

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

THE HONOURABLE )  
D.M. JUSTICE BROWN )  
Tuesday, the 20th  
day of May, 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, and THE ROSE & THISTLE  
GROUP LTD., AND THOSE CORPORATIONS LISTED ON SCHEDULE B  
HERETO**

**Respondents**

**and**

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

**ORDER**

THIS MOTION brought by the Respondents for an order varying the Orders of this Court dated December 18, 2013, January 27 and March 21, 2014 in respect of the property known municipally as 65 Front Street East, Toronto, Ontario (the "Property") and vesting in the Purchaser, 2410077 Ontario Ltd., the right, title and interest in the Property currently held by the Vendor Front Church Properties Limited (the "Vendor") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the motion records of the Respondent Norma Walton returnable April 1, 2014 and April 29, 2014, the Affidavit of Ken Froese sworn April 28, 2014; the two Affidavits of the Respondent Norma Walton sworn May 5, 2014; the responding motion records of the Applicants returnable April 1, 2014 and April 29, 2014 of the Applicants' Compendium and Supplementary Compendium; the Inspector's Report dated April 23, 2014, the updated Inspector's Report dated May 5, 2014;

ON READING the materials and hearing from the Respondent Norma Walton, counsel for the other Respondents, counsel for the Applicants, counsel for the Manager and counsel for certain other interested parties, but not counsel for Cushman & Wakefield Ltd., and reviewing correspondence from counsel for Her Majesty the Queen in Right of Canada as Represented by the Minister of National Revenue ("CRA"), and upon Cushman & Wakefield Ltd. not having been given notice of this motion and therefore not having had a chance to appear;

1. THIS COURT ORDERS that the time for service of the notices of motion and motion records is hereby abridged, as necessary, so that this motion is properly returnable today.
2. THIS COURT ORDERS that the Order of the Honourable Mr. Justice Newbould made March 21, 2014 is hereby varied to provide that the sale proceeds from the sale of 65 Front Street East, Toronto, Ontario will be paid in accordance with this Order.
3. THIS COURT ORDERS that the Vendor shall, from the sale proceeds of 65 Front Street East, make the following payments upon closing (the "Primary Payments"):

- (a) Apply a credit in the approximate amount of \$5,887,500 to the purchase price of the Property in favour of the Purchaser in respect of the assumption of the first mortgage registered on the Property in favour of Alterna Savings by the Purchaser;
- (b) Payment of the second mortgage registered on the Property in favour of 368230 Ontario Limited in the amount of principal, interest and \$85,000 plus HST in legal fees, being the approximate amount of \$2,720,000;
- (c) Payment of property taxes in arrears for 2013 and adjustments for 2014 property taxes in the approximate amount of \$190,000;
- (d) Standard closing adjustments in the statement of adjustments in the approximate amount of \$150,000; and
- (e) The vendor's legal fees of \$30,000 plus HST.

4. THIS COURT ORDERS that the remaining balance from the sale proceeds of the Property be paid to and be held in trust by Goodmans LLP in trust, being counsel to Schonfeld Inc. in its capacity as Manager.

5. THIS COURT ORDERS AND DECLARES that after the Primary Payments are satisfied, upon Closing of sale of the Property, all of the Vendor's right, title and interest in and to the Property shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims")

including: (i) the lien in favour of Canada Revenue Agency registered against the Property; (ii) the construction lien claims registered against the Property; (iii) the notice of claim registered by Collins Barrow (Toronto) Limited, the court appointed Receiver of Global Mills Inc.; (iv) the Commission payment due to Cushman & Wakefield Ltd. (the "Secondary Payments") and for greater certainty, this Court orders that all of the Secondary Payments affecting or relating to the Property are hereby expunged and discharged as against the Property.

6. THIS COURT ORDERS that upon the registration in the Land Registry Office for the City of Toronto of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Vendor of a Vendor's Certificate in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

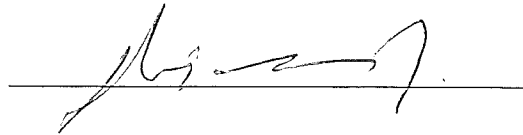

7. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property shall stand in the place and stead of the Property, and that from and after the delivery of the Vendor's Certificate all Claims shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. THIS COURT ORDERS that following Closing of the sale of the Property, Schonfeld Inc. in its capacity as Manager in these proceedings, will bring a motion for approval of an Order of this Court approving a Claims Process to determine the validity, quantum and priority of the

Secondary Payments and any claims of the Applicants that the Court may order in respect of the Property.

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

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

A handwritten signature in black ink, written over a horizontal line. The signature is stylized and appears to be a name with a long, sweeping underline.A handwritten mark or signature in black ink, consisting of several overlapping loops and a vertical stroke, positioned to the left of the date stamp.

JUN 04 2014

**Schedule A – Form of Vendor’s Certificate**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

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**and**

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**VENDOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Mr. Justice Brown of the Ontario Superior Court of Justice (the "Court") dated May 20, 2014, the Vendor was directed to pay to Schonfeld Inc., in its capacity as the Court appointed Manager in these proceedings (the "Manager") the remaining

balance from the sale proceeds from the sale of 65 Front Street East (the "Property") after the Vendor has paid the Primary Payments as defined in said Order.

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE VENDOR CERTIFIES the following:

1. The Vendor has paid to the Manager the remaining balance from the sale proceeds from sale of the Property after the Primary Payments were made; and
2. This Certificate was delivered by the Vendor at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**FRIEDMAN & ASSOCIATES LLP as  
Vendor's lawyer**

Per: \_\_\_\_\_

Name:

Title:

**Schedule B – Property**

The real property located at 65 Front Street East, Toronto, Ontario

PIN 21400 – 0089 LT

PART WALKS AND GARDENS PLAN 5A TORONTO; PART STRIP OF LAND BETWEEN WATERS  
EDGE AND TOP OF BANK PLAN 5A TORONTO; PART LOT 30 SOUTHSIDE FRONT STREET EAST  
PLAN 5A TORONTO AS IN CA570607; SUBJECT TO CT273443; CITY OF TORONTO

65 FRONT ST E

TORONTO



*ORDER*

**Schedule C – Claims to be deleted and expunged from title to Real Property**

- (a) CRA HST lien claim Registration Number AT3488865;
- (b) Construction lien claims including but not limited to Registration Numbers:
  - (i) AT3557508 Laser Heating and Air Conditioning Inc.;
  - (ii) AT3557855 Net Drywall & Acoustics Ltd.;
  - (iii) AT3561737 Roofing Medics Ltd.;
  - (iv) AT3563233 Blue Air Mechanical Inc.;
  - (v) AT3565588 Gentry Environmental Systems Ltd.;
  - (vi) AT3565641 Abaco Glass Inc.;
  - (vii) AT3566416 Maxguard Alarm and Security Company Ltd.;
  - (viii) AT3566462 Net Drywall & Acoustics Ltd.;
  - (ix) AT3567140 Ample Electric Inc.;
  - (x) AT3567258 1771105 Ontario Inc.;
  - (xi) AT3567558 G-Line Sun Control Inc.;
  - (xii) AT3567578 Kerestely, Zoltan;
  - (xiii) AT3568362 WBA Architects and Engineers Inc.;
  - (xiv) AT3568578 Engcon Construction;
  - (xv) AT3570270 Carcol Ltd.;
  - (xvi) AT3570298 Caiquan Construction Co.;
  - (xvii) AT3572541 Memme Joseph;
  - (xviii) AT3573033 World Electric;
  - (xix) AT3573412 MediGroup Incorporated;
- (c) Collins Barrow Receiver's notice of claim Registration Number AT3574922; and
- (d) Commission payment to Cushman Wakefield LePage.

*ORDER*

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property**

**(unaffected by the Vendor's Certificate)**

Purchaser is assuming the first mortgage registered by Alterna Savings pursuant to Registration Numbers AT1262430 and AT1961238 and AT2711991

Vendor is paying out and discharging the second mortgage registered by 368230 Ontario Limited, Registration Number AT2959596

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**ONTARIO SUPERIOR  
COURT OF JUSTICE**

**[COMMERCIAL LIST]**

Proceeding commenced at:

TORONTO

**ORDER**

NORMA WALTON  
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Toronto, Ontario M5R 2E2

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Fax: (416) 489-9973  
nwalton@roseandthistle.ca

Respondent