

**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, THE ROSE & THISTLE GROUP
LTD. and EGLINTON CASTLE INC.

Respondents

- and -

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

**SECOND SUPPLEMENTAL MOTION RECORD OF THE MANAGER,
SCHONFELD INC.**

(Motion for approval of the distribution of sale proceeds re: 65 Heward Avenue, returnable
September 24, 2014)

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Lawyers for The Manager

TO: **SEE SERVICE LIST**

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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DBDC SPADINA LTD.,
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and EGLINTON CASTLE INC.

Respondents

- and -

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

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- B. Second Supplemental Report to the Sixteenth Report of the Manager
 - 1. Correspondence between Counsel to the Manager and Counsel to Aim Environmental Group
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 - 3. Order of Justice Newbould dated January 16, 2014
 - 4. City of Toronto Property Tax Account Statement
 - 5. Discharge Statement of First Heward Mortgagee
 - 6. Discharge Statement of Second Heward Mortgagee

A

Court File No.: CV-13-1 0280-00CL

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

Respondents

- and -

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

NOTICE OF MOTION

(Motion for approval of the distribution of sale proceeds re: 65 Heward Avenue, returnable
September 24, 2014)

Schonfeld Inc., in its capacity as manager (the "**Manager**") of certain companies listed in Schedule "B" to the Order of Justice Newbould dated November 5, 2013 (the "**Companies**") together with the real estate properties owned by the Companies (the "**Properties**"), as amended by Order of Justice Newbould dated January 16, 2014, will make a motion to a judge presiding on the Commercial List on September 24, 2014 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

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

- 2 -

THE MOTION IS FOR:

1. an Order:
 - (a) abridging the time for service of the Notice of Motion and the materials filed in support of the Motion and dispensing with further service thereof;
 - (b) approving the distribution of the proceeds of sale of the sale transaction (the “**Heward Transaction**”) contemplated by an agreement of purchase and sale dated June 18, 2014, as amended by an exchange of emails dated August 18, 2014 and further amended by an agreement dated August 20, 2014 (collectively, the “**Heward Agreement**”) between William Mandelbaum, in trust and the Manager in respect of the property known municipally as 65 Heward Avenue, Toronto, Ontario (the “**Heward Property**”) as recommended by the Manager in the Second Supplemental Report to the Sixteenth Report of the Manager dated September 23, 2014; and
 - (c) granting all ancillary and necessary relief, all as set out in the Order, and such further and other relief as to this Honourable Court may seem just; and
2. an Order:
 - (a) sealing the confidential appendices to the Fifth Report of the Inspector dated July 1, 2014 (the “**Confidential Appendices**”); and
 - (b) granting all ancillary and necessary relief, all as set out in the Order, and such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

I. Overview

1. The Manager obtained an approval and vesting Order with respect to the sale of the Heward Property on September 17, 2014 (the “**Heward Order**”). The Heward Order did not provide for the distribution of the proceeds of sale of the Heward Transaction (the “**Heward Proceeds**”).

II. Aim Environmental Group

2. One construction lien in the amount of \$331,994 is registered on title to the Heward Property in favour of Aim Environmental Group (“**Aim**”). The invoices provided to the Manager by Aim indicate that the amount owed to Aim for work done prior to the Manager’s appointment is less than the amount of Aim’s construction lien.
3. The Manager’s counsel has made repeated attempts to contact Aim’s counsel in an effort to understand the nature of Aim’s position regarding whether its lien (if valid) is entitled to priority ahead of the Manager’s charge, which secures the real estate commission, or either of the Heward Mortgages. To date, Aim’s counsel has not been prepared to discuss a proposal for distribution.
4. By letter dated September 22, 2014, Aim’s counsel advised that Aim had not issued a Statement of Claim. Aim’s counsel indicated that Aim was precluded from perfecting its lien by virtue of the November 5 Order.
5. After consulting with its legal counsel at Goodmans LLP, the Manager has concluded that, by failing to issue a Statement of Claim, Aim failed to perfect its lien and its lien is therefore invalid. Accordingly, the Manager’s position is that Aim is an unsecured creditor of Double Rose Developments Ltd. (“**Double Rose**”).
6. Aim was not precluded from perfecting its lien by virtue of the November 5 Order. In fact, paragraph 13 of the November 5 Order specifically provides that the stay does not prevent the filing of any registration to preserve or perfect a security interest nor does it prevent the registration of a claim for lien. Moreover, the Manager routinely consented to the issuance of Statements of Claim for the purpose of perfecting liens.
7. In addition, the Order of Justice Newbould dated January 16, 2014 (the “**January 16 Order**”) specifically grants relief from the stay to permit persons claiming to be entitled to construction liens to register claims for liens against the Properties and to issue and serve statements of claim to perfect and protect their interests. Prior to the January 16 Order, the Manager routinely consented to the perfection of construction lien claims.

- 4 -

8. Since the Manager's appointment, many liens have been perfected pursuant to the terms of the November 5 Order and the January 16 Order. If there was some doubt regarding Aim's rights or the steps which could or could not be taken, it was open to Aim or its counsel to contact the Manager to clarify the situation. No leave was sought.

III. Proposed Distribution of Sale Proceeds

9. The proceeds the Heward Proceeds are not expected to be sufficient to pay all of the claims against the Heward Property in full. The Manager recommends that the Heward Proceeds be distributed as follows:

- (a) First, to pay the commission owed to CBRE (which is secured by the charge provided for at paragraph 21 of the November 5 Order);
- (b) Second, to pay the realty tax arrears;
- (c) Third, to pay the amount owed pursuant to the First Heward Mortgage;
- (d) Fourth, to pay the amount owed pursuant to the Second Heward Mortgage;
- (e) Fifth, to pay GST arrears owed by Double Rose.

10. The Manager notes that the Canada Revenue Agency could potentially assert that the GST arrears listed above may have priority over the First Heward Mortgage or the Second Heward Mortgage. However, the relative priority of these debts need not be determined at this time because the Manager anticipates that the Heward Proceeds will be sufficient to pay all of the foregoing amounts in full.

11. The Manager recommends that any excess proceeds be held in trust by the Manager pending further Order of the Court after the Manager has conducted a claims process to identify any creditors entitled to payment by Double Rose. The Manager anticipates that there will be a small surplus following the distribution of the foregoing amounts.

IV. The Confidential Appendices to the Inspector's Fifth Report

12. Schonfeld Inc., in its capacity as inspector (the "**Inspector**") pursuant to subsection 161(2) of the *Business Corporations Act (Ontario)* and the Order of Justice Newbould dated

- 5 -

October 4, 2013 previously filed a brief titled “Confidential Appendices to the Fifth Report of the Inspector” (the “**Confidential Appendices**”). The Confidential Appendices were filed in connection with the Fifth Interim Report of the Inspector dated July 1, 2014. These materials related to a motion before Justice Brown on July 16-18, 2014.

13. As the information contained in the Confidential Appendices was not the Inspector’s confidential information, a sealing order was not sought at the July hearing. The Confidential Appendices contain the personal financial information of the respondent, Norma Walton. Out of an abundance of caution, the Inspector now seeks a sealing Order with respect to the Confidential Appendices.

B. Miscellaneous

14. Rules 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

15. Such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The Sixteenth Report of the Manager dated September 10, 2014;

2. The Supplemental Report to the Sixteenth Report of the Manager dated September 16, 2014;

3. The Second Supplemental Report to the Sixteenth Report of the Manager dated September 23, 2014 and

4. Such further and other material as counsel may advise and this Honourable Court may permit.

Date: September 23, 2014

- 6 -

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SCHEDULE "A" COMPANIES

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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.

DBDC SPADINA LTD. ET AL

NORMA WALTON ET AL

and

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

Applicants

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

NOTICE OF MOTION

(Motion for approval of the distribution of sale
proceeds re: 65 Heward Avenue, returnable
September 24, 2014)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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LTD. and EGLINTON CASTLE INC.

Respondents

- and -

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

**SECOND SUPPLEMENTAL REPORT TO THE SIXTEENTH REPORT OF THE
MANAGER, SCHONFELD INC.**

(Motion for approval of the distribution of sale proceeds re:
65 Heward Avenue, returnable September 24, 2014)

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I. Introduction

1. This is the Second Supplemental Report to the Sixteenth Report of Schonfeld Inc. (the “**Manager**”) dated September 10, 2014 (the “**Sixteenth Report**”) in its capacity as Manager of certain companies listed at Schedule “B” (the “**Companies**”)¹ to the Order of Justice Newbould dated November 5, 2013, together with the real estate properties owned by the Companies (the “**Properties**”).

I. Purpose of this Report

2. The Manager obtained an approval and vesting Order with respect to the sale of the Heward Property on September 17, 2014. The purpose of this Report is to provide a recommendation with respect to the distribution of the net proceeds of the Heward Transaction described in the Sixteenth Report (the “**Heward Proceeds**”).

3. Capitalized terms not otherwise defined below have the meanings ascribed to them in the Sixteenth Report.

4. The terms of reference set out in the Sixteenth Report and the Supplemental Report to the Sixteenth Report dated September 16, 2014 (the “**Supplemental Report**”) apply to this Second Supplemental Report.

II. Aim Environmental Group

5. As noted in the Sixteenth Report, there is one construction lien in the amount of \$331,994 registered on title to the Heward Property in favour of Aim Environmental Group (“**Aim**”). The invoices provided to the Manager by Aim and attached as Appendix “4” to the Sixteenth Report indicate that the amount owed to Aim for work done prior to the Manager’s appointment is less than the amount of Aim’s construction lien.

6. The Manager’s counsel has made repeated attempts to contact Aim’s counsel in an effort to understand the nature of Aim’s position regarding whether its lien (if valid) is entitled to priority ahead of the Manager’s charge, which secures the real estate commission, or either of the

¹ Schedule “B” was amended by Order dated January 16, 2014.

- 3 -

Heward Mortgages. To date, Aim's counsel has not been prepared to discuss a proposal for distribution. Correspondence between counsel to the Manager and counsel to Aim is attached as Appendix "1".

7. By letter dated September 22, 2014, Aim's counsel advised that Aim had not issued a Statement of Claim. Aim's counsel indicated that Aim was precluded from perfecting its lien by virtue of the November 5 Order. A copy of this letter is attached as Appendix "2".

8. After consulting with its legal counsel at Goodmans LLP, the Manager has concluded that, by failing to issue a Statement of Claim, Aim failed to perfect its lien and its lien is therefore invalid. Accordingly, the Manager's position is that Aim is an unsecured creditor of Double Rose.

9. In addition, the Manager does not agree that Aim was precluded from perfecting its lien by virtue of the November 5 Order. In fact, paragraph 13 of the November 5 Order, which is attached as Appendix "1" to the Sixteenth Report, specifically provides that the stay does not prevent the filing of any registration to preserve or perfect a security interest nor does it prevent the registration of a claim for lien. Moreover, the Manager routinely consented to the issuance of Statements of Claim for the purpose of perfecting liens. This practice was reported in the Second Report of the Manager dated January 14, 2014.

10. In addition, the Order of Justice Newbould dated January 16, 2014 (the "**January 16 Order**") specifically grants relief from the stay to permit persons claiming to be entitled to construction liens to register claims for liens against the Properties and to issue and serve statements of claim to perfect and protect their interests. The January 16 Order is attached as Appendix "3". Prior to the January 16 Order, the Manager routinely consented to the perfection of construction lien claims.

11. Since the Manager's appointment, many liens have been perfected pursuant to the terms the November 5 Order and the January 16 Order. If there was some doubt regarding Aim's rights or the steps which could or could not be taken, it was open to Aim or its counsel to contact the Manager to clarify the situation. No leave was sought.

III. Proposed Distribution of Sale Proceeds

12. The various claims against the Heward Property and the Heward Proceeds are described at paragraphs 30-34 of the Sixteenth Report. As noted in the Sixteenth Report, the Heward Proceeds are not expected to be sufficient to pay all of the claims against the Heward Property in full. The Manager recommends that the Heward Proceeds be distributed as follows:

- (a) First, to pay the commission owed to CBRE (which is secured by the charge provided for at paragraph 21 of the November 5 Order), as set out in CBRE's invoice attached as Heward Supplemental Confidential Appendix "A";
- (b) Second, to pay the realty tax arrears. The property tax account statement of the City of Toronto is attached as Appendix "4"
- (c) Third, to pay the amount owed pursuant to the First Heward Mortgage, as set out in the discharge statement attached as Appendix "5";
- (d) Fourth, to pay the amount owed pursuant to the Second Heward Mortgage, as set out in the discharge statement attached as Appendix "6"; and
- (e) Fifth, to pay GST arrears owed by Double Rose.

13. The Manager notes that the Canada Revenue Agency could potentially assert that the GST arrears listed above may have priority over the First Heward Mortgage or the Second Heward Mortgage. However, the relative priority of these debts need not be determined at this time because the Manager anticipates that the Heward Proceeds will be sufficient to pay all of the foregoing amounts in full.

14. The Manager recommends that any excess proceeds be held in trust by the Manager pending further Order of the Court after the Manager has conducted a claims process to identify any creditors entitled to payment by Double Rose. The Manager anticipates that there will be a small surplus following the distribution of the foregoing amounts.

IV. The Confidential Appendices to the Inspector's Fifth Report

15. Schonfeld Inc., in its capacity as inspector (the "Inspector") pursuant to subsection 161(2) of the *Business Corporations Act (Ontario)* and the Order of Justice Newbould dated

- 5 -

October 4, 2013 previously filed a brief titled "Confidential Appendices to the Fifth Report of the Inspector" (the "**Confidential Appendices**"). The Confidential Appendices were filed in connection with the Fifth Interim Report of the Inspector dated July 1, 2014. These materials related to a motion before Justice Brown on July 16-18, 2014.

16. As the information contained in the Confidential Appendices was not the Inspector's confidential information, a sealing order was not sought at the July hearing. The Confidential Appendices contain the personal financial information of the respondent, Norma Walton. Out of an abundance of caution, the Inspector now seeks a sealing Order with respect to the Confidential Appendices.

V. Conclusion and Recommendations

17. In light of the foregoing and for the reasons expressed in the Sixteenth Report, the Manager respectfully recommends that this Court approve the Manager's proposal with respect to the distribution of the Heward Proceeds and grant the relief sought in the Manager's notice of motion.

All of which is respectfully submitted this 23rd day of September, 2014.

SCHONFELD INC.

In its capacity as Manager pursuant to the Order of Newbould, J. dated November 5, 2013

Per: _____

Harlan Schonfeld CPA·CIRP

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.

- 7 -

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.

- 8 -

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

1

Josephs, Angela

From: LaBine, Jackie
Sent: Friday, September 12, 2014 11:37 AM
To: 'j cimba@on.aibn.com'
Cc: Dunn, Mark
Subject: RE: Aim Environmental Group

Mr. Cimba,

I received your voicemail this morning advising that you are available on Monday for a call to discuss this. The Manager needs to make a proposal regarding distribution of the net proceeds from the sale of this property. The Manager would like to circulate a draft order to the service list in advance of the weekend as there are a number of parties interested in the sale of this property. We would like to discuss the distribution plan with you in advance of making a proposal. We do not know if your client intends to claim priority over one or both of the mortgages registered against the property. As you know, there is a shortfall and we need to understand your client's position with respect to whether its lien (if valid) is entitled to priority ahead of the Manager's charge (which secures the real estate commission addressed in our report) or either mortgage.

Regards,
Jackie

Jacqueline LaBine
416.597.5909

From: LaBine, Jackie
Sent: Thursday, September 11, 2014 10:53 AM
To: 'James Cimba'
Subject: RE: Aim Environmental Group

Mr. Cimba,

The Manager anticipates that the net proceeds from the sale of the property will not be sufficient to pay all claims. This is noted in the Manager's motion materials, which were served last night. The Manager has not yet recommended a distribution plan. We would like to discuss the proposed distribution plan with you. Is there a time today that would be convenient for a short call to discuss this?

Regards,
Jackie

Jacqueline LaBine
416.597.5909

From: James Cimba [<mailto:jcimba@on.aibn.com>]
Sent: Wednesday, September 10, 2014 1:40 PM
To: LaBine, Jackie
Subject: RE: Aim Environmental Group

No sorry. I am preparing for Court. What is the nature of the consent? What is the distribution plan? Please advise as soon as possible.

James Steven Cimba
Certified Specialist - Civil Litigation
JAMES CIMBA PROFESSIONAL CORPORATION
Barrister and Solicitor
25 Main Street West
Suite 1615
Hamilton, ON L8P 1H1

Telephone: 905-522-1382
Facsimile: 905-522-4369

From: LaBine, Jackie [<mailto:jlabine@goodmans.ca>]
Sent: Wednesday, September 10, 2014 9:23 AM
To: 'James Cimba'
Subject: RE: Aim Environmental Group

There is a firm agreement of purchase and sale for the 65 Heward Property and the Manager will be moving for an approval and vesting order on September 17, 2014. We have not yet served our motion materials, but will be doing so later today or tomorrow. We are attempting to obtain the consent of all interested parties in advance of the motion date in the hopes of proceeding on consent. Would you be available for a call at some point today to discuss this with us? The only time that we are not available is between 1 and 3pm.

Please let me know.

Regards,

Jackie

Jacqueline LaBine
416.597.5909

From: James Cimba [<mailto:jcimba@on.aibn.com>]
Sent: Wednesday, September 10, 2014 8:33 AM
To: LaBine, Jackie
Subject: RE: Aim Environmental Group

Yes.

James Steven Cimba
Certified Specialist - Civil Litigation
JAMES CIMBA PROFESSIONAL CORPORATION
Barrister and Solicitor
25 Main Street West
Suite 1615
Hamilton, ON L8P 1H1

Telephone: 905-522-1382
Facsimile: 905-522-4369

From: LaBine, Jackie [mailto:jlabine@goodmans.ca]
Sent: Tuesday, September 09, 2014 4:02 PM
To: 'j cimba@on.aibn.com'
Subject: Aim Environmental Group

Mr. Cimba,

We are counsel to Schonfeld Inc., which is the court-appointed Receiver/Manager over a number of companies one of which is Double Rose Developments Ltd. which owns 65 Heward Avenue West in Toronto. We are updating our service list for this matter and your firm is noted as having registered the construction lien on title to this property in favour of Aim Environmental Group. Could you confirm whether you act for Aim Environmental Group?

Thank you,
Jackie

Jacqueline LaBine
Goodmans LLP

416.597.5909
jlabine@goodmans.ca
goodmans.ca

***** 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, or wish to unsubscribe, please advise us immediately at privacyofficer@goodmans.ca and delete this email without reading, copying or forwarding it to anyone. Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, ON, M5H 2S7, www.goodmans.ca. You may unsubscribe to certain communications by clicking [here](#).

Josephs, Angela

From: LaBine, Jackie
Sent: Monday, September 15, 2014 9:52 AM
To: 'j cimba@on.aibn.com'
Cc: Dunn, Mark
Subject: 65 Heward - Aim Environmental Group
Attachments: Sixteenth Report of the Manager.pdf

Jim,

Further to our conversation this morning, information regarding the interested parties and expected shortfall with respect to 65 Heward can be found at pages 7-9 of the Sixteenth Report of the Manager. This report was included in the Manager's motion materials, which were served upon you on September 10th. I am attaching a copy for your reference.

You will note that there are two mortgages validly registered against the Heward Property in the amounts of \$6,500,000 and \$1,500,000. The Company that owns 65 Heward owes unpaid GST arrears in the approximate amount of \$140,000 and unpaid realty taxes in the approximate amount of \$253,000. In addition, CBRE is owed a commission for its work in marketing and selling the property. The contract for this work and the APS for the property are included in the confidential appendices to the Sixteenth Report. These appendices were served on the Applicants and filed with the Court as confidential. We can provide you with these appendices, however we would ask that you sign a confidentiality agreement undertaking not to disclose any confidential information.

We do not know whether your client intends to claim priority over one or both of the mortgages registered against the property. As you know, there is a shortfall. I must again emphasize that we need to understand the nature of your client's position with respect to whether its lien (if valid) is entitled to priority ahead of the Manager's charge (which secures the real estate commission) or either mortgage.

You indicated that you wished to speak with your client in advance of arranging a time to speak with us. I must again ask that we speak at your earliest convenience and, ideally, later today.

Regards,
Jackie

Jacqueline LaBine
Goodmans LLP

416.597.5909
jlabine@goodmans.ca
goodmans.ca

James Cimba Professional Corporation
Barrister & Solicitor

JAMES STEVEN CIMBA, B.A., J.D.*
*Certified by the Law Society as a
specialist in civil litigation
KAREN P. CIMBA, (HON) B.A., LL.B. (1982 - 2009)
SUCCESSORS TO:
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KEVIN R.L.M. HOPE, LL.B.

26 MAIN STREET WEST
SUITE 1616
HAMILTON, ONTARIO
L8P 1H1

TELEPHONE: (905) 522-1382
FACSIMILE: (905) 522-4369
E-mail: jcimba@on.albn.com

September 15, 2014

VIA EMAIL (jlabine@goodmans.ca)

Goodmans LLP

Attention: Ms. Jacqueline LaBine

Dear Ms. LaBine:

RE: DOUBLE ROSE DEVELOPMENTS LTD.
RE: CONSTRUCTION LIEN

Further to our discussion of today, you omitted to mention what the sale price is / was. Also, please provide a copy of the Agreement of Purchase and Sale.

A copy of my client's Lien will follow under separate cover.

Yours very truly,

James Steven Cimba

JSC:gb

Josephs, Angela

From: LaBine, Jackie
Sent: Monday, September 15, 2014 1:15 PM
To: 'James Cimba'
Cc: Dunn, Mark
Subject: RE: Aim / Double Rose

Mr. Cimba,

Thank you for your letter. As I indicated in my e-mail to you this morning, the agreement of purchase and sale and the sale price are confidential. The Manager's contract with CBRE is also confidential. These documents, among others, are included in the confidential appendices to the Manager's Report you received.

We are happy to provide you with the appendices containing this information upon your undertaking to hold such information confidential and to not disclose the information to any other person or to use the information for any purpose other than for evaluating the sale transaction and assessing the position of your client's construction lien. Please confirm your undertaking in this regard by reply e-mail.

I must again re-iterate my request that we speak about your client's position at your earliest convenience.

Regards,
Jackie

Jacqueline LaBine
416.597.5909

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

From: James Cimba [<mailto:jcimba@on.aibn.com>]
Sent: Monday, September 15, 2014 12:51 PM
To: LaBine, Jackie
Subject: Aim / Double Rose

Letter attached.

James Steven Cimba
Certified Specialist - Civil Litigation
JAMES CIMBA PROFESSIONAL CORPORATION
Barrister and Solicitor
25 Main Street West
Suite 1615
Hamilton, ON L8P 1H1

Telephone: 905-522-1382
Facsimile: 905-522-4369

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

From: copier@on.aibn.com [<mailto:copier@on.aibn.com>]

Sent: Monday, September 15, 2014 12:57 PM

To: jcimba@on.aibn.com

Subject: Scanned image from Cimba & Associates

Reply to: copier@on.aibn.com <copier@on.aibn.com> Device Name: Cimba & Associates Device Model: MX-M363N
Location: Hamilton, ON

File Format: PDF MMR(G4)

Resolution: 200dpi x 200dpi

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Use Acrobat(R)Reader(R) or Adobe(R)Reader(R) of Adobe Systems Incorporated to view the document.

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<http://www.adobe.com/>

*James Cimba Professional Corporation**Barrister & Solicitor*

JAMES STEVEN CIMBA, B.A., J.D.*

Certified by the Law Society as aspecialist in civil litigation*

KAREN P. CIMBA, (HON) B.A., LL.B. (1962 - 2009)

SUCCESSORS TO:

K.K. CHANNAN, LL.B., LL.M.

KEVIN R.L.M. HOPE, LL.B.

25 MAIN STREET WEST

SUITE 1616

HAMILTON, ONTARIO

L8P 1H1

TELEPHONE: (905) 522-1382

FACSIMILE: (905) 522-4369

E-mail: jcimba@on.abnj.com

September 15, 2014

VIA EMAIL (jlabine@goodmans.ca)

Goodmans LLP

Attention: Ms. Jacqueline LaBine

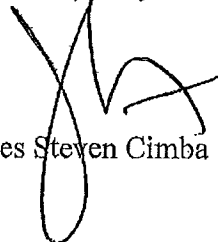
Dear Ms. LaBine:

RE: DOUBLE ROSE DEVELOPMENTS LTD.**RE: CONSTRUCTION LIEN**

I have your communication of today at 1:15 p.m. I must again reiterate my advice to you that I must speak to my client, about my client's position, before I can speak to you. I have not been able to do that.

You providing the appendices to me would not do very much good if I can not disclose it to "any other person" which obviously includes my client. How do you expect me to obtain instructions and provide you with my client's position when you won't provide me with all material facts?

Yours very truly,



James Steven Cimba

JSC:gb

James Cimba Professional Corporation
Barrister & Solicitor

JAMES STEVEN CIMBA, B.A., J.D.*
**Certified by the Law Society as a
specialist in civil litigation*
KAREN P. CIMBA, (HON) B.A., LL.B. (1982 - 2009)
SUCCESSORS TO:
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KEVIN R.L.M. HOPE, LL.B.

25 MAIN STREET WEST
SUITE 1615
HAMILTON, ONTARIO
L8P 1H1

TELEPHONE: (905) 522-1382
FACSIMILE: (905) 522-4369
E-mail: jolmba@on.albn.com

September 15, 2014

VIA EMAIL (jlabine@goodmans.ca)

Goodmans LLP

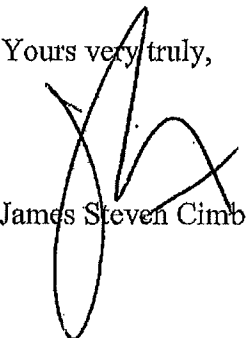
Attention: Ms. Jacqueline LaBine

Dear Ms. LaBine:

RE: DOUBLE ROSE DEVELOPMENTS LTD.
RE: CONSTRUCTION LIEN

I have now conferred with my client. Without full and material disclosure, my client is unable to make an informed decision. Therefore, my client instructs me to claim priority. I trust this is the information you require.

Yours very truly,


James Steven Cimba

JSC:gb

Josephs, Angela

From: Dunn, Mark
Sent: Monday, September 15, 2014 5:06 PM
To: 'James Cimba'
Cc: LaBine, Jackie
Subject: RE: Aim / Double Rose

James,

I have seen your letters to Jackie. We do not object to your sharing the confidential information with your client, provided that your client agrees (through you) to keep it confidential and not disclose it to any person. It seems to me that this all could have been solved sooner if we had discussed matters as we have now been requesting since last Monday.

Please forward me the Statement of Claim in which your client asserts priority over the mortgages so that we can include it in our motion material. We plan to recommend that an amount sufficient to satisfy the amount shown on your client's last invoice as being outstanding from the period prior to your lien (approximately \$188,000) be held back from the purchase price. We will also recommend that a schedule be established for a priority motion between your client and the second mortgagee. The Court can determine the priority issue and pay the holdback amount to whoever is entitled to it. This seems like the best way to close the deal without prejudicing your client. If you have a better suggestion, I am happy to hear it.

Kindly confirm the confidentiality arrangements so that we may send you the confidential appendices and advise if your client intends to oppose our proposed distribution.

Regards,
Mark

Mark Dunn
Goodmans LLP

416.849.6895
mdunn@goodmans.ca

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

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

From: LaBine, Jackie
Sent: Monday, September 15, 2014 1:15 PM
To: 'James Cimba'
Cc: Dunn, Mark
Subject: RE: Aim / Double Rose

Mr. Cimba,

Thank you for your letter. As I indicated in my e-mail to you this morning, the agreement of purchase and sale and the sale price are confidential. The Manager's contract with CBRE is also confidential. These documents, among others, are included in the confidential appendices to the Manager's Report you received.

We are happy to provide you with the appendices containing this information upon your undertaking to hold such information confidential and to not disclose the information to any other person or to use the information for any purpose other than for evaluating the sale transaction and assessing the position of your client's construction lien. Please confirm your undertaking in this regard by reply e-mail.

I must again re-iterate my request that we speak about your client's position at your earliest convenience.

Regards,
Jackie

Jacqueline LaBine
416.597.5909

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

From: James Cimba [mailto:jcimba@on.aibn.com]
Sent: Monday, September 15, 2014 12:51 PM
To: LaBine, Jackie
Subject: Aim / Double Rose

Letter attached.

James Steven Cimba
Certified Specialist - Civil Litigation
JAMES CIMBA PROFESSIONAL CORPORATION
Barrister and Solicitor
25 Main Street West
Suite 1615
Hamilton, ON L8P 1H1

Telephone: 905-522-1382
Facsimile: 905-522-4369

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

From: copier@on.aibn.com [mailto:copier@on.aibn.com]
Sent: Monday, September 15, 2014 12:57 PM
To: jcimba@on.aibn.com
Subject: Scanned image from Cimba & Associates

Reply to: copier@on.aibn.com <copier@on.aibn.com> Device Name: Cimba & Associates Device Model: MX-M363N
Location: Hamilton, ON

File Format: PDF MMR(G4)
Resolution: 200dpi x 200dpi

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<http://www.adobe.com/>

Josephs, Angela

From: LaBine, Jackie
Sent: Sunday, September 21, 2014 4:04 PM
To: 'j cimba@on.aibn.com'
Cc: Dunn, Mark
Subject: Aim Environmental / Double Rose Developments

James,

The Manager will be seeking Court approval for its proposed distribution for the net proceeds from the sale of 65 Heward. Please forward me the Statement of Claim in which your client asserts priority over the mortgages so that we can include it in our motion material.

As you were advised last week, we plan to recommend an amount sufficient to satisfy the amount shown on your client's last invoice as being outstanding from the period prior to your lien (approximately \$188,000) be held back from the purchase price. We also plan to recommend that a schedule be established for a priority motion between your client and the second mortgagee. If you have a better suggestion, we are open to hearing it and are available for a call tomorrow.

Kindly confirm the confidentiality arrangements so that we may send you the confidential sales information contained in the confidential appendices to the Manager's report. In particular, please confirm that you will undertake to hold this information confidential and to not to disclose this information or to use it for any purpose other than for evaluating the sale transaction and assessing the position of your client's construction lien. Please also advise if your client intends to oppose our proposed distribution.

Regards,
Jackie

Jacqueline LaBine
Goodmans LLP

416.597.5909
jlabine@goodmans.ca
goodmans.ca

Josephs, Angela

From: LaBine, Jackie
Sent: Tuesday, September 23, 2014 12:17 PM
To: 'James Cimba'
Cc: Dunn, Mark
Subject: RE: Aim / Double Rose

James,

I am writing in response to your letter dated September 22, 2014. In your letter you advised that your client had not issued a Statement of Claim. Our position is that your client has failed to perfect its lien and that the lien is, therefore, invalid.

The Manager will be seeking approval for the distribution of the proceeds from the sale of 65 Heward Avenue on September 24th at 10:00 a.m. As you know, the Manager is anticipating that there will be a shortfall. We have been attempting to discuss this matter with you in an attempt to come to a mutually agreeable proposal since at least September 9, 2014. Unfortunately, you have not been prepared to discuss this with us. We will be serving motion materials later today. The Manager's position is that your client is an unsecured creditor of Double Rose Developments. The Manager will be recommending that it hold any surplus funds in trust and that a claims process be conducted. Your client may assert a claim in the claims process.

Please advise us if you intend to oppose our proposed distribution.

Regards,
Jackie

Jacqueline LaBine
Goodmans LLP

416.597.5909
jlabine@goodmans.ca

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

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

From: James Cimba [<mailto:jcimba@on.aibn.com>]
Sent: Monday, September 22, 2014 11:20 AM
To: LaBine, Jackie
Subject: Aim / Double Rose

Letter attached.

James Steven Cimba
Certified Specialist - Civil Litigation
JAMES CIMBA PROFESSIONAL CORPORATION

Barrister and Solicitor
25 Main Street West
Suite 1615
Hamilton, ON L8P 1H1

Telephone: 905-522-1382
Facsimile: 905-522-4369

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

From: copier@on.aibn.com [<mailto:copier@on.aibn.com>]
Sent: Monday, September 22, 2014 11:17 AM
To: jcimba@on.aibn.com
Subject: Scanned image from Cimba & Associates

Reply to: copier@on.aibn.com <copier@on.aibn.com> Device Name: Cimba & Associates Device Model: MX-M363N
Location: Hamilton, ON

File Format: PDF MMR(G4)
Resolution: 200dpi x 200dpi

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2

James Cimba Professional Corporation
Barrister & Solicitor

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*Certified by the Law Society as a
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KAREN P. CIMBA, (HON) B.A., LL.B. (1982 - 2009)
SUCCESSORS TO:
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KEVIN R.L.M. HOPE, LL.B.

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HAMILTON, ONTARIO
L8P 1H1

TELEPHONE: (905) 522-1382
FACSIMILE: (905) 522-4369
E-mail: jcimba@on.albn.com

September 22, 2014

VIA EMAIL (jlabine@goodmans.ca)

Goodmans LLP

Attention: Ms. Jacqueline LaBine

Dear Ms. LaBine:

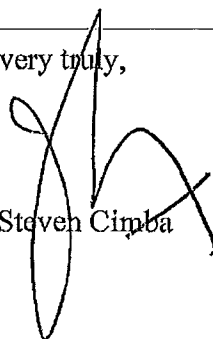
RE: DOUBLE ROSE DEVELOPMENTS LTD.
RE: CONSTRUCTION LIEN

Thank you for yours of Sunday, September 21, 2014 at 4:04 p.m.

If I previously indicated we had issued a Statement of Claim, I was mistaken. My client did not issue a Statement of Claim. They were precluded from doing so by a Stay Order served upon my client after they had filed their lien.

With respect to paragraphs two and three of your letter, I have not been able to confer with the principal of my client. I suspect he may be out of the country. I will be back to you immediately once I have spoken to my client, communicated with him, and obtained instructions.

Yours very truly,


James Steven Cimba

JSC:gb

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) **THURSDAY, THE 16th DAY**
)
)
JUSTICE NEWBOULD) **OF JANUARY, 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**

THIS MOTION made by Schonfeld Inc. (the "Manager") in its capacity as Manager appointed pursuant to the Order of Justice Newbould dated November 5, 2013 (the "November 5 Order") for an Order, *inter alia*: (i) approving the funding arrangement negotiated between the Manager and the Applicants to provide funding for the Manager's fees and disbursements and limited ongoing operation of the companies listed in the Schedule "B" hereto (the "Companies"); (ii) authorizing and directing the Manager to post pleadings, orders and other publicly filed information relating to this matter on its website; (iii) permitting persons claiming to be entitled to liens under the *Construct Lien Act*, R.S.O. 1990 c.C.30 to relief from the stay provisions of the November 5 Order solely to allow them to register claims for liens against the Properties and to issue and serve statements of claim to perfect and protect their alleged security interests; (iv) amending schedule "B" to the November 5 Order to correct certain typographical errors; (v)

directing the Respondents to provide forthwith information and documentation confirming the balance of the statutory Reserve Fund constituted under the *Condominium Act, 1998* S.O. 1998, Chapter 19 (the "Reserve Fund") held by them or anyone affiliated with them or under their direction or control on behalf of the Metropolitan Toronto Condominium Corporation 1037 on or before January 20, 2014; approving the fees and disbursements of the Manager and its counsel; approving the First Report of the Manager dated January 5, 2014 (the "First Report"), the Second Report of the Manager dated January 14, 2014 (the "Second Report") and the activities described therein.

ON READING the First Report, the Second Report and on hearing submissions from counsel to the Manager, the Applicants and the Respondents, *Ronald Walton, Rose + Thistle and Eglinton Castle, the Respondent Norma Walton, RioCan, Trinity, TCE Beta Services Inc., Atrium Mortgage Investment Corporation, B+M Handelman Investments,*

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the *E. Manson Group, Trez Capital, Harbor Mortgage* Motion Record is hereby abridged so that this motion is properly returnable today and further service thereof is dispensed with.

2. **THIS COURT ORDERS** that the funding arrangement negotiated between the Manager and the Applicants to provide funding for the Manager's fees and disbursements and the limited ongoing operation of the Companies as described in the Second Report is hereby *Otera Capital, ACM CMF Services Ltd* approved.

3. **THIS COURT ORDERS** that the Manager is hereby authorized to post pleadings, orders and other publicly filed information relating to this matter on its website.

4. **THIS COURT ORDERS** that persons claiming to be entitled to liens under the *Construction Lien Act, R.S.O. 1990, c.C.30* are hereby granted relief from the stay provisions of the November 5 Order solely to allow them to register claims for liens against the Properties and to issue and serve statements of claim to perfect and protect their alleged security interests.

- 3 -

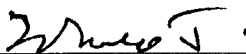
5. **THIS COURT ORDERS** that Schedule "B" to the November 5 Order is hereby amended as follows to correct typographical errors:

(a) Royal Gate Nominee Inc., Royal Gate (Land) Nominee Inc., El-Ad (1500 Don Mills) Limited and Liberty Village Properties Ltd. are added; and

(b) Liberty Village Properties Inc. and El-Ad Limited are removed.

6. **THIS COURT ORDERS** that the Respondents provide forthwith information and documentation confirming the balance of the Reserve Fund held by them or anyone affiliated with them or under their direction or control on behalf of Metropolitan Toronto Condominium Corporation 1037 on or before January 20, 2014; and

7. **THIS COURT ORDERS** that the balance of the Manager's motion is adjourned.



ENTRÉE AU REGISTRE DE LA COUR
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JAN 16 2014



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 Donalds 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 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 Development Ltd.
29. Eddystone Place Inc.
30. Richmond Row Holdings Ltd.

DBDC SPADINA LTD. - and - NORMA WALTON, et al.

et al

Applicants

Respondents

6286886

Court File No. CV-13-1 0280-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

ORDER

Goodmans LLP

Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Fred Myers LSUC#: 26301A
Mark Dunn LSUC#: 55510L

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for the Manager

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PLEASE RETAIN THIS PORTION FOR YOUR RECORDS

Property Tax Account Statement

Assessment
Roll No.

19-04-08-1-320-03400-0000-0 3

CPRETTY

Date Issued

September 22, 2014

Mailing Address

DOUBLE ROSE DEVELOPMENTS LTD
C/O BRAIRLANE PROPERTY
MANAGEMENT
85 SPY CRT SUITE 100
MARKHAM ON L3R 4Z4

Property Address

65 HEWARD AVE
PLAN D260 PT LOTS 33 TO 41 AND 2 FT RES PLAN 339 PT LOTS 4
TO 7 PT PRIVATE ST PT MARSHLAND PLAN 513E BLK A PLAN 622E
BLK B RP 66R20332

OVERDUE TAX NOTICE

Message Centre

Overdue Property Taxes

The overdue amount is a result of late or missed payments, penalty/interest charges, and/or applicable fees. Please note that payments received are applied to the oldest outstanding balance first. The Overdue Amount must be paid immediately.

Penalty, interest and fees are added to overdue accounts. See the Penalty, Interest and Fees message on the back of this statement.

OVERDUE PROPERTY TAXES

Tax Year	Total
2014	218,203.17
2013	39,500.33
Total:	257,703.50

Overdue Amount
- DUE NOW
\$257,703.50

Future Amount(s) Due
\$0.00

TOTAL AMOUNT DUE
\$257,703.50



PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Property Tax Account Statement

Assessment
Roll No.

19-04-08-1-320-03400-0000-0 3

Date Issued

September 22, 2014

Property Address

65 HEWARD AVE
PLAN D260 PT LOTS 33 TO 41 AND 2 FT RES PLAN 339 PT LOTS 4 TO 7 PT PRIVATE
ST PT MARSHLAND PLAN 513E BLK A PLAN 622E BLK B RP 66R20332

Overdue Amount
- DUE NOW
\$257,703.50

Future Amount(s) Due
\$0.00

TOTAL AMOUNT DUE
\$257,703.50

Amount Paid

19040813200340000000 3 00257703504 00257703504 201409224

1015630000 1001405259651 96

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MORTGAGE DISCHARGE STATEMENT

TO: Double Rose Developments Ltd.

RE: LENDER: 368230 ONTARIO LIMITED
 BORROWER: Double Rose Developments Ltd.
 PROPERTY: 65 Heward Ave.
 ORIGINAL PRINCIPAL: \$6,500,000.00

PRINCIPAL AND ACCRUED CAPITALIZED INTEREST TO September 5, 2014 \$6,808,107.72

Legal Fees (including HST) \$45,200.00

PRINCIPAL BALANCE OWING @ September 5, 2014 \$6,853,307.72

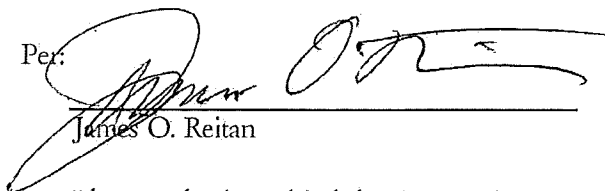
TOTAL AMOUNT OWING \$6,853,307.72
payable to 368230 Ontario Limited

Per diem interest after September 5, 2014 \$1,492.19

EXECUTED at Toronto, Ontario on the 12th day of September, 2014.

368230 ONTARIO LIMITED

Per:



 James O. Reitan

I have authority to bind the Corporation

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TO DOUBLE ROSE DEVELOPMENTS LTD

MORTGAGE DISCHARGE STATEMENT

September 8, 2014

Canadian Western Trust Company

RRSP Account Number 1008 3354

Date	# of Days	Mortgage Principal	2.00% Interest P.A.	Loan Balance
initial advance		750,000.00		750,000.00
Interest paid to:	05-Sep-14		paid	750,000.00
Interest to:	30-Sep-14	25	1,041.67	751,041.67

Amount due on Closing September 30, 2014	
Principal	750,000.00
Interest	1,041.67
	<u>751,041.67</u>
Per Diem	<u>41.67</u>

Interest calculatiuons

Monthly	$\$750,000 \times 2\% \div 12$	1,250.00
Per Diem	$\$1,250.00 \div 30$	41.67

TO: DOUBLE ROSE DEVELOPMENTS LTD

MORTGAGE DISCHARGE STATEMENT

September 8, 2014

Canadian Western Trust Company

RRSP Account Number 1008 3357

Date	# of Days	Mortgage Principal	2.00% Interest P.A.	Loan Balance
initial advance		750,000.00		750,000.00
Interest paid to:	05-Sep-14		paid	750,000.00
Interest to:	30-Sep-14	25	1,041.67	751,041.67

Amount due on Closing September 30, 2014	
Principal	750,000.00
Interest	1,041.67
	<u>751,041.67</u>
Per Diem	<u>41.67</u>

Interest calculatiuons

Monthly	$\$750,000 \times 2\% \div 12$	1,250.00
Per Diem	$\$1,250.00 \div 30$	41.67

DBDC SPADINA LTD., et al
Applicants

NORMA WALTON, et al
Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List

Proceeding commenced at Toronto

**SECOND SUPPLEMENTAL MOTION
RECORD OF THE MANAGER,
SCHONFELD INC.**

(Motion for approval of the distribution of sale
proceeds re: 65 Heward Avenue, returnable
September 24, 2014)

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Brian Empey LSUC#: 30640G
Mark S. Dunn LSUC#: 55510L
Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for The Manager

File No. 14-0074