

**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

MOTION RECORD

May 21, 2014

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
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Lawyers for the Mortgagees

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TAB 1

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NOTICE OF MOTION

Florence Leaseholds Limited, Beatrice Leaseholds Limited and Ada Leaseholds Limited (collectively, the “**Mortgagees**”), holders of a first ranking mortgage over the property municipally known as 1485 Dupont Street, Toronto, Ontario (the “**Mortgaged Property**”) and registered on September 10, 2012 as Instrument No. AT3123491 (the “**Mortgage**”), will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on June 16, 2014 at 8:00 am, or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An Order varying and/or amending the Order of the Honourable Justice Newbould dated November 5, 2013 (the “**Receivership Order**”), to:
 - a) lift the stay of proceedings as it relates to the Mortgage and the Mortgaged Property, for the exclusive and limited purpose of permitting the Mortgagees to exercise their rights and remedies set out in the Mortgage with respect to the Mortgaged Property;
 - b) subordinate the Manager’s Charge and the Manager’s Borrowing Charge (as each term is defined in the Receivership Order and collectively, the “**Priming Charges**”) to the Mortgage; and
 - c) in the alternative, exclude the Mortgaged Property and all lands and premises appurtenant thereto from the definition of “Property” contained in paragraph 3 of the Receivership Order and/or set aside the Receivership Order as it relates to the Mortgaged Property and the registered owner thereof, Dupont Developments Ltd. (“**Dupont Developments**”), and declare that the Receivership Order does not apply to the Mortgaged Property and Dupont Developments;
- 2.. An Order compelling the manager, Schonfeld Inc., Receivers + Trustees (the “**Manager**”) to disclose and provide to the Mortgagees any and all information, reports and/or documentation relating to any past and ongoing efforts to remediate the adverse soil conditions currently affecting the Property, including any plans, studies and other specifics of the steps taken, to date, to implement any such remediation;

3. An Order compelling the Manager to disclose and provide any and all information pertaining to the Mortgaged Property, including but not limited to the rental units located thereon and the details of any purchase offers received by the Manager;
4. In the further alternative, an Order setting aside the Receivership Order;
5. An Order, if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;
6. The Mortgagees costs of this motion on a substantial indemnity basis; and
7. Such further and other relief as counsel may advise and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. The Mortgagees hold registered and documentary title to the Mortgage;
2. The Mortgage was granted pursuant to a vendor take back purchase money loan between the Mortgagee as vendor and Dupont Developments as purchaser in the principal amount of \$6,500,000.00;
3. As at May 5, 2014, the Mortgage is in arrears in the total sum of \$501,056.12, inclusive of both principal and interest;
4. The Receivership Order, which stays all proceedings against the Schedule "B" Corporations, including Dupont Developments and its real and personal property, inclusive of the Mortgaged Property, was obtained without notice to the Mortgagees;
5. The Mortgagees first learned of the Receivership Order on November 22, 2013;

6. The Receivership Order adversely affects the Mortgagees and is prejudicial to their rights in that it has the effect of, among other things:
- a) staying the exercise of all of the Mortgagees' rights and remedies with respect to the Mortgage;
 - b) imposing the Priming Charges in priority to the Mortgage in connection with all of the Manager's activities and the proceeding, including those fees and disbursements relating to other properties and entities with no relation to the Mortgaged Property;
 - c) authorizing the Manager to collect all revenue from the Mortgaged Property without any requirement to pay amounts owing under the Mortgage or any restriction whatsoever on the use of such revenue or any prohibition on the use of such revenue to pay expenses unrelated to the Mortgaged Property;
 - d) authorizing the Manager to market the Mortgaged Property, negotiate terms and conditions of sale and seek Court approval of a sale of the Mortgaged Property without requiring any consultation with the Mortgagees;
 - e) altering the order of priorities such that Dupont Developments and the parties holding an equity interest in the corporation are elevated to a priority status equal to that of Mortgagees; and
 - f) granting other terms that are highly prejudicial to the Mortgagees;
7. Moreover, the Receivership Order is of no benefit to the Mortgagees. It is an order relating to the interests of shareholders in a shareholder dispute and is not necessary to protect or realize on the interests of the Mortgagees. In fact, the Receivership Order

- prevents the Mortgagees from exercising their rights and remedies with respect to the Mortgage and has placed the Mortgaged Property under the control of another party;
8. The Mortgagees were not aware that Dr. Stanley Bernstein was in any way involved with Dupont Developments or the Mortgaged Property at the time of the granting of the Mortgage loan;
 9. The Mortgage is in default;
 10. The Mortgagees wish to proceed on their own to enforce the Mortgage by way of power of sale proceedings without the involvement of the Manager;
 11. The services of the Manager, and its related costs, are not required for marketing and sale of the Mortgaged Property;
 12. Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;
 13. Section 101 of the *Courts of Justice Act*, R.S.O. 1990. C. C. 43;
 14. Rules 1.04, 2.03, 3.02, 37 and 59.06 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and
 15. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

16. The Affidavit of Jack Brudner affirmed May 9, 2014; and

17. Such further and other materials as counsel may advise and this Honourable Court may permit.

May 21, 2014

DICKINSON WRIGHT LLP

Barristers & Solicitors

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Lawyers for the Mortgagees

DBDC SPADINA LTD. et al
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

NOTICE OF MOTION

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Lawyers for the Mortgagees

TAB 2

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TO BE BOUND BY THE RESULT

AFFIDAVIT OF JACK BRUDNER

I, **JACK BRUDNER**, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am the Manager of Millwood Management Limited ("**Millwood**"), a privately held corporation incorporated pursuant to the laws of the Province of Ontario carrying on business as a property consultant. Millwood administers the first mortgage of Florence Leaseholds Limited, Beatrice Leaseholds Limited and Ada Leaseholds Limited (collectively, the "**Mortgagees**") registered against the lands municipally known as 1485 Dupont Street, Toronto, Ontario (the "**Mortgaged Property**") on September 10, 2012 as Instrument No. AT3123491 (the "**Mortgage**").

2. I have personal knowledge of the matters to which I hereinafter depose unless such knowledge is stated to be on information I have received from other sources, in which case, I believe such information to be true.

3. I make this affidavit in support of the within motion for an Order, including, among other things:

- (a) varying and/or amending the Order of the Honourable Justice Newbould dated November 5, 2013 (the “**Receivership Order**”), to lift the stay of proceedings as it relates to the Mortgage and the Mortgaged Property, for the exclusive and limited purpose of permitting the Mortgagees to exercise their rights and remedies set out in the Mortgage with respect to the Mortgaged Property;
- (b) varying and/or amending the Receivership Order to subordinate the Manager’s Charge and the Manager’s Borrowing Charge (as each term is defined in the Receivership Order and collectively, the “**Priming Charges**”) to the Mortgage;
- (c) compelling the manager, Schonfeld Inc., Receivers + Trustees (the “**Manager**”), to disclose and provide to the Mortgagees any and all information, reports and/or documentation relating to any past and ongoing efforts to remediate the adverse soil conditions currently affecting the Property, including any plans, studies and other specifics of the steps taken, to date, to implement any such remediation; and
- (d) compelling the Manager to disclose and provide any and all information pertaining to the Mortgaged Property, including but not limited to the rental units located thereon and the details of any purchase offers.

THE MORTGAGED PROPERTY

4. The Mortgaged Property is located at the southwest corner of Dupont Street and Campbell Avenue in Toronto and has a large industrial building situated thereon.
5. The site has suffered from soil contamination, an issue which must be addressed in order for the Mortgaged Property to be viable for sale on the open market. The Manager has advised me that it is in possession of reports detailing the environmental issues at the Mortgaged Property, but has yet to provide Millwood or the Mortgagees with copies of same.
6. The Mortgagees owned the Mortgaged Property prior to selling it pursuant to an agreement of purchase and sale entered into with The Rose & Thistle Group Ltd. on June 8, 2012 (the "APS"). The APS was subsequently assigned by The Rose & Thistle Group Ltd. to Dupont Developments Ltd. ("**Dupont Developments**"). Attached hereto and marked as **Exhibit "A"** is a true copy of the assignment of the APS dated July 20, 2012.
7. At the time of the Mortgagees' sale of the Mortgaged Property, there were nine tenants leasing space for various commercial uses. Attached hereto and marked as **Exhibit "B"** is a true copy of the June 2012 rent-roll for the Mortgaged Property.
8. On or about January 14, 2014, Millwood conducted an inspection of the Mortgaged Property during which it was observed that at least four units remained occupied. Neither Millwood nor the Mortgagees have any definitive information regarding the current occupancy of the Mortgaged Property as the Manager has not provided a current rent-roll. However, through independent sources I have recently learned that the tenant who leased the largest space, Fits, and another tenant, Aka Grow, vacated their units within the last few months.

THE MORTGAGE

9. On September 6, 2012, the directors of Dupont Developments, the owner of the Mortgaged Property, passed a resolution ratifying the assignment of the APS and authorizing the President of Dupont Developments, Norma Walton, to execute and deliver any and all documents and instruments which may be necessary to complete the purchase of the Mortgaged Property. Attached hereto and marked as **Exhibit "C"** is a true copy of the Resolution of the Directors of Dupont Developments dated September 6, 2012.

10. In order to facilitate the purchase of the Mortgaged Property, Dupont Developments granted the Mortgage to the Mortgagees to secure a vendor take back purchase money loan in the principal amount of \$6,500,000.00 (the "**Mortgage Loan**"). Attached hereto and marked at **Exhibit "D"** is a true copy of the Mortgage registered on September 10, 2012, inclusive of the applicable standard charge terms.

11. The Mortgagees hold a first charge/mortgage registered on title to the Mortgaged Property.

12. As at April 14, 2014 there were a number of other encumbrances subsequently registered against the Mortgaged Property, all being constructions liens with an aggregate value of \$1,063,849.00. Attached hereto and marked as **Exhibit "E"** is a copy of the parcel register in respect of the Mortgaged Property with a currency date of April 14, 2014.

13. As at April 5, 2014, the Mortgage is in arrears in the total sum of \$501,056.12, inclusive of both principal and interest. Attached hereto and marked as **Exhibit "F"** is a true copy of the Statement of Arrears calculated as at May 5, 2014.

THE RECEIVERSHIP ORDER

14. On November 22, 2013 Millwood received a letter from Mark Dunn, counsel for the Manager, advising of the Manager's appointment and enclosing a copy of the Receivership Order. To my knowledge, this was the first time that the Mortgagees became aware of the Receivership Order. Attached hereto and marked as **Exhibit "G"** is a true copy of Mr. Dunn's letter dated November 22, 2013, without enclosures.

15. The Mortgagees did not receive notice of the motion to appoint the Manager, did not have knowledge of the motion and did not consent to the Receivership Order. Consequently, the Mortgagees had no opportunity to voice their opposition to the Receivership Order or make submissions before Mr. Justice Newbould.

16. Pursuant to the Receivership Order, the Manager was appointed Manager of all of the real property owned by the Schedule "B" Corporations and all of the current and future assets, undertakings and property, real and personal, of the Schedule "B" Corporations. Attached hereto and marked as **Exhibit "H"** is a true copy of the Receivership Order.

17. Dupont Developments, together with various other entities, is listed as a Schedule "B" Corporation and both the corporation and the Mortgaged Property are subject to the Receivership Order and the stay of proceedings it imposes with respect to each of the Schedule "B" Corporations, and their real property.

18. To my knowledge, there was no act of insolvency or fraud on the part of Dupont Developments Ltd. that necessitated the appointment of the Manager and the granting of the Receivership Order. There was also no public interest in need of protection. Moreover, the Receivership Order does not disclose any relationship between Dupont Developments and the

other Schedule "B" Corporations, except to the extent that each of the Schedule "B" Corporations have common shareholders.

19. At the time of granting the Mortgage Loan, the Mortgagees were not aware that Dr. Stanley Bernstein was in any way connected with Dupont Developments.

DEFAULT UNDER THE MORTGAGE

20. For the following reasons, Dupont Developments is in default of its obligations under the Mortgage:

- (a) payments due under the Mortgage have ceased;
- (b) as noted at paragraph 13, above, the Mortgage is substantially in arrears;
- (c) there are other encumbrances registered against the Mortgaged Property in the form of construction liens; and
- (d) realty taxes on the Mortgaged Property remain unpaid and are currently in arrears in an amount in excess of \$100,000.00.

21. By letter dated February 10, 2014 I made demand on the Manager for payment of \$24,875.00 in order to reinstate the Mortgage, at that time. The Manager did not respond to the demand and no further payments were forthcoming. Attached hereto and marked as **Exhibit "I"** is a true copy of my demand letter to the Manager dated February 10, 2014.

PREJUDICE TO THE MORTGAGEES

22. The Receivership Order is highly prejudicial to the Mortgagees and substantially interferes with their ability to, in any way, deal with the Property.

23. As a result of the stay of proceedings, the Mortgagees are unable to exercise their rights and remedies with respect to the Mortgage, as they are entitled by virtue of Dupont Developments' default under the Mortgage. In particular, the Mortgagees are prevented from initiating power of sale proceedings which would otherwise allow them to market and ultimately sell the Mortgaged Property on the best terms then obtainable after conducting an independent and commercially reasonable sales process.

24. Rather, the Receivership Order permits the Manager to market and sell the Mortgaged Property on such conditions as the Manager, in its discretion, and without requiring any consultation with the Mortgagees, deems appropriate. The Manager may then apply for any vesting order necessary to convey the Mortgaged Property to the purchaser free and clear of any liens and encumbrances, including the Mortgage.

25. At the same time, the Receivership Order authorizes the Manager to collect any and all revenue generated by the Mortgaged Property, including all rents, but places no obligation on the Manager to make payments to the Mortgagees in respect of Dupont Developments' indebtedness. As at the date of swearing this affidavit, the Manager and Dupont Developments have not made any payments to the Mortgagees since on or about January 5, 2014, and the payments due on the 5th day of February, March, April and May, 2014 remain outstanding.

26. Moreover, the Receivership Order does not restrict the manner in which the Manager may use the revenue generated by the Mortgaged Property nor does it prevent the Manager from using such revenue to pay expenses unrelated to the Mortgaged Property.

27. Due to the number of properties and the value of the estate, it is very difficult for the Manager to devote the attention necessary to ensure that the Mortgagees' interests in the

Mortgaged Property are adequately protected. This is evidenced by the fact that despite making multiple requests of the Manager to provide certain documentation and/or information pertaining to the Mortgaged Property, including details of any offers to purchase the Mortgaged Property, none of the requested documentation and/or information has been provided and the Mortgagees continue to be in the dark about the status of the Mortgaged Property.

28. Furthermore, the Receivership Order was granted as a result of and in order to address issues arising in the context of a shareholders dispute that does not involve the Mortgagees. The Receivership Order was not requested by the Mortgagees nor is it needed to protect or realize on their security.

29. The Receivership Order also has the effect of altering priorities such that Dupont Developments, the mortgagor, and the parties holding an equity interest in the corporation, are elevated to a priority status equal to that of the Mortgagees, holders of a first ranking mortgage over the Mortgaged Property.

30. The Manager also has the benefit of the Priming Charges which extend to the Mortgaged Property and grant a super priority charge in favour of the Manager for all of its fees, disbursements and borrowings in connection with all activities undertaken by the Manager in the context of the receivership proceedings, including those which may be entirely unrelated to Dupont Developments and the Mortgaged Property.

31. Soon after learning of the Receivership Order, I wrote to Harlan Schonfeld, principal of the Manager, to inform him of Millwood's connection to the Mortgaged Property, to provide background on the Mortgage and the Mortgagees' involvement with the Mortgaged Property and to request that payments in respect of the Mortgage continue in the normal course. Attached

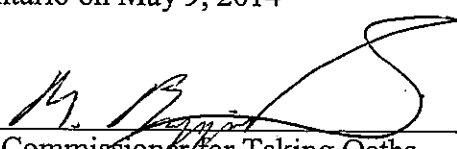
hereto and marked as **Exhibit "J"** is a true copy of my letter to Mr. Schonfeld dated November 28, 2013.

32. On or about February 7, 2014 I spoke by telephone with Mr. Schonfeld and, among other things, sought his consent to proceed with power of sale proceedings. I followed up on our conversation with a letter dated February 10, 2014. Attached hereto and marked as **Exhibit "K"** is a true copy of my letter to the Manager dated February 10, 2014.

33. On April 11, 2014, Mark Shapiro of Dickinson Wright LLP wrote to Mark Dunn advising of the Mortgagees' instructions to bring the within motion and inquiring whether the Manager intended to consent to the relief sought herein. Attached hereto and marked as **Exhibit "L"** is a true copy of Mr. Shapiro's letter dated April 11, 2014.

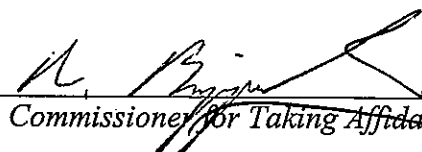
34. I make this affidavit in support of the within motion for the relief set out in paragraph 3 hereof and for no other or improper purpose.

SOLEMNLY AFFIRMED BEFORE ME
at the City of Toronto, in the Province of
Ontario on May 9, 2014


A Commissioner for Taking Oaths.
Michael J. Brzezinski


Jack Brudner

This is Exhibit "A" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)
Michael Brzezinski

ASSIGNMENT

(Agreement of Purchase and Sale)

THIS ASSIGNMENT made as of the 20th day of July, 2012 (the "Effective Date").

BETWEEN:

THE ROSE & THISTLE GROUP LTD., IN TRUST
(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

DUPONT DEVELOPMENTS LTD.

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS the Assignor entered into an agreement of purchase and sale dated June 8, 2012 (the "**Purchase Agreement**") with Florence Leaseholds Limited, Beatrice Leaseholds Limited and Ada Leaseholds Limited for the purchase and sale of land and premises known municipally as 1485 Dupont Street, Toronto, Ontario (the "**Property**");

AND WHEREAS the Assignor wishes to assign all its right, title and interest in the Property and the Purchase Agreement to the Assignee and the Assignee wishes to accept such assignment as of and from the Effective Date;

NOW THEREFORE in consideration of the sum of \$10.00 now paid by the Assignee to the Assignor (the receipt and sufficiency of which are hereby acknowledged), the Assignee and the Assignor hereby agree as follows:

1. **Assignment**

The Assignor hereby transfers, sets over and assigns unto the Assignee, as of and from the Effective Date, all the Assignor's right, title and interest in the Purchase Agreement and the Property, together with all liabilities, obligations, rights, covenants, benefits and advantages to be derived from and in respect of the Purchase Agreement and the Property, to have and to hold the same in accordance with the Purchase Agreement.

2. **Indemnity**

The Assignee covenants with the Assignor that the Assignee shall indemnify and save harmless the Assignor from and against any claims, costs, actions or damages in

- 2 -

relation to the Purchase Agreement and/or in respect of the Property and/or any other matter related to this assignment.

3. **Assignee Deemed Purchaser**

The Assignor and Assignee acknowledge and agree that the Assignee shall for all purposes be deemed to be the purchaser under the Purchase Agreement and to have assumed all the rights, obligations, liabilities, benefits, advantages and covenants of the purchaser under the Purchase Agreement.

4. **Binding Effect**

This assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this assignment as of the Effective Date.

THE ROSE & THISTLE GROUP LTD., IN TRUST

Per: 

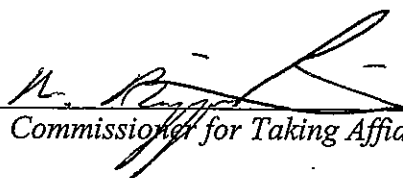
Norma Walton - President

DUPONT DEVELOPMENTS LTD.

Per: 

Norma Walton - President

This is Exhibit "B" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014

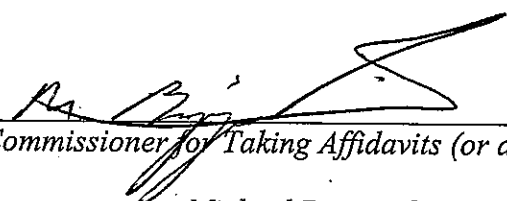
A handwritten signature in black ink, appearing to read "M. Brzezinski", is written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Michael Brzezinski

[illegible]

This is Exhibit "C" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)
Michael Brzezinski

**RESOLUTION OF THE DIRECTORS
OF
DUPONT DEVELOPMENTS LTD.
(the "Corporation")**

WHEREAS Florence Leaseholds Limited, Beatrice Leaseholds Limited, Ada Leaseholds Limited and The Rose & Thistle Group Ltd., in trust, have entered into an agreement of purchase and sale (the "Purchase Agreement") dated June 8, 2012, to sell and purchase, respectively, 1485 Dupont Street, Toronto, Ontario;


AND WHEREAS The Rose & Thistle Group Ltd., in trust, has assigned the Purchase Agreement to the Corporation;

NOW THEREFORE BE IT RESOLVED THAT:

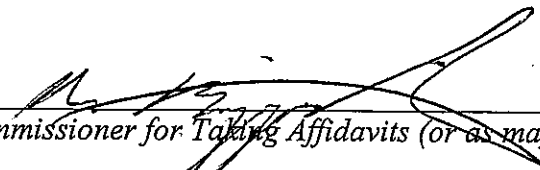
1. The Purchase Agreement be and it is hereby ratified and confirmed.
2. The President of the Corporation be and she is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments, including the VTB mortgage, and to do all such other acts and things as may be necessary or desirable to complete the Purchase Agreement.

I HEREBY CERTIFY that the foregoing is a duplicate original resolution of the directors of the Corporation consented to by all the directors of the Corporation in pursuance of the *Business Corporations Act* and that the said resolution is still in full force and effect unamended.

Dated this 6th day of September, 2012.


Norma Walton - Secretary

This is Exhibit "D" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)

Michael Brzezinski

Properties

PIN 21329 - 0126 LT Interest/Estate Fee Simple

Description PCL 142-1 SEC M13; PT LT 142 W/S CAMPBELL AV PL M13 TORONTO COMM AT A POINT IN THE WESTERN LIMIT OF CAMPBELL AV MEASURED 16 FT NLY FROM THE SE ANGLE OF SAID LT 142. THENCE NLY ALONG THE WESTERN LIMIT OF CAMPBELL AV 17 FT. THENCE WLY PARALLEL WITH THE SOUTHERN LIMIT OF SAID LT, 125 FT TO THE EASTERN LIMIT OF A LANE. THENCE SLY ALONG THE LAST MENTIONED LIMIT BEING PARALLEL WITH THE EASTERN LIMIT OF CAMPBELL AV 17 FT TO A POINT IN THE SAID EASTERN LIMIT OF LANE 16 FT NLY FROM THE SLY LIMIT OF SAID LT 142. THENCE ELY AND PARALLEL TO THE SAID LAST MENTIONED LIMIT 125 FT TO THE POC. T/W THE RIGHT TO HAVE THE EAVES OF THE HOUSE ON THE LAND HEREBY CONVEYED PROJECT 8 INCHES OVER THE LAND IMMEDIATELY TO THE N THEREOF AND, S/T THE RIGHT OF THE OWNER OF THE HOUSE TO THE S OF THIS LAND TO HAVE THE EAVES ON THE HOUSE TO THE S OVERHANG THE LAND HEREIN DESCRIBED AS TO THE SAME EXTENT; TORONTO, CITY OF TORONTO

Address 1485 DUPONT STREET
TORONTO

PIN 21329 - 0127 LT Interest/Estate Fee Simple

Description PCL 142-2 SEC M13; PT LT 142 W/S CAMPBELL AV PL M13 TORONTO COMM AT THE NE ANGLE OF SAID LT 142 IN THE W LIMIT OF CAMPBELL AV; THENCE W ALONG THE N LIMIT OF SAID LT 142, 125 FT MORE OR LESS TO A LANE; THENCE S ALONG THE E LIMIT OF SAID LANE 17 FT MORE OR LESS TO A POINT DISTANT 33 FT NLY FROM THE S W ANGLE OF SAID LT; THENCE E PARALLEL TO THE S LIMIT OF SAID LT 142, 125 FT MORE OR LESS TO THE W LIMIT OF CAMPBELL AV; THENCE N ALONG THE W LIMIT OF CAMPBELL AV, 17 FT MORE OR LESS TO THE POB. S/T THE RIGHT OF THE OWNER OF THE HOUSE IMMEDIATELY TO THE S TO HAVE HIS EAVES OVERHANG THESE LANDS TO THE EXTENT OF 8 INCHES; TORONTO, CITY OF TORONTO

Address TORONTO

PIN 21329 - 0128 LT Interest/Estate Fee Simple

Description PCL 143-1 SEC M13; FIRSTLY: LT 144 W/S CAMPBELL AV PL M13 TORONTO; LT 145 W/S CAMPBELL AV PL M13 TORONTO; LT 146 W/S CAMPBELL AV PL M13 TORONTO; LT 147 W/S CAMPBELL AV PL M13 TORONTO; LT 148 W/S CAMPBELL AV PL M13 TORONTO; SECONDLY: PT LT 143 W/S CAMPBELL AV PL M13 TORONTO BEING THE NLY 20 FT; PT LT 143 PL M13 TORONTO COMM AT A POINT IN THE W LIMIT OF CAMPBELL AV DISTANT 29 FT 7 1/2 INCHES NLY FROM THE S E ANGLE OF SAID LT; THENCE WLY TO AND ALONG THE NLY FACE OF THE MOST NLY WALL OF THE BUILDING ON THE LAND TO THE S OF THIS LAND AND CONTINUING THENCE WLY PARALLEL TO THE S LIMIT OF SAID LT, IN ALL 125 FT MORE OR LESS TO A POINT IN THE REAR OF THE SAID LT, BEING THE E LIMIT OF A LANE, DISTANT 29 FT 5 INCHES NLY FROM THE S W ANGLE OF SAID LT; THENCE NLY 7 INCHES MORE OR LESS TO A POINT DISTANT 20 FT SLY FROM THE N W ANGLE OF SAID LT; THENCE ELY PARALLEL TO THE N LIMIT OF SAID LT 125 FT MORE OR LESS TO A POINT IN THE W LIMIT OF CAMPBELL AV; THENCE SLY ALONG THE W LIMIT OF CAMPBELL AV 4 1/2 INCHES MORE OR LESS TO THE POB; THIRDLY: PT LT 143 W/S CAMPBELL AV PL M13 TORONTO COMM AT A POINT IN THE W LIMIT OF CAMPBELL AV DISTANT 14 FT 9 1/2 INCHES NLY FROM THE S E ANGLE OF SAID LT; THENCE WLY ABOUT PARALLEL TO THE S LIMIT OF SAID LT TO THE ELY END OF THE CENTRE LINE OF WALL BTN THE HOUSE ON THIS LAND AND THAT TO THE S THEREOF AND CONTINUING WLY ALONG THE SAID CENTRE LINE OF WALL TO THE WLY END THEREOF AND CONTINUING FURTHER WLY PARALLEL TO THE S LIMIT OF THE SAID LT, IN ALL 125 FT TO A POINT IN THE WLY LIMIT OF SAID LT DISTANT 14 FT 7 INCHES NLY FROM THE S W ANGLE THEREOF; THENCE NLY ALONG THE W LIMIT OF SAID LT 14 FT 10 INCHES; THENCE ELY PARALLEL TO THE S LIMIT OF SAID LT TO AND ALONG THE NLY FACE OF THE MOST NLY WALL OF THE BUILDING ON THIS LAND AND CONTINUING ELY THEREFROM PARALLEL TO THE S LIMIT OF THE SAID LT IN ALL 125 FT TO THE W LIMIT OF CAMPBELL AV; THENCE SLY ALONG THE W LIMIT OF CAMPBELL AV 14 FT 10 INCHES TO THE POB; FOURTHLY: PT LT 143 W/S CAMPBELL AV PL M13 TORONTO COMM AT THE S E ANGLE OF THE SAID LT; THENCE NLY ALONG THE W LIMIT OF CAMPBELL AV 14 FT 9 1/2 INCHES; THENCE WLY ABOUT PARALLEL TO THE S LIMIT OF SAID LT TO THE ELY END OF THE CENTRE LINE OF WALL BTN THE HOUSE ON THIS LAND AND THAT TO THE N THEREOF AND CONTINUING WLY ALONG SAID CENTRE LINE OF WALL TO THE WLY END THEREOF AND CONTINUING FURTHER WLY PARALLEL TO THE S LIMIT OF SAID LT IN ALL 125 FT TO THE W LIMIT OF SAID LT; THENCE SLY ALONG THE SAID W LIMIT 14 FT 7 INCHES TO THE S W ANGLE OF SAID LT; THENCE ELY ALONG THE S LIMIT OF SAID LT 125 FT MORE OR LESS TO THE POB; TORONTO, CITY OF TORONTO

Address TORONTO

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name DUPONT DEVELOPMENTS LTD.
Address for Service c/o The Rose and Thistle Group Ltd.
 30 Hazelton Avenue
 Toronto, Ontario
 M5R 2E2

I, Norma Walton, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)**Capacity****Share**

Name FLORENCE LEASEHOLDS LIMITED
Address for Service c/o Millwood Management Limited
 15 Overdale Road
 Toronto, Ontario
 M6B 3E9

Name BEATRICE LEASEHOLDS LIMITED
Address for Service c/o Millwood Management Limited
 15 Overdale Road
 Toronto, Ontario
 M6B 3E9

Name ADA LEASEHOLDS LIMITED
Address for Service c/o Millwood Management Limited
 15 Overdale Road
 Toronto, Ontario
 M6B 3E9

Statements

Schedule: See Schedules

Provisions

Principal	\$ 6,500,000.00	Currency	CDN
Calculation Period	monthly		
Balance Due Date	2017/09/05		
Interest Rate	4.5% per annum		
Payments			
Interest Adjustment Date	2012 09 07		
Payment Date	5th day of each month		
First Payment Date	2012 10 05		
Last Payment Date	2017 09 05		
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor			

LRO # 80 Charge/Mortgage

Received as AT3123491 on 2012 09 10 at 10:20

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 3 of 4

Signed By

Jeffrey Alan Halman

Suite 900, Victoria Bldg., 25 Adelaide Street E.
Toronto
M5C 3A1 acting for
Chargor(s)

Signed 2012 09 07

Tel 4166011040

Fax 4166010655

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

BALDWIN SENNECKE HALMAN LLP

Suite 900, Victoria Bldg., 25 Adelaide Street E.
Toronto
M5C 3A1

2012 09 10

Tel 4166011040

Fax 4166010655

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargee Client File Number : 560401

SCHEDULEPAYMENTPrincipal payments

The Chargor shall make the following payments on account of the principal outstanding under the charge on the following dates:

1. The sum of \$400,000.00 on March 5, 2014;
2. The sum of \$800,000.00 on March 5, 2015; and
3. The sum of \$50,000.00 on September 5, 2015, December 5, 2015, March 5, 2016, June 5, 2016, September 5, 2016, December 5, 2016, March 5, 2017, June 5, 2017 and September 5, 2017.

Interest payments

Interest shall be payable on the 5th day of each month on the balance of the principal outstanding from time to time, as well after as before maturity of the charge, and both before and after default and judgment until paid.

PREPAYMENT

When not in default the Chargor may, upon 15 days' prior written notice to the Chargee, prepay the whole or any part of the principal outstanding under this charge at any time or times without bonus or penalty.

POST-DATED CHEQUES

On the closing date and on each anniversary of the interest adjustment date under the charge, the Chargor shall provide the Chargee with post-dated cheques for payments due under the charge for the ensuing twelve (12) months' payments.

RECEIPT

The Chargor hereby acknowledges receipt of a true copy of the Charge and the attached Standard Charge Terms No. 200033 before signing the Charge.

DATED this 6th day of September, 2012.

DUPONT DEVELOPMENTS LTD.

Per: 

Norma Walton – President

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L4 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge".

Exclusion of
Statutory
Covenants

1. The implied covenants deemed to be included in a charge under subsection 7(1) of the Land Registration Reform Act as amended or re-enacted are excluded from the Charge.

Right to
Charge the
Land

2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.

No Act to
Encumber

3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.

Good Title in
Fee Simple

4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.

Promise to
Pay and
Perform

5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.

Interest After
Default

6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.

No Obligation
to Advance

7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

Costs Added
to Principal

8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

Power of
Sale

9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act*. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address.

which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

- Quiet Possession* 10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.
- Right to Distrain* 11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.
- Further Assurances* 12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.
- Acceleration of Principal and Interest* 13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.
- Unapproved Sale* 14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.
- Partial Releases* 15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.
- Obligation to Insure* 16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.
- Obligation to Repair* 17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount secured by the Charge.

made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.

Extensions
not to
Prejudice

19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

No Merger
of Covenants

20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.

Change in
Status

21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.

Condominium
Provisions

22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.

Discharge

23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.

Guarantee

24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:

- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
- (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge.

- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

Severability

25. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

Interpretation

26. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

Paragraph headings

27. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

Date of Charge

28. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.

Effect of Delivery of Charge

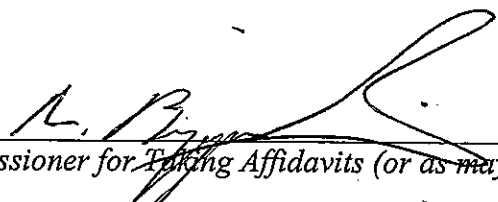
29. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

DATED this

day of

(year)

This is Exhibit "E" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)
Michael Brzezinski

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION:

PCL 142-1 SEC M13; PT LT 142 W/S CAMPBELL AV PL M13 TORONTO COMM AT A POINT IN THE WESTERN LIMIT OF CAMPBELL AV MEASURED 16 FT NLY FROM THE SE ANGLE OF SAID LT 142. THENCE NLY ALONG THE WESTERN LIMIT OF CAMPBELL AV 17 FT. THENCE WLY PARALLEL WITH THE SOUTHERN LIMIT OF SAID LT, 125 FT TO THE EASTERN LIMIT OF A LANE. THENCE SLY ALONG THE LAST-MENTIONED LIMIT BEING PARALLEL WITH THE EASTERN LIMIT OF CAMPBELL AV 17 FT TO A POINT IN THE SAID EASTERN LIMIT OF LANE 16 FT NLY FROM THE SLY LIMIT OF SAID LT 142. THENCE ELY AND PARALLEL TO THE SAID LAST MENTIONED LIMIT 125 FT TO THE POC. T/W THE RIGHT TO HAVE THE EAVES OF THE HOUSE ON THE LAND HEREBY CONVEYED PROJECT 8 INCHES OVER THE LAND IMMEDIATELY TO THE N THEREOF AND, S/T THE RIGHT OF THE OWNER OF THE HOUSE TO THE S OF THIS LAND TO HAVE THE EAVES ON THE HOUSE TO THE S OVERHANG THE LAND HEREIN DESCRIBED AS TO THE SAME EXTENT; TORONTO, CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

FIN CREATION DATE:
2006/12/18

OWNERS' NAMES
DUPONT DEVELOPMENTS LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
AT2839594	2011/10/13	LN'S ORDER		LAND REGISTRAR		C
AT3123490	2012/09/10	TRANS PARTNERSHIP	\$8,000,000	ADA LEASEHOLDS LIMITED BEATRICE LEASEHOLDS LIMITED FLORENCE LEASEHOLDS LIMITED CAMPBELL-DUPONT REALTY	DUPONT DEVELOPMENTS LTD.	C
REMARKS: PLANNING ACT STATEMENTS						
AT3123491	2012/09/10	CHARGE	\$6,500,000	DUPONT DEVELOPMENTS LTD.		C
AT3455085	2013/11/15	CONSTRUCTION LIEN	\$269,967	GENTRY ENVIRONMENTAL SYSTEMS LTD.		C
AT3456333	2013/11/18	CONSTRUCTION LIEN	\$73,800	CM MOULDING & PLASTERING LTD.		C
AT3460372	2013/11/22	CONSTRUCTION LIEN	\$248,631	NOBEL ELECTRIC LTD.		C
AT3470428	2013/12/04	CONSTRUCTION LIEN	\$139,000	ABACO GLASS INC.		C
AT3472102	2013/12/06	CONSTRUCTION LIEN	\$89,899	TITAN PLUMBING LTD.		C
AT3476270	2013/12/11	CERTIFICATE		CM MOULDING & PLASTERING LTD.	DUPONT DEVELOPMENTS LTD. THE ROSE AND THISTLE GROUP LTD. FLORENCE LEASEHOLDS LIMITED BEATRICE LEASEHOLDS LIMITED	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



Ontario ServiceOntario

LAND

REGISTRY

OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

21329-0126 (LT)

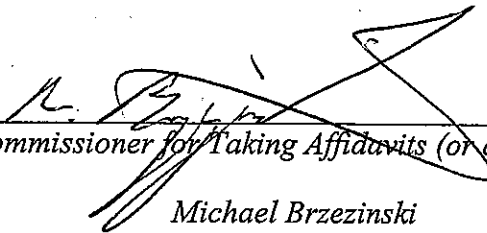
PAGE 2 OF 2
PREPARED FOR BGabbidon
ON 2014/04/14 AT 13:57:51

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
REMARKS: AT3456933 AT3483969	2013/12/19	CERTIFICATE OF ACTION CONSTRUCTION LIEN	\$242,552	GROUND FORCE ENVIRONMENTAL INC. ABRACO GLASS INC.	ADA LEASEHOLDS LIMITED	C
AT3496820 REMARKS: CERTIFICATE OF ACTION RE:AT3470428	2014/01/13	CERTIFICATE		GROUND FORCE ENVIRONMENTAL INC.		C
AT3505138 REMARKS: AT3483969	2014/01/24	CERTIFICATE		GROUND FORCE ENVIRONMENTAL INC.		C
AT3509428	2014/01/30	CERTIFICATE		GENTRY ENVIRONMENTAL SYSTEMS LTD.	DUPONT DEVELOPMENTS LTD. THE ROSE AND THISTLE GROUP LTD. FLORENCE LEASEHOLDS LIMITED BEATRICE LEASEHOLDS LIMITED ADA LEASEHOLDS LIMITED	C
REMARKS: RE:AT3455085 AT3511955	2014/01/31	CERTIFICATE		NOREL ELECTRIC LTD		C
REMARKS: RE:AT3460372 AT3516893	2014/02/07	CERTIFICATE		TITAN PLUMBING LTD.		C
REMARKS: AT3472902						C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is Exhibit "F" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)

Michael Brzezinski

Ada Leaseholds Limited, Beatrice Leaseholds Limited and Florence Leaseholds Limited
(Mortgagees)
First Mortgage - 1485 Dupont St. Toronto to Dupont Developments Limited.
(Mortgagor)

Statement of Mortgage Arrears

As of May 5, 2014

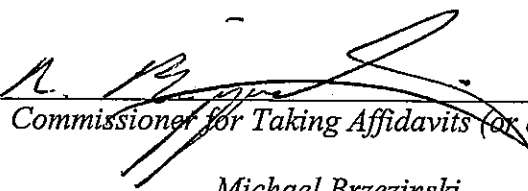
February 5/14 - Interest payment	24,375.00	
Interest thereon to March 5/14	84.14	
March 5/14 payment (P- 400,000 I - 24,375)	<u>424,375.00</u>	
	448,834.14	
Interest thereon to April 5/14	1,715.41	
April 5/14 - Interest payment	<u>24,375.00</u>	
	474,924.55	
Interest thereon to May 5/14	1,756.57	
May 5/14 - Interest payment	<u>24,375.00</u>	
Total Mortgage Arrears	<u>501,056.12</u>	(E&OE)

Note: 1. Interest accrues per diem at the rate of 4.5% per annum.

2. Administration costs and legal fees expense still undetermined have not been included and are in addition to the above.

E&OE

This is Exhibit "G" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)
Michael Brzezinski

Goodmans

Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Direct Line: 416.849.6895
mdunn@goodmans.ca

November 22, 2013

NOV 21 2013

Delivered via courier

Florence Leaseholds Limited
c/o Millwood Management Limited
15 Overdale Road
Toronto, ON M6B 3E9

Dear sirs/mesdames:

**Re: Order dated November 5, 2013 in respect of the companies listed at
Schedule "B" thereto**

We are the lawyers for Schonfeld Inc. Receivers + Trustees (the "Manager") in its capacity as Manager of certain companies (the "Companies") listed at Schedule "B" to the Order of Justice Newbould dated November 5, 2013 (the "Order").¹ The Order is attached.

We are writing because we have been advised that your company may have advanced funds to one or more of the Companies and taken mortgage security against its real property. The Manager has not examined the validity or priority of any mortgages registered against the Companies' property and it reserves all rights in this regard.

The Manager was appointed by the Court to ensure that all interested parties are treated fairly and to establish and execute a fair process to deal with the Companies' assets, including the collateral pledged to third party mortgagees. The Manager's mandate is to, among other things, carry out the management, preservation and disposition of the Companies' property in a transparent and accountable manner. As part of this mandate, the Manager will keep all stakeholders informed of its activities and seek court approval, on notice to all interested parties, before selling the Companies' real estate assets.

¹ Justice Newbould appointed the Manager effective November 5, 2013. The terms of the Order were finalized on November 15, 2013 and the Order could not be issued and entered until November 18, 2013 because Justice Newbould asked counsel to hold it in escrow pending the resolution of a related motion between the parties.

The Order may affect rights that your company may otherwise have against the Companies or their property. Among other things:

- paragraph 12 of the Order provides that no legal proceeding may be commenced or continued against the Companies without the permission of the Manager or leave of the Court;
- paragraph 13 of the Order suspends and stays enforcement of remedies that might exist against the Companies² without the permission of the Manager or leave of the Court; and
- paragraphs 21 and 24 of the Order provide for certain charges that rank ahead of pre-existing security interests in the Companies' property.

The Manager is empowered to, among other things, undertake sole and exclusive authority to manage and control the Companies' property and operate each Company's business. We ask that you or your legal counsel direct any inquiries relating to the Order to Harlan Schonfeld (who is the principal of the Manager), James Merryweather of the Manager, Fred Myers (who is the partner at our office having carriage of this matter)³ or myself. Contact information for Mr. Schonfeld, Mr. Merryweather and Mr. Myers is below:

S Harlan Schonfeld CPA CIRP
James Merryweather CGA
SCHONFELD INC. Receivers & Trustees
438 University Avenue, 21st Floor
Toronto, ON M5G 2K8
Tel: 416.862.7785
Fax: 416.862.2136
E-mail: harlan@schonfeldinc.com
E-mail: jmerryweather@schonfeldinc.com

Fred Myers
Partner
Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
Tel: 416.597.5923
Fax: 416.979.1234
E-mail: fmyers@goodmans.ca

² Note that there are certain exceptions to this stay listed at paragraph 13.

³ Note that Mr. Myers is out of the country this week conducting examinations and will have less than usual access to e-mail and voicemail.

Goodmans^{LLP}

Page 3

We look forward to hearing from you.

Yours very truly,

Goodmans LLP

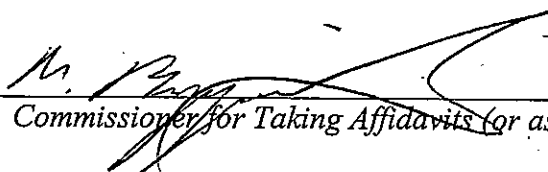
A handwritten signature in dark ink, appearing to be 'Mark S. Dunn', is written over the printed name. The signature is fluid and cursive.

Mark S. Dunn

cc: Schonfeld Inc.
Fred Myers, *Goodmans LLP*

6268321.1

This is Exhibit "H" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)

Michael Brzezinski



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

) FRIDAY, THE 5th DAY

JUSTICE NEWBOULD

) OF NOVEMBER, 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 (in such capacities, the "**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 Affidavits of Jim Reitan sworn October 1, October 3 and October 24, 2013 and the Exhibits thereto, the Affidavit of Susan Lyons and the Exhibits hereto, the Affidavit of Lorna Groves 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, the Second Interim Report of the Inspector and the Exhibits thereto, the Affidavits of Norma Walton sworn October 3 and 31, 2013 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.

CONTINUING ORDERS

2. THIS COURT ORDERS that the Orders of the Honourable Justice Newbould dated October 4, 2013 and October 25, 2013 continue in full force and effect except as modified by this Order.

APPOINTMENT

3. THIS COURT ORDERS that the Manager is hereby appointed Manager, without security, of all of the real property owned by the Schedule "B" Companies hereto (the "Real Estate") and all of the current and future assets, undertakings and property, real and personal, of the Schedule "B" Corporations of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively with the Real Estate, the "Property") effective upon the granting of this Order.

MANAGER'S POWERS

4. THIS COURT ORDERS that the Manager shall have the powers of the Inspector granted pursuant to the Order of the Honourable Justice Newbould dated October 4, 2013, including but not limited to access to the premises and books and records of the Respondent The Rose & Thistle Group Ltd.
5. THIS COURT ORDERS that the Manager is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Manager is hereby expressly empowered and authorized to do any of the following where the Manager considers it necessary or desirable:
 - (a) to undertake sole and exclusive authority to manage and control the Property and any and all proceeds, receipts and disbursements arising out

of or from the Property, wheresoever located, and any and all proceeds, receipts and disbursements arising out of or from the Property, and for greater certainty, the Manager shall have sole and exclusive right and control of the Schedule "B" Corporations' bank accounts wherever located in accordance with this Order;

- (b) to open bank accounts at any banking institution acceptable to the Applicant to transfer funds from the current bank accounts of the Schedule "B" Companies, as necessary, ~~with prior notice to the Parties;~~ ✓ 215
- (c) to receive, preserve, and protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (d) to manage, operate, and carry on the business of the Schedule "B" Corporations, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business ~~upon prior notice to the Parties,~~ or cease to perform any contracts of any of the Schedule "B" Corporations ~~upon prior notice to the Parties;~~ ✓ 215
- (e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this order including but not limited to a property manager, including but not limited to:
 - (i) DMS Properties;
 - (ii) Briarlane Property Rental Management Inc.; and

- (iii) Sterling Karamar;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Schedule "B" Corporations or any part or parts thereof;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Schedule "B" Corporations and to exercise all remedies of the Schedule "B" Corporations in collecting such monies, including, without limitation, to enforce any security held by any of the Schedule "B" Corporations, ~~provided that the Manager shall give prior notice to the Parties of any enforcement of security;~~ ✓ 285
- (h) subject to paragraph 4 below, to settle, extend or compromise any indebtedness owing to any of the Schedule "B" Corporations, ~~provided that the Manager shall give prior notice to the Parties of the settlement of any material indebtedness;~~ ✓ 285
- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Manager's name or in the name and on behalf of the Schedule "B" Corporations, for any purpose pursuant to this Order;
- (j) to undertake environmental investigations, assessments, engineering and building condition or other examinations of the Real Estate;
- (k) subject to paragraph 12 below, to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Schedule "B" Corporations, the Property or the Manager, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (l) subject to paragraph 13 below, to market the Property and in particular the Real Estate, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Manager in its discretion may deem appropriate;
- (m) to enter into agreements and to sell, convey, transfer, or assign the Property or any part or parts thereof of the Schedule "B" Corporations' business, with the prior approval of this Court in respect of any transaction, and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;
- (n) to have on-line and electronic as well as hard copy access to the bank accounts of the Rose & Thistle Group Ltd. to review all receipts and disbursements total from such 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;
- (o) upon notice to all parties and affected registered encumbrances, to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (p) to report to, meet with and discuss with such affected Persons (as defined below) as the Manager considers appropriate on all matters relating to the Property, and to share information, subject to such terms as to confidentiality as the Manager deems advisable;
- (q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Manager, in the name of the Schedule "B" Corporations;

- (r) to do all acts and execute, in the name and on behalf of the Schedule "B" Corporations, all documents, and for that purpose use the seal of the corporation, if any; and
- (s) to take any steps reasonably incidental to the exercise of these powers.

and in each case where the Manager takes any such actions or steps, it shall, subject to paragraph 4 below, be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Schedule "B" Corporations, and without interference from any other Person. For greater certainty, nothing in this Management Order or to the Manager's exercise of its powers hereunder shall cause the Manager to be, or deemed to be, a receiver within the meaning of the *Bankruptcy and Insolvency Act*.

~~6. The Manager shall take reasonable steps to provide the Parties with an accounting on a monthly basis of any collections referred to in subparagraphs 5(g) above.~~ 21

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MANAGER

7. THIS COURT ORDERS that (i) the Schedule "B" Corporations and The Rose & Thistle Group Inc., (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, Ronauld 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 forthwith advise the Manager of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Manager, and shall deliver all such Property to the Manager upon the Manager's request, and in any event no later than 36 hours following the Manager's request.
8. THIS COURT ORDERS that all Persons shall forthwith advise the Manager 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 Manager or permit the Manager to make, retain and take away copies thereof and grant to the Manager unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this

paragraph 9 or in paragraph 11 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 Manager 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.

9. THIS COURT ORDERS that the Records shall, upon reasonable notice to the Manager and during normal business hours of the Manager, 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 Manager of the parties upon request, the reasonable costs associated with such access and copies to be determined by the Manager, and invoiced to and paid by the requesting party to the Manager forthwith.
10. 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 Manager for the purpose of allowing the Manager 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 Manager in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Manager. Further, for the purposes of this paragraph, all Persons shall provide the Manager with all such assistance in gaining immediate access to the information in the Records as the Manager may in its discretion require including providing the Manager with instructions on the use of any computer or other system and providing the Manager with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE MANAGER

11. THIS COURT ORDERS that, except as may be provided herein, no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Manager except with the written consent of the Manager or with leave of this Court.

NO PROCEEDINGS AGAINST THE SCHEDULE "B" CORPORATIONS OR THE PROPERTY

12. THIS COURT ORDERS that no Proceeding against or in respect of any of the Schedule "B" Corporations or the Property shall be commenced or continued except with the written consent of the Manager or with leave of this Court and any and all Proceedings currently under way against or in respect of the Schedule "B" Corporations or the Property, with the exception of the proceedings referred to in paragraph 7, are hereby stayed and suspended pending further Order of this Court. Notwithstanding any other provision in this Order, the parties shall not be precluded from taking any steps or from commencing or continuing any proceedings in Ontario Superior Court of Justice, Court File No. CV-13-10280-00CL (Commercial List), and in such circumstances the Manager

shall not be obliged to defend or participate on behalf of the Schedule "B" Corporations and the Manager shall not be liable for any costs, damages or awards related to any such proceedings.

NO EXERCISE OF RIGHTS OR REMEDIES

13. THIS COURT ORDERS that, except as may be provided herein, all rights and remedies against the Schedule "B" Corporations, the Manager, or affecting the Property, are hereby stayed and suspended except with the written consent of the Manager or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Manager or the Schedule "B" Corporations to carry on any business which the Schedule "B" Corporations is not lawfully entitled to carry on, (ii) exempt the Manager or the Schedule "B" Corporations from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE MANAGER

14. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Schedule "B" Corporations, without written consent of the Manager or leave of this Court.

CONTINUATION OF SERVICES

15. THIS COURT ORDERS that all Persons having oral or written agreements with the Schedule "B" Corporations or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Schedule "B" Corporations are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Manager, and that the Manager shall be entitled to the continued use of the Schedule "B" Corporations' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Manager in accordance with normal payment practices of the Schedule "B" Corporations or such other practices as may be agreed upon by the supplier or service provider and the Manager, or as may be ordered by this Court.
16. THIS COURT ORDERS that Respondents are enjoined from canceling or failing to renew any insurance policies or other coverage in respect of to the Rose & Thistle Group Ltd. and/or the Schedule B Companies or any property owned by them, except with the express written approval of the Manager.
17. THIS COURT ORDERS that the Inspector shall be added as a named insured to any existing insurance policies or other coverage in respect of to the Rose & Thistle Group Ltd. and/or the Schedule B Companies or any property owned by them.

MANAGER TO HOLD FUNDS

18. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Manager from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into either the existing bank accounts held by Schedule "B" Corporations' or one or more new accounts to be opened by the Manager, at the Manager's discretion, as the Manager may reasonably decide and the monies standing to the credit of such accounts from time to time, net of any disbursements provided for herein, shall be held by the Manager to be paid in accordance with the terms of this Order or any further Order of this Court.

LIMITATION ON ENVIRONMENTAL LIABILITIES

19. THIS COURT ORDERS that nothing herein contained shall require the Manager to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Manager from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Manager shall not, as a result of this Order or anything done in pursuance of the Manager's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation.

LIMITATION ON THE MANAGER'S LIABILITY

20. THIS COURT ORDERS that the Manager shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part as so found by a court of competent jurisdiction. The Manager shall further enjoy the protections from liability as would otherwise be afforded to a trustee in bankruptcy under section 14.06 of the *Bankruptcy and Insolvency Act* or under any other similar legislation applicable to trustees and receivers.

MANAGER'S ACCOUNTS

21. THIS COURT ORDERS that any expenditures or liability which shall properly be made or incurred by the Manager including the fees and disbursements of the Manager and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of

the Manager and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Manager's Charge").

22. THIS COURT ORDERS that the Manager and its legal counsel, if any, shall pass their accounts from time to time, and for this purpose the accounts of the Manager and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
23. THIS COURT ORDERS that prior to the passing of its accounts, the Manager shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Manager or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE MANAGERSHIP

24. THIS COURT ORDERS that the Manager be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$5 million (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Manager by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Manager's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Manager's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
25. THIS COURT ORDERS that neither the Manager's Borrowings Charge nor any other security granted by the Manager in connection with its borrowings under this Order shall be enforced without leave of this Court.
26. THIS COURT ORDERS that the Manager is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Manager's Certificates") for any amount borrowed by it pursuant to this Order.
27. THIS COURT ORDERS that the monies from time to time borrowed by the Manager pursuant to this Order or any further order of this Court and any and all Manager's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Manager's Certificates.

GENERAL

28. THIS COURT ORDERS that the Manager may from time to time apply to this Honourable Court for advice and directions in the discharge of the Manager's powers and duties hereunder.
29. THIS COURT ORDERS that nothing in this Order shall prevent the Manager from acting as receiver, interim receiver or trustee in bankruptcy of the Schedule "B" Companies.
30. THIS COURT HEREBY REQUESTS that aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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.
31. THIS COURT ORDERS that the Manager be at liberty and is hereby authorized and empowered to apply to any court, tribunal regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
32. THIS COURT ORDERS that any interested party may apply to this Court to seek the advice and direction of the Court in respect of this Order or the Manager's activities on not less than seven (7) days' notice to the Manager and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
33. THIS COURT ORDERS that any court materials in these proceeds may be served by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time.



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

NOV 18 2013

NB

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.

SCHEDULE "C"

MANAGER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [MANAGER'S NAME], the Manager (the "Manager") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the _____ of MONTH, 20YR (the "Order") made in an action having Court file number _____-CL-_____, has received as such Manager from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Manager is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Manager pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Manager to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Manager to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Manager to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Manager does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20_____.

[MANAGER'S NAME], solely in its capacity
as Manager of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

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)

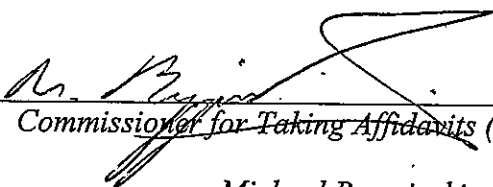
Tel: (416) 865-2942

Fax: (416) 865-3973

Email: sroy@litigate.com

Lawyers for the Plaintiffs

This is Exhibit "I" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)

Michael Brzezinski

MILLWOOD MANAGEMENT LIMITED

15 Overdale Road
Toronto, Ontario
M6B 3E9

Tel: 416 783-9288

Fax: 416 267-4741

Original Letter By Mail; Copy By Fax 416-862-2136

February 10th, 2014

**Attn: S. Harlan Schonfeld, CPA CIRP
And James Merryweather, CGA**

Schonfeld Inc. Receivers & Trustees
438 University Avenue - 21st Floor
Toronto, ON M5G 2K8

Dear Sirs;

**Re: Florence Leaseholds Limited etal t/a Campbell Dupont Realty (CDR)
First Mortgage to Dupont Developments Ltd
1485 Dupont Street (aka 300 Campbell Ave.) Toronto**

This will confirm your advice to the writer during our telephone conversation of February 5th, last as follows;

1. that you would not be making the mortgage payment due to the above mortgagees on that date and further,
2. that you would not be making any subsequent payments under the mortgage as they became due in the future.

This is therefore to advise the mortgage is presently in default.

The amount required to re-instate the mortgage is the amount of \$ 24,875.00 * as follows:-

Interest Payment due	24,375.00*	Plus late payment interest @ \$3.01 per diem from 5/02/14 to date of payment at our office.
Administration Charges	<u>500.00</u>	
Total Due	24,875.00*	

E&OE

...2.

M/M/L

- 2 -

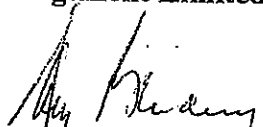
Unless we are in receipt of your certified cheque in the amount of \$24,875.00* as aforesaid within five (5) days of the date hereof, as well as the series of post-dated cheques covering monthly payments due subsequently as provided in the mortgage, our client has instructed us to advise they intend to forthwith commence **Power of Sale proceedings**.

Please govern yourselves accordingly.

Yours very truly

Millwood Management Limited

Per:

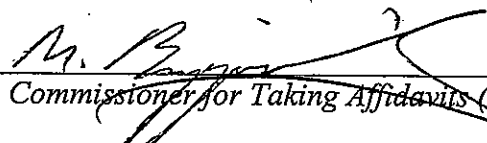

Jack Brudner - Manager

JB/j E-mail: jbrudner@sympatico.ca

Copy to: Dupont Developments Limited
c/o The Rose and Thistle Group Ltd.
30 Hazelton Avenue
Toronto, ON M5R 2E2

Attn: Norma Walton, BA, JD, MBA Fax: 416-489-9973

This is Exhibit "J" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)
Michael Brzezinski

MILLWOOD MANAGEMENT LIMITED

15 Overdale Road
 Toronto, Ontario
 M6B 3E9

Tel: 416 783-9288
 Fax: 416 267-4741

November 28th, 2013

Attn: **S. Harlan Schonfeld, CPA CIRP**

Schonfeld Inc. Receivers & Trustees
 438 University Avenue - 21st Floor
 Toronto, ON M5G 2K8

Dear Sirs;

**Re: Florence Leaseholds Limited etal t/a Campbell Dupont Realty (CDR)
 First Mortgage to Dupont Developments Ltd
1485 Dupont Street (aka 300 Campbell Ave.) Toronto**

We are property consultants retained by Florence Leaseholds Limited, Ada Leaseholds Limited and Beatrice Leaseholds Limited joint-venture partners referring to themselves collectively under the style of Campbell Dupont Realty (CDR). We were directly involved in initiating contact with the Rose and Thistle group regarding their potential purchase of the above property from our clients, negotiated the terms of the subsequent sale agreement on the latter's behalf and consulted throughout the process leading ultimately to the successful completion of the sale transaction.

Our clients first mortgage (charge) on the property is a purchase-money mortgage or VTB in the amount of \$6.5 million all of which remains outstanding. All monthly interest payments (\$24,375.00) required to be made under the mortgage up to and including November 5th, 2013 have been received on a timely basis.

It is a term of our clients' mortgage that post-dated cheques be provided to the Chargee (mortgagee) annually for all payments due under the Charge for the ensuing 12 months payments. The last of such cheques received from the owner of the property is dated December 5th, 2013 and unless we hear from you otherwise, we propose to deposit same on its due date.

After such date but prior to January 5th, 2014, we would appreciate receiving a further series of 12 post-dated cheques for the ensuing 12 months payments pursuant to the mortgage terms as above. Please note on March 5th, 2014, there is a principal payment due in the sum of \$400,000.00.

...2.

- 2 -

If you require any further information please advise.

Yours very truly

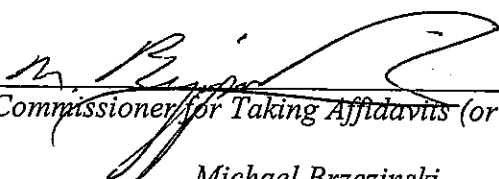
Millwood Management Limited

Per:

Jack Brudner - Manager

JB/j E-mail: jbrudner@sympatico.ca

This is Exhibit "K" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014



Commissioner for Taking Affidavits (or as may be)
Michael Brzezinski

MILLWOOD MANAGEMENT LIMITED

15 Overdale Road
 Toronto, Ontario
 M6B 3E9

Tel: 416 783-9288

Fax: 416 267-4741

Original Letter By Mail; Copy By Fax 416-862-2136

February 10th, 2014

Attn: **S. Harlan Schonfeld, CPA CIRP**
And James Merryweather, CGA

Schonfeld Inc. Receivers & Trustees
 438 University Avenue - 21st Floor
 Toronto, ON M5G 2K8

Dear Sirs;

Re: Florence Leaseholds Limited etal t/a Campbell Dupont Realty (CDR)
First Mortgage to Dupont Developments Ltd
1485 Dupont Street (aka 300 Campbell Ave.) Toronto

This letter is further to our lengthy telephone conversation of February 7th, last during which a number of matters were discussed. For ease of reference I have arbitrarily assigned numbers to them.

1. Consent to Proceed with Power of sale Proceedings;

As you are aware, the first mortgage on the above property is in arrears and the mortgagees are contemplating pursuing their rights and remedies. As we read paragraphs number 12 and 13 of the Court Order dated November 5/13, before the mortgagees can proceed the consent of the Receiver is necessary. Such consent was requested of you and you wished to consult with your counsel before replying. Please advise at your earliest.

2. Construction Liens

You had advised the various lien claimants had received consent/permission to perfect their lien claims but that all subsequent proceeding to enforce their liens had been stayed. Please confirm the "stay" will remain in place to enable the mortgagees herein to conduct an orderly sale of the property after they conclude the necessary pre-requisites leading to that point in time (about two months usually unless opposed) when they are able to do so.

...2.

- 2 -

3. Environmental Information & Reports

You advised your Realtors were in possession of all these and would request they make them available to us. Your prompt follow-up to this would be appreciated.

4. Rentals

You advised you or your representative were collecting the rents from the tenants of the property. This will confirm your advice that all such rents were being received by you for the account of Dupont Developments Ltd. and none other and that all funds so received will be used exclusively to pay for maintenance, insurance, taxes and usual operating expenses pertaining to this building/property and none other.

5. Rent-Roll

You advised you had an up-to-date rent-roll of the building and agreed to have a copy forwarded to us. We would appreciate receiving it at your earliest convenience.

6. Miscellaneous Matters

You kindly agree to provide us with the following items;

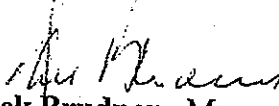
- a) Copies of all contracts for the supply of materials or services to the building which remain unpaid or for which a construction lien has been filed.
- b) Plans or drawings under or pursuant to which the renovations undertaken by the current owners were planned, conceptualized, commenced or carried out.

We suggest it serves everyone's best interests that a provident sale of the property be consummated at the earliest opportunity. Your kind and prompt attention hereto would no doubt go a considerable distance in facilitating that result.

Yours very truly

Millwood Management Limited

Per:


Jack Brudner - Manager

/j E-mail: jbrudner@sympatico.ca

This is Exhibit "L" referred to in the Affidavit of **JACK BRUDNER**
sworn May 9, 2014

A handwritten signature in black ink, appearing to read "M. Brzezinski", is written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Michael Brzezinski

April 11, 2014

VIA E-MAIL

Mark Dunn
Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Re: First charge/mortgage of the lands municipally known as 1485 Dupont Street, Toronto, Ontario (the "Property") and subject to the order of the Honourable Justice Newbould dated November 5, 2013 (the "Receivership Order") appointing Schonfeld Inc., Receivers + Trustees (the "Manager") manager of the assets, undertakings and property of certain corporations named in Schedule "B" of the Receivership Order

Dear Mr. Dunn,

We are counsel for Florence Leaseholds Limited, Beatrice Leaseholds Limited and ADA Leaseholds Limited (collectively, the "Mortgagees"), holders of a first charge/mortgage over the Property, being registered on September 10, 2012 as Instrument No. AT3123491 (the "Mortgage"). The Property is owned by Dupont Developments Ltd. ("Dupont Developments"), which as a Schedule "B" Corporation is currently subject to the provisions of the Receivership Order.

Jack Brudner, Manager at Millwood Management Limited ("Millwood"), the mortgage manger and authorized representative of the Mortgagees, has previously corresponded with both the Manager and its counsel seeking consent to lift the stay of proceedings as it pertains to Dupont Developments and the Property, for the purposes of allowing the Mortgagees to proceed with power of sale proceedings. No response was received in this regard and your e-mail of February 14, 2014 seems to sidestep the issue. Additionally, at various times, Mr. Brudner has requested certain documentation and information from the Manager and its counsel, which include the following:

- (a) environmental information and/or reports regarding adverse soil conditions at the Property;
- (b) up- to-date rent roll;

Mark Dunn
 April 11, 2014
 Page 2

- (c) copies of all contracts with parties who have registered construction liens against the Property;
- (d) any plans or drawings pertaining to the planned renovation at the Property; and
- (e) copies of any offers received by the Manager in respect of the Property.

As at today's date, none of the requested documentation and/or information has been provided and the Mortgagees continue to be in the dark about the status of the Property. The Mortgagees are entitled to all of the information and/or documentation listed hereinabove as well as any other documentation and/or information relating to the management of the Property. Accordingly, we ask that the Manager provide Millwood with copies of same as soon as possible.

As you are no doubt aware, Dupont Developments is in default of its obligations under the Mortgage. However, with little to no information regarding the Property, the Mortgagees have no way of knowing whether their interests are being adequately protected and frankly, have no means of protecting them.

By virtue of the stay of proceedings, the Receivership Order prevents the Mortgagees from exercising their rights and remedies with respect to the Mortgage and further imposes super priority charges over the Property in favour of the Manager. These provisions of the Receivership Order, along with others, are highly prejudicial to the Mortgagees and substantially interfere with their ability to, in any way, deal with the Property. The Mortgagees are rightfully concerned that the Receivership Order does not and cannot properly account for their interests or those of any of the mortgagees which it affects, particularly given that the Receivership Order was obtained without notice to the Mortgagees.

For the foregoing reasons, among others not set out herein, the Mortgagees have determined that their interests will be best served by bringing a motion to amend the Receivership Order. The primary relief sought is (i) a lifting the stay of proceedings as it relates to the Mortgage and the Mortgaged Property, for the exclusive and limited purpose of permitting the Mortgagees to exercise their rights and remedies with respect to the Property, and (ii) subordination of the Manager's charges to the Mortgage.

As you will note, the Mortgagees do not wish to set aside the Receivership Order entirely as it pertains to Dupont Developments. Rather, they are seeking a measured remedy that will extricate the Mortgage from the Receivership Order and allow the Mortgagees to realize on their security in the fashion that best satisfies their own interests, while maintaining the integrity of the receivership proceedings.

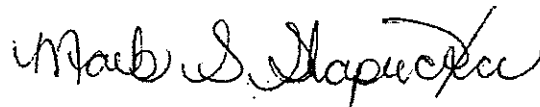
It is our position that the proposed motion is more temperate than a number of the motions already successfully brought forth by mortgagees of various other Schedule "B" Corporations.

Mark Dunn
April 11, 2014
Page 3

Accordingly, we kindly ask that you advise whether the Manager will consent to the proposed relief being sought by the Mortgagees.

We look forward to hearing from you once you have had an opportunity to obtain instructions. In the meantime, should you have any questions or concerns, please contact either myself or Michael Brzezinski.

Very truly yours,
DICKINSON WRIGHT LLP

A handwritten signature in dark ink, appearing to read "Mark S. Shapiro", is written over the printed name.

Mark S. Shapiro

MSS:mjb

DBDC SPADINA LTD. et al
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

MOTION RECORD

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

MARK S. SHAPIRO (38458H)
Email: mshapiro@dickinsonwright.com
Tel: (416) 646-4603
Fax: (416) 865-1398

MICHAEL J. BRZEZINSKI (63573R)
Email: mbrzezinski@dickinsonwright.com
Tel: (416) 777-2394
Fax: (416) 865-1398

Lawyers for the Mortgagees