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

# ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

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THE HONOURABLE MR. JUSTICE NEWBOULD TUESDAY, THE 25<sup>TH</sup>

DAY OF OCTOBER, 2016

**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

ORDER

(Motion returnable October 25, 2016)

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 for an Order, among other things, establishing a procedure (the "Queen's Corner Claims Process") for the identification and evaluation of claims in respect of Queen's Corner Corp. ("Queen's Corner") and authorizing payments to creditors of Queen's Corner after the Queen's Corner Claims Process has been completed, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Forty-Fourth Report of the Manager dated October 13, 2016, filed.

ON HEARING the submissions of counsel for the Manager, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Carlie Fox sworn October 17, 2016:

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

2. THIS COURT ORDERS that the Queen's Corner Claims Process will be governed by the Claims Procedure Order of Justice Brown dated June 18, 2014 (the "**Claims Procedure Order**") except to the extent that the Claims Procedure Order is specifically modified by this Order. To the extent that there is any conflict between the terms of the Claims Procedure Order and this Order, this Order shall govern.

3. THIS COURT ORDERS that, for the purposes of the Queen's Corner Claims Process, the following terms shall have the following meanings:

- (a) Instead of the meaning attributed to it in the Claims Procedure Order, "**Claim**" shall mean Tarion Claim;
- (b) "Tarion Claim" shall mean any right or claim of any Person against Tarion Warranty Corporation ("Tarion"), or any other Person who entered into a preconstruction agreement of purchase and sale for a residential condominium to be constructed by or on behalf of Queen's Corner, provided, however, that Tarion Claim shall not include any claim of Kartelle 1003 Queen Street East Inc. with respect to the Security (as defined below);
- (c) "**Disputed Tarion Claim**" means a Tarion Claim that is the subject of a Dispute Notice that is: (i) filed in accordance with the requirements of the Claims Procedure Order; and (ii) not settled by the Claimant and Tarion or resolved in accordance with the procedures provided for in the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c.O.31, as amended (the "**ONHWP Act**"), and

the regulations promulgated thereunder (such regulations, together with the ONHWP Act, the "ONHWP Act and Regulations");

- (d) "Proven Tarion Claim" means a Tarion Claim that is accepted (in whole or in part) by Tarion and the time for filing a Dispute Notice has passed without a Dispute Notice being filed or any Dispute Notice has been resolved;
- (e) "Security" means the security submitted by Queen's Corner to Tarion on or around June 7, 2013 in the amount of \$200,000, plus any accrued interest thereon.

4. THIS COURT ORDERS that, immediately upon receipt by the Manager of a Proof of Claim relating to a Tarion Claim or a Dispute Notice in respect of a Tarion Claim, the Manager shall send a copy thereof to Tarion.

5. THIS COURT ORDERS that any Claimant that does not file a Proof of Claim so that such Proof of Claim is received by the Manager on or before the Claims Bar Date, or such later date as the Court may direct, be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Claim(s) against either of Tarion or Queen's Corner (and their respective professional advisors), and all such Claim(s), if any, against Tarion or Queen's Corner (and their respective professional advisors) shall be forever extinguished. For greater certainty, nothing in this Order shall detract from or in any way alter the limitation of Tarion's liability contained in the ONHWP Act and Regulations.

6. THIS COURT ORDERS that Tarion shall review all Proofs of Claim relating to Tarion Claims that are sent to Tarion by the Manager and shall accept, revise or reject each Tarion Claim in accordance with Tarion's ordinary claims review procedures. Tarion shall have the right, but not the obligation, to consult the Manager in connection with its review of Tarion Claims.

7. THIS COURT ORDERS that the approved amount of any Tarion Claim accepted by Tarion shall be the amount owing to the Claimant by Tarion under the ONHWP Act and Regulations.

8. THIS COURT ORDERS that, in the event any Tarion Claim is accepted, revised or rejected by Tarion, the Manager shall be notified of the acceptance, revision or rejection by

Tarion, and the Manager shall send notice to the Claimant, which notice shall be in addition to the notice that Tarion ordinarily sends to Persons with claims against Tarion under the ONHWP Act and Regulations.

9. THIS COURT ORDERS that, in the event one or more Tarion Claim(s) are received on or before the Claims Bar Date, the Manager and Tarion will agree to a reasonable holdback required to secure payment of the received Tarion Claim(s) (the "Holdback"). Tarion shall return the Security, less the Holdback, to the Manager within 20 days of the Claims Bar Date. Tarion shall have no further obligations or liability whatsoever in respect of the Security following its return to the Manager.

10. THIS COURT ORDERS that, after all of: (i) the completion of the review by Tarion of all Proofs of Claim relating to Tarion Claims; (ii) the expiry of the time period in which Claimants are required to file Dispute Notices in accordance with Claims Procedure Order; (iii) the settlement by the Claimant and Tarion or resolution in accordance with the procedures provided for in the ONHWP Act and Regulations of any Disputed Tarion Claims; and (iv) the payment by Tarion of any Proven Tarion Claims in accordance with Tarion's ordinary procedures from the Holdback, the Holdback shall be returned to the Manager, in trust. Tarion shall have no further obligations or liability whatsoever in respect of the Holdback following its return to the Manager.

11. THIS COURT ORDERS that the Manager shall provide such assistance to Tarion and its agents as may be necessary or desirable to give effect to this Order or to assist Tarion and its agents in carrying out the terms of this Order.

12. THIS COURT ORDERS that Tarion and/or the Manager may from time to time apply to this Court for advice and directions in respect of the terms of this Order and in carrying out the terms of this Order.

13. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States to give effect to this Order and to assist the Manager and Tarion, and their respective agents, in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Manager and

Tarion, and their respective agents, as may be necessary or desirable to give effect to this Order or to assist the Manager and Tarion, and their respective agents, in carrying out the terms of this Order.

my dr SUPERIOR COURT OF JUSTICE COUR SUPÉRIEURE DE JUSTICE **RECEIVED/RECU** OCT 2 6/2016 LOCAL REGISTRAR / GREFFIER LOCAL

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PER/PAR: N

# **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