

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

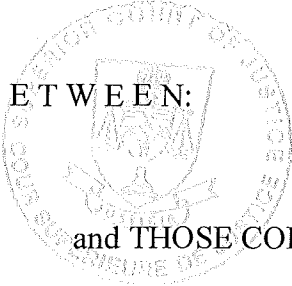
THE HONOURABLE MR.)

TUESDAY, THE 22ND

JUSTICE NEWBOULD)

DAY OF DECEMBER, 2015

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 IN SCHEDULE "B" HERETO, TO BE
BOUND BY THE RESULT

DISCHARGE ORDER

**(Discharge of Manager re: Bannockburn Lands Inc., Richmond Row Holdings Ltd.,
Hidden Gem Development Inc. and Liberty Village Properties Ltd.)**

THIS MOTION, made by Schonfeld Inc. in its capacity as the manager (the "**Manager**") appointed pursuant to the Order of Justice Newbould dated November 5, 2013 and pursuant to the Judgment and Order of Justice Brown dated August 12, 2014 for an order, *inter alia*:

1. discharging the Manager as Manager of Bannockburn Lands Inc., Richmond Row Holdings Ltd., Hidden Gem Development Inc., Liberty Village Properties Ltd. ("**Liberty Village**") and, collectively, the "**Discharge Companies**"; and

2. releasing the Manager from any and all liability in connection with the Discharge Companies, as set out in paragraph 10 of this Order,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the 37th Report of the Manager dated December 14, 2015 and on hearing the submissions of counsel for the Manager, no one else appearing although served as evidenced by the Affidavit of Carlie Fox sworn December 16, 2015, filed;

3. THIS COURT ORDERS that, to the extent necessary, 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.

4. THIS COURT ORDERS that Dr. Bernstein, or another entity or person(s) as directed by Dr. Bernstein in his sole discretion, shall hold all of the issued and outstanding shares of each of the Discharge Companies (the “**Shares**”), including but not limited to any shares which would otherwise be or have been held by Norma Walton or Ronauld Walton, and shall be deemed to have held all such shares since the date(s) on which those shares were first issued.

5. THIS COURT ORDERS that, for greater certainty, all shares of each of the Discharge Companies that were issued and outstanding, either at the present or at any point in the past, other than the shares described in paragraph 4 of this Order, shall be cancelled and shall be deemed not to have been issued.

6. THIS COURT ORDERS that Norma Walton and Ronauld Walton be removed as directors and officers of the Discharge Companies.

7. THIS COURT ORDERS that Dr. Stanley Bernstein be appointed as the sole director and president of the Discharge Companies.

8. THIS COURT ORDERS that the Manager shall deliver the Minute Books and other corporate records of each of the Discharge Companies to Lenczner Slaght LLP.

9. THIS COURT ORDERS that upon the delivery of the Shares to Dr. Bernstein, the Manager shall be discharged as Manager of the Discharge Properties, provided however that notwithstanding its discharge herein (a) the Manager shall remain Manager for the performance

of such incidental duties as may be required to complete the administration of the receivership/managership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Manager in its capacity as Manager.

10. THIS COURT ORDERS AND DECLARES that the Manager is hereby released and discharged from any and all liability that the Manager now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Manager while acting in its capacity as Manager herein, save and except for any gross negligence or wilful misconduct on the Manager's part. Without limiting the generality of the foregoing, the Manager is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

11. THIS COURT ORDERS that the Manager shall retain a total of \$160,000 (the “**Liberty Village Holdback**”) from the proceeds currently in its possession relating to Liberty Village pending further Order of this Court.

12. THIS COURT ORDERS that any claim relating to the use of funds diverted from the reserve fund held by Metropolitan Toronto Condominium Corporation Number 1037 to purchase the real property formerly owned by Liberty Village (the “**Potential MTCC Claim**”) and all claims relating to the 2.5% equity interest in Liberty Village that the Manager did not trace directly to the Applicants shall be channeled to and be a claim exclusively against the Liberty Village Holdback. For greater certainty: (i) neither the Potential MTCC Claim nor any claim relating to equity contributions to Liberty Village shall flow through to any successor corporation or amalgamated entity of any of the Discharge Companies; (ii) this Order is not a recognition or endorsement of the validity of the Potential MTCC Claim or any other claim.

13. THIS COURT ORDERS that any claims, now extant or that could exist, whether discovered or undiscovered as of the date of this Order, against any of the Discharge Companies, other than the claims of the Applicants, shall be deemed to be extinguished and satisfied, and that

such claims shall not flow through to any successor corporation or amalgamated entity of any of the Discharge Companies.

14. THIS COURT ORDERS that any amounts payable to or receivable from any of the Discharge Companies by any of Norma Walton, Ronauld Walton, the Rose & Thistle Group Limited and/or Eglinton Castle Inc. shall be cancelled and eliminated, without prejudice to the Applicants' ability to make or continue a claim and/or enforce any judgment for damages or otherwise in this Application.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



DEC 22 2015

SCHEDULE "A"

COMPANIES

1. Dr. Bernstein Diet Clinics Ltd.
2. 2272551 Ontario Limited
3. DBDC Investments Atlantic Ltd.
4. DBDC Investments 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 Ltd.
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 Lands 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 Ltd.
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. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.

31. Eddystone Place Inc.
32. Richmond Row Holdings Ltd.
33. El-Ad (1500 Don Mills) Limited
34. 165 Bathurst Inc.

SCHEDULE "C" PROPERTIES

1. 3270 American Drive, Mississauga, Ontario
2. 0 Luttrell Ave., Toronto, Ontario
3. 2 Kelvin Avenue, Toronto, Ontario
4. 346 Jarvis Street, Suites A, B, C, E and F, Toronto, Ontario
5. 1 William Morgan Drive, Toronto, Ontario
6. 324 Prince Edward Drive, Toronto, Ontario
7. 24 Cecil Street, Toronto, Ontario
8. 30 and 30A Hazelton Avenue, Toronto, Ontario
9. 777 St. Clarens Avenue, Toronto, Ontario
10. 252 Carlton Street and 478 Parliament Street, Toronto, Ontario
11. 66 Gerrard Street East, Toronto, Ontario
12. 2454 Bayview Avenue, Toronto, Ontario
13. 319-321 Carlaw, Toronto, Ontario
14. 260 Emerson Ave., Toronto, Ontario
15. 44 Park Lane Circle, Toronto, Ontario
16. 19 Tennis Crescent, Toronto, Ontario
17. 646 Broadview, Toronto, Ontario

DBDC SPADINA LTD. ET AL

and

NORMA WALTON ET AL

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

Applicants

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

DISCHARGE ORDER
(Discharge of Manager re: Bannockburn Lands Inc., Richmond Row Holdings Ltd., Hidden Gem Development Inc. and Liberty Village Properties Ltd.)

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Barristers & Solicitors
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