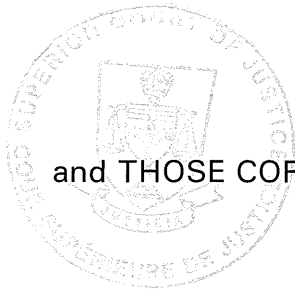


**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) MONDAY, THE 20TH
)
JUSTICE NEWBOULD) DAY OF JANUARY, 2014

B E T W E E N:



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

Applicants

and

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

Respondents

and

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

ORDER

THIS MOTION, made by the third party mortgagee Atrium Mortgage Investment Corporation ("Atrium"), for an Order in respect of the lands owned by the Schedule "B" Corporations Bannockburn Lands Inc. and Dewhurst Developments Ltd (the "Borrowers") at the municipal addresses known as 1185 Eglinton Avenue East and 14 Dewhurst Avenue in Toronto, Ontario; the buildings thereon; and all property subject to the mortgage, related loan documents and

security of Atrium (the "Atrium Properties"), was heard this day at 330 University Avenue, Toronto, Ontario;

ON READING the affidavit of Rob Goodall sworn January 14, 2014, the Orders of this Honourable Court dated December 24, 2013 and January 6, 2014, the Second Report of the Monitor dated January 14, 2014, upon the consent of the Applicants and the Respondents not opposing this Order;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged so that the motion is properly returnable today and hereby dispenses with further service thereof.

CONTINUING ORDERS

2. **THIS COURT ORDERS** that the Orders of the Honourable Justice Newbould dated October 4, 2013 (the "October 4 Order"), October 25, 2013 and November 5, 2013 (the "November 5 Order") continue in full force and effect except as modified by this Order in respect of the Atrium Properties, and all related rents, parking fees, income, receipts, revenues and other proceeds from or in respect of such Property (the "Property Revenues").

3. **THIS COURT ORDERS** that the Manager's Borrowing Charge and the Manager's Charge shall rank in subsequent priority to any and all security interests, trusts, liens, charges, mortgages and encumbrances, statutory or otherwise in favour of Atrium including any general security agreement (individually a "Mortgage" and collectively, the "Mortgages") validly registered on title to the Atrium Properties as of January 20, 2014. The Manager's Borrowing Charge and

the Manager's Charge shall not be registered on title to the Atrium Properties and shall not, in the event the stay of proceedings is lifted in accordance with paragraphs 9, 14 or 15 hereof or by Court Order, impair Atrium's ability to sell or lease the Atrium Properties subject to its Mortgages.

4. **THIS COURT ORDERS** that the Property Revenues derived from each of the Atrium Properties shall be used only to fund the costs and expenses directly relating to the management, maintenance, operation and sale of that respective Property, including reasonable fees and disbursements of the Manager incurred directly in connection with the management, maintenance, operation and sale of that Property and the performance of its obligations under this Order in respect of that Property and payment of all amounts owing under the Mortgages, against that Property, when due (the "Property-Specific Costs") and for greater certainty shall not be used to fund any allocation of the fees, costs and expenses associated with any other property or the fees of the Manager relating thereto, provided that the Manager shall have no personal liability for the obligations of the Borrower.

5. **THIS COURT ORDERS** that each Borrower shall pay when due, all Property-Specific Costs owing by the Borrower to Atrium and arm's length creditors on account of taxes or other amounts that, if not paid, would have the benefit of a lien, charge or other encumbrance ranking in priority to the Mortgages and the Manager will cause such payments to be made from the Property Revenues of the respective Atrium Properties to the extent funds are available provided that the Manager shall have no personal liability for the obligations of any Borrower. No Borrower shall pay any claims against the Borrower that arose prior to the date of the November 5 Order, other than the obligations in relation to its Mortgage, without Atrium's consent.

6. **THIS COURT ORDERS** that the proceeds of any borrowing under the Manager's Borrowing Charge (as defined in the November 5 Order) in respect of an Atrium Property shall be used only to fund its Property Specific Costs.

COSTS

7. **THIS COURT ORDERS** that the costs of the Applicants and Respondents of this Application and the costs of the Inspector (as defined in the October 4 Order) shall not form part of the Manager's Charge or the Manager's Borrowing Charge and shall be borne by the Applicants or the Respondents, as may be determined by this Court from time to time.

COMPLIANCE WITH THE MORTGAGES

8. **THIS COURT ORDERS** that each Borrower shall hereafter comply with the terms of the Mortgages in favour of Atrium from and after the date of this amending Order. For greater certainty, nothing in this paragraph 8 requires the Borrowers or the Manager to cure the alleged existing or continuing events of default as of the date of this Order listed in Schedules "C" and "D" hereto. Nothing in this paragraph prejudices Atrium's right to rely on such existing or continuing defaults if the stay of proceedings is lifted in accordance with paragraphs 9, 14 or 15 hereof or by Court Order. Nothing in this Order prejudices Atrium's right to add any costs, fees or other amounts arising from the existing defaults under its Mortgages and/or these proceedings to the indebtedness secured by its Mortgages as permitted by the Mortgages or applicable laws.

9. **THIS COURT ORDERS** that there shall be an automatic lifting of the stay imposed by paragraphs 12 and 13 of the November 5 Order to permit Atrium to enforce its rights and remedies against the Borrowers or the Atrium Properties

under and in accordance with its respective Mortgages in the event of any breach of paragraph 8 above, including without limitation, any failure to pay any payment of principal, interest and all reserves when due pursuant to the terms of the Mortgages.

10. **THIS COURT ORDERS** that the Manager shall provide Atrium, the Applicants and Respondents with notice of any breach of this Order, including paragraph 8 of which it becomes aware in respect of the Atrium Properties and shall, on a monthly basis, provide Atrium, the Applicants and Respondents with a certificate confirming that it is not aware of any breach of paragraph 8 in respect of the Atrium Properties.

11. **THIS COURT ORDERS** that in the event the stay is lifted in accordance with paragraph 9, 14 or 15 hereof or by Court Order, the relief granted herein is without prejudice to Atrium's right to bring any action, proceeding or claim against the Borrowers, or to Atrium's right to raise any existing, continuing or future events of default in these proceedings.

SALE OF THE PROPERTY

12. **THIS COURT ORDERS** that subsection 5(l) and (m) of this Court's Order dated November 5, 2013 is modified to require Atrium's consent to take any further steps to market, list for sale, sell, convey, lease, rent, transfer or assign any Atrium Property or put in place a different property manager for any Atrium Property from and after the date of this amending Order, in accordance with the Mortgages (including from the date of this Order the sales process to market and sell the Property). Furthermore, nothing in the Order dated November 5, 2013 or this Order shall prejudice Atrium's right to object to a prepayment of their

respective Mortgages or to claim the prepayment charge provided for under the respective Mortgages.

13. **THIS COURT ORDERS** that the Manager shall report to Atrium, the Applicants and Respondents, on the status of the Atrium Properties, including but not limited to providing timely reports in respect of leasing or sales activity, copies of any appraisals of the Atrium Properties, all material information, reports and written communications by the sales agent retained by the Manager in respect of the Atrium Properties (the "Sales Agent") and any offers for the sale or lease of the respective Atrium Properties in the possession of the Manager from time to time, and the Manager shall authorize the Sales Agent to cooperate fully with Atrium, to provide Atrium with timely information and documentation relating to the status of the process to sell the Atrium Properties or lease space in the Atrium Properties, subject to the recipient executing a confidentiality agreement in a form acceptable to the Manager and Atrium, acting reasonably. Atrium's approval shall, if applicable, be required for the sale of or lease of the Atrium Properties. The Manager may request from Atrium, and Atrium shall provide, a mortgage statement as at the projected closing date in an offer to purchase the Atrium Properties that the Manager is interested in pursuing. Unless Atrium agrees otherwise in writing, and subject to the right of the Manager to seek direction of this Court on notice to Atrium, the Manager shall only accept and submit to Court for approval an offer to purchase the Atrium Properties if the offer provides for payment in full, at closing, of the amount outstanding as shown on the mortgage statement.

14. **THIS COURT ORDERS** that there shall be an automatic lifting of the stay imposed by paragraphs 12 and 13 of the November 5 Order on the Atrium Properties to permit Atrium to enforce its rights and remedies against the Borrowers or the Atrium Properties under and in accordance with its Mortgages if: (i) by February 28, 2014, the Manager's plan to sell the Atrium Properties has not

been approved by Atrium acting reasonably, the Manager has not commenced the sale process by retaining a reputable real estate agent and listed the Atrium Properties for sale, or has not commenced to actively market the Atrium Properties for sale; or (iii) at any time after February 28, 2014, the Manager fails to diligently, continuously and prudently market the Atrium Properties for sale and lease, unless the Manager and Atrium have agreed in writing to extend the deadlines provided in this paragraph 14.

15. **THIS COURT ORDERS** that there shall be an automatic lifting of the stay imposed by paragraphs 12 and 13 of the November 5 Order to permit Atrium to enforce its rights and remedies against the Borrowers or the Atrium Properties if the sale of the Atrium Properties is not fully completed by August 29, 2014 (whether or not the relevant Mortgage is in good standing), unless the Manager and Atrium have agreed in writing to extend the deadline provided in this paragraph 15.

OTHER RELIEF

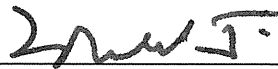
16. **THIS COURT HEREBY REQUESTS** that aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Manager and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative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

17. **THIS COURT ORDERS** that the Manager be at liberty and is hereby authorized and empowered to apply to any court, tribunal regulatory or


administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

18. **THIS COURT ORDERS** that the stay imposed by paragraphs 12 and 13 of the November 5 Order is lifted for the purposes of permitting Atrium to deliver a notice for purposes of section 244 of the *Bankruptcy and Insolvency Act* (Canada) if Atrium considers it necessary or appropriate to do so.

19. **THIS COURT ORDERS** that any interested party may apply to this Court to seek the advice and direction of the Court in respect of this Order or the activities of the Manager on not less than seven (7) days' notice to the Manager and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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



JAN 20 2016

SCHEDULE "A" COMPANIES

1. Dr. Bernstein Diet Clinics Ltd.
2. 2272551 Ontario Limited
3. DBDC Investments Atlantic Ltd.
4. DBDC Investment Pape Ltd.
5. DBDC Investments Highway 7 Ltd.
6. DBDC Investments Trent Ltd.
7. DBDC Investments St. Clair Ltd.
8. DBDC Investments Tisdale Ltd.
9. DBDC Investments Leslie Ltd.
10. DBDC Investments Lesliebrook Ltd.
11. DBDC Fraser Properties Ltd.
12. DBDC Fraser Lands Ltd.
13. DBDC Queen's Corner Inc.
14. DBDC Queen's Plate Holdings Inc.
15. DBDC Dupont Developments Ltd.
16. DBDC Red Door Developments Inc.
17. DBDC Red Door Lands Inc.
18. DBDC Global Mills Ltd.
19. DBDC Donalda Developments Ltd.
20. DBDC Salmon River Properties Ltd.
21. DBDC Cityview Industrial Ltd.
22. DBDC Weston Lands Ltd.
23. DBDC Double Rose Developments Ltd.
24. DBDC Skyway Holdings Ltd.
25. DBDC West Mall Holdings Ltd.
26. DBDC Royal Gate Holdings Ltd.
27. DBDC Dewhurst Developments Ltd.
28. DBDC Eddystone Place Ltd.
29. DBDC Richmond Row Holdings Ltd.

SCHEDULE "B" COMPANIES

1. Twin Dragons Corporation
2. Bannockburn Lands Inc. / Skyline-1185 Eglinton Avenue Inc.
3. Wynford Professional Centre Ltd.
4. Liberty Village Properties Ltd.
5. Liberty Village Lands Inc.
6. Riverdale Mansion Ltd.
7. Royal Agincourt Corp.
8. Hidden Gem Development Inc.
9. Ascalon Lands Ltd.
10. Tisdale Mews Inc.
11. Lesliebrook Holdings Ltd.
12. Lesliebrook Lands Ltd.
13. Fraser Properties Corp.
14. Fraser Lands Ltd.
15. Queen's Corner Corp.
16. Northern Dancer Lands Ltd.
17. Dupont Developments Ltd.
18. Red Door Developments Inc. and Red Door Lands Ltd.
19. Global Mills Inc.
20. Donalda Developments Ltd.
21. Salmon River Properties Ltd.
22. Cityview Industrial Ltd.
23. Weston Lands Ltd.
24. Double Rose Developments Ltd.
25. Skyway Holdings Ltd.
26. West Mall Holdings Ltd.
27. Royal Gate Holdings Ltd.
28. Dewhurst Developments Ltd.
29. Eddystone Place Inc.
30. Richmond Row Holdings Ltd.
31. El-Ad (1500 Don Mills) Limited
32. 165 Bathurst Inc.
33. Royal Gate Nominee Inc.
34. Royal Gate (Land) Nominee Inc.

SCHEDULE "C"

The following potential events of default as of the date of this Order under the Mortgage on the Schedule "B" Property at 1185 Eglinton Avenue East, Toronto, Ontario with Atrium Mortgage Investment Corporation are subject to paragraph 8 of this order:

- a) The Order of this Court dated November 5, 2013;
- b) This Order of the Court;
- c) Any representation made at the time the Mortgage was entered into regarding the ownership of the Mortgagor/Borrower;
- d) Any non-payment of utilities, taxes and other obligations prior to the date of this Order; and
- e) Any registration on title of an encumbrance, including a lien prior to the date of this Order.

SCHEDULE "D"

The following potential events of default as of the date of this Order under the Mortgage on the Schedule "B" Property at 14 Dewhurst Avenue, Toronto, Ontario with Atrium Mortgage Investment Corporation are subject to paragraph 8 of this order:

- a) The Order of this Court dated November 5, 2013;
- b) This Order of the Court; and
- c) Any representation made at the time the Mortgage was entered into regarding the ownership of the Mortgagor/Borrower;
- d) Any non-payment of utilities, taxes and other obligations prior to the date of this Order; and
- e) Any registration on title of an encumbrance, including a lien prior to the date of this Order.

DBDC SPADINA LTD. and NORMA WALTON et al and THOSE CORPORATIONS LISTED ON SCHEDULE B HERETO
Applicants Respondents

Court File No: CV—13-10280-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

ORDER

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Investment Corporation