

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

DBDC SPADINA LTD.,  
AND THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO

Applicants

and

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

Respondents

and

THOSE CORPORATIONS LISTED ON SCHEDULE C HERETO, TO BE  
BOUND BY THE RESULT

**COMPENDIUM OF THE APPLICANTS  
(January 16, 2014)**

January 15, 2014

**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 Applicants

**TO: GOODMAN'S LLP**  
Barristers & Solicitors  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Canada M5H 2S7

Fred Myers – fmyers@goodmans.ca  
Brian Empey – bempey@goodmans.ca  
Mark Dunn – mdunn@goodmans.ca  
Tel: 416.979.2211  
Fax: 416.979.1234  
Counsel to the Inspector/Manager

**AND FASKEN MARTINEAU DUMOULIN LLP**

**TO:** Barristers & Solicitors  
333 Bay Street, Suite 2400  
Bay Adelaide Centre, Box 20  
Toronto, ON M5H 2T6

John Champion  
Tel: 416.366.8381  
Fax: 416.364.7813  
E-mail: jchampion@fasken.com  
Counsel to Guillermo Schible, Counsel to the Respondents

**AND SCHIBLE LAW**

**TO:** Barristers & Solicitors  
Adelaide Place, DBRS Tower  
181 University Avenue, Suite 2200  
Toronto, Ontario M5H 3M7

Guillermo Schible  
Tel: 416.601.6813  
Fax: 416.352.5454  
E-mail: guillermo@schiblelaw.com  
Counsel to the Respondents

**AND ROBINS, APPLEBY & TAUB LLP**

**TO:** Barristers & Solicitors  
2600 – 120 Adelaide Street W  
Toronto, Ontario M5H 1T1

Irving Marks imarks@robapp.com  
Dominique Michaud - dmichaud@robapp.com  
Tel: 416.360.3795  
Fax: 416.868.0306  
Counsel to Trez Capital Limited Partnership

**AND MCCARTHY TETRAULT LLP**

**TO:** Barristers & Solicitors  
5300 – 66 Wellington Street West  
Box 48, Toronto-Dominion Bank Tower  
Toronto, Ontario M5K 1E6

James Gage – jgage@mccarthy.ca  
Heather Meredith – hmeredith@mccarthy.ca  
Tel: 416.601.8342  
Fax: 416.868.0673  
Counsel to CDPQ Mortgage Investment Corporation

**AND THORNTON GROUT FINNIGAN LLP**

**TO:** Barristers & Solicitors  
100 Wellington Street W., Suite 3200  
PO Box 329, Canadian Pacific Tower  
Toronto, Ontario M5K 1K7

James H. Grout  
Tel: 416.304.0557  
Fax: 416.304.1313  
E-mail: jgrout@tgf.ca  
Counsel to ACM CMF Services Ltd.

**AND MINDEN GROSS LLP**

**TO:** Barristers & Solicitors  
145 King Street W., Suite 2200  
Toronto, Ontario M5H 4G2

Timothy R. Dunn  
Tel: 416.369.4335  
Fax: 416.864.9223  
E-mail: tdunn@mindengross.com  
Counsel to 295 The West Mall Portfolio Ltd.

**AND ZIMMERMAN ASSOCIATES**

**TO:** 3338 Dufferin Street  
Toronto, Ontario M6A 3A4

Lawrence Zimmerman  
  
Tel: 416.489.9222  
Fax: 416.489.6222  
E-mail: larry@zimlaw.ca

Counsel to the Handelman Group and the Tannenbaum Group.

**AND LAWRENCE F. WALLACH**  
**TO:** 4580 Dufferin Street, Suite 302  
Toronto, Ontario M3H 5Y2

Lawrence F. Wallach  
Tel: 416.661.5600  
Fax: 416.663.4424  
E-mail: wallach@wallach.ca  
Litigation counsel to E. Manson Investments Limited, B & M Handelman Investments Limited, 136557 Ontario Limited and Martha Sorger.

**AND STIKEMAN ELLIOT LLP**  
**TO:** 5200 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9

Maria Konyukhova  
Tel: 416.869.5230  
Fax: 416.947.0866  
E-mail: mkonyukhova@stikeman.com  
Counsel to IMC Limited Partnership

**AND FOLGER, RUBINOFF LLP**  
**TO:** 77 King Street West  
Suite 3000, PO Box 9  
TD Centre North Tower  
Toronto, ON M5K 1G8

Martin R. Kaplan – mkaplan@foglars.com  
Vern W. DaRe – vdare@foglars.com  
Tel: 416.864.9700  
Fax: 416.941.8852  
Counsel to Riocan Management Inc., RioCan Mortgage Corp., RioCan Real Estate Investment Trust and Trinity Urban Properties Inc.

**AND AIRD & BERLIS LLP**  
**TO:** Brookfield Place  
181 Bay Street  
Suite 1800, Box 754  
Toronto, ON M5J 2T9

Steven L. Graff – sgraff@airdberlis.com  
Ian Aversa – iaversa@airdberlis.com  
Tel: 416.865.7726  
Fax: 416.863.1515  
Counsel for 165 Bathurst Financial Inc.

**AND TORKIN MANES LLP**

**TO:** 151 Yonge Street  
Suite 1500  
Toronto, Ontario M2C 2W7

Jeffrey Simpson  
Tel: 416. 777.5413  
Fax: 1.888.587.9143  
E-mail: jsimpson@torkinmanes.com  
Counsel to Harbour Mortgage Corp.

**AND OSLER, HOSKIN & HARCOURT LLP**

**TO:** Box 50, 1 First Canadian Place  
Toronto, Ontario M5X 1B8

Marc Wasserman  
Tel: 416. 862.4908  
Fax: 416.862.6666  
E-mail: mwasserman@osler.com  
Counsel to Sam Reisman and Rose Reisman

**AND SAM REISMAN AND ROSE REISMAN**

**TO:** 156 Duncan Mill Road  
Unit 12  
Toronto, Ontario M3B3N2

Martie Simon  
Tel: 416. 916.4333  
E-mail: msimon@rosecorp.com

**AND BENNETT JONES LLP**

**TO:** 1 First Canadian Place  
Suite 3400  
Toronto, Ontario M2K 2S5

Paul D. Blundy – blundyp@bennettjones.com  
Amanda McLachlan – mclachlana@bennettjones.com  
Julia Schatz – schatzj@bennettjones.com  
Tel: 416. 777.4854  
Fax: 416.863.1716  
E-mail:  
Counsel to TCE Beta Services Inc.

**AND BRAM ZINMAN**

**TO:** Barrister and Solicitor  
4711 Yonge Street, Suite 509  
Toronto, ON M2N 6K8

Bram Zinman  
Tel: 416.221.5919  
Fax : 416.226.0910  
E-mail: bzinman@bellnet.ca  
Counsel for Gemtec Wall & Ceiling Systems Ltd., a subcontractor of Fox Contracting

**AND JACK COPELOVICI**

**TO:** 1220 Sheppard Avenue East  
Suite 204  
Toronto, Ontario M2K 2S5

Jack Copelovici  
Tel: 416. 494.0910  
Fax: 416.494.5480  
E-mail: jack@copel-law.com  
Counsel for Fox Contracting Ltd

**AND GLAHOLT LLP**

**TO:** 141 Adelaide Street West  
Suite 800  
Toronto, Ontario M5H 3L5

Andrea Lee  
Tel: 416.368.8280  
Fax: 416.368.3467  
E-mail: andrealee@glaholt.com  
Counsel for Gentry Environmental Systems Ltd.

**AND BRAUTI THORNING ZIBARRAS LLP**

**TO:** 151 Yonge Street  
Suite 1800  
Toronto, ON M5C 2W7

David Meirovici  
Tel: 416.362.4567  
Fax: 416.362.8510  
E-mail: dmeirovici@btzlaw.ca  
Counsel for Norel Electric Ltd.

**AND CHAITONS LLP**

**TO:** Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9

George Benchetrit  
Tel: 416.218.1141  
Fax: 416.218.1841  
E-mail: George@chaitons.com  
Counsel for Return on Innovation Capital Inc.

**AND BIANCHI PRESTA LLP**

**TO:** Barristers and Solicitors  
9100 Jane Street, 3<sup>rd</sup> Floor Building A  
Vaughn, Ontario L4K 0A4

Renzo Belluz  
Tel: 905.738.1076  
Fax: 905.738.0528  
E-mail: rbelluz@bianchipresta.com  
Counsel for the Estte of Celestina Venuto and Silvano & Celestina Investments Ltd.

**AND KRAMER SIMAAN DHILLON LLP**

**TO:** Litigation Counsel  
120 Adelaide St West, Suite 2100  
Toronto, Ontario M5H 1T1

Jeffrey W. Kramer – jwkramer@kramersimaan.com  
Nathaniel Erskine-Smith – nerskine-smith@kramersimaan.com  
Tel: 416.601.6819  
Fax: 416.601.0702  
Counsel to Atrium Mortgage Investment Corporation.

**AND COHEN SABSAY LLP**

**TO:** 901 – 357 Bay Street  
Toronto, ON M5H 2T7

Howard C. Cohen  
Tel: 416.364.7436  
Fax: 416.364.0083  
Email: cohen@cohensabsay.com  
Lawyers for the Respondents/Appellants

# INDEX



**ONTARIO  
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**B E T W E E N:**

**DBDC SPADINA LTD.,  
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**TAB     DOCUMENT**

1.     Exhibit A     To the examination of Todd Holmes held on January 15, 2014 – Email exchanges between Todd Holmes and Ken Herlin dated January 10-13, 2014
2.     Exhibit 1     To the examination of Todd Holmes held on January 15, 2014 – Summons to Witness dated January 13, 2014
3.     Exhibit 2     To the examination of Todd Holmes held on January 15, 2014 – Devry, Smith, Frank LLP closing file
4.     Exhibit 2A     To the examination of Todd Holmes held on January 15, 2014 – Devry, Smith, Frank LLP Client Ledger
5.     Exhibit 3     To the examination of Todd Holmes held on January 15, 2014 – Certified Cheque from Norma Walton to Devry, Smith, Frank LLP dated June 25, 2012
6.     Exhibit 4     To the examination of Todd Holmes held on January 15, 2014 – Agreement of Purchase and Sale between Ron Walton , Norma Walton and Lisa He dated January 9, 2012
7.     Letter to all counsel for the Respondents from Shara Roy dated January 15, 2014

# TAB 1

**From:** Herlin, Ken [<mailto:kherlin@goodmans.ca>]  
**Sent:** January-13-14 1:56 PM  
**To:** 'Todd Holmes'  
**Cc:** Harlan Schonfeld; Myers, Fred; Lauzon, Gloria  
**Subject:** RE: 9 City View and 44 Park Lane

Thanks Todd.

I will recommend to the Manager to retain you on this property and pay the \$9500 out of the closing proceeds.  
Any info on source of 44 Park Lane funding?

Thanks ken

**From:** Todd Holmes [<mailto:Todd.Holmes@devrylaw.ca>]  
**Sent:** Saturday, January 11, 2014 1:43 PM  
**To:** Herlin, Ken  
**Subject:** RE: 9 City View and 44 Park Lane

Yes. It comprises of \$4300 re sale and severance. Todd

**From:** Herlin, Ken [<mailto:kherlin@goodmans.ca>]  
**Sent:** January-11-14 1:28 PM  
**To:** Todd Holmes  
**Subject:** Re: 9 City View and 44 Park Lane

Yes. So 9500 to close it?

Thks

Ken Herlin

Goodmans LLP

[kherlin@goodmans.ca](mailto:kherlin@goodmans.ca)  
office: 416-597-4168  
cell: 416-305-6583

**From:** Todd Holmes [<mailto:Todd.Holmes@devrylaw.ca>]  
**Sent:** Saturday, January 11, 2014 01:29 PM Eastern Standard Time  
**To:** Herlin, Ken  
**Subject:** RE: 9 City View and 44 Park Lane

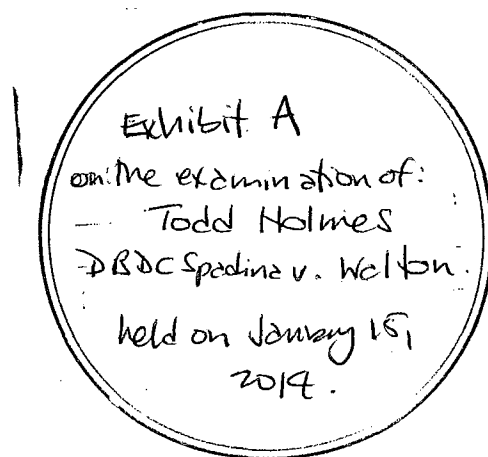
Hi Ken, I forwarded you a quote of \$9500++ for Meridian on Dec 13<sup>th</sup>. Todd

**From:** Herlin, Ken [<mailto:kherlin@goodmans.ca>]  
**Sent:** January-10-14 5:10 PM  
**To:** Todd Holmes  
**Cc:** Lauzon, Gloria  
**Subject:** 9 City View and 44 Park Lane

Thanks Todd.

I will pass this onto the Manager.

You were going to advise re Meridian as well



On another note, our client is looking into the movement of funds from the corporations under its control and among related entities. In that regard, our client is interested in determining the sources of the funds that were used to pay for the purchase of 44 Park Lane. I understand that you acted on the acquisition of this property.

To that end, can I ask you to provide your trust reconciliation in respect of that transaction as well as the statement of flow of funds?

Thanks  
Ken

**From:** Todd Holmes [mailto:Todd.Holmes@devrylaw.ca]  
**Sent:** Friday, January 10, 2014 4:16 PM  
**To:** Herlin, Ken; Lauzon, Gloria  
**Subject:** 9 City View

Hi Ken and Gloria,

We have already incurred \$5,210 in fees in connection with the sale of 9 City View Drive to Red Finch Development Limited (taking title in name of Laurier 9 City View Inc.) and the severance of the City View Lands.

In order to complete the sale and effect the severance, my fee would be \$9,500 plus HST and disbursements. I trust that you will find this satisfactory.

Regards,

Todd.

J. Todd Holmes  
DEVRY SMITH FRANK LLP  
Lawyers & Mediators  
95 Barber Greene Road, Suite 100  
Toronto, Ontario, M3C 3E9  
Direct: 416-446-5845  
Fax: 416-449-7071

***Celebrating 50 years of service excellence.***

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\*\*\*\*\* Attention \*\*\*\*\*

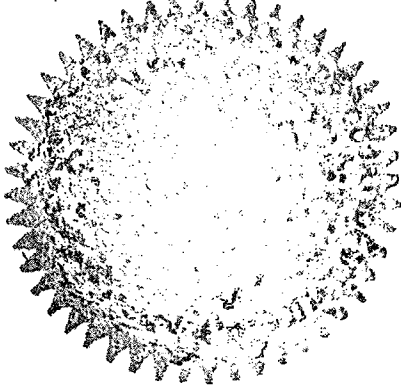
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# TAB 2

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

(Court Seal)



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

Applicants

~~Plaintiffs~~

- and -

NORMA WALTON? RONAULD WALTON? THE ROSE & THISTLE  
GROUP LTD. and EGLINTON CASTLE INC.

Respondents

~~Defendants~~

- and -

THOSE CORPORATIONS LISTED ON SCHEDULE B HERETO;  
TO BE BOUND BY THE RESULT

**SUMMONS TO WITNESS**

TO: J. TODD HOLMES  
Devry Smith Frank LLP  
65 Barber Greene Road, Suite 100  
Toronto, ON M3C 3E9

YOU ARE REQUIRED TO ATTEND, on January 14, 2014 at 1:00 p.m.

at the office of Victory Verbatim, Ernst & Young Tower, 222 Bay Street,  
Suite 900, Toronto, Ontario, M5K 1H6 - 416.360.6117.

for (choose one of the following):

- ☒ Examination Under Rule 39.03
- ☐ Cross-examination on your affidavit dated
- ☐ Examination for discovery with leave of the Court
- ☐ Examination out of Court as witness before hearing
- ☐ Examination in aid of execution
- ☐ Taking evidence before trial

YOU ARE REQUIRED TO BRING WITH YOU and produce at the examination the following documents and things: (*Set out the nature and date of each document and give particulars sufficient to identify each document and thing.*) All original documents including your client file in respect of Norma and Ronauld Walton's purchase of 44 Park Lane Circle in June 2012 including the agreement of purchase and sale, the final report and a copy of Devry Smith Frank's trust ledger and trust bank statement evidencing the purchase price flow of funds.

ATTENDANCE MONEY for 1 days of attendance is served with this summons, calculated in accordance with Tariff A of the *Rules of Civil Procedure*, as follows:

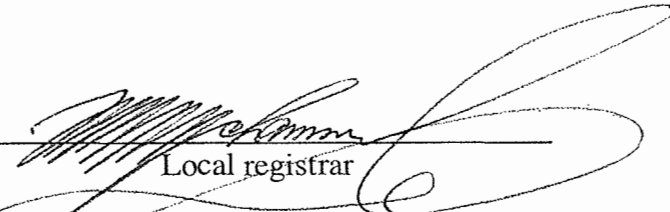
Attendance allowance of \$	daily	\$ 50.00
Travel allowance		\$ 3.00
Overnight accommodation and meal allowance		\$
TOTAL:		\$ 53.00

If further attendance is required, you will be entitled to additional attendance money.

**IF YOU FAIL TO ATTEND OR REMAIN UNTIL THE END OF THIS EXAMINATION, YOU MAY BE COMPELLED TO ATTEND AT YOUR OWN EXPENSE AND YOU MAY BE FOUND IN CONTEMPT OF COURT.**

Date January 13, 2014

Issued by

  
Local registrar

Address of court office:  
393 University Avenue  
10th Floor  
Toronto, Ontario  
M5G 1E6

This summons was issued at the request of, and inquiries may be directed to:

**LENCZNER SLAGHT ROYCE  
SMITH GRIFFIN LLP**

Barristers  
Suite 2600  
130 Adelaide Street West  
Toronto, Ontario  
M5H 3P5

Tel : (416) 865-9500  
Fax: (416) 865-9010

Solicitors for



Court File No. cv-13-1028

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

**SUMMONS TO WITNESS**

**LENCZNER SLAGHT ROYCE  
SMITH GRIFFIN LLP**

Barristers  
Suite 2600  
130 Adelaide Street West  
Toronto, Ontario  
M5H 3P5

Tel : (416) 865-9500  
Fax: (416) 865-9010

Solicitors for Applicants



# TAB 3

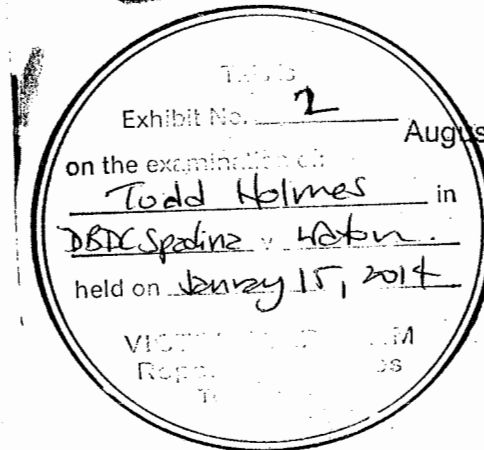
DEVRY SMITH FRANK LLP  
Lawyers & Mediators

todd.holmes@devrylaw.ca  
416-446-5845

Via Courier

Red Door Developments Inc.  
c/o The Rose and Thistle Group Ltd.  
30 Hazelton Avenue  
Toronto  
M5R 2E2

Attention: **Norma Walton**  
**President**



Re: Purchase of 44 Park Lane Circle, Toronto, Ontario

We hereby submit our opinion and report on the completion of this transaction.

AGREEMENT OF PURCHASE AND SALE

By an agreement of purchase and sale (the "Purchase Agreement") dated January 3<sup>rd</sup> 2012, Ron Walton and Norma Walton (collectively the "Purchaser") agreed to purchase and Lisa He (the "Vendor") agreed to sell the land and premises municipally known as 44 Park Lane Circle, Toronto, Ontario, and being composed of PIN 10368-0827 (LT), (the "Property") for the purchase price of \$10,500,000.00. The sum of \$250,000.00 was paid to Harvey Kalles Real Estate Ltd., Brokerage in trust, as a deposit and the balance of the purchase price was payable on closing, subject to the usual adjustments. (the "Purchaser").

ADJUSTMENTS

The statement of adjustments was prepared as of June 25, 2012. The balance due on closing amounted to \$10,045,548.09.

CLOSING

This transaction was closed on June 26, 2012. By a transfer/deed of land dated June 26, 2012 and registered on June 26, 2012 in the Land Registry Office for the Land Titles Division of Toronto (No. 80) as Instrument No. AT3055612, the Vendor transferred the Property to the Purchaser in accordance with the written direction of Ron and Norma Walton. Your title to the Property is protected under Chicago Title

DEVRY SMITH FRANK LLP  
Lawyers & Mediators

Insurance Company Policy No. 09-21062012-346455-1. If you ever need to file a claim under your policy, it is important that you review and follow the procedures set out in the policy.

Pursuant to the Vendor's written direction, the balance due on closing was paid to the Vendor's solicitor, in trust.

On closing you charged the Property in favour of Home Trust Company as First Mortgagee and Handelman in trust as second Mortgagee to secure the principal amount of \$5,000,000.00 and \$3,000,000.00 respectively.

TAXES

Please refer to the realty tax section of the enclosed statement of adjustments. Your assessment roll number is 19-08-08-1980-044000-000.

INSURANCE

You arranged your own insurance in respect of the Property.

ENCLOSURES

We enclose the following:

1. Statement of adjustments.
2. Direction re title.
3. Undertaking to readjust.
4. Computer printout confirming registration of electronically registered transfer/deed of land.
5. Acknowledgement and direction re electronic registration of transfer/deed of land.
6. Computer printout confirming registration of electronically registered 1<sup>st</sup> Charge
7. Acknowledgement and direction re electronic registration of 1<sup>st</sup> Charge
8. Computer printout confirming registration of electronically registered 2nd Charge
9. Acknowledgement and direction re electronic registration of 2nd Charge
10. Direction regarding funds
11. Redirection regarding funds
12. Bill of sale.
13. Statutory declaration (title).
14. Tax certificate
15. Clear execution certificate.
16. Certificate of insurance.

DEVRY SMITH FRANK LLP  
Lawyers & Mediators

17. Commitment for title insurance.
18. 1<sup>st</sup> Mortgage related documents
19. 2<sup>nd</sup> Mortgage related documents

We trust that this transaction has been completed to your entire satisfaction and are pleased to have had the opportunity to have acted on your behalf.

Yours truly,

DEVRY, SMITH & FRANK LLP  
Per:

J. Todd Holmes

JTH:sf  
Encls.



## STATEMENT OF ADJUSTMENTS

**Vendor:** Lisa He  
**Purchaser:** Ron Walton and Norma Walton  
**Property:** 44 Park Lane Circle, Toronto, Ontario  
**Adjusted as of:** May 25, 2012  
**Closing:** June 25, 2012

---

**SALE PRICE** \$10,500,000.00

**DEPOSIT** \$500,000.00

**REALTY TAXES**

2012 Final Tax:	47,320.72	
Vendor has paid:	24,153.39	
Vendor's share for 145 days (to May 25, 2012):	18,798.64	
Credit Vendor:		\$5,354.75

**HEAT – FUEL OIL**

2,000.00 litre oil tank		
At 1.059 per litre	2,118.00	
HST calculated at 13.00%	275.34	
Credit Vendor:		2,393.34

**CREDIT TO VENDOR FOR DELAYED CLOSING**

Credit to Vendor		\$37,800.00
------------------	--	-------------

**BALANCE DUE ON CLOSING**

payable to	\$10,045,548.09	
Jason Huang, in trust		
or as further directed		

	<u>\$10,545,548.09</u>	<u>\$10,545,548.09</u>
--	------------------------	------------------------

E. & O. E.

4





**DIRECTION**

TO: LISA HE

AND TO: JASON HUNG, Barrister and Solicitor

Re: Walton purchase from He  
44 Park Lane Circle, Toronto

---

We, Norma Walton and Ronauld Walton hereby authorize and direct you to engross the transfer/deed to the transferee as follows, and for so doing, this shall be your good and sufficient irrevocable authority:

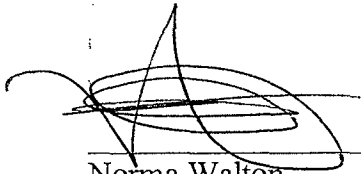
**WALTON, Norma**  
**WALTON, Ronauld**

**June 1, 1970**  
**August 11, 1959**

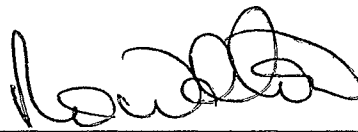
As joint tenants

Address for service is the subject property

Dated at Toronto this *25<sup>th</sup>* day of *June* ~~May~~, 2012



Norma Walton



Ronauld Walton



**UNDERTAKING TO READJUST**

**TO:** Lisa He

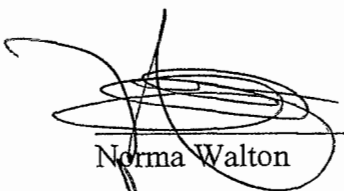
**AND TO:** Jason Huang, Barrister & Solicitor

**RE:** WALTON purchase from HE  
44 Park Lane Circle, Toronto

---


IN CONSIDERATION of and notwithstanding the closing of the above transaction, we hereby undertake to readjust the statement of adjustments after closing should the same be found to contain any errors or omissions, forthwith upon written demand.

**DATED** at Toronto, this 25<sup>th</sup> day of June, 2012.



---

Norma Walton



---

Ronauld Walton



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

yyyy mm dd Page 1 of 2

**Properties**

PIN 10368 - 0827 LT Interest/Estate Fee Simple  
Description PART OF BLOCK A ON PLAN 2584 NORTH YORK AND PART W 1/2 OF LOT 5 CON. 2  
EYS TWP OF YORK DESIGNATED AS PART 1 ON PLAN 66R23866; TORONTO (N  
YORK), CITY OF TORONTO.  
Address 44 PARK LANE CIRCLE  
NORTH YORK

**Consideration**

Consideration \$ 10,500,000.00

**Transferor(s)**

The transferor(s) hereby transfers the land to the transferee(s).

Name HE, LISA  
Address for Service 172 Bridal Path  
Toronto, Ontario

I am at least 18 years of age.

I am separated from my spouse and the property was not ordinarily occupied by us at the time of our separation as our family residence

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

**Transferee(s)****Capacity****Share**

Name WALTON, NORMA Joint Tenants  
Date of Birth 1970 06 01  
Address for Service 44 PARK LANE CIRCLE  
NORTH YORK

Name WALTON, RONAULD Joint Tenants  
Date of Birth 1959 08 11  
Address for Service 44 PARK LANE CIRCLE  
NORTH YORK

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

**Signed By**

Jason Huang

15 Allstate Parkway, 6th Floor  
Markham  
L3R 5B4acting for  
Transferor(s)

Signed

2012 06 25

Tel 4162225588

Fax 4169461413

I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).

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

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

yyyy mm dd Page 2 of 2

**Signed By**

John Todd Holmes

100-95 Barber Greene Rd.  
Toronto  
M3C 3E9acting for  
Transferee(s)

Signed

2012 06 26

Tel 4164491400

Fax 4164497071

I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).

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

**Submitted By**

DEVRY, SMITH &amp; FRANK

100-95 Barber Greene Rd.  
Toronto  
M3C 3E9

2012 06 26

Tel 4164491400

Fax 4164497071

**Fees/Taxes/Payment**

Statutory Registration Fee \$60.00

Provincial Land Transfer Tax \$206,475.00

Municipal Land Transfer Tax \$205,725.00

Total Paid \$412,260.00

**File Number**

Transferee Client File Number :

DSF FILE NO. WANO020

**PROVINCIAL AND MUNICIPAL LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of: 10368 - 0827 PART OF BLOCK A ON PLAN 2584 NORTH YORK AND PART W 1/2 OF LOT 5  
CON. 2 EYS TWP OF YORK DESIGNATED AS PART 1 ON PLAN 66R23866;  
TORONTO (N YORK), CITY OF TORONTO.

BY:	HE, LISA		
TO:	WALTON, NORMA	Joint Tenants	%(all PINs)
	WALTON, RONAULD	Joint Tenants	%(all PINs)

**1. WALTON, NORMA AND WALTON, RONAULD**

I am

- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- ☒ (c) A transferee named in the above-described conveyance;
- ☐ (d) The authorized agent or solicitor acting in this transaction for \_\_\_\_ described in paragraph(s) ( ) above.
- ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for \_\_\_\_ described in paragraph(s) ( ) above.
- ☐ (f) A transferee described in paragraph ( ) and am making these statements on my own behalf and on behalf of \_\_\_\_ who is my spouse described in paragraph ( ) and as such, I have personal knowledge of the facts herein deposited to.

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

contains at least one and not more than two single family residences.

**3. The total consideration for this transaction is allocated as follows:**

(a) Monies paid or to be paid in cash	10,500,000.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	10,500,000.00
(h) VALUE OF ALL CHATTELS - items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	10,500,000.00

**PROPERTY Information Record**

A. Nature of Instrument: Transfer  
LRO 80 Registration No. AT3055612 Date: 2012/06/26

B. Property(s): PIN 10368 - 0827 Address 44 PARK LANE CIRCLE  
NORTH YORK Assessment Roll No 1908081 - 98004500

C. Address for Service: 44 PARK LANE CIRCLE  
NORTH YORK

D. (i) Last Conveyance(s): PIN 10368 - 0827 Registration No. AT2809083  
(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes ☒ No ☐ Not known ☐

E. Tax Statements Prepared By: John Todd Holmes  
100-95 Barber Greene Rd.  
Toronto M3C 3E9





ACKNOWLEDGEMENT AND DIRECTION

TO: All Lawyers within the Firm of Devry Smith Frank LLP

AND TO: Any and all designees of the above

RE: WALTON purchase from HE  
44 Park Lane Circle, Toronto

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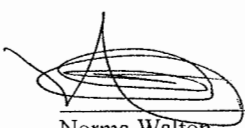
This will confirm that:

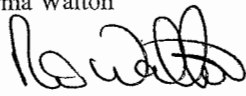
1. We have reviewed the information contained on the documents attached hereto and this information is accurate;
2. You are authorized and directed to sign and register electronically on our behalf the following document(s), a copy of which is attached hereto:

A Transfer/Deed of Land of the land described above

3. The effect of the electronic documents described in this Acknowledgement and Direction has been fully explained to us and we understand that we are a party to and bound by the terms and provisions of these electronic documents to the same extent as if we had signed these documents;
4. We are in fact a party named in the electronic documents described in this Acknowledgement and Direction and we have not misrepresented our identity to you;
5. We hereby authorize Devry Smith Frank LLP to make any minor, non-material alterations that may be required by the Land Registry Office to effect certification of the electronic documents as described in this Acknowledgement and Direction by the Land Registry Office; and
6. We hereby confirm that the execution of the Acknowledgement and Direction by facsimile transmission shall be binding upon us and my successors and assigns and may be relied upon by you as if it were an original.

DATED this 25<sup>th</sup> day of June, 2012.

  
\_\_\_\_\_  
Norma Walton

  
\_\_\_\_\_  
Ronauld Walton

**Properties**

PIN 10368 - 0827 LT Interest/Estate Fee Simple  
Description PART OF BLOCK A ON PLAN 2584 NORTH YORK AND PART W 1/2 OF LOT 5 CON. 2  
EYS TWP OF YORK DESIGNATED AS PART 1 ON PLAN 66R23866; TORONTO (N  
YORK), CITY OF TORONTO.  
Address 44 PARK LANE CIRCLE  
NORTH YORK

**Consideration**

Consideration \$ 10,500,000.00

**Transferor(s)**

The transferor(s) hereby transfers the land to the transferee(s).

Name HE, LISA  
Acting as an individual  
Address for Service 172 Bridal Path  
Toronto, Ontario

I am at least 18 years of age.

I am separated from my spouse and the property was not ordinarily occupied by us at the time of our separation as our family residence

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

<b>Transferee(s)</b>		<b>Capacity</b>	<b>Share</b>
Name	WALTON, NORMA Acting as an individual	Joint Tenants	
Date of Birth	1970 06 01		
Address for Service	44 PARK LANE CIRCLE NORTH YORK		
Name	WALTON, RONAULD Acting as an individual	Joint Tenants	
Date of Birth	1959 08 11		
Address for Service	44 PARK LANE CIRCLE NORTH YORK		

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFeree (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

**Calculated Taxes**

Provincial Land Transfer Tax \$206,475.00  
Municipal Land Transfer Tax \$205,725.00

**File Number**

Transferee Client File Number : DSF FILE NO. WANO020

# PROVINCIAL AND MUNICIPAL LAND TRANSFER TAX STATEMENTS

In the matter of the conveyance of: 10368 - 0827 PART OF BLOCK A ON PLAN 2584 NORTH YORK AND PART W 1/2 OF LOT 5  
CON. 2 EYS TWP OF YORK DESIGNATED AS PART 1 ON PLAN 66R23866;  
TORONTO (N YORK), CITY OF TORONTO.

BY: HE, LISA  
TO: WALTON, NORMA Joint Tenants %(all PINs)  
WALTON, RONAULD Joint Tenants %(all PINs)

## 1. WALTON, NORMA AND WALTON, RONAULD

I am

- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;  
☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;  
☒ (c) A transferee named in the above-described conveyance;  
☐ (d) The authorized agent or solicitor acting in this transaction for \_\_\_\_\_ described in paragraph(s) ( ) above.  
☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for \_\_\_\_\_ described in paragraph(s) ( ) above.  
☐ (f) A transferee described in paragraph ( ) and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph ( ) and as such, I have personal knowledge of the facts herein deposed to.

## 2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

contains at least one and not more than two single family residences.

## 3. The total consideration for this transaction is allocated as follows:

(a) Monies paid or to be paid in cash	10,500,000.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	10,500,000.00
(h) VALUE OF ALL CHATTELS - items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	10,500,000.00

## PROPERTY Information Record

A. Nature of Instrument: Transfer  
LRO 80 Registration No. Date:  
B. Property(s): PIN 10368 - 0827 Address 44 PARK LANE CIRCLE  
NORTH YORK Assessment Roll No 1908081 - 98004500  
C. Address for Service: 44 PARK LANE CIRCLE  
NORTH YORK  
D. (i) Last Conveyance(s): PIN 10368 - 0827 Registration No.  
(ii) Legal Description for Property Conveyed : Same as in last conveyance? Yes ☒ No ☐ Not known ☐



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

yyyy mm dd Page 1 of 2

**Properties**

PIN 10368 - 0827 LT Interest/Estate Fee Simple  
Description PART OF BLOCK A ON PLAN 2584 NORTH YORK AND PART W 1/2 OF LOT 5 CON. 2  
EYS TWP OF YORK DESIGNATED AS PART 1 ON PLAN 66R23866; TORONTO (N  
YORK), CITY OF TORONTO.  
Address 44 PARK LANE CIRCLE  
NORTH YORK

**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 WALTON, NORMA  
Address for Service 44 Park Lane Circle  
Toronto, Ontario  
M3C 2N2

I am at least 18 years of age.

Ronald Walton and I are spouses of one another and are both parties to this document

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

Name WALTON, RONAULD  
Address for Service 44 Park Lane Circle  
Toronto, Ontario  
M3C 2N2

I am at least 18 years of age.

Norma Walton and I are spouses of one another and are both parties to this document

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

**Chargee(s)**

Capacity

Share

Name HOME TRUST COMPANY  
Address for Service 145 King Street West  
Suite 2300  
Toronto, Ontario  
M5H 1J8

**Provisions**

Principal	\$ 5,000,000.00	Currency	CDN
Calculation Period	semi annually not in advance		
Balance Due Date	2014/07/05		
Interest Rate	5.99%		
Payments	\$ 29,709.92		
Interest Adjustment Date	2012 07 05		
Payment Date	5th of each month		
First Payment Date	2012 08 05		
Last Payment Date	2014 07 05		
Standard Charge Terms	200727		
Insurance Amount	See standard charge terms		
Guarantor			

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

yyyy mm dd Page 2 of 2

**Signed By**

John Todd Holmes

100-95 Barber Greene Rd.  
Toronto  
M3C 3E9acting for  
Chargor(s)

Signed

2012 06 26

Tel 4164491400

Fax 4164497071

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

**Submitted By**

DEVRY, SMITH &amp; FRANK

100-95 Barber Greene Rd.  
Toronto  
M3C 3E9

2012 06 26

Tel 4164491400

Fax 4164497071

**Fees/Taxes/Payment**

Statutory Registration Fee \$60.00

Total Paid \$60.00



ACKNOWLEDGEMENT AND DIRECTION

TO: All Lawyers within the Firm of Devry Smith Frank LLP

AND TO: Any and all designees of the above

RE: Home Trust Company mortgage loan to Norma Walton & Ronauld Walton  
secured by 44 Park Lane Circle, Toronto, Ontario

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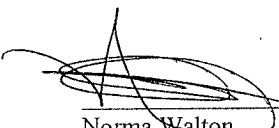
This will confirm that:

1. We have reviewed the information contained on the documents attached hereto and this information is accurate;
2. You are authorized and directed to sign and register electronically on our behalf the following document(s), a copy of which is attached hereto:

A Charge/Mortgage of the land described above

3. The effect of the electronic documents described in this Acknowledgement and Direction has been fully explained to us and we understand that we are a party to and bound by the terms and provisions of these electronic documents to the same extent as if we had signed these documents;
4. We are in fact a party named in the electronic documents described in this Acknowledgement and Direction and we have not misrepresented our identity to you;
5. We hereby authorize Devry Smith Frank LLP to make any minor, non-material alterations that may be required by the Land Registry Office to effect certification of the electronic documents as described in this Acknowledgement and Direction by the Land Registry Office; and
6. We hereby confirm that the execution of the Acknowledgement and Direction by facsimile transmission shall be binding upon us and my successors and assigns and may be relied upon by you as if it were an original.

DATED this 25<sup>th</sup> day of June, 2012.

  
\_\_\_\_\_  
Norma Walton

  
\_\_\_\_\_  
Ronauld Walton



**Properties**

**PIN** 10368 - 0827 LT **Interest/Estate** Fee Simple  
**Description** PART OF BLOCK A ON PLAN 2584 NORTH YORK AND PART W 1/2 OF LOT 5 CON. 2  
EYS TWP OF YORK DESIGNATED AS PART 1 ON PLAN 66R23866; TORONTO (N  
YORK), CITY OF TORONTO.  
**Address** 44 PARK LANE CIRCLE  
NORTH YORK

**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** WALTON, NORMA  
Acting as an individual  
**Address for Service** 44 Park Lane Circle  
Toronto, Ontario  
M3C 2N2

I am at least 18 years of age.

Ronald Walton and I are spouses of one another and are both parties to this document

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

**Name** WALTON, RONALD  
Acting as an individual  
**Address for Service** 44 Park Lane Circle  
Toronto, Ontario  
M3C 2N2

I am at least 18 years of age.

Norma Walton and I are spouses of one another and are both parties to this document

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

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

**Name** HOME TRUST COMPANY  
Acting as a company  
**Address for Service** 145 King Street West  
Suite 2300  
Toronto, Ontario  
M5H 1J8

**Provisions**

Principal	\$ 5,000,000.00	Currency	CDN
Calculation Period	semi annually not in advance		
Balance Due Date	2014/07/05		
Interest Rate	5.99%		
Payments	\$ 29,709.92		
Interest Adjustment Date	2012 07 05		
Payment Date	5th of each month		
First Payment Date	2012 08 05		
Last Payment Date	2014 07 05		
Standard Charge Terms	200727		
Insurance Amount	See standard charge terms		
Guarantor			



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

yyyy mm dd Page 1 of 12

**Properties**

PIN 10368 - 0827 LT Interest/Estate Fee Simple

Description PART OF BLOCK A ON PLAN 2584 NORTH YORK AND PART W 1/2 OF LOT 5 CON. 2 EYS TWP OF YORK DESIGNATED AS PART 1 ON PLAN 66R23866; TORONTO (N YORK), CITY OF TORONTO.

Address 44 PARK LANE CIRCLE  
NORTH YORK

**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 WALTON, NORMA

Address for Service C/O Walton Associates  
30 Hazelton Avenue  
Toronto, ON  
M5R 2E2

I am at least 18 years of age.

WALTON, RONAULD and I are spouses of one another and are both parties to this document

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

Name WALTON, RONAULD

Address for Service C/O Walton Associates  
30 Hazelton Avenue  
Toronto, ON  
M5R 2E2

I am at least 18 years of age.

WALTON, NORMA and I are spouses of one another and are both parties to this document

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

Chargee(s)	Capacity	Share
Name B & M HANDELMAN INVESTMENTS LTD.		8.33%
Address for Service 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		
Name BARRY ALAN SPIEGEL TRUST		8.33%
Address for Service 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		
Name ORENBACH, JOANNA		4.17%
Address for Service 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		
Name ORENBACH, JONATHAN		4.17%
Address for Service 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		
Name BAMBURG HOLDINGS LTD.		8.33%
Address for Service 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		

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

yyyy mm dd Page 2 of 12

<b>Chargee(s)</b>	<b>Capacity</b>	<b>Share</b>
<b>Name</b> LIZROSE HOLDINGS LTD. <b>Address for Service</b> 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		8.33%
<b>Name</b> 1391739 ONTARIO LTD. <b>Address for Service</b> 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		8.33%
<b>Name</b> NATME HOLDINGS INC. <b>Address for Service</b> 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		8.33%
<b>Name</b> E. MANSON INVESTMENTS LTD. <b>Address for Service</b> 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		37.5%
<b>Name</b> 558678 ONTARIO LTD. <b>Address for Service</b> 620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		8.33%

**Statements**

Schedule: See Schedules

**Provisions**

<b>Principal</b>	\$ 3,000,000.00	<b>Currency</b>	CDN
<b>Calculation Period</b>	monthly not in advance		
<b>Balance Due Date</b>	2014/03/05		
<b>Interest Rate</b>	10.0%		
<b>Payments</b>	\$ 25,000.00		
<b>Interest Adjustment Date</b>	2012 07 05		
<b>Payment Date</b>	5th day of each month		
<b>First Payment Date</b>	2012 08 05		
<b>Last Payment Date</b>	2014 03 05		
<b>Standard Charge Terms</b>	200033		
<b>Insurance Amount</b>	full insurable value		
<b>Guarantor</b>			

**Signed By**

John Todd Holmes	100-95 Barber Greene Rd. Toronto M3C 3E9	acting for Chargor(s)	Signed	2012 06 26
Tel 4164491400				
Fax 4164497071				

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

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

yyyy mm dd Page 3 of 12

**Submitted By**

DEVRY, SMITH &amp; FRANK

100-95 Barber Greene Rd.  
Toronto  
M3C 3E9

2012 06 26

Tel 4164491400

Fax 4164497071

**Fees/Taxes/Payment**

Statutory Registration Fee \$60.00

Total Paid \$60.00

**File Number**

Chargor Client File Number : 12-1058DL

## SCHEDULE

### 1. STANDARD CHARGE TERMS

The terms contained in this schedule are in addition to the terms contained in the Standard Charge Terms. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail. If the Standard Charge Terms or the Charge refer to a Guarantor, the term "Guarantor" shall include any party named anywhere in the Charge as a guarantor or Covenantor.

### 2. SHORT FORMS OF MORTGAGES ACT

If any of the forms of words contained herein are also contained in Column One of Schedule B of the Short Forms of Mortgages Act, R.S.O. 1980, Ch. 474 ("SFMA") and distinguished by a number therein, the Charge shall be deemed to include and shall have the same effect as if the Charge contained the form of words in Column Two of Schedule B of the SFMA distinguished by the same number, and the Charge shall be interpreted as if the SFMA was still in full force and effect. The provisions of the Charge and its short form clauses shall not derogate from the Chargee's rights under the long clauses in the SFMA which shall be in addition thereto or in substitution for part or parts thereof as the Chargee may elect and all shall have the force of covenant.

### 3. DEFINITIONS

In this schedule, the following definitions apply:

(a) Balance Due Date means the date set out in the Provisions section of the Charge under the heading "Balance Due Date";

(b) Charge means the Charge/Mortgage to which this Schedule is attached and including the Standard Charge Terms and including this schedule

(c) Chargee means each party(ies) named as a Chargee or mortgagee in the Charge under "Chargee(s)" section and its or his heirs, executors, administrators, successors and assigns, as the case may be;

(d) Chargor means each party named as a chargor or mortgagor in the Charge under the Chargor(s) section and its or his heirs, executors, administrators, successors, and assigns, as the case may be;

(e) Commitment Letter means the letter issued between the Chargor and B and M Handelman Investments Ltd. dated June 14, 2012 and as may be otherwise amended from time to time, and addressed to the Chargor or the Chargor's agent setting out the terms of the loan secured by the Charge, as it may be amended from time to time;

(f) Costs means all of the fees, costs, charges, losses, damages and expenses incurred by the Chargee as a direct or indirect consequence of granting the loan secured by the Charge including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all legal costs incurred by the Chargee as between a solicitor and his own client;

(g) Covenantor means each party named as a guarantor in the Provisions section of the Charge and each Covenantor's heirs, executors, administrators, successors and assigns, as the case may be;

(h) Interest means interest at the Interest Rate calculated monthly not in advance and payable on the total outstanding Principal Amount and such other amounts as provided in the Charge both before and after maturity, default, and judgment;

(i) Interest Adjustment Date means the date set out in the Provisions section of the Charge under the heading "Interest Adjustment Date" or as otherwise set out herein;

(j) Interest Rate means the interest rate being ten per cent (10%) per annum, calculated monthly, not in advance;

(k) Land Registry Office means the Land Registry Office in which this Charge is registered;

(l) Monthly Payments means the payments made each month in the amount set out in the Provisions section of the Charge under the heading "Payments", or as otherwise set out herein;

(m) Prime Rate means the rate of interest in effect daily expressed as a rate per annum established and published as such from time to time by Toronto Dominion Bank as its base rate of interest for variable rate Canadian dollar loans made in Canada and adjusted automatically upon any change in such base rate of interest and a statement from the Chargee from time to time as to the Prime Rate at any time or period of time shall be final and conclusive as among the parties hereto as evidencing the Prime Rate and shall not be open to challenge;

(n) Principal Amount means the principal amount in lawful money of Canada set out in the Provisions section of the Charge under the heading "Principal" as it may be increased or decreased prior to registration of a discharge of the Charge;

(o) Property means the lands described in the Properties section of the Charge and all buildings, fixtures and improvements now or hereafter brought or erected thereon;

(p) Receiver means a receiver or receiver-manager of the Property; and

(q) Standard Charge Terms means the set of Standard Charge Terms referred to in the Provisions section of the Charge under the heading "Standard Charge Terms".

#### 4. CHARGE

Upon the request of the Chargee, the Chargor hereby gives the Charge and charges the Property as security for full payment to the Chargee of the Principal Amount, Interest and all other amounts payable hereunder and as security for the observance and performance of all of the obligations of the Chargor to the Chargee pursuant to the Charge or otherwise.

#### 5. INTEREST PAYMENTS

Current Interest on the Principal Amount from time to time advanced prior to the Interest Adjustment Date, computed from the respective dates of such advances to the Interest Adjustment Date, shall, at the option of the Chargee, be deducted from the advances or paid by the Chargor at such time or times as the Chargee may require and such Current Interest may be so deducted or paid in advance; after the Interest Adjustment Date, Current Interest on the Principal Amount, computed from the Interest Adjustment Date, shall become due and be paid in Monthly Payments as provided in the Charge and the balance, if any, of the Principal Amount and Current Interest shall become due and payable on the Balance Due Date. The Monthly Payments of Current Interest, when received, shall be applied firstly to outstanding Costs, secondly to outstanding Current Interest, thirdly to Deferred Interest and the balance, if any, in reduction of the outstanding Principal Amount.

#### 6. TIME OF PAYMENTS

All payments received after 1:00 p.m. shall be deemed to have been received on the following business day.

#### 7. CHARGOR'S COVENANTS

The Chargor covenants with the Chargee:

(a) that the Chargor has a good title in fee simple to the Property except as the records of the Land Registry Office disclose;



(b) that the Chargor will execute such further assurances of the Property as may be requisite; and

(c) that the Chargor does hereby release to the Chargee all of the Chargor's claims upon the Property.

#### 8. TAXES

In the event the Chargor is unable to provide evidence that all taxes are up to date within ten (10) days of request by the Chargee, the Chargee shall have the option to require the Chargor to pay to the Chargee monthly on each payment date hereunder, 1/12th of the amount (as estimated by the Chargee) of all taxes, rates and assessments, municipal, local, parliamentary or otherwise, which affect the Property ("Taxes") payable within one year following the Chargee's request and the Chargor hereby authorizes the Chargee to remit such amounts to pay such Taxes. The Chargee shall pay interest to the Chargor, on the date or dates and at a rate or rates, from time to time determined by the Chargee, on the amount of such payments by the Chargor to the Chargee from the date such payments are received by the Chargee until the Taxes are paid.

#### 9. COSTS

Costs shall be forthwith due and payable by the Chargor to the Chargee and shall bear Interest until fully paid from the date the Chargor has received notice of such costs.

#### 10. INSURANCE PROVISIONS

(a) In addition to the insurance provided for under the Standard Charge Terms, the Chargor, in accordance with the provisions of this paragraph, shall maintain insurance against the perils therein described on all chattels used on, in or about the Property and shall maintain boiler and machinery insurance, builder's risk insurance and such other insurance as may be reasonably required by the Chargee.

The fire insurance on the buildings and chattels on the Property shall contain a standard extended coverage endorsement of one hundred percent (100%) replacement cost or the full insurable value, whichever shall be the greater, but in no event less than the Principal Amount and shall contain the standard mortgage endorsement clause (IBC 3000). All policies must allow for partial occupancy.

The Chargor shall also maintain comprehensive public liability coverage for a minimum of THREE MILLION DOLLARS (\$3,000,000.00) per each occurrence. No insurance may be subject to a co-insurance clause.

(b) The Chargor shall provide upon the anniversary date of the Charge or at such further time or times as requested by the Chargee written evidence of the existence and continuation of the insurance as required by the Charge.

(c) In the event that evidence of continuation of insurance as herein required has not been delivered to the Chargee, the Chargee shall be entitled to a servicing fee for each written enquiry which the Chargee shall make to the insurers pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenant). In the event that the Chargee pursuant to the within provision arranges insurance coverage in accordance with this provision, the Chargee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

#### 12. SALE OF PROPERTY

The Chargor covenants and agrees with the Chargee that in the event of the Chargor, conveying, transferring or transfer of title of the Property hereby charged to a purchaser or transferee not approved, in writing, by the Chargee, which approval shall not be unreasonably withheld, all monies hereby secured with accrued interest thereon shall at the option of the Chargee, forthwith become due and payable. Upon the Chargor selling, conveying or transferring title of the Property and the Chargee providing approval thereof as aforesaid, and provided further that the Chargor shall pay the Chargee a fee for providing said approval, which fee shall be determined by the

Chargee, in its sole discretion. Further the original Covenantor shall not be released upon the Chargee being satisfied of the financial capability of a new Covenantor assuming the obligations of the original Covenantor on behalf of the new Chargor.

### 13. RENEWAL

In the event that the Mortgagor fails to repay the principal and interest outstanding on the maturity date, or fails to accept a renewal offer tendered by the Mortgagee (for any reason not attributable to the Mortgagee) within 20 business days of the maturity date, then the Mortgagee may at its sole option, automatically renew this mortgage for a period of one month from the maturity date, at an interest rate equal to the greater of (i) The Toronto-Dominion Bank prime rate plus 2.00% per annum, calculated and paid monthly and (ii) the then current interest rate paid by the Mortgagor to the Mortgagee plus 2.00% per annum calculated monthly. In the event that the renewal has not been finalized within this one month period, then there will be no further extensions, and the Mortgagee will exercise its rights under the mortgage charge. The Mortgagee shall not be obligated to offer any renewal. All other terms and covenants under the existing mortgage shall continue to apply. The mortgage may be paid in full at any time during the one month renewal period.

### 14. Paragraph 14 of Standard Charge Terms 200033 is hereby deleted.

In the event that the Mortgagor sells, conveys, transfers, assigns or exercises a power of appointment with respect to the property herein described to a purchaser, transferee or assignee or in the event of a change of shareholders of the Mortgagor which results in a change of control of the Mortgagor or in the event of a change in the beneficial ownership of the property herein described without first obtaining the consent in writing of the Mortgagee the entire principal sum and interest hereby secured shall, at the option of the Mortgagee, forthwith become due and payable.

### 15. DANGEROUS SUBSTANCES

To the best of the Chargor's knowledge:

- a) The Properties have never been used for the storage of waste, or as a waste disposal site as such terms are defined in the Environmental Protection Act (Ontario) R.S.O 1990.
- b) The Properties have not been used for storage of nor does it contain any monochlorinated or polychlorinated biphenyl ("P.C.B.'s") or any substances that contain on or more of them, or any substances classified as P.C.B.'s
- c) There are no hazardous or toxic products or waste substances in or on the Property.
- d) The Chargor is not now and on closing shall not be in breach of any provision of the EPA or of any requirement or policy of any other relevant Government authority as may apply to the Property, the Chargor's use of the Property, or the Purchaser's intended use of the Property.

### 16. HAZARDOUS WASTE

In consideration of the advance of funds by the Chargee, the Chargor and the Covenantor hereby agree that, in addition to any liability imposed on the Chargor and Covenantor under any instrument evidencing or securing the loan indebtedness, the Chargor and Covenantor shall be jointly and severally liable for any and all of the costs, expenses, damages or liabilities of the Chargee, its directors and officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive foreclosure of the security for the Charge and any other existing obligations of the Chargor and Covenantor to the Chargee in respect of the Charge and any other exercise by the Chargee of any remedies available to it for any default under the Charge.

### 17. ENVIRONMENTAL CLAUSE

The Chargee or agent of the Chargee may, at any time, before and after default, and for any purpose deemed necessary by the Chargee or its agent, enter upon the Property to inspect the land and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee or its agent may enter upon the Property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee or its agent and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Interest Rate, shall be payable by the Chargor forthwith and shall be a charge upon the Property. The exercise of any of the powers enumerated in this clause shall not deem the Chargee or its agent to be in possession, management or control of the Property.

#### 18. CONSTRUCTION LIEN ACT

The Chargor warrants that no monies secured by the Charge are or will be used to finance an improvement to the Property including, without limitation, any alteration, addition or repair to the Property or any construction, erection or installation thereon.

#### 19. INSPECTION

The Chargee, its agents and employees shall have the right to enter upon the Property at all reasonable times to inspect and the reasonable costs of such inspections shall be forthwith payable by the Chargor to the Chargee.

#### 20. SURVIVAL OF COMMITMENT LETTER

The agreements, covenants, representations, warranties, provisions and stipulations (in this section collectively referred to as "provisions") contained in the Commitment Letter form an integral part of the Charge and all such provisions shall be deemed to be contained in the Charge and have the same force and effect as if they were fully set forth herein. To the extent that any provision or provisions of the Commitment Letter conflict with any provision or provisions of the Charge, the Commitment Letter shall prevail.

#### 21. SUBSEQUENT FINANCING

The Chargor agrees that no subsequent encumbrances may be placed on the Property without the prior written consent of the Chargee, which consent may not be unreasonably withheld.

#### 22. EVENTS OF DEFAULT

The Chargor at the sole option of the Chargee shall be in default under the Charge if any one or more of the following events of default (an "Event of Default") occurs at any time or times prior to registration of a complete discharge of the Charge:

(a) the Chargor defaults under any one or more of the covenants, conditions, terms, agreements, provisions and obligations contained in the Charge to be kept, observed and performed by the Chargor;

(b) the Chargor becomes insolvent, bankrupt or a trustee in bankruptcy is appointed for the Chargor or the Chargor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of the court of competent jurisdiction or otherwise acknowledges his insolvency;

(c) any person seizes any rents from the Property, possession of the Property, the registration of any lien or similar action taken by any creditor of the Chargor;

(d) there is shown to be any discrepancy or inaccuracy in any written information, statement, warranty or representations made or furnished to the Chargee by or on behalf of the Chargor or Covenantor with respect to the Property or the Chargor's or any Covenantor's financial condition and if such discrepancies or inaccuracies are material in the opinion of the Chargee;

(e) any charge or encumbrance affecting the Property is in default;

(f) the Chargor obtains subsequent financing or refinancing of the Property without the prior written consent of the Chargee;

(g) the Chargor defaults under any one or more covenants, conditions, terms, agreements, provisions and obligations contained in any document, submitted to the Chargee by or on behalf of the Chargor in connection with the Charge;

(h) upon the death of the Chargor or one or more of the Chargors;

(i) any material changes, additions or alterations are made to the Property, including material changes in usage, without the prior written consent of the Chargee; or

If any of the foregoing Events of Default shall occur then, notwithstanding the provisions of any other agreement between the Chargor and the Chargee and at the option of the Chargee, the whole of the Principal Amount and Interest and all other amounts payable hereunder shall immediately become due and payable and the Chargee shall be relieved of any further obligations to advance monies to the Chargor. If an Event of Default or any breach of the terms of this Charge or the Commitment Letter is waived implicitly or explicitly by the Chargee, such waiver shall not operate as a waiver of any other, further or continuation of the same breach or Event of Default.

### 23. RIGHT TO DISTRAIN

The Chargee may distrain for arrears of any portion of the Principal Amount, Interest or any other amounts due and unpaid hereunder. The Chargor waives all rights to claim exemption and confirms that there is no limit in the amount for which the Chargee may distrain.

### 24. APPOINTMENT OF RECEIVER

(a) At any time after the security hereby constituted becomes enforceable, or the Principal Amount shall have become payable, the Chargee may from time to time appoint by writing a Receiver or a Receiver-Manager, as it shall elect (hereinafter called "Receiver"), with or without Bond, and may from time to time remove the Receiver and appoint another in his stead, and any such Receiver appointed hereunder shall have the following powers:

(i) To take possession of the Property and to collect and get in the same and for such purpose to enter into and upon any lands, buildings and premises wheresoever and whatsoever and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as he shall deem necessary;

(ii) To carry on or concur in carrying on the business of the Chargor, and to employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as he shall think proper, and to repair and keep in repair the Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Property of the Chargor;

(iii) To sell or lease or concur in selling or leasing any or all of the Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver and any such sale may be made from time to time as to the whole or any part or parts of the Property; and he may make any stipulations as to title or conveyance or commencement of title or otherwise which he shall deem proper; and he may buy or rescind or vary any contracts for the sale of any part of the Property and may resell the same; and he may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in his sole opinion to be most advantageous and at such prices as can reasonably be obtained therefor and in the event of a sale on credit neither he nor the Chargee shall be accountable for or charged with any monies until actually received;

(iv) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of the Charge and to exchange any part or part of the Property

for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;

(v) To borrow money to carry on the business of the Chargor and to charge the whole or any part of the Property in such amounts as the Receiver may from time to time deem necessary and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Property in priority to the Charge;

(vi) To execute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the Property to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defense of any suit, proceedings or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

(vii) To execute and deliver to the purchaser of any part or parts of the Property, good and sufficient transfer or transfers for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such transfer or transfers, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the Property or any part thereof by, from, through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided.

(b) It is agreed that no purchaser at any sale purporting to be made in pursuance of the aforesaid power or powers shall be bound or concerned to see or inquire whether any default has been made or continued, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular; and notwithstanding any impropriety or irregularity or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Chargor, or of any party claiming by or under the Chargor, in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only.

(c) The revenue of the business of the Chargor and the net proceeds of any sale of the Property or part or parts thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to the Charge:

(i) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by him;

(ii) Secondly, in payment of all Costs;

(iii) Thirdly, in payment to the Chargee of the Principal Amount hereunder;

(iv) Fourthly, in payment to the Chargee of all Interest, arrears of Interest and any other monies remaining unpaid hereunder;

(v) Fifthly, any surplus shall be paid to the Charger provided that, in the event that any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

(d) The Chargee shall not be liable to the Receiver for his remuneration costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising unless the same shall be caused by his own negligence or willful default; and he shall, when so appointed by notice in

writing pursuant hereto, be deemed to be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for his remuneration.

#### 25. CHARGEES NOT A CHARGEES IN POSSESSION

It is agreed that the Chargee, in exercising any of its rights under the Charge, shall be deemed not to be a chargee in possession or a mortgagee in possession of the Property.

#### 26. ADDITIONAL SECURITY

In the event that the Chargee, in addition to the Property, holds or shall hold, in the future, further security on account of the Principal Amount, it is agreed that no single or partial exercise of any of the Chargee's powers under the Charge or any of such further security (the Charge and any such further security are hereinafter together referred to as the "Security"), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The Chargee shall at all times have the right to proceed against all, any or any portion of the Security in such order and in such a manner as the Chargee shall, in the Chargee's sole and unfettered discretion, deem fit without waiving any rights which the Chargee might have with respect to the Security and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security.

#### 27. FINANCIAL STATEMENTS

As long as there is any amount owing by the Chargor to the Chargee pursuant to the Charge, the Chargor shall deliver to the Chargee:

(a) within 120 days after the end of each fiscal year of the Chargor, or within 120 days after the end of each calendar year, if applicable or if the Chargor is an individual, or more often if requested by the Chargee, review engagement financial statements of the Chargor including a separate income and expense statement for the Property, an operating statement and an updated rent roll containing relevant lease terms for the Property, all satisfactory to the Chargee in form and content;

(b) a review engagement financial statement within 120 days after the end of each fiscal year of each corporate Covenantor, or more often if requested by the Chargee, and, in the case of each individual Covenantor, a personal net worth statement within 120 days after the end of each calendar year, or more often, if requested by the Chargee, such statements to be in form and content satisfactory to the Chargee; and

(c) as soon as reasonably possible, such further information as the Chargee may reasonably require from time to time.

#### 28. FURTHER ASSURANCES

The Chargor shall, at any time and from time to time, make, execute and deliver or cause to be made, executed and delivered to the Chargee such further and other reasonable acts, deeds, mortgages, charges, conveyances and assurances as may be required to fully and essentially carry out the true intention and meaning of the Charge and the costs to the Chargee, if any, of obtaining such further assurances shall be forthwith paid by the Chargor to the Chargee. No amendment, approval, waiver or consent relating to this Charge shall be valid unless same is in writing and executed by the Chargee.

#### 29. PAYMENT AFTER DEFAULT

Subject to and in accordance with section 17 of the Mortgages Act, after default in the payment of part or all of the Principal Amount, the Chargee shall not be required to accept payment in satisfaction of the outstanding Principal Amount without, in addition to all monies payable under the Charge, a bonus equal to 3 months' Interest in advance on the Principal Amount outstanding. The Chargor shall not be entitled to a discharge of the Charge without payment of such bonus or 3 months' written notice of such payment in lieu thereof. Nothing in this section shall, however, affect or limit the right of the Chargee to recover by action or otherwise the Principal Amount in arrears.

### 30. ASSIGNMENT BY CHARGEES

The Chargee may assign or syndicate the loan for which this Charge is security without the consent of the Chargor.

### 31. PAYMENTS AND FEES

a) In the event that any of the Chargor's cheques or payments are not honoured when presented for payment, the Chargor shall pay to the Chargee for each such cheque or payment the sum of \$150.00 as a liquidated amount to cover the Chargee's administrative costs and not as a penalty and each sum shall be a charge upon the Property and shall bear interest at the Interest Rate.

b) The Chargor shall pay to the Chargee a discharge fee of \$250.00 for each mortgage statement exclusive of legal fees and G.S.T. and for each mortgage statement prepared in connection herewith.

c) The Chargor shall pay to the Chargee a fee of \$200.00 for each collection letter prepared in connection herewith.

### 32. POST-DATED CHEQUES

The Chargor shall deliver to each Chargee(s) on each anniversary of this Charge, twelve (12) posted-dated cheques in the monthly payment amount for the ensuing year, or until expiry of the Loan hereof of less than one (1) year.

### 33. PREPAYMENT PROVISIONS

a) Open on any payment date upon 30 days written notice;

b) Partial discharge to be provided on severance and sale of part of property provided that all net proceeds to be paid first to first mortgagee with surplus if any to second mortgagee

### 34. VALIDITY OF PROVISIONS

If any provision of the Charge is held to any extent invalid or unenforceable, the remainder of the Charge shall not be affected and shall remain valid and enforceable. In the event of a conflict between the terms or provisions herein and the terms of any covenant, agreement or other document given by the Chargor in respect of this Charge, the Chargee shall elect which provisions apply.

### 35. TIME OF THE ESSENCE

Time shall be of the essence in all matters relating to the Charge.

### 36. INTERPRETATION AND HEADINGS

Wherever in the Charge the singular or masculine is used, the same shall be construed as meaning the plural or the feminine or the neuter where the context or the parties hereto so require. The headings do not form part of the Charge and have been inserted for convenience of reference only.

### 37. PRIOR MORTGAGE

The Charge granted herein is in second priority to an existing charge (the "First Charge") upon the Property. Any default of the First Charge shall, at the Chargee's option, be deemed to be a default hereunder.





ACKNOWLEDGEMENT AND DIRECTION

**TO:** B & M Handelman Investments Ltd., Barry Alan Spiegel Trust, B&M Handelman Investments Ltd., Joanna Orenbach, Jonathan Orenbach, Bamburg Holdings Ltd., Lizrose Holdings Ltd., 1391739 Ontario Ltd., Natme Holdings Inc., E. Manson Investments Ltd. and 558678 Ontario Ltd. (collectively The "Lender")

**AND TO:** Zimmerman Associates, their solicitor

**RE:** B & M Handelman Investments Ltd., Barry Alan Spiegel Trust, B&M Handelman Investments Ltd., Joanna Orenbach, Jonathan Orenbach, Bamburg Holdings Ltd., Lizrose Holdings Ltd., 1391739 Ontario Ltd., Natme Holdings Inc., E. Manson Investments Ltd. and 558678 Ontario Ltd. (collectively The "Lender") Second Mortgage Loan to Norma Walton and Ronauld Walton (the "Borrower") on the security of the property municipally known as 44 Park Lane Circle, Toronto, Ontario (the "Property");

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This will confirm that:

1. I/we have reviewed the information contained on the documents attached hereto and initialed by me/us for identification purposes and this information is accurate;
2. You are authorized and directed to register electronically on my/our behalf the following document(s), copies of which are attached hereto and initialed by me for identification purposes:

Charge/Mortgage of Land

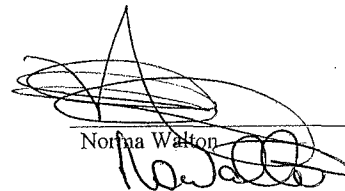
**Chargor:** Norma Walton and Ronauld Walton

**Chargee:** B & M Handelman Investments Ltd., Barry Alan Spiegel Trust, B&M Handelman Investments Ltd., Joanna Orenbach, Jonathan Orenbach, Bamburg Holdings Ltd., Lizrose Holdings Ltd., 1391739 Ontario Ltd., Natme Holdings Inc., E. Manson Investments Ltd. and 558678 Ontario Ltd.

**Amount:** \$3,000,000.00

3. You are authorized to insert any information that may be required in the documents described in this Acknowledgement and Direction that may not be available to you at the time of execution of this Acknowledgement and Direction;
4. The effect of the electronic documents described in this Acknowledgement and Direction has been fully explained to me/us and I/we understand that I am/we are parties to and bound by the terms and provisions of these electronic document(s) to the same extent as if I/we had signed these documents; and
5. I am/we are in fact parties named in the electronic document(s) described in this Acknowledgement and Direction and I/we have not misrepresented our identities to you.

Dated this 25<sup>th</sup> day of June 2012



Norma Walton

Ronauld Walton

**Properties**

PIN 10368 - 0827 LT Interest/Estate Fee Simple

Description PART OF BLOCK A ON PLAN 2584 NORTH YORK AND PART W 1/2 OF LOT 5 CON. 2 EYS TWP OF YORK DESIGNATED AS PART 1 ON PLAN 66R23866; TORONTO (N YORK), CITY OF TORONTO.

Address 44 PARK LANE CIRCLE  
NORTH YORK

**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 WALTON, NORMA  
Acting as an individual

Address for Service C/O Walton Associates  
30 Hazelton Avenue  
Toronto, ON  
M5R 2E2

I am at least 18 years of age.

WALTON, RONAULD and I are spouses of one another and are both parties to this document

Name WALTON, RONAULD  
Acting as an individual

Address for Service C/O Walton Associates  
30 Hazelton Avenue  
Toronto, ON  
M5R 2E2

I am at least 18 years of age.

WALTON, NORMA and I are spouses of one another and are both parties to this document

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

Name	B & M HANDELMAN INVESTMENTS LTD. Acting as a company	8.33%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3	
Name	BARRY ALAN SPIEGEL TRUST Acting as a company	8.33%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3	
Name	JOANNA ORENBACH Acting as an individual	4.17%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3	
Name	JONATHAN ORENBACH Acting as an individual	4.17%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3	

Chargee(s)		Capacity	Share
Name	BAMBURG HOLDINGS LTD. Acting as a company		8.33%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		
Name	LIZROSE HOLDINGS LTD. Acting as a company		8.33%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		
Name	1391739 ONTARIO LTD. Acting as a company		8.33%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		
Name	NATME HOLDINGS INC. Acting as a company		8.33%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		
Name	E. MANSON INVESTMENTS LTD. Acting as a company		37.5%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		
Name	558678 ONTARIO LTD. Acting as a company		8.33%
Address for Service	620 Wilson Avenue Suite 150 Toronto, ON M3K 1Z3		

### Statements

Schedule: See Schedules

### Provisions

Principal	\$ 3,000,000.00	Currency	CDN
Calculation Period	monthly not in advance		
Balance Due Date	2014/03/05		
Interest Rate	10.0%		
Payments	\$ 25,000.00		
Interest Adjustment Date	2012 07 05		
Payment Date	5th day of each month		
First Payment Date	2012 08 05		
Last Payment Date	2014 03 05		
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor			

**File Number**

Chargor Client File Number :

12-1058DL

## SCHEDULE

### 1. STANDARD CHARGE TERMS

The terms contained in this schedule are in addition to the terms contained in the Standard Charge Terms. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail. If the Standard Charge Terms or the Charge refer to a Guarantor, the term "Guarantor" shall include any party named anywhere in the Charge as a guarantor or Covenantor.

### 2. SHORT FORMS OF MORTGAGES ACT

If any of the forms of words contained herein are also contained in Column One of Schedule B of the Short Forms of Mortgages Act, R.S.O. 1980, Ch. 474 ("SFMA") and distinguished by a number therein, the Charge shall be deemed to include and shall have the same effect as if the Charge contained the form of words in Column Two of Schedule B of the SFMA distinguished by the same number, and the Charge shall be interpreted as if the SFMA was still in full force and effect. The provisions of the Charge and its short form clauses shall not derogate from the Chargee's rights under the long clauses in the SFMA which shall be in addition thereto or in substitution for part or parts thereof as the Chargee may elect and all shall have the force of covenant.

### 3. DEFINITIONS

In this schedule, the following definitions apply:

(a) Balance Due Date means the date set out in the Provisions section of the Charge under the heading "Balance Due Date";

(b) Charge means the Charge/Mortgage to which this Schedule is attached and including the Standard Charge Terms and including this schedule

(c) Chargee means each party(ies) named as a Chargee or mortgagee in the Charge under "Chargee(s)" section and its or his heirs, executors, administrators, successors and assigns, as the case may be;

(d) Chargor means each party named as a chargor or mortgagor in the Charge under the "Chargor(s)" section and its or his heirs, executors, administrators, successors, and assigns, as the case may be;

(e) Commitment Letter means the letter issued between the Chargor and B and M Handelman Investments Ltd. dated June 14, 2012 and as may be otherwise amended from time to time, and addressed to the Chargor or the Chargor's agent setting out the terms of the loan secured by the Charge, as it may be amended from time to time;

(f) Costs means all of the fees, costs, charges, losses, damages and expenses incurred by the Chargee as a direct or indirect consequence of granting the loan secured by the Charge including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all legal costs incurred by the Chargee as between a solicitor and his own client;

(g) Covenantor means each party named as a guarantor in the Provisions section of the Charge and each Covenantor's heirs, executors, administrators, successors and assigns, as the case may be;

(h) Interest means interest at the Interest Rate calculated monthly not in advance and payable on the total outstanding Principal Amount and such other amounts as provided in the Charge both before and after maturity, default, and judgment;

(i) Interest Adjustment Date means the date set out in the Provisions section of the Charge under the heading "Interest Adjustment Date" or as otherwise set out herein;

(j) Interest Rate means the interest rate being ten per cent (10%) per annum, calculated monthly, not in advance;

(k) Land Registry Office means the Land Registry Office in which this Charge is registered;

(l) Monthly Payments means the payments made each month in the amount set out in the Provisions section of the Charge under the heading "Payments", or as otherwise set out herein;

(m) Prime Rate means the rate of interest in effect daily expressed as a rate per annum established and published as such from time to time by Toronto Dominion Bank as its base rate of interest for variable rate Canadian dollar loans made in Canada and adjusted automatically upon any change in such base rate of interest and a statement from the Chargee from time to time as to the Prime Rate at any time or period of time shall be final and conclusive as among the parties hereto as evidencing the Prime Rate and shall not be open to challenge;

(n) Principal Amount means the principal amount in lawful money of Canada set out in the Provisions section of the Charge under the heading "Principal" as it may be increased or decreased prior to registration of a discharge of the Charge;

(o) Property means the lands described in the Properties section of the Charge and all buildings, fixtures and improvements now or hereafter brought or erected thereon;

(p) Receiver means a receiver or receiver-manager of the Property; and

(q) Standard Charge Terms means the set of Standard Charge Terms referred to in the Provisions section of the Charge under the heading "Standard Charge Terms".

#### 4. CHARGE

Upon the request of the Chargee, the Chargor hereby gives the Charge and charges the Property as security for full payment to the Chargee of the Principal Amount, Interest and all other amounts payable hereunder and as security for the observance and performance of all of the obligations of the Chargor to the Chargee pursuant to the Charge or otherwise.

#### 5. INTEREST PAYMENTS

Current Interest on the Principal Amount from time to time advanced prior to the Interest Adjustment Date, computed from the respective dates of such advances to the Interest Adjustment Date, shall, at the option of the Chargee, be deducted from the advances or paid by the Chargor at such time or times as the Chargee may require and such Current Interest may be so deducted or paid in advance; after the Interest Adjustment Date, Current Interest on the Principal Amount, computed from the Interest Adjustment Date, shall become due and be paid in Monthly Payments as provided in the Charge and the balance, if any, of the Principal Amount and Current Interest shall become due and payable on the Balance Due Date. The Monthly Payments of Current Interest, when received, shall be applied firstly to outstanding Costs, secondly to outstanding Current Interest, thirdly to Deferred Interest and the balance, if any, in reduction of the outstanding Principal Amount.

#### 6. TIME OF PAYMENTS

All payments received after 1:00 p.m. shall be deemed to have been received on the following business day.

#### 7. CHARGOR'S COVENANTS

The Chargor covenants with the Chargee:

(a) that the Chargor has a good title in fee simple to the Property except as the records of the Land Registry Office disclose;

(b) that the Chargor will execute such further assurances of the Property as may be requisite; and

(c) that the Chargor does hereby release to the Chargee all of the Chargor's claims upon the Property.

#### 8. TAXES

In the event the Chargor is unable to provide evidence that all taxes are up to date within ten (10) days of request by the Chargee, the Chargee shall have the option to require the Chargor to pay to the Chargee monthly on each payment date hereunder, 1/12th of the amount (as estimated by the Chargee) of all taxes, rates and assessments, municipal, local, parliamentary or otherwise, which affect the Property ("Taxes") payable within one year following the Chargee's request and the Chargor hereby authorizes the Chargee to remit such amounts to pay such Taxes. The Chargee shall pay interest to the Chargor, on the date or dates and at a rate or rates, from time to time determined by the Chargee, on the amount of such payments by the Chargor to the Chargee from the date such payments are received by the Chargee until the Taxes are paid.

#### 9. COSTS

Costs shall be forthwith due and payable by the Chargor to the Chargee and shall bear Interest until fully paid from the date the Chargor has received notice of such costs.

#### 10. INSURANCE PROVISIONS

(a) In addition to the insurance provided for under the Standard Charge Terms, the Chargor, in accordance with the provisions of this paragraph, shall maintain insurance against the perils therein described on all chattels used on, in or about the Property and shall maintain boiler and machinery insurance, builder's risk insurance and such other insurance as may be reasonably required by the Chargee.

The fire insurance on the buildings and chattels on the Property shall contain a standard extended coverage endorsement of one hundred percent (100%) replacement cost or the full insurable value, whichever shall be the greater, but in no event less than the Principal Amount and shall contain the standard mortgage endorsement clause (IBC 3000). All policies must allow for partial occupancy.

The Chargor shall also maintain comprehensive public liability coverage for a minimum of THREE MILLION DOLLARS (\$3,000,000.00) per each occurrence. No insurance may be subject to a co-insurance clause.

(b) The Chargor shall provide upon the anniversary date of the Charge or at such further time or times as requested by the Chargee written evidence of the existence and continuation of the insurance as required by the Charge.

(c) In the event that evidence of continuation of insurance as herein required has not been delivered to the Chargee, the Chargee shall be entitled to a servicing fee for each written enquiry which the Chargee shall make to the insurers pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenant). In the event that the Chargee pursuant to the within provision arranges insurance coverage in accordance with this provision, the Chargee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

#### 12. SALE OF PROPERTY

The Chargor covenants and agrees with the Chargee that in the event of the Chargor, conveying, transferring or transfer of title of the Property hereby charged to a purchaser or transferee not approved, in writing, by the Chargee, which approval shall not be unreasonably withheld, all monies hereby secured with accrued interest thereon shall at the option of the Chargee, forthwith become due and payable. Upon the Chargor selling, conveying or transferring title of the Property and the Chargee providing approval thereof as aforesaid, and provided further that the Chargor shall pay the Chargee a fee for providing said approval, which fee shall be determined by the

Chargee, in its sole discretion. Further the original Covenantor shall not be released upon the Chargee being satisfied of the financial capability of a new Covenantor assuming the obligations of the original Covenantor on behalf of the new Chargor.

### 13. RENEWAL

In the event that the Mortgagor fails to repay the principal and interest outstanding on the maturity date, or fails to accept a renewal offer tendered by the Mortgagee (for any reason not attributable to the Mortgagee) within 20 business days of the maturity date, then the Mortgagee may at its sole option, automatically renew this mortgage for a period of one month from the maturity date, at an interest rate equal to the greater of (i) The Toronto-Dominion Bank prime rate plus 2.00% per annum, calculated and paid monthly and (ii) the then current interest rate paid by the Mortgagor to the Mortgagee plus 2.00% per annum calculated monthly. In the event that the renewal has not been finalized within this one month period, then there will be no further extensions, and the Mortgagee will exercise its rights under the mortgage charge. The Mortgagee shall not be obligated to offer any renewal. All other terms and covenants under the existing mortgage shall continue to apply. The mortgage may be paid in full at any time during the one month renewal period.

### 14. Paragraph 14 of Standard Charge Terms 200033 is hereby deleted.

In the event that the Mortgagor sells, conveys, transfers, assigns or exercises a power of appointment with respect to the property herein described to a purchaser, transferee or assignee or in the event of a change of shareholders of the Mortgagor which results in a change of control of the Mortgagor or in the event of a change in the beneficial ownership of the property herein described without first obtaining the consent in writing of the Mortgagee the entire principal sum and interest hereby secured shall, at the option of the Mortgagee, forthwith become due and payable.

### 15. DANGEROUS SUBSTANCES

To the best of the Chargor's knowledge:

- a) The Properties have never been used for the storage of waste, or as a waste disposal site as such terms are defined in the Environmental Protection Act (Ontario) R.S.O 1990.
- b) The Properties have not been used for storage of nor does it contain any monochlorinated or polychlorinated biphenyl ("P.C.B.'s") or any substances that contain on or more of them, or any substances classified as P.C.B.'s
- c) There are no hazardous or toxic products or waste substances in or on the Property.
- d) The Chargor is not now and on closing shall not be in breach of any provision of the EPA or of any requirement or policy of any other relevant Government authority as may apply to the Property, the Chargor's use of the Property, or the Purchaser's intended use of the Property.

### 16. HAZARDOUS WASTE

In consideration of the advance of funds by the Chargee, the Chargor and the Covenantor hereby agree that, in addition to any liability imposed on the Chargor and Covenantor under any instrument evidencing or securing the loan indebtedness, the Chargor and Covenantor shall be jointly and severally liable for any and all of the costs, expenses, damages or liabilities of the Chargee, its directors and officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive foreclosure of the security for the Charge and any other existing obligations of the Chargor and Covenantor to the Chargee in respect of the Charge and any other exercise by the Chargee of any remedies available to it for any default under the Charge.

### 17. ENVIRONMENTAL CLAUSE



The Chargee or agent of the Chargee may, at any time, before and after default, and for any purpose deemed necessary by the Chargee or its agent, enter upon the Property to inspect the land and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee or its agent may enter upon the Property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee or its agent and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Interest Rate, shall be payable by the Chargor forthwith and shall be a charge upon the Property. The exercise of any of the powers enumerated in this clause shall not deem the Chargee or its agent to be in possession, management or control of the Property.

#### 18. CONSTRUCTION LIEN ACT

The Chargor warrants that no monies secured by the Charge are or will be used to finance an improvement to the Property including, without limitation, any alteration, addition or repair to the Property or any construction, erection or installation thereon.

#### 19. INSPECTION

The Chargee, its agents and employees shall have the right to enter upon the Property at all reasonable times to inspect and the reasonable costs of such inspections shall be forthwith payable by the Chargor to the Chargee.

#### 20. SURVIVAL OF COMMITMENT LETTER

The agreements, covenants, representations, warranties, provisions and stipulations (in this section collectively referred to as "provisions") contained in the Commitment Letter form an integral part of the Charge and all such provisions shall be deemed to be contained in the Charge and have the same force and effect as if they were fully set forth herein. To the extent that any provision or provisions of the Commitment Letter conflict with any provision or provisions of the Charge, the Commitment Letter shall prevail.

#### 21. SUBSEQUENT FINANCING

The Chargor agrees that no subsequent encumbrances may be placed on the Property without the prior written consent of the Chargee, which consent may not be unreasonably withheld.

#### 22. EVENTS OF DEFAULT

The Chargor at the sole option of the Chargee shall be in default under the Charge if any one or more of the following events of default (an "Event of Default") occurs at any time or times prior to registration of a complete discharge of the Charge:

(a) the Chargor defaults under any one or more of the covenants, conditions, terms, agreements, provisions and obligations contained in the Charge to be kept, observed and performed by the Chargor;

(b) the Chargor becomes insolvent, bankrupt or a trustee in bankruptcy is appointed for the Chargor or the Chargor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of the court of competent jurisdiction or otherwise acknowledges his insolvency;

(c) any person seizes any rents from the Property, possession of the Property, the registration of any lien or similar action taken by any creditor of the Chargor;

(d) there is shown to be any discrepancy or inaccuracy in any written information, statement, warranty or representations made or furnished to the Chargee by or on behalf of the Chargor or Covenantor with respect to the Property or the Chargor's or any Covenantor's financial condition and if such discrepancies or inaccuracies are material in the opinion of the Chargee;

(e) any charge or encumbrance affecting the Property is in default;

(f) the Chargor obtains subsequent financing or refinancing of the Property without the prior written consent of the Chargee;

(g) the Chargor defaults under any one or more covenants, conditions, terms, agreements, provisions and obligations contained in any document, submitted to the Chargee by or on behalf of the Chargor in connection with the Charge;

(h) upon the death of the Chargor or one or more of the Chargors;

(i) any material changes, additions or alterations are made to the Property, including material changes in usage, without the prior written consent of the Chargee; or

If any of the foregoing Events of Default shall occur then, notwithstanding the provisions of any other agreement between the Chargor and the Chargee and at the option of the Chargee, the whole of the Principal Amount and Interest and all other amounts payable hereunder shall immediately become due and payable and the Chargee shall be relieved of any further obligations to advance monies to the Chargor. If an Event of Default or any breach of the terms of this Charge or the Commitment Letter is waived implicitly or explicitly by the Chargee, such waiver shall not operate as a waiver of any other, further or continuation of the same breach or Event of Default.

## 23. RIGHT TO DISTRAIN

The Chargee may distrain for arrears of any portion of the Principal Amount, Interest or any other amounts due and unpaid hereunder. The Chargor waives all rights to claim exemption and confirms that there is no limit in the amount for which the Chargee may distrain.

## 24. APPOINTMENT OF RECEIVER

(a) At any time after the security hereby constituted becomes enforceable, or the Principal Amount shall have become payable, the Chargee may from time to time appoint by writing a Receiver or a Receiver-Manager, as it shall elect (hereinafter called "Receiver"), with or without Bond, and may from time to time remove the Receiver and appoint another in his stead, and any such Receiver appointed hereunder shall have the following powers:

(i) To take possession of the Property and to collect and get in the same and for such purpose to enter into and upon any lands, buildings and premises wheresoever and whatsoever and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as he shall deem necessary;

(ii) To carry on or concur in carrying on the business of the Chargor, and to employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as he shall think proper, and to repair and keep in repair the Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Property of the Chargor;

(iii) To sell or lease or concur in selling or leasing any or all of the Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver and any such sale may be made from time to time as to the whole or any part or parts of the Property; and he may make any stipulations as to title or conveyance or commencement of title or otherwise which he shall deem proper; and he may buy or rescind or vary any contracts for the sale of any part of the Property and may resell the same; and he may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in his sole opinion to be most advantageous and at such prices as can reasonably be obtained therefor and in the event of a sale on credit neither he nor the Chargee shall be accountable for or charged with any monies until actually received;

(iv) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of the Charge and to exchange any part or part of the Property

for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;

(v) To borrow money to carry on the business of the Chargor and to charge the whole or any part of the Property in such amounts as the Receiver may from time to time deem necessary and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Property in priority to the Charge;

(vi) To execute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the Property to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defense of any suit, proceedings or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

(vii) To execute and deliver to the purchaser of any part or parts of the Property, good and sufficient transfer or transfers for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such transfer or transfers, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the Property or any part thereof by, from, through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided.

(b) It is agreed that no purchaser at any sale purporting to be made in pursuance of the aforesaid power or powers shall be bound or concerned to see or inquire whether any default has been made or continued, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular; and notwithstanding any impropriety or irregularity or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Chargor, or of any party claiming by or under the Chargor, in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only.

(c) The revenue of the business of the Chargor and the net proceeds of any sale of the Property or part or parts thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to the Charge:

(i) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by him;

(ii) Secondly, in payment of all Costs;

(iii) Thirdly, in payment to the Chargee of the Principal Amount hereunder;

(iv) Fourthly, in payment to the Chargee of all Interest, arrears of Interest and any other monies remaining unpaid hereunder;

(v) Fifthly, any surplus shall be paid to the Charger provided that, in the event that any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

(d) The Chargee shall not be liable to the Receiver for his remuneration costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising unless the same shall be caused by his own negligence or willful default; and he shall, when so appointed by notice in

writing pursuant hereto, be deemed to be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for his remuneration.

## 25. CHARGE NOT A CHARGE IN POSSESSION

It is agreed that the Chargee, in exercising any of its rights under the Charge, shall be deemed not to be a chargee in possession or a mortgagee in possession of the Property.

## 26. ADDITIONAL SECURITY

In the event that the Chargee, in addition to the Property, holds or shall hold, in the future, further security on account of the Principal Amount, it is agreed that no single or partial exercise of any of the Chargee's powers under the Charge or any of such further security (the Charge and any such further security are hereinafter together referred to as the "Security"), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The Chargee shall at all times have the right to proceed against all, any or any portion of the Security in such order and in such a manner as the Chargee shall, in the Chargee's sole and unfettered discretion, deem fit without waiving any rights which the Chargee might have with respect to the Security and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security.

## 27. FINANCIAL STATEMENTS

As long as there is any amount owing by the Chargor to the Chargee pursuant to the Charge, the Chargor shall deliver to the Chargee:

(a) within 120 days after the end of each fiscal year of the Chargor, or within 120 days after the end of each calendar year, if applicable or if the Chargor is an individual, or more often if requested by the Chargee, review engagement financial statements of the Chargor including a separate income and expense statement for the Property, an operating statement and an updated rent roll containing relevant lease terms for the Property, all satisfactory to the Chargee in form and content;

(b) a review engagement financial statement within 120 days after the end of each fiscal year of each corporate Covenantor, or more often if requested by the Chargee, and, in the case of each individual Covenantor, a personal net worth statement within 120 days after the end of each calendar year, or more often, if requested by the Chargee, such statements to be in form and content satisfactory to the Chargee; and

(c) as soon as reasonably possible, such further information as the Chargee may reasonably require from time to time.

## 28. FURTHER ASSURANCES

The Chargor shall, at any time and from time to time, make, execute and deliver or cause to be made, executed and delivered to the Chargee such further and other reasonable acts, deeds, mortgages, charges, conveyances and assurances as may be required to fully and essentially carry out the true intention and meaning of the Charge and the costs to the Chargee, if any, of obtaining such further assurances shall be forthwith paid by the Chargor to the Chargee. No amendment, approval, waiver or consent relating to this Charge shall be valid unless same is in writing and executed by the Chargee.

## 29. PAYMENT AFTER DEFAULT

Subject to and in accordance with section 17 of the Mortgages Act, after default in the payment of part or all of the Principal Amount, the Chargee shall not be required to accept payment in satisfaction of the outstanding Principal Amount without, in addition to all monies payable under the Charge, a bonus equal to 3 months' Interest in advance on the Principal Amount outstanding. The Chargor shall not be entitled to a discharge of the Charge without payment of such bonus or 3 months' written notice of such payment in lieu thereof. Nothing in this section shall, however, affect or limit the right of the Chargee to recover by action or otherwise the Principal Amount in arrears.

### 30. ASSIGNMENT BY CHARGEES

The Chargee may assign or syndicate the loan for which this Charge is security without the consent of the Chargor.

### 31. PAYMENTS AND FEES

- a) In the event that any of the Chargor's cheques or payments are not honoured when presented for payment, the Chargor shall pay to the Chargee for each such cheque or payment the sum of \$150.00 as a liquidated amount to cover the Chargee's administrative costs and not as a penalty and each sum shall be a charge upon the Property and shall bear interest at the Interest Rate.
- b) The Chargor shall pay to the Chargee a discharge fee of \$250.00 for each mortgage statement exclusive of legal fees and G.S.T. and for each mortgage statement prepared in connection herewith.
- c) The Chargor shall pay to the Chargee a fee of \$200.00 for each collection letter prepared in connection herewith.

### 32. POST-DATED CHEQUES

The Chargor shall deliver to each Chargee(s) on each anniversary of this Charge, twelve (12) posted-dated cheques in the monthly payment amount for the ensuing year, or until expiry of the Loan hereof of less than one (1) year.

### 33. PREPAYMENT PROVISIONS

- a) Open on any payment date upon 30 days written notice;
- b) Partial discharge to be provided on severance and sale of part of property provided that all net proceeds to be paid first to first mortgagee with surplus if any to second mortgagee

### 34. VALIDITY OF PROVISIONS

If any provision of the Charge is held to any extent invalid or unenforceable, the remainder of the Charge shall not be affected and shall remain valid and enforceable. In the event of a conflict between the terms or provisions herein and the terms of any covenant, agreement or other document given by the Chargor in respect of this Charge, the Chargee shall elect which provisions apply.

### 35. TIME OF THE ESSENCE

Time shall be of the essence in all matters relating to the Charge.

### 36. INTERPRETATION AND HEADINGS

Wherever in the Charge the singular or masculine is used, the same shall be construed as meaning the plural or the feminine or the neuter where the context or the parties hereto so require. The headings do not form part of the Charge and have been inserted for convenience of reference only.

### 37. PRIOR MORTGAGE

The Charge granted herein is in second priority to an existing charge (the "First Charge") upon the Property. Any default of the First Charge shall, at the Chargee's option, be deemed to be a default hereunder.



**DIRECTION**

**TO:** Ronauld Walton and Norma Walton

**AND TO:** Todd Holmes, Barrister and Solicitor

**Re:** Lisa He sell to Norma Walton and Ronauld Walton  
44 Park Lane Circle, Toronto, Ontario  
Closing Date: June 25, 2012  
My File No.: V03147-12

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This is to direct you and shall constitute your good and sufficient and irrevocable authority to make your cheque for the proceeds of sale in the above transaction payable in favour of my solicitor:

JASON HUANG LAW OFFICE, IN TRUST

or as she may otherwise direct.

**DATED** at *Kelowna*, this *25* day of *June*, 2012.

  
\_\_\_\_\_  
Lisa He

**DIRECTION**

**TO:** Ronauld Walton and Norma Walton

**AND TO:** Todd Holmes  
Devry, Smith & Frank LLP

**Re:** He s/t Walton  
44 Park Lane Circle, Toronto, Ontario  
Closing Date: June 25, 2012  
My File No.: V03147-12

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This is to direct you and shall constitute your good and sufficient authority to make certified cheques for the proceeds of sale in the above transaction payable as follows:

Bank of Montreal	\$4,750,664.15
Jason Huang Law Office	\$2,260.00
Lisa He	\$5,292,623.94
<b>BALANCE DUE ON CLOSING</b>	<u><u>\$10,045,548.09</u></u>

**DATED** at Markham this 25 day of June 2012.

JASON HUANG LAW OFFICE

Per: 





**BILL OF SALE/WARRANTY/GENERAL UNDERTAKING**

**TO: Ronauld Walton and Norma Walton**

**AND TO: Todd Holmes  
Devry, Smith & Frank LLP**

**Re: Walton purchase from He  
44 Park Lane Circle, Toronto**

**BILL OF SALE**

**IN CONSIDERATION** of other good and valuable consideration and the sum of TWO (\$2.00) DOLLARS paid to me (the receipt and sufficiency whereof is hereby acknowledged);

The undersigned HEREBY ASSIGN, TRANSFER AND SET OVER unto you, your heirs, executors, administrators and assigns, free and clear of all chattel mortgages, liens, encumbrances and security interests

**WARRANTY**

The undersigned hereby warrants and represents to the best of its knowledge and belief that during the period that I have been the registered owner of the property it has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of my knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction;

The undersigned hereby warrants that there are no work orders or deficiency notices outstanding against the property, and if so will be complied with at the seller's expense, on or before closing.

**GENERAL UNDERTAKING**

**IN CONSIDERATION** of the closing of the above-referenced transaction, the undersigned hereby undertake and agree as follows:

1. To deliver up vacant possession of the subject lands;
2. To pay all realty taxes to May 25, 2012, including arrears of taxes, and to re-adjust taxes, if necessary;
3. To pay all hydro, water, fuel oil and/or gas charges, if any, to the date of closing.
4. To pay out and discharge all liens, encumbrances, mortgages and/or writs of execution affecting the subject property which are not being assumed by the purchasers;
5. I am aware that the statement of adjustments herein are subject to errors and omissions, and undertake, notwithstanding the closing of this transaction, and in consideration of such closing, to make re-adjustments which may be required.

DATED at Markham this 28 day of June, 2012

Lisa He





**IN THE MATTER OF** title to:

All of the property being composed of PIN 10368 –  
0827 in the Toronto Land Registry Office municipally  
described as 44 Park Lane Circle, City of Toronto

**AND IN THE MATTER OF** the sale thereof from  
Lisa He

I, Lisa He of the City of Toronto, Province of Ontario,

**SOLEMNLY DECLARE** that:

1. I am the absolute owner of the above mentioned lands and either personally or by our tenants have been in actual, peaceable, continuous, exclusive, open, undisturbed and undisputed possession and occupation thereof, and of the houses and other buildings used in connection therewith throughout our period of ownership of the property.
2. I am not aware of any person or corporation having any claim or interest in the said lands or any part thereof adverse to or inconsistent with registered title and are positive that none exists.
3. Possession and occupation of the above lands have been undisturbed throughout by any action suit or other proceedings or adverse possession or otherwise on the part of any person whomsoever and during such possession and occupation, no payment has ever been made or acknowledgement of title given by the undersigned, or, so far as we know, by anyone else, to any person in respect of any right, title, interest or claim upon the said lands.
4. To the best of my/our knowledge and belief, the buildings used in connection with the premises are situate wholly within the limits of the lands above described, and there is not dispute as to the boundaries of the said lands. Except as may be registered on title, we have never heard of any claim of easement affecting the lands, either for light, drainage, or right of way or otherwise.
5. I do not retain the fee or the equity of redemption in, or a power or right to grant, assign or exercise a power of appointment with respect to any land abutting the lands being conveyed in the subject transaction.
6. I am not a non-residents of Canada within the meaning of Section 116 of the Income Tax Act (Canada) nor will we be non-residents of Canada at the time of closing.
7. I have carefully examined the survey prepared by \_\_\_\_\_, O.L.S. and dated \_\_\_\_\_ a true copy which is attached hereto, and have compared our knowledge of the buildings situate on the subject property with those shown on the said survey. The survey accurately describes the property and buildings on the subject property as they exist today and there are no other buildings, additions, decks, swimming pools, outbuildings or any other structured not shown on such survey.
8. All property tax payments that have come due prior to closing have been paid in full and there are no tax arrears.

AND I/we make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

SEVERALLY DECLARED before me )

at the City of Markham )  
in the Province of Ontario )

this 25 day of June )  
2012. )

Lisa He



# CERTIFICATE OF INSURANCE

**ISSUE DATE (MM/DD/YY)**  
06/25/2012

**BROKER**



**HKMB HUB International Limited**  
595 Bay Street, Ste 900  
Toronto, ON M5G 2E3  
PHONE: 416-597-0008 FAX: 416-597-2313

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

Company A	Lloyd's of London through Totten Insurance Group
Company B	
Company C	
Company D	
Company E	

**INSURED'S FULL NAME AND MAILING ADDRESS**

Norma Walton & Ronald Walton  
30 Hazelton Avenue  
Toronto, ON M5R 2e2

**COVERAGES**

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

TYPE OF INSURANCE	CO LTR	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS OF LIABILITY (Canadian dollars unless indicated otherwise)	
<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE <input type="checkbox"/> PRODUCTS AND/OR COMPLETED OPERATIONS <input checked="" type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EMPLOYER'S LIABILITY <input type="checkbox"/> TENANT'S LEGAL LIABILITY <input type="checkbox"/> NON-OWNED AUTOMOBILE <input type="checkbox"/> HIRED AUTOMOBILE	A	TOTTEN1213	06/25/2012	12/25/2012	EACH OCCURRENCE	\$ 2,000,000
					GENERAL AGGREGATE	\$ 5,000,000
					PRODUCTS - COMP/OP AGGREGATE	\$
					PERSONAL INJURY	\$ 2,000,000
					EMPLOYER'S LIABILITY	\$
					TENANT'S LEGAL LIABILITY	\$
					NON-OWNED AUTOMOBILE	\$
					HIRED AUTOMOBILE	\$
<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> DESCRIBED AUTOMOBILES <input type="checkbox"/> ALL OWNED AUTOMOBILES <input type="checkbox"/> LEASED AUTOMOBILES ** <input type="checkbox"/> GARAGE LIABILITY <small>** ALL AUTOMOBILES LEASED IN EXCESS OF 30 DAYS WHERE THE INSURED IS REQUIRED TO PROVIDE INSURANCE</small>					BODILY INJURY PROPERTY DAMAGE COMBINED	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE	\$
<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM					EACH OCCURRENCE	\$
					AGGREGATE	\$
<b>OTHER (SPECIFY)</b>	A	TOTTEN1213	06/25/2012	06/25/2013	Building (including Renovations)	\$ 8,000,000
						\$
						\$
						\$
						\$

**DESCRIPTION OF OPERATIONS/LOCATIONS/AUTOMOBILES/SPECIAL ITEMS/ ADDITIONAL INSURED**

Named Perils with Vacancy Permit including 80% Co-Insurance Clause, Actual Cash Value Basis.

Re: 44 Park Lane Circle, Toronto, ON M3C 2N2

Handleman, etal in Trust c/o Larry Zimmerman Zimmerman Associates are added as 2ndMortgagee but only with respect to their interest in the Building as indicated above.


**CERTIFICATE HOLDER**

Handleman, Etal in Trust c/o Larry Zimmerman  
Zimmerman Associates  
3338 Dufferin Street  
Toronto, ON M6A 3A4

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOUR TO MAIL 90 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

**AUTHORIZED REPRESENTATIVE**

Per:   
Page 1 of 1





2300-145 King Street West  
Toronto, ON M5H 1J8  
Tel: 1.877.903.2133  
Fax: 1.888.470.2092  
www.hometrusted.ca

June 25, 2012

John Holmes  
28 Harvey St  
Tillsonburg ON N4G 3J8

Dear John Holmes,

**RE: Residential First Mortgage Number: 10052802**  
**Property Address: 44 Park Lane Circle, Toronto, ON M3C 2N2**  
**Main Borrower: Ronald Walton**

**Requisition of Funds**

Date of Cheque:	June 25, 2012
Interest Adjustment Date:	July 5, 2012
Original Principal:	\$ 5,000,000.00
Gross Advance:	\$ 5,000,000.00
Unadvanced:	\$ 0.00
Balance of Commitment Fee*:	\$ 75,000.00
Balance of Inspection Fee*:	\$ 0.00
MIP Insurance Premiums:	
Total MIP:	\$ 0.00
PST on Insurance Premiums:	\$ 0.00
Life Insurance Premiums:	\$ 0.00
Interest Adjustment:	\$ 8,205.48
(Accrued interest on \$5,000,000.00 for 10 days @ 5.99%)	
Property Tax Withheld:	\$ 7,886.78
All Other Charges*:	\$ 0.00
Advance Amount:	\$ 4,908,907.74

Please contact the undersigned should you have any questions.

Per: Mary Beth Lenters  
Mary Beth Lenters  
Mortgage Funder  
Funding  
Tel: 1(416)601-3064  
HOME TRUST COMPANY

Checked by: Christine Bruccoleri

Authorized by: Christine Bruccoleri  
Christine Bruccoleri

Term: 24 months

\*Plus Taxes, where applicable. HST Registration# 10238 8600 RT0001/VB checked: Mary Beth Lenters  
E&OE





## FUNDING STATEMENT

**TO:** B & M Handelman Investments Ltd., Barry Alan Spiegel Trust, B&M Handelman Investments Ltd., Joanna Orenbach, Jonathan Orenbach, Bamburg Holdings Ltd., Lizrose Holdings Ltd., 1391739 Ontario Ltd., Natme Holdings Inc., E. Manson Investments Ltd. and 558678 Ontario Ltd. (collectively The "Lender")

**AND TO:** Zimmerman Associates, their solicitor

**RE:** B & M Handelman Investments Ltd., Barry Alan Spiegel Trust, B&M Handelman Investments Ltd., Joanna Orenbach, Jonathan Orenbach, Bamburg Holdings Ltd., Lizrose Holdings Ltd., 1391739 Ontario Ltd., Natme Holdings Inc., E. Manson Investments Ltd. and 558678 Ontario Ltd. (collectively The "Lender") Second Mortgage Loan to Norma Walton and Ronauld Walton (the "Borrower") on the security of the property municipally known as 44 Park Lane Circle, Toronto, Ontario (the "Property");

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**Closing June 25,2012**

Mortgage Amount		\$3,000,000.00
Deposit		3,000.00
Lender's Fee	\$45,000.00	
Lender's solicitor's fee and disb. (estimate)	\$4,500.00	<u>                    </u>
Total Payments/Deductions		(\$49,500.00)
Balance payable on closing		<u>\$2,953,500.00</u>

E.& O. E.



date	Received From/Paid To	Chq#	General	Fees	Bld	Trust Activity	
Entry #	Explanation	Rec#	Rcpts	Disbs	Inv#	Acc	Balance
198	The Rose and Thistle Group Ltd.						
4NOD20	Purchase of 44 Park Lane Circle, Toronto, ON						Resp Lawyer: JTH
112/6/25	RBC						
4391075	Mortgage Advance	18151			89830	1 2953500.00 (1)	2953500.00
112/6/26	Norma Walton						
4391213	cert - closing funds	18154			89830	1 2623674.40 (2)	5577174.40
112/6/26	Home Truc						
4391216	mort advance	18155			89830	1 4908907.74 (2)	10486082.14
112/6/26	Bank of Montreal						
4391228	bal due on closing	15304			89830	1 4750664.15 (3)	5735417.99
112/6/26	Jason Huang Law Office						
4391232	bal due on closing	15305			89830	1 2260.00 (4)	5733157.99
112/6/26	Lisa He						
4391234	bal due on closing	15306			89830	1 5292623.94 (5)	440534.05
112/6/26	Devry Smith & Frank LLP G/A #1						
4391261	Transfer from Trust to cover	15309			89830	1 412200.00 (6)	28334.05
112/6/26	Land Transfer Tax Paid						
4391807	Treasurer, City of Toronto	15330			89830	1 23167.33 (7)	5166.72
112/6/26	Norma Walton						
4391812	non-cert - closing funds	18164			89830	1 1500.00 (8)	6666.72
112/6/29	Devry Smith & Frank						
4399227	Payment of Invoice 89830	15406				1 6665.72 (9)	0.00

UNBILLED						BILLED				BALANCES							
YALS	CHR	+	RECOV	+	FEEs	=	TOTAL	DISBS	+	FEEs	+	TAX	-	RECEIPTS	=	A/R	TRUST
ERIOD	19.80		0.00		0.00		19.80	831413.41		3500.00		476.67		835390.08		0.00	0.00
ND DATE	19.80		0.00		0.00		19.80	831413.41		3500.00		476.67		835390.08		0.00	0.00

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UNBILLED						BILLED				BALANCES							
CRM TOTAL	CHR	+	RECOV	+	FEEs	=	TOTAL	DISBS	+	FEEs	+	TAX	-	RECEIPTS	=	A/R	TRUST
ERIOD	19.80		0.00		0.00		19.80	831413.41		3500.00		476.67		835390.08		0.00	0.00
ND DATE	19.80		0.00		0.00		19.80	831413.41		3500.00		476.67		835390.08		0.00	0.00

REPORT SELECTIONS - Client Ledger

Layout Template	Default with (usr)
Advanced Search Filter	None
Requested by	Frank
Finished	Monday, January 13, 2014 at 06:35:24 PM
or	10.0 SF4 {10.C.20100617}
Matters	WANO020
Clients	All
Major Clients	All
Client Intro Lawyer	All
Matter Intro Lawyer	All
Responsible Lawyer	All
Assigned Lawyer	All
Type of Law	All
Select From	Active, Inactive, Archived Matters
Matters Sort by	Default
How Page for Each Lawyer	No
How Page for Each Matter	No
Activity Date	2199/12/31
How Totals Only	No
Totals Only	No
Matters Shown - Billed Only	No
Matters Shown - Disbursements	No
Matters Shown - Receipts	No
Matters Shown - Time or Fees	No
Matters Shown - Trust	Yes
Incl. Matters with Retainer Bal	No
Incl. Matters with Neg Unbl'd Dish	No
Trust Account	All
Working Lawyer	All
Include Corrected Entries	No
How Cheque # on Paid Payables	No
How Client Address	No
Consolidate Payments	No
How Trust Summary by Account	No
How Interest	No
Interest Up To	2014/1/13
How Invoices that Payments Were Applied to	No
Display Entries in	Date Order





## Business Account Statement

May 31, 2012 to June 29, 2012

Account number: [REDACTED]

### Account Activity Details - continued

Date	Description	Cheques & Debits (\$)		Deposits & Credits (\$)	Balance (\$)
22 Jun	Cheque	900.00	1,071.30	1,118.53	
	Serial #	15233	15196	15231	
	Cheque	1,296.19	2,007.52	2,025.00	
	Serial #	15234	14767	15243	
	Cheque	2,100.00	4,246.00	13,870.90	
	Serial #	15235	15045	15221	
	Cheque	19,748.37	29,551.63	56,323.87	
	Serial #	15224	15222	15198	
	Cheque	201,200.00	229,099.78		
	Serial #	14877	15242		7,850,183.21
	Reversed cheque			53.22	7,850,236.43
25 Jun	Deposit	3155		584,359.61	8,434,596.04
	Deposit	3193		405.20	
	Deposit	3194		18,500.00	
	BR TO BR - 5602			2,953,500.00 (1)	
	Reversed deposit		584,359.21		
	Cheque	73.45	73.45	81.27	
	Serial #	15271	15275	14783	
	Cheque	111.29	570.58	745.36	
	Serial #	14940	15263	14834	
	Cheque	1,080.00	1,182.75	1,262.53	
	Serial #	15230	15240	15264	
	Cheque	1,282.12	1,412.50	1,676.64	
	Serial #	15256	15273	15267	
	Cheque	1,695.00	1,702.98	1,860.91	
	Serial #	15268	15238	15257	
	Cheque	3,164.00	4,380.24	7,885.13	
	Serial #	15252	15228	15097	
	Cheque	8,348.13	10,000.00	21,805.37	
	Serial #	15259	15090	15253	
	Cheque	25,000.00	25,153.06	67,000.00	
	Serial #	14899	15255	14957	
	Cheque	87,600.00	110,048.38	119,519.64	
	Serial #	15248	15227	15247	
	Cheque	150,584.05	1,000,000.00		
	Serial #	15211	15246		9,167,343.20
26 Jun	Deposit	3080		91,700.00	
	Deposit	3078		177,480.43	
	Deposit	3079		354,250.00	
	Deposit	3081		7,571,102.75 (2)	

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ROYAL BANK OF CANADA  
P.O. BOX 4047 TERMINAL A  
TORONTO ON M5W 1L5

## Business Account Statement

May 31, 2012 to June 29, 2012

Account number: [REDACTED]

### Account Activity Details - continued

Date	Description	Cheques & Debits (\$)		Deposits & Credits (\$)	Balance (\$)
26 Jun	[REDACTED]			315,344.02	
	[REDACTED]			424,000.00	
	Cheque	1,180.85	2,260.00 <sup>(4)</sup>	3,272.19	
	Serial #	15308	15305	15317	
	Cheque	9,945.00	68,305.88	172,929.92	
	Serial #	15318	15319	15316	
	Cheque	255,708.47	343,086.03	4,750,664.15 <sup>(3)</sup>	
	Serial #	15320	15307	15304	
	Cheque	5,292,623.94 <sup>(5)</sup>	73.45	116.09	
	Serial #	15306	15281	15152	
	Cheque	244.93	681.27	705.93	
	Serial #	14917	15290	14894	
	Cheque	939.12	1,000.00	1,230.29	
	Serial #	15299	15280	15287	
	Cheque	1,296.11	1,460.88	1,479.75	
	Serial #	15283	15289	15310	
	Cheque	1,971.85	2,038.80	2,387.50	
	Serial #	15303	15298	15285	
	Cheque	2,685.00	3,183.86	3,819.50	
	Serial #	15296	15279	15079	
	Cheque	4,579.16	5,075.00	8,583.95	
	Serial #	15294	15321	15115	
	Cheque	10,039.49	14,595.93	20,160.12	
	Serial #	15312	15295	15098	
	Cheque	412,200.00 <sup>(6)</sup>	504,269.99		
	Serial #	15309	15313		6,196,426.00
27 Jun	[REDACTED]				
	[REDACTED]			450,000.00	6,646,426.00
	Deposit	3083		112,048.94	
	Deposit	3084		326,619.78	
	Deposit	3082		451,985.37	
	[REDACTED]			288,400.00	
	[REDACTED]			110,000.00	
	[REDACTED]			33,900.00	
	[REDACTED]			137,693.57	
	Cheque	770.66	91,213.45	217,485.44	
	Serial #	15343	15344	15340	
	Cheque	307,850.43	351,103.54	5.65	
	Serial #	15339	15345	15351	



## Business Account Statement

June 29, 2012 to July 31, 2012

Account number: [REDACTED]

### Account Activity Details - continued

Date	Description	Cheques & Débits (\$)		Deposits & Credits (\$)	Balance (\$)
03 Jul	[REDACTED]		1,172,500.00		
	[REDACTED]		4,925,000.00		
	Cheque	1,751.61	2,600.00	375,927.74	
	Serial #	15415	15417	15416	
	Cheque	104.23	188.63	500.00	
	Serial #	14920	14921	15277	
	Cheque	2,000.00	2,115.64	3,188.40	
	Serial #	15278	15413	15408	
	Cheque	4,975.00	6,666.72	7,988.59	
	Serial #	15409	15406	14972	
	Cheque	8,000.00	8,200.00	8,771.38	
	Serial #	15410	15421	15393	
	Cheque	26,700.00	99,500.00		
	Serial #	15370	15381		8,010,249.57
04 Jul	Deposit			235,685.26	
	BR TO BR - 1334			304,598.52	
	Deposit 3094			673,007.58	
	Cheque	0.00	98.20	322.80	
	Serial #		15174	15419	
	Cheque	1,000.00	1,224.48	1,341.62	
	Serial #	15426	15422	15301	
	Cheque	2,227.40	3,238.00	19,605.76	
	Serial #	15424	15423	15378	
	Cheque	23,890.46	228,137.26	280,589.24	
	Serial #	15427	15437	15420	
	Cheque	721,589.22			
	Serial #	15431			7,940,276.49
05 Jul	BR TO BR - [REDACTED]				
	[REDACTED]			500,000.00	8,440,276.49
	Deposit 3095			8,019.53	
	BR TO BR - 0238			200,000.00	
	Deposit 3096			345,848.59	
	[REDACTED]			74,800.00	
	[REDACTED]			571,000.00	
	[REDACTED]			426,559.50	
	Cheque	410.30	923.60	18,480.81	
	Serial #	15448	15447	15449	
	Cheque	22,226.68	301,318.52	383,257.14	
	Serial #	15450	15442	15451	





ROYAL BANK OF CANADA  
P.O. BOX 4047 TERMINAL A  
TORONTO ON M5W 1L5

## Business Account Statement

June 29, 2012 to July 31, 2012

Account number: [REDACTED]

### Account Activity Details - continued

Date	Description		Cheques & Debits (\$)	Deposits & Credits (\$)	Balance (\$)
05 Jul	Cheque	498,635.00	17.25	26.65	
	Serial #	15453	15241	15176	
	Cheque	39.49	114.81	167.57	
	Serial #	15325	15329	14919	
	Cheque	171.44	984.23	1,533.68	
	Serial #	15439	15443	15245	
	Cheque	1,594.93	1,974.32	2,310.00	
	Serial #	15445	15412	15354	
	Cheque	4,815.00	5,065.02	7,337.50	
	Serial #	15440	15282	15452	
	Cheque	10,000.00	10,106.02	14,000.00	
	Serial #	15382	15272	15349	
	Cheque	20,031.86	23,167.33	28,570.66	
	Serial #	14935	15330	15434	
	Cheque	92,219.29			
	Serial #	15454			8,617,005.01
06 Jul	Deposit	3195		5,226.00	
	Deposit	3097		24,411.83	
	BR TO BR - 4282			138,827.90	
	Deposit	3196		1,155,837.02	
	[REDACTED]			248,312.60	
	[REDACTED]			5,775,000.00	
	[REDACTED]		129,868.56		
	[REDACTED]		1,118,996.95		
	[REDACTED]		4,202,967.86		
	Cheque	1,559.40	9,479.30	22,172.95	
	Serial #	15472	15460	15471	
	Cheque	60,073.97	170,723.43	632,146.93	
	Serial #	15469	15470	15457	
	Cheque	107.35	247.72	405.00	
	Serial #	15327	15172	15468	
	Cheque	490.00	760.00	2,345.23	
	Serial #	15195	15336	14473	
	Cheque	2,402.66	9,495.00	31,838.17	
	Serial #	15464	15456	15463	
	Cheque	68,200.00	123,700.00		
	Serial #	15480	15478		9,376,639.88
09 Jul	Deposit	3098		2,997.90	
	Deposit	3197		12,572.01	

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DEVRY, SMITH & FRANK LLP

Jun 26, 2012

TRUST

1

BANK DEPOSIT SLIP

Slip No. 6391

Date	Received From	Matter	Cash	Cheque	Credit
06/25/12	[REDACTED]	foal300		\$405.20	
06/26/12	[REDACTED]	ISMA320		\$2,310.00	
06/26/12	Norma Walton	WANO020		\$2,623,674.40 (2)	
06/26/12	Home Truc	WANO020		\$4,908,907.74	
06/26/12	[REDACTED]	CEMU020		\$32,902.61	
06/26/12	Norma Walton	WANO020		\$1,500.00 (1)	
06/26/12	[REDACTED]	GENW999		\$226.00	
06/26/12	[REDACTED]	GENW999		\$226.00	
06/26/12	[REDACTED]	GENW999		\$226.00	
06/26/12	[REDACTED]	ISMA320		\$1,130.00	
Total Credits			Total Cash	Total Cheques	
\$0.00			\$0.00	\$7,571,507.95	

TOTAL DEPOSIT: \$7,571,507.95

BANK: BANK-TRUST #1  
BRANCH: Don Mills & Lawrence, Don Mills, Ontario  
ACCOUNT: [REDACTED]  
HOLDER: Devry, Smith & Frank, Trust #1)  
TRANSIT: 6142

405.20  
\$7,571,102.75 (2)

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# TAB 4

Client Ledger		ALL DATES		Trust Activity			
ite	Received From/Paid To	Chq#	General	Bld	Trust Activity		
Entry #	Explanation	Rec#	Rcpts Disbs	Inv#	Acc Rcpts Disbs	Balance	
198	The Rose and Thistle Group Ltd.						
AN0020	Purchase of 44 Park Lane Circle, Toronto, ON						Resp Lawyer: JTH
112/6/25	RBC						
4391075	Mortgage Advance	18151		89830	1 2953500.00 (1)	2953500.00	
112/6/26	Norma Walton						
4391213	cert - closing funds	18154		89830	1 2623674.40 (2)	5577174.40	
112/6/26	Home Truc						
4391216	mort advance	18155		89830	1 4908907.74 (2)	10486082.14	
112/6/26	Bank of Montreal						
4391228	bal due on closing	15304		89830	1 4750664.15 (3)	5735417.99	
112/6/26	Jason Huang Law Office						
4391232	bal due on closing	15305		89830	1 2260.00 (4)	5733157.99	
112/6/26	Lisa He						
4391234	bal due on closing	15306		89830	1 5292623.94 (5)	440534.05	
112/6/26	Devry Smith & Frank LLP G/A #1						
4391261	Transfer from Trust to cover	15309		89830	1 412200.00 (6)	28334.05	
112/6/26	Land Transfer Tax Paid						
4391807	Treasurer, City of Toronto	15330		89830	1 23167.33 (7)	5166.72	
112/6/26	Norma Walton						
4391812	non-cert - closing funds	18164		89830	1 1500.00 (8)	6666.72	
112/6/29	Devry Smith & Frank						
4399227	Payment of Invoice 89830	15406			1 6666.72 (8)	0.00	

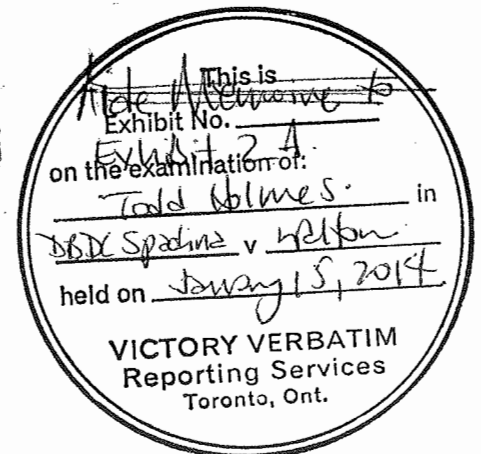
UNBILLED		BILLED		BALANCES	
CHE	RECOV	DISBS	FEES	A/R	TRUST
19.80	0.00	831413.41	3500.00	0.00	0.00
19.80	0.00	831413.41	3500.00	0.00	0.00

UNBILLED		BILLED		BALANCES	
CHE	RECOV	DISBS	FEES	A/R	TRUST
19.80	0.00	831413.41	3500.00	0.00	0.00
19.80	0.00	831413.41	3500.00	0.00	0.00

EXPORT SELECTIONS - Client Ledger

Layout Template  
Advanced Search Filter  
Requested by  
Finished  
Print  
Matters  
Clients  
Major Clients  
Client Intro Lawyer  
Matter Intro Lawyer  
Responsible Lawyer  
Assigned Lawyer  
Type of Law  
Select From  
Matters Sort by  
New Page for Each Lawyer  
New Page for Each Matter  
Activity Date  
Firm Totals Only  
Totals Only  
Matters Shown - Billed Only  
Matters Shown - Disbursements  
Matters Shown - Receipts  
Matters Shown - Time or Fees  
Matters Shown - Trust  
Incl. Matters with Retainer Bal  
Incl. Matters with Neg Unbld Disb  
Trust Account  
Working Lawyer  
Include Corrected Entries  
Show Cheque # on Paid Payables  
Show Client Address  
Consolidate Payments  
Show Trust Summary by Account  
Show Interest  
Interest Up To  
Show Invoices that Payments Were Applied to  
Display Entries in

Default with (usr)  
None  
Frank  
Monday, January 13, 2014 at 06:35:24 PM  
10.0 SP4 (10.0.20100617)  
WANO020  
All  
All  
All  
All  
All  
All  
Active, Inactive, Archived Matters  
Default  
No  
No  
2199/12/31  
No  
No  
No  
No  
Yes  
No  
No  
All  
All  
No  
No  
No  
No  
2014/1/13  
No  
Date Order





## Business Account Statement

May 31, 2012 to June 29, 2012

Account number: 0 [REDACTED]

### Account Activity Details - continued

Date	Description	Cheques & Debits (\$)		Deposits & Credits (\$)	Balance (\$)
22 Jun	Cheque	900.00	1,071.30	1,118.53	
	Serial #	15233	15196	15231	
	Cheque	1,296.19	2,007.52	2,025.00	
	Serial #	15234	14767	15243	
	Cheque	2,100.00	4,246.00	13,870.90	
	Serial #	15235	15045	15221	
	Cheque	19,748.37	29,551.63	56,323.87	
	Serial #	15224	15222	15198	
	Cheque	201,200.00	229,099.78		
	Serial #	14877	15242		7,850,183.21
	Reversed cheque			53.22	7,850,236.43
25 Jun	Deposit	3155		584,359.61	8,434,596.04
	Deposit	3193		405.20	
	Deposit	3194		18,500.00	
	BR TO BR - 5602			2,953,500.00 (1)	
	Reversed deposit		584,359.21		
	Cheque	73.45	73.45	81.27	
	Serial #	15271	15275	14783	
	Cheque	111.29	570.58	745.36	
	Serial #	14940	15263	14834	
	Cheque	1,080.00	1,182.75	1,262.53	
	Serial #	15230	15240	15264	
	Cheque	1,282.12	1,412.50	1,676.64	
	Serial #	15256	15273	15267	
	Cheque	1,695.00	1,702.98	1,860.91	
	Serial #	15268	15238	15257	
	Cheque	3,164.00	4,380.24	7,885.13	
	Serial #	15252	15228	15097	
	Cheque	8,348.13	10,000.00	21,805.37	
	Serial #	15259	15090	15253	
	Cheque	25,000.00	25,153.06	67,000.00	
	Serial #	14899	15255	14957	
	Cheque	87,600.00	110,048.38	119,519.64	
	Serial #	15248	15227	15247	
	Cheque	150,584.05	1,000,000.00		
	Serial #	15211	15246		9,167,343.20
26 Jun	Deposit	3080		91,700.00	
	Deposit	3078		177,480.43	
	Deposit	3079		354,250.00	
	Deposit	3081		7,571,102.75 (2)	



ROYAL BANK OF CANADA  
P.O. BOX 4047 TERMINAL A  
TORONTO ON M5W 1L5

## Business Account Statement

May 31, 2012 to June 29, 2012

Account number: [REDACTED]

### Account Activity Details - continued

Date	Description	Cheques & Debits (\$)		Deposits & Credits (\$)	Balance (\$)
26 Jun	[REDACTED]			315,344.02	
	[REDACTED]			424,000.00	
	Cheque	1,180.85	2,260.00 (4)	3,272.19	
	Serial #	15308	15305	15317	
	Cheque	9,945.00	68,305.88	172,929.92	
	Serial #	15318	15319	15316	
	Cheque	255,708.47	343,086.03	4,750,664.15 (3)	
	Serial #	15320	15307	15304	
	Cheque	5,292,623.94 (5)	73.45	116.09	
	Serial #	15306	15281	15152	
	Cheque	244.93	681.27	705.93	
	Serial #	14917	15290	14894	
	Cheque	939.12	1,000.00	1,230.29	
	Serial #	15299	15280	15287	
	Cheque	1,296.11	1,460.88	1,479.75	
	Serial #	15283	15289	15310	
	Cheque	1,971.85	2,038.80	2,387.50	
	Serial #	15303	15298	15285	
	Cheque	2,685.00	3,183.86	3,819.50	
	Serial #	15296	15279	15079	
	Cheque	4,579.16	5,075.00	8,583.95	
	Serial #	15294	15321	15115	
	Cheque	10,039.49	14,595.93	20,160.12	
	Serial #	15312	15295	15098	
	Cheque	412,200.00 (6)	504,269.99		
	Serial #	15309	15313		6,196,426.00
27 Jun	[REDACTED]				
	[REDACTED]				
	[REDACTED]			450,000.00	6,646,426.00
	Deposit	3083		112,048.94	
	Deposit	3084		326,619.78	
	Deposit	3082		451,985.37	
	[REDACTED]			288,400.00	
	[REDACTED]			110,000.00	
	[REDACTED]			33,900.00	
	[REDACTED]			137,693.57	
	Cheque	770.66	91,213.45	217,485.44	
	Serial #	15343	15344	15340	
	Cheque	307,850.43	351,103.54	5.65	
	Serial #	15339	15345	15351	



## Business Account Statement

June 29, 2012 to July 31, 2012

Account number: [REDACTED]

### Account Activity Details - continued

Date	Description	Cheques & Debits (\$)		Deposits & Credits (\$)	Balance (\$)
03 Jul	[REDACTED]		1,172,500.00		
	[REDACTED]		4,925,000.00		
	Cheque Serial #	1,751.61 15415	2,600.00 15417	375,927.74 15416	
	Cheque Serial #	104.23 14920	188.63 14921	500.00 15277	
	Cheque Serial #	2,000.00 15278	2,115.64 15413	3,188.40 15408	
	Cheque Serial #	4,975.00 15409	6,666.72 15406	7,988.59 14972	
	Cheque Serial #	8,000.00 15410	8,200.00 15421	8,771.38 15393	
	Cheque Serial #	26,700.00 15370	99,500.00 15381		8,010,249.57
04 Jul	Deposit			235,685.26	
	BR TO BR - 1334			304,598.52	
	Deposit 3094			673,007.58	
	Cheque Serial #	0.00 15174	98.20 15174	322.80 15419	
	Cheque Serial #	1,000.00 15426	1,224.48 15422	1,341.62 15301	
	Cheque Serial #	2,227.40 15424	3,238.00 15423	19,605.76 15378	
	Cheque Serial #	23,890.46 15427	228,137.26 15437	280,589.24 15420	
	Cheque Serial #	721,589.22 15431			7,940,276.49
05 Jul	BR TO BR - [REDACTED]				
	[REDACTED]			500,000.00	8,440,276.49
	Deposit 3095			8,019.53	
	BR TO BR - 0238			200,000.00	
	Deposit 3096			345,848.59	
	[REDACTED]			74,800.00	
	[REDACTED]			571,000.00	
	[REDACTED]			426,559.50	
	Cheque Serial #	410.30 15448	923.60 15447	18,480.81 15449	
	Cheque Serial #	22,226.68 15450	301,318.52 15442	383,257.14 15451	



ROYAL BANK OF CANADA  
P.O. BOX 4047 TERMINAL A  
TORONTO ON M5W 1L5

## Business Account Statement

June 29, 2012 to July 31, 2012

Account number: [REDACTED]

### Account Activity Details - continued

Date	Description		Cheques & Debits (\$)	Deposits & Credits (\$)	Balance (\$)
05 Jul	Cheque	498,635.00	17.25	26.65	
	Serial #	15453	15241	15176	
	Cheque	39.49	114.81	167.57	
	Serial #	15325	15329	14919	
	Cheque	171.44	984.23	1,533.68	
	Serial #	15439	15443	15245	
	Cheque	1,594.93	1,974.32	2,310.00	
	Serial #	15445	15412	15354	
	Cheque	4,815.00	5,065.02	7,337.50	
	Serial #	15440	15282	15452	
	Cheque	10,000.00	10,106.02	14,000.00	
	Serial #	15382	15272	15349	
	Cheque	20,031.86	23,167.33	28,570.66	
	Serial #	14935	15330	15434	
	Cheque	92,219.29			
	Serial #	15454			8,617,005.01
06 Jul	Deposit	3195		5,226.00	
	Deposit	3097		24,411.83	
	BR TO BR - 4282			138,827.90	
	Deposit	3196		1,155,837.02	
	[REDACTED]			248,312.60	
	[REDACTED]			5,775,000.00	
	[REDACTED]		129,868.56		
	[REDACTED]		1,118,996.95		
	[REDACTED]		4,202,967.86		
	Cheque	1,559.40	9,479.30	22,172.95	
	Serial #	15472	15460	15471	
	Cheque	60,073.97	170,723.43	632,146.93	
	Serial #	15469	15470	15457	
	Cheque	107.35	247.72	405.00	
	Serial #	15327	15172	15468	
	Cheque	490.00	760.00	2,345.23	
	Serial #	15195	15336	14473	
	Cheque	2,402.66	9,495.00	31,838.17	
	Serial #	15464	15456	15463	
	Cheque	68,200.00	123,700.00		
	Serial #	15480	15478		9,376,639.88
09 Jul	Deposit	3098		2,997.90	
	Deposit	3197		12,572.01	



DEVRY, SMITH & FRANK LLP

Jun 26, 2012

TRUST

1

BANK DEPOSIT SLIP

Slip No. 6391

Date	Received From	Matter	Cash	Cheque	Credit
06/25/12	[REDACTED]	foal300		\$405.20	
06/26/12	[REDACTED]	ISMA320		\$2,310.00	
06/26/12	Norma Walton	WANO020		\$2,623,674.40	
06/26/12	Home Truc	WANO020		\$4,908,907.74	(2)
06/26/12	[REDACTED]	CEMU020		\$32,902.61	
06/26/12	Norma Walton	WANO020		\$1,500.00	(1)
06/26/12	[REDACTED]	GENW999		\$226.00	
06/26/12	[REDACTED]	GENW999		\$226.00	
06/26/12	[REDACTED]	GENW999		\$226.00	
06/26/12	[REDACTED]	ISMA320		\$1,130.00	
Total Credits			Total Cash	Total Cheques	
\$0.00			\$0.00	\$7,571,507.95	

TOTAL DEPOSIT: \$7,571,507.95

BANK: BANK-TRUST #1  
BRANCH: Don Mills & Lawrence, Don Mills, Ontario

ACCOUNT:

HOLDER: Devry, Smith & Frank, Trust #1)

TRANSIT: 6142

— 405.20  
\$7,571,102.75

(2)

# TAB 5

This Agreement of Purchase and Sale dated this 3rd day of January, 20 12

**BUYER,** Ron Walton and Norma Walton, agrees to purchase from  
(Full legal names of all Buyers)

**SELLER,** Lisa He, the following  
(Full legal names of all Sellers)

**REAL PROPERTY:**

Address 44 Park Lane Circle fronting on the South side  
of Park Lane Circle in the City of Toronto

and having a frontage of 372.30 Feet more or less by a depth of 860.25 Feet more or less

Part of Block A on Plan 2584 North York & Part W 1/2 of Lot 5 Con. 2 EYS  
TWP of York Designated as Part 1 on Plan 66R23866, Toronto (N York),

and legally described as City of Toronto (the "property").  
(Legal description of land including easements not described elsewhere)

**PURCHASE PRICE:** 10,500,000 Dollars (CDN\$) 10,500,000.00

Ten Million, One Hundred Thousand Dollars

**DEPOSIT:** Buyer submits Upon acceptance  
(Herewith/Upon Acceptance/as otherwise described in this Agreement)  
One hundred fifty thousand Dollars (CDN\$) 150,000.00

by negotiable cheque payable to Harvey Kalles Real Estate Ltd., Brokerage "Deposit Holder"  
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion.  
For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder  
within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for  
in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account  
and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached

**SCHEDULE(S) A** attached hereto form(s) part of this Agreement.

1. **IRREVOCABILITY:** This Offer shall be irrevocable by Buyer until 11:59 p.m. on  
(Seller/Buyer)

the 9th day of January, 20 12, after which time, if not accepted, this Offer shall be null and void and the  
deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the 25th day  
of May, 20 12. Upon completion, vacant possession of the property shall be given to the  
Buyer unless otherwise provided for in this in the Agreement.

3. **NOTICES:** Seller hereby appoints the Listing Brokerage as Agent for the seller purpose of giving and receiving notices pursuant to this  
Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby  
appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage  
represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent  
for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein  
shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of  
acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto shall be deemed given and  
received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a  
facsimile number is provided herein, when transmitted electronically to that facsimile number.

FAX No. 416 441-9926 (For delivery of notices to Seller) FAX No. 416 449-1396 (For delivery of notices to Buyer)

INITIALS OF BUYER(S): [Signature]

INITIALS OF SELLER(S): [Signature]



*2nd deposit  
of \$250,000*

*June 25,  
2012*

4. CHATELS INCLUDED:

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. FIXTURES EXCLUDED:

6. **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

7. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be Included In the Purchase Price. If the sale of the Property is not subject to HST, Seller agrees to certify on or before closing, that the sale of the property is not subject to HST. Any HST on chattels, if applicable, is not included in the purchase price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 11th day of May, 2012 (Requisition Date) to examine the title to the Property at Buyer's own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy Buyer that there are no outstanding work orders or deficiency notices affecting the Property, and that its present use (Single Family Residence) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electric Registration Act, S.O. 1991, Chapter 44, and any amendments thereof to the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust and Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, together with a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

- 13 **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller. **The Buyer acknowledges having the opportunity to include a requirement for a property inspection report in this Agreement and agrees that except as may be specifically provided for in this Agreement, the Buyer will not be obtaining a property inspection or property inspection report regarding the property.**
- 14 **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
- 15 **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
- 16 **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50 (22) of the Planning Act, R.S.O. 1990.
- 17 **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
- 18 **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself be apportioned to Buyer.
- 19 **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 20 **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing and completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 21 **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
- 22 **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under provisions of the Family Law Act, R.S.O. 1990 unless Seller's spouse has executed the consent, hereinafter provided.
- 23 **UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is subject of this transaction.
- 24 **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice.
- 25 **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26 **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



27 TIME AND DATE: Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

28 SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

A. Collins  
(Witness)  
A. Collins  
(Witness)

Ron Walton  
(Buyer) Ron Walton  
Norma Walton  
(Buyer) Norma Walton

(Seal) DATE 9 Jan 12  
(Seal) DATE 9 Jan 12  
(Seal)

I, the Undersigned Seller, agree to the above Offer. I hereby irrevocably instruct my lawyer to pay directly to the Listing Brokerage the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Brokerage to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

[Signature]  
(Witness)  
[Signature]  
(Witness)

[Signature]  
(Seller) Lisa He  
(Seller)

(Seal) DATE 9 Jan 12  
(Seal) DATE \_\_\_\_\_  
(Seal)

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

X  
(Witness)  
X  
(Spouse)

(Seal) DATE Jan 9/12  
(Seal)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all

changes both typed and written was finally accepted by all parties at 110 this 9th day of January, 20 12  
[Signature]  
(Signature of Seller or Buyer)

#### INFORMATION ON BROKERAGE(S)

Listing Brokerage	Harvey Kalles Real Estate Ltd., Brokerage	Tel. No.	416 441-2888
Co-op/Buyer Brokerage	Distinction Realty Limited, Brokerage	Tel. No.	416 449-2400

#### ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

X [Signature] DATE Jan 9/12  
(Seller)

\_\_\_\_\_  
(Seller) DATE \_\_\_\_\_

Address for Service \_\_\_\_\_

Tel. No. \_\_\_\_\_

Seller's Lawyer \_\_\_\_\_

Address \_\_\_\_\_

Tel. No. \_\_\_\_\_ Fax No. \_\_\_\_\_

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

[Signature] DATE 9 Jan 12  
(Buyer)

[Signature] DATE 9 Jan 12  
(Buyer)

Address for Service \_\_\_\_\_

Tel. No. \_\_\_\_\_

Buyer's Lawyer \_\_\_\_\_

Address \_\_\_\_\_

Tel. No. \_\_\_\_\_ Fax No. \_\_\_\_\_

#### FOR OFFICE USE ONLY

#### COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.

DATED as of the date and the time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

[Signature]  
(Authorized to bind the Listing Brokerage)

[Signature]  
(Authorized to bind the Co-operating Brokerage)



**Schedule A  
Agreement of Purchase and Sale**

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

**BUYER,** Ron Walton and Norma Walton, and

**SELLER,** Lisa He

For the purchase and sale of 44 Park Lane Circle, City of Toronto

dated the 3rd day of January, 20 12

Buyer agrees to pay the balance as follows:

The Buyers agree to pay a further sum of ~~One Hundred and Fifty Thousand Dollars (\$150,000.00)~~, to Harvey Kalles Real Estate Ltd, Brokerage, by ~~negotiable cheque~~, at the time of notification of fulfillment or removal of all the conditions, as an ~~additional deposit to be held in trust pending completion or other termination of this Agreement~~. This amount is ~~to be credited towards the purchase price on completion of this transaction~~. *(Handwritten initials: CW, LH, and a signature)*

The Buyers agree to pay the balance of the purchase price, subject to adjustments, by bank draft or certified cheque, to the Seller on the completion of this transaction.

The parties to this Agreement hereby acknowledge that the Deposit Holder shall place all deposit monies in an interest bearing security with any accrued interest on the deposit to be paid to the Buyers as soon as possible after completion or other termination of this Agreement. The deposit holder will immediately inform the person depositing the trust money as to the interest rate received on the deposit. In the event that the closing date is advanced or the transaction is terminated, the party receiving the interest agrees to accept the short-term rate for deposits withdrawn before maturity.

Seller agrees to discharge any mortgages or liens of other encumbrances registered against the property on or before closing at his own expense either from the proceeds of the sale or by solicitors undertaking.

This offer is conditional upon the Buyers arranging satisfactory financing within fifteen (15) banking days following the date of acceptance of this Agreement of Purchase and Sale, otherwise this offer becomes null and void and the deposit shall be returned to the Buyers in full, without interest. The Buyers reserve the right to waive this condition at their sole option. *(Handwritten: 3 visits to the subject home with 24 hour notice to the seller)*

The Buyers would like to arrange an inspection of the subject property by a qualified home inspector within fifteen (15) banking days after acceptance of this offer. *(Handwritten initials: LH)*

This offer is conditional for 30 business days upon the Purchasers obtaining the written permission from the Seller to speak with the City of Toronto regarding the property and obtaining the necessary information for further development of the land. In the event that the information obtained from the City is not to their satisfaction then this offer shall become null and void and the deposit shall be returned to the Buyers in full without interest or deduction. The Buyers reserve the right to waive this condition at their sole option. *(Handwritten initials: LH)*

Seller warrants that there are no work orders or deficiency notices outstanding against the property, and if so will be complied with at his expense, on or before closing.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): *(Handwritten initials: CW, LH)*

INITIALS OF SELLER(S): *(Handwritten initials: LH)*



The Seller shall supply, at his own expense, to the Buyers, an up to date copy of the survey for the property being purchased herein within five (5) days of acceptance of the Agreement of Purchase and Sale.

Buyer agrees to pay a further \$250,000 deposit  
to Harvey Kallos Real Estate in trust on March 15, 2012. This  
shall be credited to the purchase price on completion  
of this transaction.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

*[Handwritten initials]*

INITIALS OF SELLER(S):

*[Handwritten initials]*







Jing Li

**From:** Jason Huang [jasonhuang@lawyer.com]  
**Sent:** May 18, 2012 8:19 AM  
**To:** Jing Li  
**Cc:** phjohnny@hotmail.com  
**Subject:** RE: 44 Park Lane Circle, Toronto

Hi Jing,

The figures are estimates and on closing I will simply adjust based on these figures rather than pull off an accurate calculations. My client indicates that she does not want to be burdened with chasing after source documents as she is busy with her other affairs. At the extended closing date, adjustment will be made based on these estimates.

Sincerely

Jason Huang  
Barrister & Solicitor

Jason Huang Law Office  
15 Allstate Parkway, 6th Floor  
Markham, Ontario L3R 5B4  
Tel: (416) 222-5588  
Fax: (416) 946-1413

*(OK) with Ron's  
Huma  
JH*

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---

**From:** Jing Li [mailto:Jing.Li@devrylaw.ca]  
**Sent:** May-17-12 1:24 PM  
**To:** 'jasonhuang@lawyer.com'  
**Cc:** Todd Holmes  
**Subject:** RE: 44 Park Lane Circle, Toronto

Hi Jason,

Attached please find the email sent to you yesterday at 10:21am together with the letter extending the closing to June 25, 2012.

Please acknowledge your client's agreement by signing and returning a copy of the letter to us ASAP.

Thanks,

Jing Li  
Law Clerk  
Assistant to J. Todd Holmes  
Devry Smith Frank LLP



Jing

---

**From:** Jing Li  
**Sent:** May 17, 2012 1:24 PM  
**To:** 'jasonhuang@lawyer.com'  
**Cc:** Todd Holmes  
**Subject:** RE: 44 Park Lane Circle, Toronto  
**Attachments:** RE: 44 Park Lane Circle, Toronto

Hi Jason,

Attached please find the email sent to you yesterday at 10:21am together with the letter extending the closing to June 25, 2012.

Please acknowledge your client's agreement by signing and returning a copy of the letter to us ASAP.

Thanks,

Jing Li  
Law Clerk  
Assistant to J. Todd Holmes  
**Devry Smith Frank LLP**  
**Lawyers & Mediators**  
Suite100, 95 Barber Greene Road  
Toronto, ON  
M3C 3E9  
Direct: 416-446-5864  
Fax: 416-449-7071

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---

**From:** Todd Holmes  
**Sent:** May 17, 2012 12:09 PM  
**To:** Jing Li  
**Subject:** FW: 44 Park Lane Circle, Toronto

---

**From:** Jason Huang [<mailto:jasonhuang@lawyer.com>]  
**Sent:** Thursday, May 17, 2012 10:59 AM  
**To:** Todd Holmes  
**Subject:** RE: 44 Park Lane Circle, Toronto

Hi Todd,

I have sent your client a list of fees and have not received your reply and confirmation of extension of closing. Please let me know asap.

Jing Li

---

**From:** Jing Li  
**Sent:** May 16, 2012 10:21 AM  
**To:** 'jasonhuang@lawyer.com'  
**Cc:** 'nwalton@roseandthistle.ca'; Todd Holmes  
**Subject:** RE: 44 Park Lane Circle, Toronto  
**Attachments:** Ltr to Jason Huang -May 16.pdf

Hi Jason,

Please find attached letter with respect to the above mentioned property.

Regards,

Jing

Jing Li  
Law Clerk  
Assistant to J. Todd Holmes  
**Devry Smith Frank LLP**  
**Lawyers & Mediators**  
Suite100, 95 Barber Greene Road  
Toronto, ON  
M3C 3E9  
Direct: 416-446-5864  
Fax: 416-449-7071

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---

**From:** Jason Huang [<mailto:jasonhuang@lawyer.com>]  
**Sent:** Monday, May 14, 2012 5:08 PM  
**To:** Todd Holmes  
**Subject:** Re: 44 Park Lane Circle, Toronto

Hi Todd. I received your requisition. Please verify with Norma that the closing is extended for 1 month on request of the buyer.

Sincerely

Jason Huang  
Barrister & Solicitor

Jason Huang Law Office  
15 Allstate Parkway, 6th Floor

Markham, Ontario L3R 5B4

Tel: (416) 222-5588

Fax: (416) 946-1413

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DEVRY, SMITH & FRANK LLP  
Barristers and Solicitors

todd.holmes@devrylaw.ca  
416-446-5845

May 16, 2012

**Via Email: jasonhuang@lawyer.com**

Jason Huang  
Barrister & Solicitor  
15 Allstate Parkway, 6<sup>th</sup> Floor  
Markham, Ontario  
L3R 5B4

Dear Mr. Huang:

**Re: Walton purchase from He; 44 Park Lane Circle, Toronto**

On behalf of our clients, we hereby confirm an extension of the closing date from May 25, 2012 to June 25, 2012 on the following terms:

1. Our clients will pay the following monies (all rough estimates) to your client to be credited to her on the statement of adjustments:
  - (a) Bank interest of \$33,600.00.
  - X (b) Property taxes of \$4,000.00 to be adjusted as of May 25, 2012. \$ 4,800  
(4,500)
  - (c) Lawn care of \$2,500.00.
  - (d) Utilities of \$500.00.
  - (e) Insurance premium of \$1,200.00.
2. Time shall remain of the essence.
3. All other terms of the agreement of purchase and sale shall remain the same.

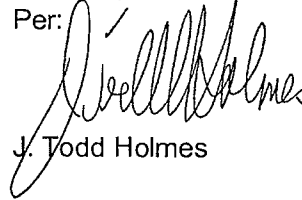
DEVRY, SMITH & FRANK LLP  
Barristers and Solicitors

Please acknowledge your client's agreement to the foregoing by signing and returning a copy of this letter.

Acknowledged and agreed to  
this \_\_\_\_\_ day of May, 2012  
on behalf of my client

\_\_\_\_\_  
Jason Huang

Yours truly,  
DEVRY, SMITH & FRANK LLP  
Per:

  
J. Todd Holmes

JTH/jl  
Encls.

c. Ronauld and Norman Walton



# TAB 6

NORMA WALTON  
92 TRUMAN RD.  
TORONTO ON M2L 2L6

**CERTIFIED CHEQUE**  
**DO NOT DESTROY**

006

DATE 2012-06-25  
Y Y Y Y M M D D

PAY TO THE  
ORDER OF

**CERTIFIED**  
**DO NOT DESTROY**

Frank L. P. in trust \$2,623,674<sup>40</sup>

Two million six hundred and twenty three thousand six hundred and seventy four<sup>40</sup>

Meridian  
56 WELLESLEY ST. W. SUITE 103  
TORONTO, ON M5S 2S3  
MEMO MERIDIAN CREDIT UNION LIMITED

JUN 25 2012  
MERIDIAN CREDIT UNION  
WELLESLEY

2,623,674.10

Security features  
included.  
Details on back.

Account Number Changed

⑈006⑈ ⑆00742⑈837⑈

⑈00742⑈837⑈ 09947⑈141⑈  
Due to Certification

Exhibit # 3  
on the examination of  
Todd Holmes in  
BRDC Spadina v. Walton  
held on January 15, 2014

# TAB 7



LITIGATE  
INC.

130 Adelaide St W T 416-865-9500  
Suite 2600 F 416-865-9010  
Toronto, ON  
Canada M5H 3P5

January 15, 2015

Shara Roy  
Direct line: 416.865.2942  
Direct fax: 416.865.3973  
Email: [SRoy@litigate.com](mailto:SRoy@litigate.com)

**VIA EMAIL**

Mr. Guillermo Schible  
Schible Law  
181 University Avenue, Suite 2200  
Toronto, ON M5H 3M7

Client: Norma Walton

Mr. John Campion  
Fasken Martineau  
333 Bay Street, Suite 2400  
Toronto, ON M5H 2T6

Client: Norma Walton

Howard Cohen  
Cohen, Sabsay LLP  
Barristers & Solicitors  
Suite 901  
Toronto, ON M5H 2T7

Client: Ronald Walton et al.

Dear Sirs:

**RE: Dr. Stanley Bernstein and Norma Walton et al**  
**Court File No.: CV-13-10280-00CL**

In respect of your clients' motion returnable tomorrow and our cross-motion, please produce by the end of the day today:

- (a) the bank statement for June 2012 from Meridian bank bearing account number 7870017; and
- (b) a copy of the original cancelled cheque appended hereto, showing the original account number.

Page 2

Yours very truly,

A handwritten signature in dark ink, appearing to be 'Shara Roy', is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

Shara Roy  
*SNR/lg*  
*Encl.*

NORMA WALTON  
92 TRUMAN RD.  
TORONTO ON M2L 2L6

**CERTIFIED-CHEQUE**  
**DO NOT DESTROY**

006

DATE 2012-06-25  
Y Y Y Y M M D D

PAY TO THE  
ORDER OF

**CERTIFIED**  
**DO NOT DESTROY**

Frank LLP in trust \$2,623,674<sup>40</sup>

Two million six hundred and twenty three thousand six hundred and seventy four

Security features  
included  
Details on back

Meridian

WELLESLEY

56 WELLESLEY AVE. W. SUITE 103

TORONTO, ON M5S 2S3

MEMO: MERIDIAN CREDIT UNION LIMITED

Account Number Changed

⑈006⑈ ⑈00742⑈837⑈

⑈00742⑈837⑈ 09947⑈141⑈

Due to Certification

Exhibit 3  
on examination of  
— Todd Holmes  
BRDC Spedina v. Walton  
held on January 15, 2014

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

**COMPENDIUM OF THE APPLICANTS**

**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