----

From: Norma Walton
 Sent: Friday, March 28, 2014 11:07 AM
 To: 'Peter Griffin'
 Cc: Guillermo Schible (guillermo@schiblelaw.com); Howard Cohen (cohen@cohensabsay.com); Brian Empey (bempey@goodmans.ca); Mark Dunn (mdunn@goodmans.ca); Shara N. Roy; Paul-Erik Veel

3/31/2014

129

Subject: RE: 26 Gerrard Street

Dear Mr. Griffin,

Fair enough. Please be advised that I do not have a blackberry. I respond to emails during regular business hours and also when I dial in from home sporadically. I would ask that you please keep that in mind when reacting to emails. I responded to your and Mr. Dunn's email the moment I read it.

Secondly, I am aware of my obligations under the court order you obtained last Friday and I will honour them. I advised that the closing was April 16th and that is the closing date.

Mr. Dunn's "information" is likely never going to be as accurate as mine given that I am one of the parties actually involved in the transaction whereas I do not know the source of his information. Obviously in this case his source was wrong.

As I indicated in my note, please just ask me if you have a question rather than assuming I have done something wrong. I will be happy to answer, again during regular business hours or when dialing in from home after hours and on weekends.

Regards,
Norma

-----Original Message-----

From: Janet Larocque [mailto:JLarocque@litigate.com] On Behalf Of Peter Griffin
Sent: Friday, March 28, 2014 10:59 AM
To: Norma Walton
Cc: Guillermo Schible (guillermo@schiblelaw.com); Howard Cohen (cohen@cohensabsay.com); Brian Empey (bempey@goodmans.ca); Mark Dunn (mdunn@goodmans.ca); Shara N. Roy; Paul-Erik Veel
Subject: RE: 26 Gerrard Street

I would have thought that the appropriate thing would have been to respond to Mr. Dunn's note of last night if your position was that the transaction was not closing until April 16.

I reacted to Mr. Dunn's note.

Peter Griffin.

-----Original Message-----

From: Norma Walton [mailto:nwalton@roseandthistle.ca]
Sent: Friday, March 28, 2014 9:17 AM
To: Peter Griffin
Cc: Guillermo Schible (guillermo@schiblelaw.com); Howard Cohen (cohen@cohensabsay.com); Brian Empey (bempey@goodmans.ca); Mark Dunn (mdunn@goodmans.ca); Shara N. Roy; Paul-Erik Veel
Subject: Re: 26 Gerrard Street

That information is 100% inaccurate. The sale of 26 Gerrard is scheduled to close April 16. Before making false allegations and baseless threats going forward, I would suggest you first ask me.

Regards,
Norma

3/31/2014

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Peter Griffin <pgriffin@litigate.com> wrote:

From: Janet Larocque [mailto:JLarocque@litigate.com] **On Behalf Of** Peter Griffin
Sent: Friday, March 28, 2014 8:17 AM
To: Norma Walton; Guillermo Schible (guillermo@schiblelaw.com); Howard Cohen (cohen@cohensabsay.com)
Cc: Brian Empey (bempey@goodmans.ca); Mark Dunn (mdunn@goodmans.ca); Shara N. Roy; Paul-Erik Veel
Subject: 26 Gerrard Street

I am responding to Mr. Dunn's note of yesterday indicating that, contrary to the representations made to ourselves and to Justice Newbould, this transaction was scheduled to close today.

Any such step requires an Order of the court.

Closing in face of a failure to obtain such an Order is in breach of the March 21, 2014 court Order and the December 18, 2013 court Order.

We and the Manager have repeatedly asked for production of the documents which reflect this transaction and you have ignored our requests and not provided them.

If you close without the required court Order among other relief we will be bringing all of this conduct to the attention of court in support of our contempt motion.

Please govern yourselves accordingly.

Peter Griffin.

Janet Larocque
Assistant to Peter Griffin
T 416-865-9500 Ext. 227
F 416-865-3558
jlarocque@litigate.com

Lenczner Slaght
130 Adelaide St W
Suite 2600
Toronto, ON
Canada M5H 3P5
www.litigate.com

This e-mail may contain legally privileged or confidential information. This message is intended only for the recipient(s) named in the message. If you are not an intended recipient and this e-mail was received in error, please notify us by reply e-mail and delete the original message immediately. Thank you. Lenczner Slaght Royce Smith Griffin LLP.

From: Dunn, Mark [mailto:mdunn@goodmans.ca]
Sent: Thursday, March 27, 2014 10:30 PM
To: Shara N. Roy; pgriffin@litigate.com; Paul-Erik Veel; cohen@cohensabsay.com; Norma Walton
Cc: Empey, Brian; harlan
Subject: 26 Gerrard

3/31/2014

It has come to the Manager's attention that the sale of the property at 26 Gerrard, Toronto, Ontario is scheduled to close tomorrow. Paragraph 4(a)(xviii) of the Order of Justice Newbould dated March 21, 2014 states that the Respondents shall not deal with this property out of the ordinary course. In Ms. Walton's report to the Manager on March 24, 2014, she advised that this transaction was to close on April 16, 2014.

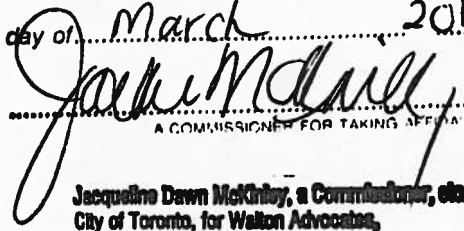
In the circumstances, the Manager thought it appropriate to bring this issue to the parties' attention.

Regards,
Mark

***** Attention *****

This communication is intended solely for the named addressee(s) and may contain information that is privileged, confidential, protected or otherwise exempt from disclosure. No waiver of confidence, privilege, protection or otherwise is made. If you are not the intended recipient of this communication, please advise us immediately and delete this email without reading, copying or forwarding it to anyone.

3/31/2014

This is Exhibit.....^S.....referred to in the
affidavit of NORMA WALTON
sworn before me, this.....³¹.....
day of March.....2014

.....
A COMMISSIONER FOR TAKING AFFIDAVITS
**Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.**

4-Feb-2014

**OFFER TO PURCHASE
66 GERRARD ST. E.,
TORONTO, ONTARIO**

THIS OFFER TO PURCHASE made the 4th day of February, 2014.

To: GERRARD CHURCH 2006 INC.

C/O CUSHMAN & WAKEFIELD LTD.,
BROKERAGE, 33 YONGE STREET, SUITE 1000,
TORONTO, ONTARIO, M5E 1S9 ATTN: ELLIOT
MEDOFF

Between: TOPP PROPERTIES LTD.

(hereinafter called
the "Purchaser")

4619 St. Brides Place,
Richmond, B.C. V7E 5V7

And: GERRARD CHURCH 2006 INC.

(hereinafter called
the "Vendor")

We the undersigned hereby offer to purchase those lands and premises municipally described as 66 Gerrard Street East, Toronto, Ontario comprising of a 3-storey + basement commercial building with a rentable area of 20,339 sf, and having a legal description and more particularly known as:

LT 17 N/S GERARD ST PL 22A TORONTO; PT LT 16 N/S
GERARD ST PL 22A TORONTO AS IN CT750712; CITY OF
TORONTO. PIN 21102-0200 (LT)

(hereinafter called
the "Lands")

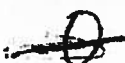
on the following terms and conditions:

1. PURCHASE PRICE

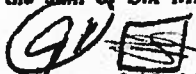

The PURCHASE PRICE shall be the sum of Six Million Dollars (\$6,000,000) payable as follows:


\$50,000-

\$1,000,000



(a) **INITIAL DEPOSIT:** Upon acceptance of this Offer, the sum of Twenty-Five Thousand Dollars (~~\$25,000~~) (the, "Initial Deposit"), shall be paid within Five (5) business days to the Purchaser's Lawyer, to be held in an interest-bearing trust account with interest accruing to the Purchaser;

 FIFTY ~~ONE~~ 



4-Feb-2014

- (b) **FINAL DEPOSIT:** A further portion of the purchase price, namely Two Hundred Thousand Dollars (\$200,000), (the, "Final Deposit"), shall be paid by the Purchaser within Five (5) business days of removal of the subject conditions referred to in Clause 3 by way of a certified cheque or bank draft made payable to the Purchaser's Lawyer and to be held in an interest-bearing trust account with interest accruing to the Purchaser. The Initial Deposit together with the Final Deposit shall be referred to as the, "Deposit" and shall form part of the Purchase Price;
- (c) Purchaser's assumption of the existing 1st mortgage with CMLS with an initial mortgage amount of Four Million Two Hundred and Fifty Thousand Dollars (\$4,250,000).
- (d) **BALANCE OF PURCHASE PRICE:** The balance of the purchase price shall be payable by way of cash or solicitor's certified trust cheque at the time of closing as herein provided; and
- (e) Purchase price to include any buildings, improvements, fixtures, appurtenances and attachments.

2. VENDOR RESPONSIBILITIES

The Vendor covenants to deliver to the Purchaser within three (3) business days from the acceptance of this Offer, the following that the Vendor has in its possession:

- (a) Copies of any signed contracts (and contact information for such services providers), leases, agreements, and obligations that will become the responsibility of the Purchaser upon Closing;
- (b) Copy of all appraisals, environmental reports, engineering reports and site survey, all plans and specifications, and permit drawings in possession or control of the Vendor;
- (c) *An existing*
A current and up to date survey of the Property (~~less than 3 months old~~);
- (d) Copies of any invoices and permits, including but not limited to invoices and permits for all major capital improvements completed in the past ~~5 years~~, 2 years;
- (e) all plans (architectural, structural, mechanical and electrical) and specifications which the Vendor has in his possession or control, relating to the Improvements;
- (f) a certified rent roll signed by Vendor as "True and Accurate", to be attached as Schedule "B" together with 30-60-90 day arrears report.
- (g) details of any unexpired warranties, financial statements and utility invoices relating to the Property for the past ~~2~~ years together with the annual budget for 2014;
- (h) list of Chattels,



4-Feb-2014

- (i) copies of all tax bills over the last 3 years and detail of any appeals or discussions relating thereto, details of existing insurance and any defects or required repairs (including but not limited to structural, mechanical, electrical or otherwise for the building and soils, drainage or stability or otherwise for the lands) of which the Vendor has knowledge of;
- (j) an authorization letter directed to: "All governmental authorities and Utility Companies and Contractors" allowing release of information to Purchaser or Purchaser's solicitor as may be required from time to time;
- (k) Details of any pending litigation and notices from any party regarding deficiencies or work-orders affecting the Property, if any;

~~(l) Originally executed estoppel certificates either in the form attached hereto as Schedule "C" (to be attached by Purchaser) or in the form and content provided for in the respective lease pursuant to paragraph 10.~~

- (m) any other information Purchaser may reasonably request

Items a) through m) above shall be collectively referred to as the "Information".

3. CONDITIONS PRECEDENT

This Offer is subject to the following conditions precedent being satisfied or waived by the Purchaser by 5:00 PM on or prior to Thirty (30) ~~Forty Five (45)~~ days from the final date of execution of this Offer by both parties (the, "Condition Date"):

- (a) Purchaser or Purchaser's representative being satisfied with an inspection of land, building, title and satisfaction all information, documentation and other matters including but not limited to the Information;
- (b) Obtaining financing (including but not limited to the assumption of the existing 1st mortgage with CMLS) upon terms acceptable to the Purchaser in Purchaser's sole and unfettered discretion;
- (c) Title report, Survey, Appraisal, Engineering & Environmental review satisfactory to Purchaser.

The Purchaser shall have an additional fifteen (15) days from waiver of conditions (a) and (c) to then satisfy condition (b) regarding assumption of mortgage financing.



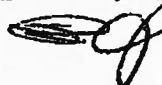
4-Feb-2014

If the Purchaser fails to notify the Vendor in writing that these conditions precedent have been satisfied or waived within the time specified in the sole and unfettered discretion of the Purchaser (the, "Purchaser's Notice"), or by such time as may be subsequently agreed to in writing by Purchaser and Vendor, then this Agreement will become null and void and the Initial Deposit, with accrued interest will be returned in its entirety to the Purchaser. The Vendor hereby irrevocably authorizes and directs the Purchaser's Lawyer to return the Initial Deposit in its entirety to the Purchaser upon the Purchaser providing written confirmation to the Purchaser's Lawyer that the Purchaser has not delivered (or does not intend to deliver) the Purchaser's Notice to the Vendor within the time stipulated in this paragraph 3 (the "Written Confirmation"), and the Purchaser's Lawyer may rely exclusively upon receipt of the Written Confirmation in order to release the Initial Deposit to the Purchaser without obtaining any further consents or making any other investigations or inquiries.

These conditions precedent are for the sole benefit of the Purchaser. The Purchaser has the right to waive one or all of the conditions precedent at its discretion within the time stipulated and proceed with the transaction herein contemplated. The Vendor further acknowledges receipt of payment by the Purchaser to the Vendor of TEN (\$10.00) DOLLARS, which constitutes complete consideration for the Purchaser's unilateral right to elect to deliver notice of satisfaction or waiver of the Purchaser's Conditions as contemplated above.

4.

CLOSING

Financing 

The closing shall take place at the office of the Purchaser's solicitor at 10:00 a.m. on the Thirtieth (30th) day after the Condition Date, (the, "Closing Date"). The Purchaser shall have possession of the Lands, subject to encumbrances referred to in Clauses 5(a) and 5(b) following payment of the balance of the purchase price to the Vendor or the Vendor's solicitor on the closing date. All adjustments both incoming and outgoing with respect to rent, taxes, utilities and other items normally adjusted between a Vendor and a Purchaser with respect to the Lands, shall be made as of the Closing Date.

4-Feb-2014

All usual adjustments of taxes, rates, local improvement assessments and other charges and all other costs normally adjusted for on a sale of property similar to the Property, both incoming and outgoing, will be made as of 12:01 a.m. on the Completion Date. The Vendor will receive the benefit of all income and will be responsible for all expenses incurred in operating and maintaining the Property incurred for and attributable up to 11:59 p.m. on the day preceding the Completion Date. The statement of adjustments to be prepared by the Purchaser for execution by the Vendor and the Purchaser will have annexed thereto complete details of the calculations used to arrive at all credits and debits. Any adjustments which are not capable of being calculated on the Completion Date will be adjusted between the parties as soon as possible after the Completion Date. Any arrears of rent which have accrued prior to the Completion Date will remain the property of the Vendor and will not be adjusted for on Completion Date. The Purchaser will use reasonable efforts to collect on behalf of the Vendor any such arrears but will not be required to initiate any legal action in respect thereto.

The obligation of the Purchaser to complete the purchase and sale transactions herein contemplated will be subject to the condition that all of the obligations herein of the Vendor will have been performed by the Vendor in accordance with this Agreement except as may be waived in writing by the Purchaser in Purchaser's sole and unfettered discretion, and that all representations, warranties, covenants and agreements in this Agreement or any document delivered in connection with the transactions herein contemplated will be true and correct at and as of the time of closing as though such representations, warranties, covenants and agreements were made at and as of the time of closing, and shall survive the Closing Date for a period of one (1) year.

If the Purchaser or proposed assignee fails or refuses to complete the purchase and sale herein contemplated after all the conditions precedent to completion by the Purchaser have been satisfied or waived, the Deposit together with accrued interest thereon shall be forfeited to the Vendor as liquidated damages as a genuine pre-estimate of its damages in full and final settlement of any claim which the Vendor may have against the Purchaser; or

If the Vendor fails or refuses to complete the purchase and sale herein, the Deposit together with the accrued interest thereon shall forthwith be refunded in its entirety to the Purchaser upon demand by the Purchaser; however, without prejudice to any other rights and remedies which the Purchaser may have at law or in equity. in full and final settlement of any claim which the Vendor may have against the Vendor.

5.

VENDOR REPRESENTATIONS AND WARRANTIES

The Vendor represents and warrants that:

- (a) the Vendor is the owner of the Lands and has the power to and agrees to dispose of the same and on the Closing Date the Lands shall be free and clear of all free and clear of all liens (and there has been no work done on or to the Property for which a lien may be filed to the best of Vendor's knowledge), charges and encumbrances save for those Permitted Encumbrances listed in Schedule "A";

V	P
---	---

RE
however, without
prejudice to any
other rights and
remedies which
the Purchaser may
have at law or
in equity

4-Feb-2014

- (b) there will be no tenancies affecting the Lands at the time of closing, other than those outlined in the rent roll attached as Schedule B and any others entered into prior to Closing. Should the Vendor wish to enter into any new tenancies prior to the Condition Date, at least 48 hours prior to the Vendor entering into such new tenancies, the Vendor shall provide immediate notice of the terms and conditions of such proposed new tenancy to the Purchaser and allow the Purchaser the opportunity to comment and Vendor shall reasonably consider the comments from the Purchaser, however the Purchaser shall not be permitted to prevent the Vendor from entering into such proposed new tenancy prior to the Condition Date. Prior to entering into any such new tenancies following the Condition Date, the Vendor shall obtain the Purchaser's approval of such proposed new tenancies, such approval to be in sole and unfettered discretion of the Purchaser;
- (c) the Vendor is not aware of any expropriation or other proceedings by the City of Toronto or any other department or government agency or engineering department or any utility company which has jurisdiction over the Lands which may affect the size of the Lands;
- (d) *as far as the Vendor is aware,* there are no outstanding orders or deficiencies noted on file against the Lands by the Fire Department, Health Department, Building or Engineering Departments of the City of Toronto or any other department or government agency which has jurisdiction over the Lands;
- (e) so far as the Vendor is aware the buildings located on the Lands are wholly situate within the boundaries of the Lands and comply with all By-Laws and requirements of governmental and public authorities;
- (f) subject to and without in any way limiting the other representations and warranties herein contained, the Lands will be maintained and transferred to the Purchaser in the same condition as inspected by the Purchaser pursuant to Sub-Clause 3 (a) and the Vendor shall continue to operate the Property as a prudent landlord and in a state of good repair until the Closing Date;
- (g) the Vendor is not a non-resident of Canada within the meaning of the Income Tax Act (CANADA) and the Vendor's GST/HST number is: *to be delivered*;
- (h) at the time of closing, the Vendor shall deliver a certificate executed by a senior officer of the Vendor familiar with the Lands stating that at such time the above representations and warranties continue to be true and correct. ;
- (i) to the best of the Vendor's knowledge, the property is not affected by any environmental pollutants or other hazardous materials and the Vendor has not received any notices of any violation of environmental laws or any environmental issues on the Property or on neighboring Properties; and



- (j) shall terminate all employees and contractors and there shall be no contracts in existence on the Closing Date in respect to the subject property, except those the Purchaser is willing to, and agrees to assume in writing; and
- (k) The information is true and accurate;
- (l) The Vendor is not aware of any defects or pending issues with any of the heating, ventilation, plumbing, mechanical or electrical equipment or other building systems servicing the Buildings, nor is the Vendor aware of any structural defects or concerns, nor is the Vendor aware of any site or building drainage issues, and further that all of the items referred to in this paragraph are currently and shall be in good working order on the Closing date;
- (m) there are no actions or proceedings or claim or suit instituted or threatened before any court or before any tribunal or agency which might result in any material adverse change in the condition of the Property or any part thereof or the continued use or operation thereof;
- (n) there are no unpaid bills or claims in connection with the construction or repair of the Improvements or any part thereof;
- (o) all debts, liabilities and obligations arising from the ownership and operation of the Property including, but not limited to salaries, taxes, rates, levies, development charges, assessments and accounts payable have been paid as they become due and mature and no debts, liabilities or obligations will be outstanding after the Closing;

~~The representations and warranties contained herein will survive the Closing Date and shall continue in full force and effect for the benefit of the Purchaser for a period of one year after the Closing Date~~

6. ASSIGNMENT

but after the Financing
↑ Condition Date

At any time prior to the Closing Date, it is understood and agreed that the Purchaser shall have the right to assign its rights and obligations under this agreement or direct a transfer of the Lands to another party and in the event of any such assignment, upon notice thereof by the Purchaser to the Vendor together with the consent of the Assignee in favour of the Vendor to a novation of this Offer and to be bound by the terms of this Offer in the place and stead of the Purchaser, there shall be a novation of this Offer whereby this Offer shall for all purposes be deemed to have been made by the Assignee as Purchaser and accepted by the Vendor, whereupon the Purchaser shall be relieved of all of its obligations hereunder.

~~Effective the Date of Closing.~~

7. GENERAL


- (a) Time shall be of the essence of this Agreement.



- (b) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- (c) It is understood that there are no representations, warranties, guarantees, promises or agreements other than those contained in this Agreement.
- (d) The Deposit will be placed in an interest-bearing trust account with interest to accrue to the Purchaser.

8. LIABILITY OF DAMAGE TO LANDS

The Lands shall be at the risk of the Vendor until the time of the closing of the sale and purchase of the Lands, and thereafter at the risk of the Purchaser.

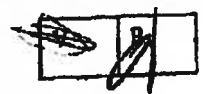
In the event of damage to the Lands occurring before the Closing Date for any reason including but not limited to fire, tempest, lightning, earthquake, flood or other Act of God, fire, explosion, riot, civil commotion, insurrection or war, and provided such damage exceeds \$25,000, then the Purchaser may, at its option in Purchaser's sole and unfettered discretion: ~~\$~~ 250,000 

- (a) cancel this Agreement in which case the Deposit shall be returned in its entirety to the Purchaser and neither party shall have any further obligation to the other; or
- (b) close the sale and require the Vendor to assign to the Purchaser the proceeds of any insurance claim.

9. CLOSING DOCUMENTS

The Vendor will convey the Lands to the Purchaser by delivering to the Purchaser at or before the time of closing a freehold transfer (the "Transfer") in registerable form. The Purchaser shall bear the cost of the conveyance, and the Vendor shall bear the cost of clearing title of any charges and shall be solely responsible for any and all real estate commission payable.

At least three business days prior to the day of closing the Purchaser shall cause its solicitors to prepare and deliver to the Vendor all documents reasonably required by the Vendor's solicitors to complete this transaction in accordance with its terms including the Transfer, a statement of adjustments, an assignment of the Vendor's interest in any outstanding guarantees, warranties or indemnities with respect to the Lands, any documents and certificates referred to herein, an assignment of leases/rents, an assignment of service contracts as Purchaser has agreed to assume in writing, an undertaking to re-adjust, keys, a bill of sale for \$10.00 for the Chattels, and such other documents as may be reasonably necessary for more perfectly and absolutely transferring, assuring and vesting title to the Lands in the Purchaser as contemplated hereby.



If the Vendor has existing financial charges to be cleared from title the Vendor, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the purchase price, but in this event, the Purchaser shall pay the purchase price to a lawyer or notary in trust, on undertakings to pay and discharge the financial charges and remit the balance, if any to the Vendor.

If the Purchaser is relying upon a new mortgage to finance the purchase price the Purchaser, while still required to pay the purchase price on the completion date, may wait to pay the purchase price to the Vendor until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title office, but only if, before such lodging, the Purchaser has: (a) made available for tender to the Vendor that portion of the purchase price not secured by the new mortgage, and (b) fulfilled all the new mortgage's conditions for funding except lodging the mortgage for registration, and (c) made available to the Vendor, a lawyer's or notary's undertaking to pay the purchase price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

10. ESTOPPEL CERTIFICATES

After ~~within 10 days~~ of delivery of the form of Estoppel Certificate to the Vendor by the Purchaser, the Vendor shall have all the tenants of the Building complete and execute Estoppel Certificates in the form attached as Schedule "C" pursuant to paragraph 2 f). Failure to do so will be an event of default hereunder. For any tenants that ~~will~~ do not deliver such estoppel certificates, the Vendor may provide a statutory declaration

11. DISCLOSURE

The Vendor and the Purchaser acknowledge and agree that:

The Vendor shall pay the commission and compensation due all real estate brokers and that the only real estate broker involved in this transaction is CUSHMAN & WAKEFIELD LTD., BROKERAGE, 33 Yonge Street, Suite 1000, Toronto, Ontario, M5E 1S9. Attn: ELLIOT MEDOFF. The Purchaser shall not be responsible to pay any real estate commissions to any party.

12. CONSIDERATION

For good and valuable consideration of Ten Dollars (\$10.00) hereby given by the Purchaser and received by the Vendor, the Vendor hereby agrees that its acceptance of this offer will not be withdrawn or revoked before subject removal.

13. BINDING AGREEMENT

Upon acceptance by both the Purchaser and the Vendor this offer shall constitute a binding agreement for the purchase and sale of the Lands on the terms and conditions contained herein.

Insert (D) notwithstanding paragraph 10 herein, the Vendor shall deliver Tenant signed Estoppel certificates for a minimum of 80% of the rentable SF of the building AND such Tenant signed Estoppel certificates shall include every tenant who occupies in excess of 1,500 SF.

14. HOLIDAY

If the Closing Date or any date for the payment of monies hereunder or the delivery of any document, notice or the registration of conveyancing documents shall fall on a Saturday, Sunday or statutory holiday, or on a day that the chartered banks or the Land Titles Office, in the City of Toronto, are not open for business, any such day shall be deemed postponed and extended to the next day on which such chartered banks and the Land Titles Office are open for business.

15. WARRANTIES UNTRUE

IN CASE ANY OF THE WARRANTIES OF THE VENDOR CONTAINED HEREIN ARE NOT TRUE ON THE CLOSING OR IN THE EVENT THE VENDOR HAS NOT FULFILLED ALL OF ITS COVENANTS AS HEREBEFORE PROVIDED, OR IN THE EVENT OF ANY MATERIAL ADVERSE CHANGE IN THE INFORMATION OR THE PROPERTY FROM THE DATE OF THE GIVING OF THE PURCHASER'S NOTICE AS PROVIDED FOR IN PARAGRAPH 3 HEREOF (MATERIAL CHANGE AS USED HEREIN SHALL MEAN AN AMOUNT IN EXCESS OF FIVE THOUSAND ~~(\$5000.00)~~ DOLLARS) THE PURCHASER MAY, AT ITS OPTION, EITHER CANCEL THIS OFFER IN WHICH EVENT THE DEPOSIT SHALL BE REPAYED TO THE PURCHASER TOGETHER WITH ACCRUED INTEREST THEREON WITHOUT DEDUCTION OR SET OFF, WITHOUT PREJUDICE TO THE PURCHASER'S RIGHT TO CLAIM DAMAGES AGAINST THE VENDOR, OR COMPLETE THE WITHIN PURCHASE AND SALE, WITHOUT PREJUDICE TO THE PURCHASER'S RIGHT TO CLAIM DAMAGES AGAINST THE VENDOR

\$ 25,000.00
A

Handwritten signature/initials.

16. ENTIRE AGREEMENT

This Offer constitutes the entire agreement between the Vendor and Purchaser and there are no representations, warranties, collateral agreements or conditions affecting the Property other than as contained herein. This Offer shall supersede and replace all other prior Offers or counter-offers, if any, made by Purchaser or the Vendor.

17. EXCLUSIVE NEGOTIATION

Upon removal of the Purchaser Conditions precedent as described in Paragraph 3 hereof, the Vendor agrees that it will not, and it will not permit any agent or affiliate to market, advertise or hold the Property out for sale; solicit or entertain offers; negotiate with or in any manner encourage, discuss, accept or consider any proposal or offer concerning purchase or sale of the Property.

Handwritten signature/initials inside a box.

4 Feb-2014

18. DATE OF ACCEPTANCE*amended*

This Offer to Purchase is irrevocable and shall be open for acceptance by the Vendor up to the 2nd day after execution by the Purchaser, and, upon acceptance by the Vendor, will constitute a binding agreement for the purchase and sale of the said Lands on the terms and conditions contained herein. In the event that this Offer to Purchase is not accepted by the Vendor on or before the aforesaid time and date, then this Offer to Purchase shall be null and void and the Deposit together with any accrued interest shall be returned in its entirety to the Purchaser in full and neither party shall have any further obligation to the other.

19. GOODS AND SERVICES TAX AND HST

With respect to goods and services tax ("GST") and/or HST payable pursuant to the Excise Tax Canada (the, "Act"), the parties covenant and agree as follows;

The Vendor shall not collect the GST/HST from the Purchaser in this transaction provided that the Purchaser is registered under the Act.

The Purchaser and the Vendor shall each provide a statutory declaration on Closing to each other confirming its GST/HST registration number under the Act.

20. EXECUTION BY FAX OR ELECTRONICALLY

This Offer to Purchase may be executed by the parties and transmitted by fax or electronically and if so executed and transmitted this Offer to Purchase will be for all purposes as effective as if the parties had delivered an executed original Offer to Purchase.

21. SUPERSEDE AND REPLACE

This Offer to Purchase shall supersede and replace the all prior offers or agreements between the Purchaser and the Vendor, if any.



4-Feb-2014

IN WITNESS WHEREOF the Purchaser has executed this Offer the day and year first above written.

TOPP PROPERTIES LTD.

Per: [Signature]
(Authorized Signatory)

(Name and Title)

Witness

THE VENDOR HEREBY ACCEPTS the above Offer on the terms and conditions set out above, this
7th day of February, 2014.

GERRARD CHURCH 2006 INC.

Per: [Signature]
(Authorized Signatory)

Norma Walton
(Name and Title)
President

[Signature]
Witness

v [Signature]

SCHEDULE "A"

LEGAL DESCRIPTION, TITLE SEARCH OF THE LANDS &
PERMITTED ENCUMBRANCES

TO BE ATTACHED BY VENDOR UPON EXECUTION OF THIS AGREEMENT

LT 17 N/S GERRARD ST PL 22A
TORONTO, PT LT 16 N/S GERRARD
ST PL 22A TORONTO AS IN CT 750712;
CITY OF TORONTO. PIN 21102-0200 (LT).

Permitted encumbrance

First mortgage in favour of CMLS
in the principal amount of
\$ 4.25 million, being Instrument No.
3041079.



SCHEDULE "B"
TENANCIES & RENT ROLL

TO BE ATTACHED BY VENDOR UPON EXECUTION OF THIS AGREEMENT AND TO BE
SIGNED BY VENDOR AS "TRUE AND ACCURATE"

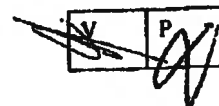
A handwritten signature, possibly "V. B.", is written inside a rectangular box. The signature is written in dark ink and is somewhat stylized.

- 3 -


4-Feb-2014

SCHEDULE "C"
ESTOPPEL CERTIFICATES

TO BE ATTACHED BY PURCHASER



This is Exhibit.....I.....referred to in the
affidavit of NORMA WALTON
sworn before me, this.....31.....
day of.....March.....2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

DIRECTION

**TO: TODD HOLMES
DEVRY SMITH FRANK LLP**

AND TO: Any other solicitor acting for Gerrard Church 2006 Inc.


RE: Sale of 66 Gerrard Street

Gerrard Church 2006 Inc. hereby authorizes and directs you to deal with the gross proceeds of sale of \$6,000,000 as follows:

1. Adjust for the assumption of the first mortgage (\$4,100,000 est.);
2. Pay the second mortgage (\$1,350,000 est.);
3. Adjust for 2014 property taxes (\$25,000);
4. Adjust for any other standard amounts in the Statement of Adjustments (\$80,000);
5. Pay realty commissions to Cushman Wakefield LePage (\$203,400);
6. Pay your legal fees and disbursements (\$15,000);
7. Pay to Schonfeld Associations Inc. and Goodmans respectively the total sum due to them (\$140,000 est.);
8. Pay the suppliers, creditors and trades of the property directly from trust the sum to retire their bills owing as confirmed by Schonfeld Associates Inc.; and
9. Pay the remainder to Colliers International.

Dated at Toronto, Ontario this 28th day of March, 2014

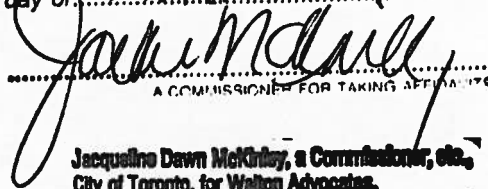
Gerrard Church 2006 Inc.



Norma Walton
President

I have the authority to bind the Corporation

This is Exhibit.....U.....referred to in the
affidavit of ...NORMA WALTON
sworn before me, this.....31.....
day of.....March.....2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinlay, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

Norma Walton

From: Norma Walton
Sent: Friday, March 28, 2014 3:21 PM
To: 'Peter Griffin'; 'Mark Dunn (mdunn@goodmans.ca)'
Cc: 'Howard Cohen (cohen@cohensabsay.com)'; 'Brian Empey (bempey@goodmans.ca)'; 'Shara N. Roy'; 'Paul-Erik Veel'; 'Todd Holmes'; 'Elena Piperopoulos'; Mark Goldberg
Subject: RE: 66 Gerrard Street East
Attachments: accepted APS feb 11, 14.pdf; registered Charge and Assignment of Rents.pdf; amortization schedule.pdf; direction regarding proceeds march 28, 14.pdf

Dear Mr. Griffin and Mr. Dunn,

I am attaching for your ease of reference the following documents:

1. The APS for 66 Gerrard Street East;
2. The proposed closing direction to Devry Smith Frank; and
3. The first charge being assumed in the APS along with the amortization schedule.

I unfortunately do not have a copy of the second charge. I also do not yet have the commission invoice.

You will note in the proposed direction that we are proposing to retire the net balance due to the Inspector from the closing proceeds, being the amount of \$140,000. Mr. Griffin, please advise whether you will consent to this payment being made from proceeds of sale. Mr. Dunn, may I assume that the Inspector and Goodmans will consent given their often stated desire to be paid?

The transaction is conditional until April 2, 2014. If it firms up, it is scheduled to close on April 23, 2014.

Please advise if either of you need anything further concerning this transaction.

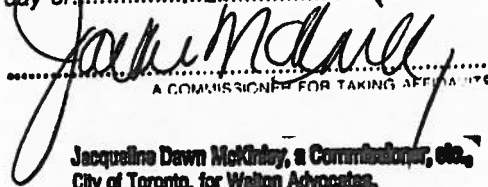
Please also advise if you are prepared to approve this transaction as proposed to hopefully avoid the need for a contested hearing related to this property.

Regards,
Norma

Norma Walton B.A., J.D., M.B.A.
THE ROSE AND THISTLE GROUP LTD.
30 Hazelton Avenue
Toronto, Ontario, Canada M5R 2E2
Tel: (416) 489-9790 Ext. 103
Fax: (416) 489-9973

www.roseandthistlegroup.com

This is Exhibit V referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 8, 2014.

Court File No.: CV-13-10280-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

) FRIDAY, THE 25th DAY

JUSTICE NEWBOULD

) OF OCTOBER, 2013

B E T W E E N:

DBDC SPADINA LTD.,
and THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO

Applicants

and

NORMA WALTON, RONAULD WALTON, THE ROSE & THISTLE GROUP
LTD. and EGLINTON CASTLE INC.

Respondents

and

THOSE CORPORATIONS LISTED ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

ORDER

THIS MOTION made by the Applicants, DBDC Spadina Ltd. and those Corporations Listed on Schedule "A" hereto for an Order appointing Schonfeld Inc. Receivers + Trustees, as manager without security, of all of the assets, undertakings and properties of the Schedule "B" Corporations, or for other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Jim Reiton sworn October 24, 2013 and the Exhibits thereto, the First Interim Report of the Inspector, Schonfeld Inc., the Supplemental Report to the First Interim Report of the Inspector and the Exhibits thereto, and on hearing the submissions of counsel for the Applicants, counsel for the Inspector and counsel for the Respondents,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that the Applicants' motion is adjourned to November 1, 2013 at 10:00am, returnable before This Court, pending further review and instruction of This Court;
3. THIS COURT ORDERS the following interim relief:
 - (a) the Order of the Honourable Justice Newbould dated October 4, 2013 continues in full force and effect except as modified below;
 - (b) the Inspector and the Applicants or a person whom they may nominate at their sole discretion shall have on-line and electronic as well as hard copy access to the bank accounts of the Schedule B Companies and the Rose & Thistle Group Ltd.;
 - (c) no withdraw^{al}, transfer out of or other debit shall take place in the bank accounts of the Schedule B Companies or The Rose & Thistle Group (the "Bank Accounts") without the express written consent of ~~both~~ the Applicants or a person whom they may nominate at their sole discretion; ~~and the Inspector;~~ ✓
 - (d) the Applicants or a person whom they may nominate at their sole discretion shall be given co-signing authority over the Bank Accounts;
 - (e) all payments to the Bank Accounts in the ordinary course shall continue and shall not require the consent of the Applicants or the Inspector, including without limiting the generality of the foregoing (i) rent and/or lease payments, and (ii) proceeds of any sales in respect of transactions that are already the subject of binding agreements of purchase and sale, subject to any further relief sought by the Applicants in that regard; and

- (f) there shall be no steps taken in furtherance of a sale of or agreement in respect of any of the real estate properties owned with the Schedule B Companies.

DUTY TO PROVIDE ACCESS AND CO-OPERATION

205- 4. THIS COURT ORDERS that (i) the Schedule "B" Corporations ^{and the Fine + Thistle Sun Ltd} (ii) all of their current ~~and former~~ directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, including but not limited to the Respondents and all others having notice of this Order; (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order; and (iv) Meridian Credit Union; and (v) without limiting the generality of the foregoing, Norma Walton, Ronald Walton, anyone acting under the instructions of anyone listed in this paragraph; and (vi) anyone with notice of this order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall be advised of this order and shall provide all necessary cooperation to the Applicants and/or the Inspector to give effect thereto.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Inspector 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 Schedule "B" Corporations, 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 Inspector or permit the Inspector to make, retain and take away copies thereof and grant to the Inspector 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 7 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 Inspector due to the privilege attaching to solicitor-client communication or litigation work product belong to a Shareholder or a director of a Schedule "B" Corporations personally or due to statutory provisions prohibiting such disclosure.

6. THIS COURT DIRECTS the Respondents not to interfere with the cooperation of any persons set out in paragraphs 4 and 5 above;

7. THIS COURT ORDERS that the Records shall, upon reasonable notice to the Inspector and during normal business hours of the Inspector, be open to examination by each of the parties and their respective legal counsel, and that a copy of these Records be provided by the Inspector of the parties upon request, the reasonable costs associated with such access and copies to be determined by the Inspector, and invoiced to and paid by the requesting party to the Inspector forthwith.

8. 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 Inspector for the purpose of allowing the Inspector 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 Inspector in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Inspector. Further, for the purposes of this paragraph, all Persons shall provide the Inspector with all such assistance in gaining immediate access to the information in the Records as the Inspector may in its discretion require including providing the Inspector with instructions on the use of any computer or other system and providing the Inspector with any and all access codes, account names and account numbers that may be required to gain access to the information.

INSPECTOR'S POWERS

9. THIS COURT ORDERS that Inspector shall have the power to review all receipts and disbursements from the Bank Accounts and to request and receive on a timely basis from the Respondents particulars of all receipts and disbursements sufficient for the Inspector to identify such transfers, the parties involved and the reasons therefore;

OTHER

10. THIS COURT ORDERS that the Respondents shall provide forthwith a full accounting of all monies received, disbursed, owed to and owed from the Schedule "B" Corporations and The Rose & Thistle Group Ltd. since September, 2010 to the present.

11. THIS COURT ORDERS that the Respondents are enjoined from advising or instructing any Person that any payments made in the ordinary course of the Schedule "B" Corporations or the Rose & Thistle Group Ltd. be directed elsewhere other than to the accounts that are subject to this Order.

12. THIS COURT ORDERS that Meridian Credit Union and any other financial institution holding Bank Accounts for or of the Schedule "B" Companies and/or the Rose & Thistle Group Ltd. shall be served with this Order and shall comply with the terms thereof, including but not limited to putting in place appropriate controls to ensure that the orders herein shall be complied with by the parties

13. THIS COURT ORDERS that the Respondents shall disclose forthwith to the Applicants and the Inspector the municipal addresses of any real estate properties associated with the corporations or entities listed on Schedule "M" to the First Interim Report of the Inspector, Schonfeld Inc.

2nd T.

DBDC SPADINA LTD., and those corporations listed on Schedule
A hereto
Plaintiffs

-and- NORMA WALTON et al.

Defendants

Court File No. CV-13-10280-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

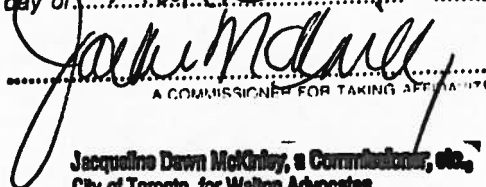
ORDER

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**
Barristers
Suite 2600
130 Adelaide Street West
Toronto ON M5H 3P5

Peter H. Griffin (19527Q)
Tel: (416) 865-2921
Fax: (416) 865-3558
Email: pgriffin@litigate.com
Shara N. Roy (49950H)
Tel: (416) 865-2942
Fax: (416) 865-3973
Email: sroy@litigate.com

Lawyers for the Plaintiffs

This is Exhibit W referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

Non-Bernstein Group of Properties

16. As is detailed below, all of the properties over which the Bernstein Group now seeks Certificates of Pending Litigation and injunctive relief are owned by corporations which are not parties to this action. While my husband and I are equity shareholders in those companies, we are not always alone as equity shareholders. Sometimes, there are other equity shareholders, preferred shareholders, mortgagees, suppliers and trades and other stakeholders whose interests must also be considered and who have no formal notice of this motion.

17. In any event, the requests for such relief amounts to a final determination of a claim in breach of contract, orders for specific performance, damages or damages in lieu of specific performance, a *Mareva* Order or other imposition of injunctive relief which cannot properly be dealt with without a proper claim brought within an action and a trial of the issues and certainly not before cross examination has been permitted.

18. The Bernstein Group now seeks Certificates of Pending Litigation over non-Bernstein Group properties (the "Other Properties"). The Bernstein Group also seeks an Order that the Walton Group may not dispose of or encumber any assets held by the Walton Group without further Order of this Court.

19. The particulars of each of the so-called "Other Properties" are set out below. Other than the first two properties listed below (which are already the subject of the Receiver/Manager order), and 319 Carlaw, Suite 107 (incorrectly identified by the Bernstein Group as 321 Carlaw), neither Dr. Bernstein or any member of the Bernstein Group holds an interest in these properties.

20. Each of the Other Properties has many stakeholders, the particulars of which are also set out below. Certain allegations have been made that some monies from the Don Mills mortgages (which allegations are addressed in detail in my October 31, 2013 Affidavit) were used in these properties. Also set out below is the amount used from the Don Mills mortgages and the amounts that the Walton Group has paid back on account of the monies paid. Also detailed below is the source of funding for the purchase of each of the properties. Again, other than the first two properties (which are already under Schonfeld Inc.'s control) the Bernstein Group was not involved in the purchase of the properties listed below, and in many cases, the properties were purchased before the Walton Group was introduced to the Bernstein Group.

- (a) 620 Richmond Street West (already subject of Receiver/Manager Order)
 - (i) Shareholders: Dr. Bernstein through a holding company (50%), Ronauld and Norma Walton (50%)
 - (ii) Ownership: 165 Bathurst Inc.
 - (iii) Mortgagees: First mortgage is held by First National (approx. \$4mil), and the second mortgage is held by the vendor, 165 Bathurst Financial Inc. (approx. \$6.5mil)
 - (iv) Suppliers/Trades and Other Stakeholders: Cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, building superintendent, property managers.
 - (v) Employees: None

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- (vi) Activity: An offer to purchase has been received for \$16 million. The Walton Group has recommended that the Receiver/Manager negotiate this offer.
- (vii) Monies Used from the Don Mills Mortgages: None
- (viii) Monies Paid back on account of this Property: NA
- (ix) Purchased in 2013 with Bernstein Group involvement
- (b) 875 Queen Street East (already subject of Receiver/Manager order)
 - (i) Shareholders: Dr. Bernstein through a holding company (50%), Ronauld and Norma Walton (50%)
 - (ii) Ownership: Red Door Developments Ltd.
 - (iii) Mortgagees: RioCan (approx. \$6.2mil)
 - (iv) Suppliers/Trades and Other Stakeholders: a 106 bed shelter for abused women and children, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.
 - (v) Employees: None
 - (vi) Activity: Multiple offers to purchase have been received. The Walton Group has recommended that the Receiver/Manager negotiate these offers.
 - (vii) Monies used from the Don Mills Mortgages: None

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- (viii) Monies Paid back on account of this Property: NA
 - (ix) Purchased in 2013 with Bernstein Group involvement
- (c) 3270 American Drive
- (i) Shareholders: Michael and Dr. Christine DeJong through a holding company (50%), Ronauld and Norma Walton (50%).
 - (ii) Ownership: United Empire Lands Ltd.
 - (iii) Mortgagees: Harbour Mortgage as first mortgagee (approx. \$5mil) and the vendor (CENVEO) is the second mortgagee (approx. \$630,000).
 - (iv) Suppliers/Trades and Other Stakeholders: The tenant CENVEO, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.
 - (v) Employees: None
 - (vi) Activity: There are currently no offers to purchase or borrowings being negotiated.
 - (vii) Monies used from the Don Mills Mortgages: None
 - (viii) Monies Paid back on account of this Property: NA
 - (ix) Purchased in 2012 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for this purchase came from the DeJong Family.

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(d) 2 Kelvin Avenue

- (i) Shareholders: Ronauld and Norma Walton**
- (ii) Ownership: 6195 Cedar Street Inc.**
- (iii) Mortgagees: Variety Village (approx. \$1.8mil)**
- (iv) Suppliers/Trades and Other Stakeholders: Cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers, general contractors, Toronto District School Board as a proposed tenant, existing tenants Orphan Black and St. Clair Ice cream.**
- (v) Employees: None**
- (vi) Activity: There are currently no offers to purchase or borrowings being negotiated.**
- (vii) Monies used from the Don Mills Mortgages: \$200.00**
- (viii) Monies Paid back on account of this Property: \$200.00**
- (ix) Purchased in 2012. 2 Kelvin was purchased at the same time as 14 Trent. Some of the Bernstein funding for 14 Trent was used to purchase 2 Kelvin. As set out in Schedule B to the Inspector's Second Interim Report, 14 Trent owes Rose and Thistle approximately \$600,646.00, and therefore any Bernstein funds used in the purchase of 2 Kelvin have since been paid back to the Bernstein Group through contributions to 14 Trent.**

(e) 346 Jarvis Street

- (i) Shareholders: Ronauld and Norma Walton in trust for 1780355 Ontario Inc. The shareholders of 1780355 Ontario Inc. are Ronauld and Norma Walton and the Mintz Family.**
- (ii) Ownership: Ronauld and Norma Walton in trust for 1780355 Ontario Inc.**
- (iii) Mortgagees: 346 Jarvis consists of four separately titled townhouses. 346A and B both have Scotiabank as a mortgagee (collectively approx. \$1.2mil). 346E has Stephen Handelman as mortgagee (approx. \$650,000). 346F has Meridian Credit Union as mortgagee (approx. \$650,000).**
- (iv) Suppliers/Trades and Other Stakeholders: Each of the four townhouses has approximately four individual tenants per townhouse.**
- (v) Employees: None**
- (vi) Activity: There are currently no offers to purchase or borrowings being negotiated.**
- (vii) Monies used from the Don Mills Mortgages: \$5,400.00**
- (viii) Monies Paid back on account of this Property: \$5,400.00**
- (ix) Purchased in 2008 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The Funds for the purchase of this property came from the Walton Group.**

(f) 3775 St. Clair Avenue East

(i) The Walton Group purchased this property in approximately 2006 as a vacant piece of land and over three years built 17 individual townhouses. All 17 townhouses were sold to third party purchasers with sales closing in approximately 2009, hence the Walton Group has no further ownership in this property.

(ii) Monies used from the Don Mills Mortgages: None

(iii) Monies Paid back on account of this Property: NA

(iv) Purchased in 2006 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from various investors (common shareholders).

(g) 14/16 Montcrest Drive (incorrectly named 14/17 Montcrest)

(i) The Walton Group purchased this property in approximately 2006 along with 646 Broadview. The Walton Group severed off two building lots from 646 Broadview and built two detached houses on those two lots. Third party purchasers purchased those houses in approximately 2008, hence the Walton Group has no further ownership in this property.

(ii) Monies used from the Don Mills Mortgages: None

(iii) Monies Paid back on account of this Property: NA

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- (iv) Purchased in 2006 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from various investors (common shareholders).
- (h) 1 William Morgan Drive
 - (i) Shareholders: Ronauld and Norma Walton
 - (ii) Ownership: Cinderella Productions Ltd.
 - (iii) Mortgagees: First mortgagee is Equitable Trust (approx. \$2.7mil), and second mortgagee is Stephen Handelman (approx. \$1mil)
 - (iv) Suppliers/Trades and Other Stakeholders: Cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers, general contractors, Lenz Entertainment as a tenant, SPRINT non-profit seniors association as a tenant.
 - (v) Employees: None
 - (vi) Activity: The Walton Group intends to list this property for sale in January 2014 for approximately \$4.65 million, with net sale proceeds expected of approximately \$800,000.
 - (vii) Monies used from the Don Mills Mortgages: \$42,900.00
 - (viii) Monies Paid back on account of this Property: \$42,900.00

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- (ix) Purchased in 2012 without Bernstein Group involvement other than as a mortgagee. The Bernstein Group has since been paid out the original mortgage and has no further interest in the property.
- (i) 324 Prince Edward Drive
 - (i) Shareholders: Michael and Dr. Christine DeJong through a holding company (50%), Ronauld and Norma Walton (50%).
 - (ii) Ownership: Prince Edward Properties Ltd.
 - (iii) Mortgagees: Vendor CEP Union is the mortgagee (approx. \$1.3mil)
 - (iv) Suppliers/Trades and Other Stakeholders: The tenant CEP Union, Dr. May dental practice as a tenant, a marketing company as a tenant, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.
 - (v) Employees: None
 - (vi) Activity: There are currently no offers to purchase or borrowings being negotiated.
 - (vii) Monies used from the Don Mills Mortgages: None
 - (viii) Monies Paid back on account of this Property: NA

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- (ix) Purchased in 2013 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). Funds for the purchase of this property came from the DeJong Family.

(j) 24 Cecil Street

- (i) Shareholders: Ronauld and Norma Walton as common shareholders and approximately 10 individual investors as preferred shareholders for the amount of approximately \$1.1 million.
- (ii) Ownership: Cecil Lighthouse Inc.
- (iii) Mortgagees: State Bank of India (approx. \$2.35mil)
- (iv) Suppliers/Trades and Other Stakeholders: Gilda's Club as tenant, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.
- (v) Employees: None
- (vi) Activity: The Walton Group intends to list this property for sale in January 2014 for approximately \$4 million, with net sale proceeds expected of approximately \$450,000 (after payment to preferred shareholders).
- (vii) Monies used from the Don Mills Mortgages: None
- (viii) Monies Paid back on account of this Property: NA

(ix) Purchased in 2011 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). Funds for the purchase of this property came from both the Walton Group and Carlos Carreiro, the co-owner of the property. Mr. Carreiro has since sold his interest in the property to the Walton Group.

(k) 185 Davenport Road

(i) The Walton Group purchased this property in approximately 2002 as a commercial building. The Walton Group converted the property into five condominiums and all condominiums have since been sold to third parties. The first four sales occurred in approximately 2005 and the final sale occurred in approximately 2010. The Walton Group has no further ownership in this property.

(ii) Monies used from the Don Mills Mortgages: None

(iii) Monies Paid back on account of this Property: NA

(iv) Purchased in 2002 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group.

(l) 30 Hazelton Avenue

(i) Shareholders: Ronauld and Norma Walton

(ii) Ownership: Atala Investments Ltd.

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- (iii) **Mortgagees:** First mortgagee is Laurentian Bank of Canada (approx. \$2.9mil), and the second mortgagee is Stephen Handelman (approx. \$750,000). Note these mortgages represent half of the blanket mortgage each mortgagee holds over both 30 and 30A Hazelton (i.e. for approx. \$5.8 million and \$1.5 million respectively).
- (iv) **Suppliers/Trades and Other Stakeholders:** Rose and Thistle Group as tenant, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.
- (v) **Employees:** None
- (vi) **Activity:** Currently listed for sale for \$12 million for both 30 and 30A Hazelton. Also listed for lease.
- (vii) **Monies used from the Don Mills Mortgages:** \$18,250.00
- (viii) **Monies Paid back on account of this Property:** \$18,250.00
- (ix) **Purchased in 2001 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group.**
- (m) **30A Hazelton Avenue**
 - (i) **Shareholders:** Ronauld and Norma Walton
 - (ii) **Ownership:** 30A Hazelton Inc.

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- (iii) **Mortgagees:** First mortgagee is Laurentian Bank of Canada (approx. \$2.9mil), and the second mortgagee is Stephen Handelman (approx. \$750,000). Note these mortgages represent half of the blanket mortgage each mortgagee holds over both 30 and 30A Hazelton (i.e. for approx. \$5.8 million and \$1.5 million respectively).
- (iv) **Suppliers/Trades and Other Stakeholders:** Rose and Thistle Group as tenant on lower level, Israel Foulon as tenant on floors one to five, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.
- (v) **Employees:** None
- (vi) **Activity:** Currently listed for sale for \$12 million for both 30 and 30A Hazelton. The lower level is listed for lease.
- (vii) **Monies used from the Don Mills Mortgages:** None
- (viii) **Monies Paid back on account of this Property:** NA
- (ix) **Purchased in 2001 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group.**
- (n) **1246 Yonge Street**
 - (i) **The Walton Group purchased this property in approximately 2002 as a commercial building. The Walton Group converted the property into 28**

- 21 -

condominiums and all condominiums have since been sold to third parties. The first 23 sales occurred in approximately 2005 and the final five sales occurred in approximately 2008. The Walton Group has no further ownership in this property.

- (ii) Monies used from the Don Mills Mortgages: None
- (iii) Monies Paid back on account of this Property: NA
- (iv) Purchased in 2002 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from various investors.

(o) 777 St. Clarens Avenue

- (i) Shareholders: Michael and Dr. Christine DeJong through a holding company (50%), Ronauld and Norma Walton (50%).
- (ii) Ownership: St. Clarens Holdings Inc. and Emerson Holdings Inc.
- (iii) Mortgagees: Vendor (the Sorger Family) is the mortgagee (approx. \$1.3mil)
- (iv) Suppliers/Trades and Other Stakeholders: The tenant Jomar Electrical, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.
- (v) Employees: None

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- (vi) Activity: There are currently no offers to purchase or borrowings being negotiated.
 - (vii) Monies used from the Don Mills Mortgages: None
 - (viii) Monies Paid back on account of this Property: NA
 - (ix) Purchased in 2013 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the DeJong Family.
- (p) 17 Yorkville Avenue
- (i) The Walton Group purchased this property in approximately 2006 as a commercial building. The Walton Group converted the property into six condominiums and all condominiums have since been sold to third parties. The six sales occurred in approximately 2009. The Walton Group has no further ownership in this property.
 - (ii) Monies used from the Don Mills Mortgages: None
 - (iii) Monies Paid back on account of this Property: NA
 - (iv) Purchased in 2006 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from various investors.

- (q) **252 Carlton Street and 478 Parliament Street**
- (i) **Shareholders: Ronauld and Norma Walton as common shareholders and approximately 10 individual investors as preferred shareholders for the amount of approximately \$1.1 million.**
 - (ii) **Ownership: 1793530 Ontario Inc.**
 - (iii) **Mortgagees: Equitable Trust (approx. \$1.65mil)**
 - (iv) **Suppliers/Trades and Other Stakeholders: The Salvation Army as tenant, Dance Umbrella of Ontario as tenant, Ginger Restaurant as tenant, Johnny Gs Restaurant as tenant, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.**
 - (v) **Employees: None**
 - (vi) **Activity: The Walton Group has conditionally sold this property for \$3.1 million, with the sale closing expected January 31, 2014, assuming the purchaser waives his conditions before December 25, 2013. The Walton Group is expecting net sale proceeds in the amount of \$250,000.**
 - (vii) **Monies used from the Don Mills Mortgages: None**
 - (viii) **Monies Paid back on account of this Property: NA**

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(ix) Purchased in 2008 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group.

(r) 19 Tennis Crescent

(i) The Walton Group purchased this property in approximately 2009 as an eight-plex residential building. The Walton Group sold the property in approximately 2011. The Walton Group has no further ownership in this property.

(ii) Monies used from the Don Mills Mortgages: None

(iii) Monies Paid back on account of this Property: NA

(iv) Purchased in 2009 without Bernstein Group involvement other than perhaps as a mortgagee. To the extent that any mortgage was given, the Bernstein Group has since been paid out their original mortgage and the Bernstein Group does not have any further interest in the property.

(s) 66 Gerrard Street East

(i) Shareholders: Ronauld and Norma Walton

(ii) Ownership: Gerrard Church 2006 Inc.

(iii) Mortgagees: First mortgagee is Penmor (approx. \$4.25mil), and the second mortgagee is Eric Silverberg (approx. \$1.35mil).

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- (iv) **Suppliers/Trades and Other Stakeholders:** Approximately ten tenants including Starbucks, Zteca and Hassle-Free Clinic and various professional offices, one residential tenant, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.
- (v) **Employees:** None
- (vi) **Activity:** This property is listed for sale and the Walton Group is negotiating an offer to purchase by the Conservatory Group for \$6.25 million, with expected net proceeds of \$800,000. The Walton Group has proposed a closing date of February 28, 2014.
- (vii) **Monies used from the Don Mills Mortgages:** \$17,650.00
- (viii) **Monies Paid back on account of this Property:** \$17,650.00
- (ix) **Purchased in 2010 without Bernstein Group involvement other than as mortgagee.** The Bernstein Group has since been paid out their mortgage and has no remaining interest on this property. The funds for the purchase of this property came from the Walton Group and various investors who have since sold their interest in the property to the Walton Group.
- (i) **646 Broadview Avenue**
 - (i) **The Walton Group purchased this property in approximately 2006.** The Walton Group severed off two building lots to create 14 and 16 Montcrest (mentioned above). The Walton Group transferred their 50% interest in

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the property to the co-owners (my parents) on September 3, 2013, hence the Walton Group has no further ownership in this property.

- (ii) Monies used from the Don Mills Mortgages: None
- (iii) Monies Paid back on account of this Property: NA
- (iv) Purchased in 2006 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property were from the Walton Group and my parents along with various investors. The various investors sold their interest to the Walton Group. The Walton Group has since sold its investment to my parents.

(u) 14 College Street

- (i) Shareholders: Ronauld and Norma Walton
- (ii) Ownership: College Lane Ltd.
- (iii) Mortgagees: First mortgagee is Rocco Marcello (approx. \$5mil), Stephen Handelman as second mortgagee (approx. \$750,000), and Eric Silverberg as third mortgagee (approx. \$1.35mil). Note that Eric Silverberg also has a second mortgage against 66 Gerrard (above) for the same \$1.35 million.
- (iv) Suppliers/Trades and Other Stakeholders: Main Drug Mart as tenant along with various doctor subtenants, cleaners, maintenance people, HVAC

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suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.

- (v) Employees: None
 - (vi) Activity: The Walton Group intends to list this property for sale in January 2014.
 - (vii) Monies used from the Don Mills Mortgages: None
 - (viii) Monies Paid back on account of this Property: NA
 - (ix) Purchased in 2011 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property were from the Walton Group and Windsor Bancorp (with a mortgage that has since been discharged).
- (v) 26 Gerrard Street East
- (i) Shareholders: Ronauld and Norma Walton
 - (ii) Ownership: Gerrard House Inc.
 - (iii) Mortgagees: First mortgagee is ROI Capital (approx. \$4.2mil), and second mortgagee is the vendor, Ronald McDonald House (approx. \$750,000)
 - (iv) Suppliers/Trades and Other Stakeholders: Cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and

landscaping, property managers, general contractors, Sterling Group Hotels as tenants.

- (v) Employees: None
- (vi) Activity: The Walton Group is negotiating with the Sterling Group an agreement of purchase and sale with closing in 2014.
- (vii) Monies used from the Don Mills Mortgages: \$2,600.00
- (viii) Monies Paid back on account of this Property: \$2,600.00
- (ix) Purchased in 2012 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group.

(w) 3 Post Road

- (i) The Walton Group and the DeJong Family purchased this property in approximately 2006 along with 2 Park Lane. The Walton Group severed off 2 building lots and sold those lots to third parties in approximately 2008. The Walton Group has no further ownership in this property.
- (ii) Monies used from the Don Mills Mortgages: None
- (iii) Monies Paid back on account of this Property: NA
- (iv) Purchased in 2006 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The

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funds for the purchase of this property came from the Walton Group and the DeJong Family.

(x) 2 Park Lane

(i) The Walton Group and the DeJong Family purchased this property in approximately 2006 along with 3 Post Road. The Walton Group severed off 2 building lots and sold those lots to third parties in approximately 2008. The Walton Group has no further ownership in this property.

(ii) Monies used from the Don Mills Mortgages: None

(iii) Monies Paid back on account of this Property: NA

(iv) Purchased in 2006 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group and the DeJong Family.

(y) 2454 Bayview Avenue

(i) Shareholders: Ronauld and Norma Walton as common shareholders and approximately 10 individual investors as preferred shareholders for the amount of approximately \$2.4 million.

(ii) Ownership: Academy Lands Ltd.

(iii) Mortgagees: The mortgagee is BDC (approx. \$6.2mil),

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- (iv) **Loans: Brian and Diane Johnson (approx. \$1.6mil)**
- (v) **Suppliers/Trades and Other Stakeholders: The Junior Academy as tenant, cleaners, maintenance people, HVAC suppliers, electricians, plumbers, contractors, snow removal and landscaping, property managers.**
- (vi) **Employees: None**
- (vii) **Activity: The Walton Group intends to list this property for sale in January 2014 for approximately \$11 million, with net sale proceeds expected of approximately \$1.35 million (after payment to preferred shareholders).**
- (viii) **Monies used from the Don Mills Mortgages: \$54,000.00**
- (ix) **Monies Paid back on account of this Property: \$54,000.00**
- (x) **Purchased in 2012 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group and the Johnson Family (through the loan mentioned above).**
- (z) **319 Carlaw, Suite 107 (incorrectly identified as 321 Carlaw)**
 - (i) **Shareholders: Ronauld and Norma Walton**
 - (ii) **Ownership: Carlaw Corner Corp.**
 - (iii) **Mortgagees: The mortgagee is 368230 Ontario Limited, a Bernstein Group related company (approx. \$220,000)**

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- (iv) Suppliers/Trades and Other Stakeholders: None
 - (v) Employees: None
 - (vi) Activity: This property is listed for sale for approximately \$289,000.
 - (vii) Monies used from the Don Mills Mortgages: \$2,900.00
 - (viii) Monies Paid back on account of this Property: None
 - (ix) Purchased in 2013 without Bernstein Group involvement other than as mortgagee (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group.
- (aa) 231-235 King St. East
- (i) The Walton Group purchased this property in approximately 2013 with co-investors. The Walton Group began renovating the property and subsequently transferred ownership to the co-owners on approximately December 4, 2013. The Walton Group no longer has any interest in this property. The Walton Group suffered a loss of approximately \$250,000 on the transfer.
 - (ii) Monies used from the Don Mills Mortgages: \$91,450.00
 - (iii) Monies Paid back on account of this Property: \$91,450.00

- (iv) Purchased in 2013 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group and the co-owners who have since purchased the Walton Group's interest.

(bb) 44 Park Lane

- (i) Shareholders: None
- (ii) Ownership: Ronauld and Norma Walton
- (iii) Mortgagees: First mortgagee is Home Trust (approx. \$5mil), and the second mortgagee is Stephen Handelman (approx. \$3mil)
- (iv) Monies used from the Don Mills Mortgages: \$460,000.00
- (v) Monies Paid back on account of this Property: \$460,000.00
- (vi) Purchased in 2012 without Bernstein Group involvement (i.e. no funding from the Bernstein Group was used for the purchase of the property). The funds for the purchase of this property came from the Walton Group (the particulars of which are discussed in further detail below).

21. As is evidenced in the above list, I personally do not own any property directly (other than my home at 44 Park Lane). All property is owned by companies in which I and others own shares.

22. Any Certificates of Pending Litigation will negatively affect these Other Properties. The imposition of these certificates will put existing mortgages in default. Plainly

This is Exhibit X referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014
Jacqueline Dawn McKinley
A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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John A. Campion
Direct +1 416 865 5437
jcampion@fasken.com

March 21, 2014

File No.: 296967.00001

VIA E-MAIL

Peter Griffin
Lenczner Slaght
130 Adelaide Street West
Suite 2600
Toronto, Ontario
M5H 3P5

Dear Mr. Griffin:

Re: *Walton, et al. ats DBDC Spadina Limited*
Court File No.: CV-13-10280-00CL

The following is information which will be delivered to the Court at the return of the motion at 1:30 p.m. today.

The properties listed below were dealt with in Norma Walton's Affidavit filed on December 17, 2013. The Affidavit shows that Norma and Ronauld Walton have no interest in the following properties:

- (a) 3775 St. Clair Avenue East;
- (b) 14/16/17 Montcrest Drive;
- (c) 185 Davenport Road;
- (d) 1246 Yonge Street;
- (e) 17 Yorkville Avenue;
- (f) 19 Tennis Crescent;
- (g) 646 Broadview Avenue;



- (h) 3 Post Road;
- (i) 2 Park Lane;
- (j) 231-235 King Street East; and
- (k) 232 Galloway Road

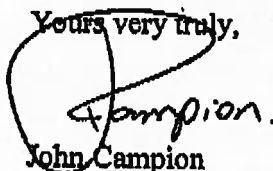
There have therefore been no dealings with these properties.

As to the following properties, Ronauld and Norma Walton inform me of the following information:

- (l) 3270 American Drive: United Empire Lands Limited owns this property. Ronauld and Norma Walton own 50% of the shares in the company along with two other shareholders, the DeJongs. These shareholders are causing United Empire Lands Limited to arrange a new first mortgage financing to facilitate such sale, at which point the share sale transaction will become firm. It is anticipated that the sale will close in mid to late April;
- (m) 2 Kelvin: Its owner 6195 Cedar Street Ltd. is listing this property for sale;
- (n) 346 Jarvis: Ron and Norma Walton are considering listing one, two, three or all four of these properties for sale;
- (o) 1 William Morgan Drive: Cinderella Products Ltd. owns this property and has listed this property for sale for \$4.65 million;
- (p) 324 Prince Edward: This property is owned by Prince Edward Properties Ltd. Norma and Ronauld Walton have discussed selling their share in the corporation to the other two shareholders, the DeJongs;
- (q) 24 Cecil: This property is owned by Cecil Lighthouse Inc. Norma and Ronauld Walton have negotiated to sell their common shares to certain preferred shareholders. The preferred shareholders are arranging to assume the first mortgage currently held with State Bank of India. Once that assumption is approved, the deal will become firm. The Waltons anticipate the sale will close in mid to late April;
- (r) 30 and 30A Hazelton: Atala Investments Ltd. owns 30 Hazelton, and 30A Hazelton Inc. owns 30A Hazelton. The corporations have listed these properties for sale;

- (s) 777 St. Clarens: St. Clarens Holdings Inc. owns this property. Norma and Ronauld Walton own 50% of the shares and plan to sell their shares to the other shareholders, the DeJongs;
- (t) 252 Carlton / 478 Parliament: 1795350 Ontario Inc. owns these properties. Pursuant to Mr. Schible's letter dated January 8, 2014, the sale of this property was closed on March 6, 2014. Preferred shareholders were paid all net sale proceeds;
- (u) 66 Gerrard Street East: Gerrard Church 2006 Inc. has entered into a conditional agreement to sell this property that is scheduled to firm up on April 2, 2014 and close on April 23, 2014 if it firms up;
- (v) 14 College: A letter under separate cover has dealt with this property;
- (w) 26 Gerrard: A letter under separate cover has dealt with this property;
- (x) 2454 Bayview: Academy Lands Ltd. has listed this property for sale; and
- (y) 44 Park Lane Circle: Ronauld and Norma Walton we are before the Committee of Adjustments to sever this property in April or May. They intend to list both parcels for sale thereafter, with the court's permission.


Yours very truly,


John Champion

JC/car

c.c.: Guillermo Schible
David Merner
Norma Walton
Shara Roy

This is Exhibit 4 referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March 2014


A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

March 20, 2014

Shara N. Roy
Direct line: 416-865-2942
Direct fax: 416-865-3973
Email: sroy@litigate.com

VIA MAIL

Tamara Laframboise and Timothy Leach
14 Montcrest Boulevard
Toronto, ON

To Whom It May Concern:

RE 14/17 Montcrest, Toronto, ON
Our File No.: 44696

We act for the Applicants in an application in respect of properties owned by Norma and Ronald Walton and/or the Rose & Thistle Group.

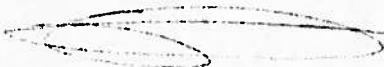
Please find attached a notice of motion which seeks relief that relate to certain properties where you may be a mortgagee or owner. The Court has set a schedule in respect of this motion, which provides for responding materials by April 4, cross-examinations by April 11 and the hearing of the motion on May 1 and 2, 2014.

We also attach a copy of a notice of motion in respect of the shareholdings and ownership of the companies who are listed on title for the properties. If you become aware of any change in ownership, please advise us on behalf of our clients.

If the property is sold under your control (be it power of sale or otherwise), please do not pay out any amounts without notice to us on behalf of our clients. In the event that those payments take place without notice to us, we will be seeking recovery of those amounts from you.

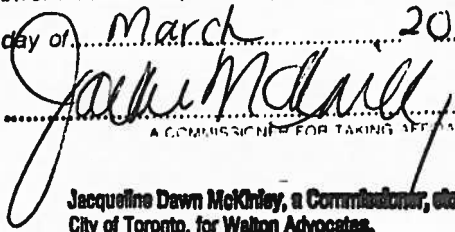
We would be pleased to speak with you regarding the relief sought.

Yours truly,



Shara N. Roy

SNR/sk
Enclosure

This is Exhibit Z referred to in the
affidavit of NORMA WALTON
sworn before me, this 31
day of March, 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

Jacqueline Dawn McKinley, a Commissioner, etc.,
City of Toronto, for Walton Advocates,
Barristers and Solicitors.
Expires November 9, 2014.

SCHEDULE "C"

1. ~~629 Richmond Street West, Toronto, Ontario;~~
2. ~~875 Queen Street East, Toronto, Ontario;~~
3. 3270 American Drive, Mississauga, Ontario;
4. 2 Kelvin Avenue, Toronto, Ontario;
5. 346 Jarvis Street, Toronto, Ontario, other than those units sold to third party purchasers;
6. ~~3775 St. Clair Avenue East;~~
7. ~~14/17 Montcrest, Toronto, Ontario;~~
8. 1 William Morgan Drive, Toronto, Ontario;
9. 324 Prince Edward Drive, Toronto, Ontario;
10. 24 Cecil Street, Toronto, Ontario;
11. ~~185 Davenport Road, Toronto, Ontario;~~
12. 30 and 30A Hazelton Avenue, Toronto, Ontario;
13. ~~1246 Yonge Street, Toronto, Ontario;~~
14. 777 St. Clarens Avenue, Toronto, Ontario;
15. ~~17 Yorkville, Toronto, Ontario, other than those units sold to third party purchasers;~~
16. 252 Carlton Street and 478 Parliament Street, Toronto, Ontario;
17. ~~19 Tennis Crescent, Toronto, Ontario;~~
18. 66 Gerrard Street East, Toronto, Ontario;
19. ~~646 Broadview Avenue, Toronto, Ontario;~~
20. 14 College Street, Toronto, Ontario;
21. 26 Gerrard Street East, Toronto, Ontario;
22. ~~3 Post Road, Toronto, Ontario;~~
23. ~~2 Park Lane Circle Road, Toronto, Ontario;~~
24. 2454 Bayview Avenue, Toronto, Ontario; and
25. 321 Carlaw, Toronto, Ontario.

**ONTARIO SUPERIOR
COURT OF JUSTICE**

[COMMERCIAL LIST]

Proceeding commenced at:

TORONTO

**AFFIDAVIT OF
NORMA WALTON
Sworn March , 2014**

NORMA WALTON
30 Hazelton Avenue
Toronto, Ontario M5R 2E2

Tel: (416) 489-9790 x103

Fax: (416) 489-9973

nwalton@roseandthistle.ca

Respondent

**ONTARIO SUPERIOR
COURT OF JUSTICE**

[COMMERCIAL LIST]

Proceeding commenced at:

TORONTO

**MOTION RECORD
OF THE RESPONDENT
NORMA WALTON**

NORMA WALTON
30 Hazelton Avenue
Toronto, Ontario M5R 2E2

Tel: (416) 489-9790 x103

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Respondent