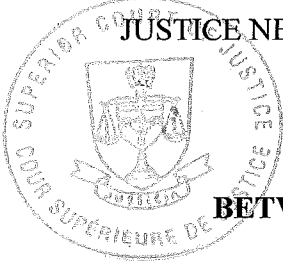


**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE NEWBOULD

)
)
)

WEDNESDAY, THE 17TH
DAY OF DECEMBER, 2014



BETWEEN:

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

Applicants

- and -

NORMA WALTON, RONALD 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

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 (the “**November 5 Order**”) and pursuant to the Judgment and Order of Justice Brown dated August 12, 2014 (the “**August 12 Order**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-Second Report dated December 3, 2014 (the “**Report**”) of the Manager, the Supplemental Report of the Manager dated December 16, 2014 (the “**Supplemental Report**”), the affidavit of S. Harlan Shonfeld sworn December 5, 2014 (the “**Schonfeld Affidavit**”) and the affidavit of Brian Empey sworn December 8, 2014 (the “**Empey**”

Affidavit”), and on hearing the submissions of counsel for the Manager, the Applicants, the Respondents and ●, no one appearing for any other person on the service list:

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Motion Record and the Supplemental 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 capitalized terms used but not defined in this Order shall have the meaning given to such terms in the Report or the Supplemental Report, as applicable.

3. THIS COURT ORDERS that the Manager is hereby authorized to: (a) make an interim distribution of proceeds in respect of approved claims to secured and unsecured creditors of those Companies included in Schedule D hereto (the “**Interim Distribution Table**”), and (b) reserve funds in respect of disputed claims, future professional fees, potential GST and corporate tax liabilities and holdbacks for mortgagee penalty and/or costs, in each case as set out in the Interim Distribution Table.

4. THIS COURT ORDERS that the Manager is hereby authorized to make an interim distribution of proceeds to the Applicants in respect of their equity contributions to Donalda Developments Ltd., as determined by the Manager and in accordance with the Interim Distribution Table.

5. THIS COURT ORDERS that the Manager is hereby authorized to, without further Order of the Court, subject to the consent of the Applicants acting reasonably, make one or more interim distributions of proceeds from funds reserved in respect of disputed claims as set out in the Interim Distribution Table to claimants in respect of such disputed claims which are resolved pursuant to the applicable Claims Process following the date of this Order.

6. THIS COURT ORDERS that any mortgagee that has sold any Schedule B Property or Schedule C Property under power of sale or other enforcement measure is hereby directed to provide a full accounting to the Manager within 14 days of the date of this Order or 14 days of the closing of the relevant transaction, whichever is later.

7. THIS COURT ORDERS that, following the completion of the sale of any Schedule C Property, the Manager is hereby authorized, but not required, to commence and conduct a Claims

Process, without further Order of the Court, in respect of such Schedule C Property upon determination by the Manager, in its sole discretion, that such a Claims Process is appropriate in the circumstances, and that the Claims Procedure Order dated June 18, 2014 applies *mutatis mutandis* in respect of the Schedule C Properties.

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

ENTERED AT / INSCRIPT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.

DEC 17 2014

AS DOCUMENT NO.:
A TITRE DE DOCUMENT NO.:
PER / PAR:



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

**Schedule D – Interim Distribution Table
(see attached)**

Schedule B Corporations
Proposed Interim Distribution Schedule
at November 30, 2014

	Donalda	Hidden Gem	Lesliebrook Holdings	Liberty Vill Properties	Royal Agincourt	Royal Gate Holdings	Tisdale Mews	Twin Dragons	TOTAL
PROCEEDS HELD IN TRUST									
GIC on deposit	3,000,000.00	1,300,000.00	525,000.00	1,300,000.00	686,369.23	2,700,000.00	700,000.00	900,000.00	11,111,369.23
Funds held by Goodmans for liens	0.00	75,526.57				261,673.75	287,054.76		624,255.08
									0.00
TOTAL PROCEEDS HELD	3,000,000.00	1,375,526.57	525,000.00	1,300,000.00	686,369.23	2,961,673.75	987,054.76	900,000.00	11,735,624.31
OBLIGATIONS									
Reserve for future professional fees	400,000.00	200,000.00	100,000.00	200,000.00	100,000.00	200,000.00	100,000.00	200,000.00	1,500,000.00
Claims filed and approved									
Secured									
Canada Revenue Agency (CRA)	40,976.08	14,300.00	8,632.73	1,000.00	16,796.20	6,101.92	95,693.01	2,000.00	185,499.94
Lien claimants		75,526.57			6,356.71	142,617.86		1,836.25	226,337.39
less: disallowed		(15,105.32)			(1,271.34)	(24,263.80)		(367.25)	(41,007.71)
Unsecured									
Trade creditors	0.00	122,197.04	62,362.70	34,358.38	18,452.90	159,809.40	42,699.82	621,460.98	1,061,341.22
less: disallowed	0.00	(1,557.98)	(80.23)	(54.30)	(9,605.00)	(50.05)	(2,062.25)	(556,068.04)	(569,477.85)
Total approved claims	40,976.08	195,360.31	70,915.20	35,304.08	30,729.47	284,215.33	136,330.58	68,861.94	862,692.99
Amounts disallowed that are disputed, or the dispute period has not ended									
Lien claimants (funds to be reserved)					1,271.34	24,263.80		367.25	25,902.39
Unsecured (funds to be reserved)		1,557.98	80.23				2,062.25	550,000.00	553,700.46
Total potential claims	40,976.08	196,918.29	70,995.43	35,304.08	32,000.81	308,479.13	138,392.83	619,229.19	1,442,295.84
Reserve for potential GST liability									0.00
Reserve for potential corporate tax	711,000.00	50,000.00	164,000.00	822,000.00	282,000.00	354,000.00	132,000.00	161,000.00	2,676,000.00
Holdback for mortgagee penalty and/or costs					161,369.23		287,054.76		448,423.99
TOTAL POTENTIAL OBLIGATIONS	1,151,976.08	446,918.29	334,995.43	1,057,304.08	575,370.04	862,479.13	657,447.59	980,229.19	6,066,719.83
POTENTIAL FUNDS AVAILABLE FOR INTERIM DISTRIBUTION	1,850,000.00	930,000.00	190,000.00	240,000.00	110,000.00	2,100,000.00	330,000.00	0.00	5,750,000.00

Note: Where Total Potential Obligations exceed Total Proceeds Held, the Potential Funds Available will be \$0.

Corporate tax estimate

P & L per financials

Year ended December 31, 2012	12,565.00	(257,153.31)	1,115.00	(449,315.00)	(111,750.00)	0.00	(347,598.00)	(139,633.00)	(1,291,769.31)
Year ended December 31, 2013	(220,888.00)	(365,545.59)	(26,128.00)	(109,826.00)	378,111.00	(870,225.00)	(320,524.00)	(2,890.00)	(1,537,915.59)
Period ended September 30, 2014	762,395.00	(189,768.00)	(9,929.00)	(79,399.00)	62,877.00	59,780.00	(129,583.00)	61,825.00	538,198.00
Potential capital gain on sale	0.00	80,000.00	0.00	1,159,000.00	0.00	0.00	1,327,000.00	425,000.00	2,991,000.00
R&T invoices -2012/2013	2,291,380.00	770,200.00	691,215.00	2,767,379.00	799,650.00	2,226,643.00	0.00	300,380.00	9,846,847.00

Total potential income subject to corporate tax 2,845,452.00 37,733.10 656,273.00 3,287,839.00 1,128,888.00 1,416,198.00 529,295.00 644,682.00 10,546,360.10

Potential corporate tax at 25% 711,000.00 9,000.00 164,000.00 822,000.00 282,000.00 354,000.00 132,000.00 161,000.00 2,635,000.00

Reserve = greater of \$50,000 or calculation 711,000.00 50,000.00 164,000.00 822,000.00 282,000.00 354,000.00 132,000.00 161,000.00 2,676,000.00

Capital Gain estimate

Gross proceeds	39,000,000.00	3,768,000.00	6,850,000.00	18,500,000.00	13,000,000.00	19,545,000.00	5,000,000.00	12,000,000.00	117,663,000.00
Fixed assets per balance sheet	44,208,000.00	3,609,000.00	7,345,000.00	16,183,000.00	15,981,000.00	20,205,000.00	2,346,213.00	11,150,000.00	121,027,213.00
Difference	(5,208,000.00)	159,000.00	(495,000.00)	2,317,000.00	(2,981,000.00)	(660,000.00)	2,653,787.00	850,000.00	(3,364,213.00)

Potential capital gain (50%) 0.00 80,000.00 0.00 1,159,000.00 0.00 0.00 1,327,000.00 425,000.00 2,991,000.00

Notes: Disputed claims are amounts claimed in excess of supporting documents, or amount claimed that are not in the company's books and records.

Twin Dragons includes unsecured claim for damages in the amount of \$550,000 from Strada Restaurant (former tenant) arising from delays in opening in 2012

Claims filed by CRA are subject to adjustment resulting from filing of corporate T2s or audit of tax accounts

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

ORDER

GOODMANS LLP

Barristers & Solicitors

333 Bay Street, Suite 3400

Toronto, Canada M5H 2S7

Brian Empey LSUC#: 30640G

Mark Dunn LSUC#: 55510L

Tel: 416.979.2211

Fax: 416.979.1 234

Lawyers for the Manager