

**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 B HERETO, TO BE
BOUND BY THE RESULT

**MOTION RECORD OF THE APPLICANTS
(RETURNABLE SEPTEMBER 2 & 4, 2015)
VOLUME 3 OF 6**

August 4, 2015

**LENCZNER SLAGHT ROYCE
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TO:	THE SERVICE LIST
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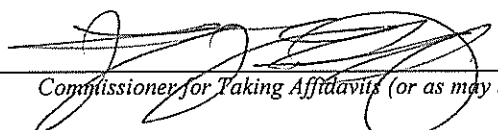
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TAB 15

This is Exhibit "15" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015

A handwritten signature in black ink, appearing to read 'Danielle Glatt', is written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Tuesday, August 2, 2011 6:46 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 32 Atlantic
Attach: ltr to bernstein aug 2, 11.pdf; proposed deal terms.doc

Dear Stan,

I hope you are having a great day!

Attached is the draft commitment for Atlantic along with the proposed deal terms. I will send you the proposal once completed so we can attach it to the proposed deal terms. Please review and let me know if anything does not make sense.

We are incorporating your company to hold Atlantic, and are coordinating with the vendor's lawyer to close on August 29th. As you did before, if you want to prepare two cheques, one for \$6,574,000 (\$6.8 million less bonus interest) payable to Walton Advocates in trust and the second for \$2,100,000 payable to Liberty Village Properties Inc. respectively and date them for August 22nd, you won't need to certify them as they'll clear in the five banking days prior to purchase.

Trudy sent over to Cossette's realtors a draft offer today. I know Steve Keyser from Colliers is working on getting us something tomorrow or Thursday. Looking forward to seeing it officially tied up!

Have a great evening.

Norma

Norma Walton B.A., J.D., M.B.A.
THE ROSE AND THISTLE GROUP LTD.
30 Hazelton Avenue
Toronto, Ontario, Canada M5R 2E2
Tel: (416) 489-9790 Ext. 103
Fax: (416) 489-9973

www.roseandthistlegroup.com

The Rose and Thistle Group Ltd. is a privately held land and investment company that owns and operates a stable of commercial and residential properties, is a property developer, and is the parent company of Handy Home Products Inc. (www.TheSKrAPr.com), Urban Amish Interiors (www.urbanamish.ca) and Corporate Communications Interactive (www.CCInteractive.com) and is affiliated with Walton Advocates, Barristers and Solicitors.

WALTON ADVOCATES

BARRISTERS AND SOLICITORS/TRADE MARK AGENTS

Corporate Law * Family Law * Employment Law * Estate Law * Real Estate Development Law

30 HAZELTON AVENUE • TORONTO, ONTARIO • M5R 2E2
(416) 489-3171 • Fax: (416) 489-9973 • E-mail: norma@waltonadvocates.com

August 2, 2011

BY EMAIL

Dr. Stanley Bernstein
Dr. Bernstein Diet and Health Clinics
21 Kern Road
Toronto, ON M3B 1S9

Dear Stan,

**Re: Liberty Village Properties Inc. and Liberty Village Lands Inc. first mortgage from
368230 Ontario Inc.
32 Atlantic Avenue (comprising 30 Atlantic, 32 Atlantic, 33 Jefferson and 47 Jefferson
Avenues), Toronto
Closing Date: August 29, 2011**

We secured the four properties that comprise 32 Atlantic in December from Corus Entertainment. 32 Atlantic sits on more than an acre of land and when we purchased it had approximately 65,000 SF of interior area over two floors. Corus used to run Nelvana out of this location. The property was a rabbit warren of offices with no natural light and very little interior planning. We saw the property's potential because of the 30 foot ceilings, the skylights and large windows, and neat feel of the place, not to mention the up and coming nature of the neighbourhood.

Corus undertook to remediate a portion of soil that had diesel fuel in it prior to closing, and we originally anticipated closing would occur in March. Instead, Corus found more and more diesel fuel as they dug and dug. The end result is that they have demolished half of the interior partitions of the property for us at their cost since December 2010. They have now been advised by their environmental engineers that they will require a Record of Site Condition, which will likely take 9 to 18 months to obtain. Hence we are closing on August 29th and the sum of \$500,000 will be held by Corus' lawyers after closing, to be drawn down to obtain the Record of Site Condition confirming that the property is clean according to the Ministry of the Environment standards specific to our site.

In the meantime, we arranged access to the property to show it to prospective tenants and have generated significant tours and significant tenant interest. Just this past Friday we obtained confirmation that Cossette Media wishes to rent 53,088 SF of the space at a rate of \$22 PSF starting May 1, 2012 for a period of ten years. We expect an unconditional offer from them this week. Hence on closing we will be completing base building work between August 30th and December 15th.

and then building out the space to Cossette's specifications between December 15, 2011 and April 30, 2012. It is going to be a sprint, but the beauty of having a tenant in hand is that we will build it to their specifications. This avoids duplication or wasted effort and makes us incredibly efficient in moving from base building work to tenant fixturing because we'll be building to a known plan for a tenant in hand.

The purchase price for the property is \$8.5 million; closing costs will total about \$400,000; renovations will cost approximately \$4.5 million; and leasing, financing and carrying costs will total about \$2.4 million. Total project cost \$15.8 million. At the end of the day, the property will produce net income of between \$1.3 and \$1.4 million and will be worth between \$19 and \$21 million.

We are seeking a total mortgage of \$11.3 million, being \$6.8 million advanced on closing and the balance of \$4.5 million to pay for renovations. We'll provide post-dated cheques to pay the interest on the initial \$6.8 million advance, and the remaining \$4.5 million would be advanced over the period from August 30th, 2011 to August 31st, 2012 as the renovations are completed. We propose to pay 4% on the \$4.5 million while it is available but not yet advanced, and full interest once advanced.

It will take us approximately 12 months to renovate the building in its entirety and approximately 24 months to fully lease the property. Hence we are seeking a loan facility for two years, after which point we'll refinance once we've created the value discussed above.

Hence we are seeking the following mortgage for this property on the following terms and conditions:

Lender:	368230 Ontario Limited	
Borrowers:	Liberty Village Properties Inc. and Liberty Village Lands Inc.	
Guarantors:	Walton, Norma and Ronauld	
Purpose of Loan:	Purchase, renovate and lease property	
Security:	First mortgage 32 Atlantic (including 30 and 32 Atlantic and 33 and 47 Jefferson Avenues) Building and Land General Assignment of Rents Guarantee	
Closing Date:	August 29, 2011	
Loan Amount:	Mortgage:	\$11,300,000
	First Advauce:	\$6,800,000

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Construction Advances: \$4,500,000

Interest Rate: 8% per annum on all monies fully advanced
calculated and payable monthly (interest only), not in advance, before and
after default

plus 4% per annum on whatever portion of the \$4,500,000 is not yet advanced

Calculations: \$6,800,000 @ 8% = \$544,000 per year
\$4,500,000 @ 4% = \$180,000 per year
Total: \$724,000 on closing (\$544,000 plus \$180,000)
Total: \$904,000 once fully advanced (8% x \$11.3 million)

Term: to August 31, 2013

Amortization: 0 years

Monthly Payments: \$60,333, being \$45,333 on the first advance of \$6.8 million and \$15,000 on
the \$4.5 million that is available

\ Once the facility is fully advanced, the sum of \$75,333 per month
Payment for interest on the loan once it is fully advanced shall be in the form
of post-dated cheques replenished every twelve months

Between the first advance and the entire loan facility being advanced, there
will be monthly draws which will attract interest. Payment for interest related
to the construction portion of the loan will be deducted by the Lender from
the monthly construction draws

Cost Consultant: Phil Pavitt from BTY Group will provide to the lender monthly progress
reports confirming the work in place at 32 Atlantic and certifying to the
lender an amount to be paid to the borrower based on that work in place and
the cost to complete. Borrower will be responsible for payment of all
invoices from BTY Group.

Bonus Interest: \$226,000

Other terms: Closed for the first three months; open thereafter on any payment date upon
payment of one month's interest. \$200 NSF charge for each returned cheque
as liquidated damage amount. Mortgage due on sale or transfer or other
disposition of Property.

Survey: Satisfactory R Plan or survey to be provided to Lender's lawyer prior to
closing and Title Insurance at cost of Borrower

Interest Adjustment

Date: Interest shall be adjusted to the 1st day of the month after the advance is made, and shall be payable on the first of each month thereafter.

Default: If Lender must send collection letters to Borrower due to default, a \$200 fee for each collection letter will apply. \$200 fee for NSF cheques or missed or late payments.

Mortgage Statements: Borrower shall pay \$100 for preparation of each Mortgage Statement requested.

Legal Fees: Lender's lawyer: Daniel Bernstein

All legal, survey, insurance, valuation and inspection costs and fees, and other costs and fees incurred in connection with this mortgage shall be paid by the Borrower unless otherwise stated. Borrower's counsel will prepare and register all documents and report to Lender's lawyer accordingly.

Title and Legal Requirements:
Advance of funds shall be made subject to the Lender and its solicitors being satisfied with title to all property secured and all legal aspects required of the transaction.

We look forward to completing another successful project together.

Yours truly,
WALTON ADVOCATES

Norma Walton

AGREEMENT

Between:

DBDC Investments Atlantic Ltd.

"Bernstein"

- and -

Ron and Norma Walton

"Walton"

- and -

Liberty Village Properties Inc. and Liberty Village Lands Inc.

the "Company"

WHEREAS Bernstein and Walton intend to purchase 32 Atlantic Avenue (which includes 30 and 32 Atlantic and 33 and 47 Jefferson Avenues), Toronto, Ontario (the "Property") on or about August 29, 2011 and put ownership of the Property in the Company's name;

AND WHEREAS Bernstein and Walton, or whomever Bernstein and Walton may direct in accordance with the provisions of paragraph 5 herein, will each hold 2,250,000 shares in the Company;

AND WHEREAS Bernstein and Walton will each provide the sum of \$2,250,000 to the Company for the purposes of purchasing, renovating, leasing, fixturing for tenants, and refinancing the Property (the "Project");

AND WHEREAS Walton will manage and supervise the Project and ensure it is completed according to the excel spreadsheet attached as Exhibit "A" to this Agreement **(to be provided – not yet finalized)**;

THEREFORE the parties agree as follows:

1. Walton has contracted to purchase the Property and the purchase is scheduled to close on August 29, 2011.
2. Walton has secured a tenant for the bulk of the Property; has commenced discussions with architects and engineers regarding the renovations planned for the property and reviewed drawings; hired trades to complete the renovations to the property; and met with realtors and other consultants as required to complete the Project.

3. Walton intends to renovate and fixture the Property for tenants then refinance the Property between now and August 29, 2013 in accordance with Exhibit "A".
4. Bernstein wishes to own 50% of the shares in the Company in exchange for providing 50% of the equity required to complete the Project. The Company will issue sufficient shares such that Bernstein has 2,250,000 and Walton has 2,250,000 voting shares of the same class.
5. The ownership of the Company will be as follows:
 - a. 50% to Bernstein; and
 - b. 50% to Ron and Norma Walton as they may direct between each other or alternatively to be held by a completely Walton-owned and controlled company, provided that all covenants and agreements of Walton herein shall continue in full force and effect and such company executes an agreement to be bound by the provisions of the within Agreement.
6. Walton will be managing, supervising and completing the Project in accordance with the attached Exhibit "A".
7. Walton originally provided the original deposit and Bernstein has reimbursed Walton such that each party has now provided ½ of the \$300,000 deposit to purchase the Property, which amount will form part of the equity contributions.
8. The balance of equity in the amount of \$4,200,000 will be paid as follows:
 - a. Bernstein will provide to the Company the sum of \$2,100,000 on or before August 29, 2011; and
 - b. Walton will provide the sum of \$2,100,000 to the Company in a timely manner as required as the Project is completed.
9. Walton and Bernstein will each provide 50% of whatever additional capital over and above the \$2,100,000 each that is required to complete the Project, if any, in a timely manner.
10. In addition to managing, supervising and completing the Project, Walton will be responsible for supervising the renovations of the building on the Property, hiring of all consultants, designers, architects and engineers to complete the Project, finance, bookkeeping, office administration, accounting, information technology provision, filing tax returns for the Company, and fulfilling all active roles required to complete the Project in accordance with Exhibit "A".
11. Bernstein will not be required to play an active role in completing the Project. Notwithstanding that, any decisions concerning the selling or the refinancing of the Property will require his approval; any decisions requiring an increase in the total amount of equity required to complete the Project will require his approval; and any significant decisions that vary from the Project plan described in Exhibit "A" will require his approval.

12. Walton will provide to Bernstein ongoing reports at minimum monthly detailing all items related to the Property including the progress in moving the plan forward.
13. Walton will provide to Bernstein the cost consultant's initial report analyzing the Project budget and timelines as soon as received by Walton. Walton will subsequently provide a written report to Bernstein each month detailing the following:
 - a. the cost consultant's report for that month indicating progress to date and cost to complete;
 - b. the bank statement for that month if requested; and
 - c. if the bank statement does not have a copy of cancelled cheques and Bernstein wishes to review them, then Walton will also provide a complete listing of all cheques written, including payees, dates and amounts.

At Bernstein's request, Walton will provide whatever other back-up information he requests.

14. Once the Project is substantially completed to the point that a refinancing can be arranged, Bernstein may in its sole discretion opt to be paid out his capital plus profits in exchange for surrender of his shares in the Company. If Bernstein so opts, Walton would retain the property. The value of the property will be determined by mutual agreement or joint appraisal and Bernstein's half will be paid to him accordingly. If the end value obtained based on that process results in a value that one of the parties believes is not reasonably indicative of the actual value, then the parties will discuss and attempt to agree upon a value for such purchase and sale and failing such agreement, submit to mediation as set out in the within agreement. In accordance with the provisions of the within paragraph, payment to Bernstein shall be made immediately upon the completion of the refinancing of the Project.
15. The Board of Directors of the Company will be composed of two directors, being Bernstein and Norma Walton. The only shares to be issued in the Company will be as set out above, and neither party may transfer his or her shares to another party without the consent of all the other parties, which consent may be unreasonably withheld. Bernstein shall have the option of being paid out his share of capital and profits from the Project and once he has been paid out in full, he will surrender his share certificate, he will concurrently resign from the Board of Directors and Norma Walton and the Company will accept such resignation. At such time Bernstein shall be released of all obligations and liability related to the Company and shall be indemnified by Walton with respect to all liabilities, claims and obligations whatsoever of the Company up to the date at which Bernstein has been paid out his capital and profits from the Project.

16. The Company will only be used to purchase, renovate and refinance the property at 32 Atlantic, which both parties acknowledge also includes 30 Atlantic, 33 Jefferson and 47 Jefferson Avenues, Toronto, Ontario or such other matters solely relating to the Project and the Property.
17. If the parties disagree on how to manage, supervise and complete the Project in accordance with Exhibit "A" and cannot reach agreement amongst themselves, each of them undertakes to attend a minimum of four hours of mediation in pursuit of reaching an agreement. After mediation, if there are any remaining issues to be determined, those issues in dispute shall be determined by a single arbitrator in as cost-effective a manner as possible, with no right of appeal. All costs of such mediation and/or arbitration will be borne equally by Bernstein and Walton.
18. Notwithstanding anything to the contrary contained in the within Agreement, in consideration of the sum of \$10.00 and other good and valuable consideration paid to Walton and the Company (the receipt and sufficiency of which is hereby acknowledged), Walton and the Company hereby acknowledge, agree and confirm that Bernstein shall not be liable, responsible for or obligated with respect to any amounts or extent whatsoever with respect to the compliance, performance or observance of any terms or provisions with respect to any Charges / Mortgage of Land (and any agreements or documentation given as additional security therefor) registered against title to the Property or any part thereof in favour of 368230 Ontario Limited including, without limiting the generality of the foregoing, the payment of any principal, interest, costs or any other monies thereunder and Walton and the Company hereby further agree and covenant to indemnify and save Bernstein harmless with respect to any losses, damages or costs suffered or incurred by Bernstein with respect to such Charge / Mortgage of Land.
19. The above represents all deal terms between the parties.

Dated at Toronto, Ontario this day of AUGUST 2011

DBDC Investments Atlantic Ltd.
Per A.S.O.

Liberty Village Properties Inc.
Per A.S.O.

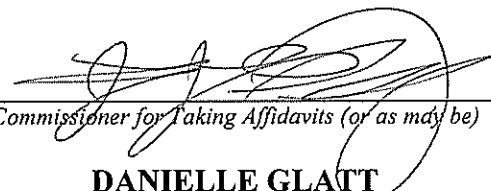
Liberty Village Lands Inc.

Ron Walton

Norma Walton

TAB 16

This is Exhibit "16" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Friday, August 19, 2011 4:24 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: FW: 32 Atlantic
Attach: capital required aug 19, 11.xls; deals terms with exhibit a, executed.pdf; ltr to bernstein executed.pdf

See revised cheques below. I forgot about the \$150,000 deposit we both already provided!!

From: Norma Walton
Sent: Friday, August 19, 2011 4:23 PM
To: 'Dr. Stanley Bernstein'
Subject: 32 Atlantic

Dear Stan,

Hope you are having a great day!

Attached is the following, originals of which are being delivered to 21 Kern before 6 pm tonight:

1. Proposed deal terms updated and attaching Exhibit "A" signed by us; and
2. Commitment letter for mortgage signed by us.

I am also attaching the excel spreadsheet so you can look at the numbers in more detail if you wish.

Also enclosed in the package being delivered are two share certificates in favour of DBDC Investments Atlantic Ltd. totaling 2,248,170 shares in the two Liberty companies. Because the property is already severed and 32 Atlantic (including 30 Atlantic and 33 Jefferson) will only house Cossette for the next decade whereas 47 Jefferson will house at least one and potentially two tenants other than Cossette, we felt it might be advantageous down the road for both tax and financing reasons to place the two legal properties in separate ownership. We took the \$8.5 million purchase price and allocated \$1.5 million to Jefferson and \$7 million to 32 Atlantic. Thus you own 396,736 shares in Liberty Village Lands Inc. and 1,851,434 shares in Liberty Village Properties Inc. Clear as mud?? ☺

If you don't want to have to certify the cheques to close Atlantic, you can provide the following cheques for pick up this Monday:

1. To Walton Advocates in trust, \$6,574,000 (\$6.8 million less your mortgage fee of \$226,000);
2. To Liberty Village Properties Inc., \$1,851,434; and
3. To Liberty Village Lands Inc., \$246,736.

If instead you wish to wait and certify, we'll pick up the certified cheques the morning of August 29th. Whatever you wish is fine with us. Just let me know and we'll arrange to pick up accordingly.

Regards,
 Norma

Norma Walton B.A., J.D., M.B.A.
 THE ROSE AND THISTLE GROUP LTD.
 30 Hazelton Avenue
 Toronto, Ontario, Canada M5R 2E2
 Tel: (416) 489-9790 Ext. 103
 Fax: (416) 489-9973

www.roseandthistlegroup.com

The Rose and Thistle Group Ltd. is a privately held land and investment company that owns and operates a stable of commercial and residential properties, is a property developer, and is the parent company of Handy Home Products Inc. (www.TheSKrAPr.com) and Urban Amish Interiors (www.urbanamish.ca) and is affiliated with Walton Advocates, Barristers and Solicitors.

	A	B	C
1	Anticipated Profit		
2			
3	Building Value:		\$ 19,810,800
4			
5	Less Project Cost:		\$ 15,796,340
6			
7	Projected Profit:		\$ 4,014,460
8			

	A	B	C	D
1	241 Spadina			
2	CAPITAL REQUIRED			
3				
4	Purchase Costs			
5	Purchase Price	8,500,000		
6	Mortgage fee	226,000		
7	Lender's legal fee	0		
8	Ontario Land Transfer Tax	148,750		
9	Municipal Land Transfer Tax	148,750		
10	Other fees and disbursements	15,000		
11	for appraisal, reliance letters for			
12	environmental reports, municipal			
13	enquiries and fees, etc.			
14				
15	Total Purchase Price			\$ 9,038,500
16				
17	Renovation Costs			
18	Drywall	\$ 450,000		
19	Flooring	\$ 350,000		
20	Fire, sprinklers	\$ 350,000		
21	Elevators	\$ 150,000		
22	Demolition and disposal	\$ 350,000		
23	Plumbing	\$ 350,000		
24	HVAC	\$ 350,000		
25	Electrical	\$ 350,000		
26	Paint	\$ 250,000		
27	Steel	\$ 300,000		
28	Roofing	\$ 300,000		
29	Brick	\$ 150,000		
30	Windows	\$ 200,000		
31	Kitchens, bathrooms, trim, hardware, cabinetry	\$ 200,000		
32	Project management fee	\$ 400,000		
33	Total Renovation Costs			\$ 4,500,000
34				
35	Professional Fees			
36	Architectural plans	\$ 200,000		
37	Engineering fees	\$ 120,000		
38	Interior design fees	\$ 50,000		
39	Cost Consultant	\$ 50,000		
40	Surveyor's fees	\$ 35,000		
41	Permit fees	\$ 60,000		
42	Total Professional Fees			\$ 515,000
43				
44	Carrying Costs			

	A	B	C	D
45	Property tax	\$ 276,250		
46	Interest on mortgage	\$ 952,590		
47	Utilities and maintenance	\$ 274,000		
48	Insurance	\$ 240,000		
49				
50	Total Carrying Costs:			\$ 1,742,840
51				
52	Total Capital Required			\$ 15,796,340
53				
54	Mortgage:	71.54%	8.43%	\$ 11,300,000
55	Dr. Bernstein:	14.23%		\$ 2,248,170
56	Ron and Norma Walton:	14.23%		\$ 2,248,170

	A	B	C	D
1	Projected Net Income			
2				
3	Expected net revenues:			
4				
5	Cossette (53,088 SF)		\$1,167,936	
6	Cossette parking (100/mo x 10)		\$12,000	
7	47 Jefferson retail		\$206,820	
8				
9	Projected net income:			\$1,386,756
10				
11				
12	Projected Building Value			
13				
14				
15	7% capitalization rate			\$19,810,800

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AGREEMENT

Between:

DBDC Investments Atlantic Ltd.

"Bernstein"

- and -

Ron and Norma Walton

"Walton"

- and -

Liberty Village Properties Inc. and Liberty Village Lands Inc.
the "Company" or "Companies"

WHEREAS Bernstein and Walton intend to purchase 32 Atlantic Avenue (which includes 30 and 32 Atlantic and 33 and 47 Jefferson Avenues), Toronto, Ontario (the "Property") on or about August 29, 2011 and put ownership of the Property in the Company's name;

AND WHEREAS Bernstein and Walton, or whomever Bernstein and Walton may direct in accordance with the provisions of paragraph 5 herein, will each hold a total of 2,248,170 shares in the Companies, being pro-rated as 1,851,434 shares in Liberty Village Properties Inc. and 396,736 shares in Liberty Village Lands Inc.;

AND WHEREAS Bernstein and Walton will each provide the sum of \$2,248,170 to the Company for the purposes of purchasing, renovating, leasing, fixturing for tenants, and refinancing the Property (the "Project");

AND WHEREAS Walton will manage and supervise the Project and ensure it is completed according to the excel spreadsheet attached as Exhibit "A" to this Agreement;

THEREFORE the parties agree as follows:

1. Walton has contracted to purchase the Property and the purchase is scheduled to close on August 29, 2011.
2. Walton has secured a tenant for the bulk of the Property; has commenced discussions with architects and engineers regarding the renovations planned for the property and reviewed drawings; hired trades to complete the renovations to the property; and met with realtors and other consultants as required to complete the Project.

3. Walton intends to renovate and fixture the Property for tenants then refinance the Property between now and August 29, 2013 in accordance with Exhibit "A".
4. Bernstein wishes to own 50% of the shares in the Company in exchange for providing 50% of the equity required to complete the Project. The Company will issue sufficient shares such that Bernstein has 2,248,170 and Walton has 2,248,170 voting shares of the same class.
5. The ownership of the Company will be as follows:
 - a. 50% to Bernstein; and
 - b. 50% to Ron and Norma Walton as they may direct between each other or alternatively to be held by a completely Walton-owned and controlled company, provided that all covenants and agreements of Walton herein shall continue in full force and effect and such company executes an agreement to be bound by the provisions of the within Agreement.
6. Walton will be managing, supervising and completing the Project in accordance with the attached Exhibit "A".
7. Walton originally provided the original deposit and Bernstein has reimbursed Walton such that each party has now provided ½ of the \$300,000 deposit to purchase the Property, which amount will form part of the equity contributions.
8. The balance of equity in the amount of \$4,196,340 will be paid as follows:
 - a. Bernstein will provide to the Company the sum of \$2,098,170 on or before August 29, 2011; and
 - b. Walton will provide the sum of \$2,098,170 to the Company in a timely manner as required as the Project is completed.
9. Walton and Bernstein will each provide 50% of whatever additional capital over and above the \$2,098,170 each that is required to complete the Project, if any, in a timely manner.
10. In addition to managing, supervising and completing the Project, Walton will be responsible for supervising the renovations of the building on the Property, hiring of all consultants, designers, architects and engineers to complete the Project, finance, bookkeeping, office administration, accounting, information technology provision, filing tax returns for the Company, and fulfilling all active roles required to complete the Project in accordance with Exhibit "A".
11. Bernstein will not be required to play an active role in completing the Project. Notwithstanding that, any decisions concerning the selling or the refinancing of the Property will require his approval; any decisions requiring an increase in the total amount of equity required to complete the Project will require his approval; and any significant decisions that vary from the Project plan described in Exhibit "A" will require his approval.



12. Walton will provide to Bernstein ongoing reports at minimum monthly detailing all items related to the Property including the progress in moving the plan forward.
13. Walton will provide to Bernstein the cost consultant's initial report analyzing the Project budget and timelines as soon as received by Walton. Walton will subsequently provide a written report to Bernstein each month detailing the following:
 - a. the cost consultant's report for that month indicating progress to date and cost to complete;
 - b. the bank statement for that month if requested; and
 - c. if the bank statement does not have a copy of cancelled cheques and Bernstein wishes to review them, then Walton will also provide a complete listing of all cheques written, including payees, dates and amounts.At Bernstein's request, Walton will provide whatever other back-up information he requests.
14. Once the Project is substantially completed to the point that a refinancing can be arranged, Bernstein may in its sole discretion opt to be paid out his capital plus profits in exchange for surrender of his shares in the Company. If Bernstein so opts, Walton would retain the property. The value of the property will be determined by mutual agreement or joint appraisal and Bernstein's half will be paid to him accordingly. If the end value obtained based on that process results in a value that one of the parties believes is not reasonably indicative of the actual value, then the parties will discuss and attempt to agree upon a value for such purchase and sale and failing such agreement, submit to mediation as set out in the within agreement. In accordance with the provisions of the within paragraph, payment to Bernstein shall be made immediately upon the completion of the refinancing of the Project.
15. The Board of Directors of the Company will be composed of two directors, being Bernstein and Norma Walton. The only shares to be issued in the Company will be as set out above, and neither party may transfer his or her shares to another party without the consent of all the other parties, which consent may be unreasonably withheld. Bernstein shall have the option of being paid out his share of capital and profits from the Project and once he has been paid out in full, he will surrender his share certificate, he will concurrently resign from the Board of Directors and Norma Walton and the Company will accept such resignation. At such time Bernstein shall be released of all obligations and liability related to the Company and shall be indemnified by Walton with respect to all liabilities, claims and obligations whatsoever of the Company up to the date at which Bernstein has been paid out his capital and profits from the Project.



16. The Company will only be used to purchase, renovate and refinance the property at 32 Atlantic, which both parties acknowledge also includes 30 Atlantic, 33 Jefferson and 47 Jefferson Avenues, Toronto, Ontario or such other matters solely relating to the Project and the Property.
17. If the parties disagree on how to manage, supervise and complete the Project in accordance with Exhibit "A" and cannot reach agreement amongst themselves, each of them undertakes to attend a minimum of four hours of mediation in pursuit of reaching an agreement. After mediation, if there are any remaining issues to be determined, those issues in dispute shall be determined by a single arbitrator in as cost-effective a manner as possible, with no right of appeal. All costs of such mediation and/or arbitration will be borne equally by Bernstein and Walton.
18. Notwithstanding anything to the contrary contained in the within Agreement, in consideration of the sum of \$10.00 and other good and valuable consideration paid to Walton and the Company (the receipt and sufficiency of which is hereby acknowledged), Walton and the Company hereby acknowledge, agree and confirm that Bernstein shall not be liable, responsible for or obligated with respect to any amounts or extent whatsoever with respect to the compliance, performance or observance of any terms or provisions with respect to any Charges / Mortgage of Land (and any agreements or documentation given as additional security therefor) registered against title to the Property or any part thereof in favour of 368230 Ontario Limited including, without limiting the generality of the foregoing, the payment of any principal, interest, costs or any other monies thereunder and Walton and the Company hereby further agree and covenant to indemnify and save Bernstein harmless with respect to any losses, damages or costs suffered or incurred by Bernstein with respect to such Charge / Mortgage of Land.

19. The above represents all deal terms between the parties.

Dated at Toronto, Ontario this 19th day of AUGUST 2011

DBDC Investments Atlantic Ltd.
Per A.S.O.

Liberty Village Properties Inc.
Per A.S.O.

Liberty Village Lands Inc.

Ron Walton

Norma Walton

WALTON ADVOCATES

BARRISTERS AND SOLICITORS/TRADE MARK AGENTS

Corporate Law * Family Law * Employment Law * Estate Law * Real Estate Development Law

30 HAZELTON AVENUE • TORONTO, ONTARIO • M5R 2E2
(416) 489-3171 • Fax: (416) 489-9973 • E-mail: norma@waltonadvocates.com

August 2, 2011

BY EMAIL

Dr. Stanley Bernstein
Dr. Bernstein Diet and Health Clinics
21 Kern Road
Toronto, ON M3B 1S9

Dear Stan,

**Re: Liberty Village Properties Inc. and Liberty Village Lands Inc. first mortgage from 368230 Ontario Inc.
32 Atlantic Avenue (comprising 30 Atlantic, 32 Atlantic, 33 Jefferson and 47 Jefferson Avenues), Toronto
Closing Date: August 29, 2011**

We secured the four properties that comprise 32 Atlantic in December from Corus Entertainment. 32 Atlantic sits on more than an acre of land and when we purchased it had approximately 65,000 SF of interior area over two floors. Corus used to run Nelvana out of this location. The property was a rabbit warren of offices with no natural light and very little interior planning. We saw the property's potential because of the 30 foot ceilings, the skylights and large windows, and neat feel of the place, not to mention the up and coming nature of the neighbourhood.

Corus undertook to remediate a portion of soil that had diesel fuel in it prior to closing, and we ~~originally anticipated closing would occur in March. Instead, Corus found more and more diesel~~ fuel as they dug and dug. The end result is that they have demolished half of the interior partitions of the property for us at their cost since December 2010. They have now been advised by their environmental engineers that they will require a Record of Site Condition, which will likely take 9 to 18 months to obtain. Hence we are closing on August 29th and the sum of \$500,000 will be held by Corus' lawyers after closing, to be drawn down to obtain the Record of Site Condition confirming that the property is clean according to the Ministry of the Environment standards specific to our site.

In the meantime, we arranged access to the property to show it to prospective tenants and have generated significant tours and significant tenant interest. Just this past Friday we obtained confirmation that Cossette Media wishes to rent 53,088 SF of the space at a rate of \$22 PSF starting May 1, 2012 for a period of ten years. We expect an unconditional offer from them this week. Hence on closing we will be completing base building work between August 30th and December 15th and then building out the space to Cossette's specifications between December 15, 2011 and April

30, 2012. It is going to be a sprint, but the beauty of having a tenant in hand is that we will build it to their specifications. This avoids duplication or wasted effort and makes us incredibly efficient in moving from base building work to tenant fixturing because we'll be building to a known plan for a tenant in hand.

The purchase price for the property is \$8.5 million; closing costs will total about \$400,000; renovations will cost approximately \$4.5 million; and leasing, financing and carrying costs will total about \$2.4 million. Total project cost \$15.8 million. At the end of the day, the property will produce net income of between \$1.3 and \$1.4 million and will be worth between \$19 and \$21 million.

We are seeking a total mortgage of \$11.3 million, being \$6.8 million advanced on closing and the balance of \$4.5 million to pay for renovations. We'll provide post-dated cheques to pay the interest on the initial \$6.8 million advance, and the remaining \$4.5 million would be advanced over the period from August 30th, 2011 to August 31st, 2012 as the renovations are completed. We propose to pay 4% on the \$4.5 million while it is available but not yet advanced, and full interest once advanced.

It will take us approximately 12 months to renovate the building in its entirety and approximately 24 months to fully lease the property. Hence we are seeking a loan facility for two years, after which point we'll refinance once we've created the value discussed above.

Hence we are seeking the following mortgage for this property on the following terms and conditions:

Lender: 368230 Ontario Limited

Borrowers: Liberty Village Properties Inc. and Liberty Village Lands Inc.

Guarantors: Walton, Norma and Ronauld

Purpose of Loan: Purchase, renovate and lease property

Security: First mortgage

32 Atlantic (including 30 and 32 Atlantic and 33 and 47 Jefferson Avenues)
Building and Land

General Assignment of Rents

Guarantee

Closing Date: August 29, 2011

Loan Amount: Mortgage: \$11,300,000

First Advance: \$6,800,000

Construction Advances: \$4,500,000

Interest Rate: 8% per annum on all monies fully advanced
calculated and payable monthly (interest only), not in advance, before and
after default

plus 4% per annum on whatever portion of the \$4,500,000 is not yet
advanced

Calculations: \$6,800,000 @ 8% = \$544,000 per year
\$4,500,000 @ 4% = \$180,000 per year
Total: \$724,000 on closing (\$544,000 plus \$180,000)
Total: \$904,000 once fully advanced (8% x \$11.3 million)

Term: to August 31, 2013

Amortization: 0 years

Monthly Payments: \$60,333, being \$45,333 on the first advance of \$6.8 million and \$15,000 on
the \$4.5 million that is available

\ Once the facility is fully advanced, the sum of \$75,333 per month
Payment for interest on the loan once it is fully advanced shall be in the form
of post-dated cheques replenished every twelve months

Between the first advance and the entire loan facility being advanced, there
will be monthly draws which will attract interest. Payment for interest
related to the construction portion of the loan will be deducted by the Lender
from the monthly construction draws

Cost Consultant: Phil Pavitt from BTY Group will provide to the lender monthly progress
reports confirming the work in place at 32 Atlantic and certifying to the
lender an amount to be paid to the borrower based on that work in place and
the cost to complete. Borrower will be responsible for payment of all
invoices from BTY Group.

Bonus Interest: \$226,000

Other terms: Closed for the first three months; open thereafter on any payment date upon
payment of one month's interest. \$200 NSF charge for each returned cheque
as liquidated damage amount. Mortgage due on sale or transfer or other
disposition of Property.

Survey: Satisfactory R Plan or survey to be provided to Lender's lawyer prior to
closing and Title Insurance at cost of Borrower

Interest Adjustment

Date: Interest shall be adjusted to the 1st day of the month after the advance is made, and shall be payable on the first of each month thereafter.

Default: If Lender must send collection letters to Borrower due to default, a \$200 fee for each collection letter will apply. \$200 fee for NSF cheques or missed or late payments.

Mortgage Statements: Borrower shall pay \$100 for preparation of each Mortgage Statement requested.

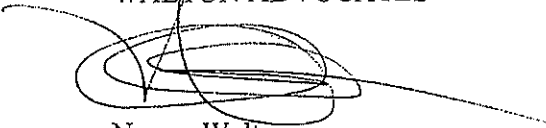
Legal Fees: Lender's lawyer: Daniel Bernstein

All legal, survey, insurance, valuation and inspection costs and fees, and other costs and fees incurred in connection with this mortgage shall be paid by the Borrower unless otherwise stated. Borrower's counsel will prepare and register all documents and report to Lender's lawyer accordingly.

Title and Legal Requirements:
Advance of funds shall be made subject to the Lender and its solicitors being satisfied with title to all property secured and all legal aspects required of the transaction.

We look forward to completing another successful project together.

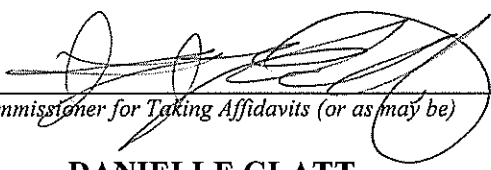
Yours truly,
WALTON ADVOCATES



Norma Walton

TAB 17

This is Exhibit "17" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma walton <norma@waltonadvocates.com>
Sent: Wednesday, June 22, 2011 10:24 AM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 450 Pape
Attach: proposal june 22, 11.pdf; A1 may 4, 11.pdf; A2 may 4, 11.pdf; A3 may 4, 11.pdf; A4 may 4, 11.pdf; A5 may 4, 11.pdf; A6 may 4, 11.pdf; A7 may 4, 11.pdf

Dear Stan,

It is always a pleasure to speak with you.

As discussed yesterday, we have secured a new property at 450 Pape Avenue at the corner of Pape and Riverdale. It is just under 0.6 acres and is currently owned by The Salvation Army. They originally listed it for \$2.5 million in 2009 and had a buyer at \$2.2 million before the city swooped in and historically designated the mansion and then offered to purchase it themselves for \$1.9 million because Councillor Fletcher envisioned a home for poor artists for the mansion. After tying the property up for six months, the city acquisition department advised Councillor Fletcher that they could not purchase because the city's mandate was to sell property, not acquire more. The Salvation Army then had it tied up by another purchaser for \$1.7 million conditional for 6 weeks and when we found out about the property, we advised them we would buy it firm for \$1.7 million if the other group did not firm up. The other group asked for a further two week extension and we thus secured the property. Thanks to the city's actions, the Salvation Army lost two years and \$500,000.

The property is on a great corner in one of the city's most popular neighbourhoods, close to transit and parks and downtown. We have created a great plan for converting the existing 1960s era building into six townhouses and cleaning up and selling the mansion to a daycare or private school operator. We already have three prospective purchasers of the townhouses through word of mouth, and we have a daycare operator seriously interested in purchasing the mansion. We are delighted with both the price we paid and our plans for the property.

We anticipate the project will last two years. On closing July 4th we'd be seeking a mortgage of \$1.36 million at 8% with 2% mortgage placement fee, plus 50% of the project equity of \$470,473, for a total of \$1,830,473 on closing. We would provide the remaining 50% of project equity. We would also require a construction facility to build the townhouses and renovate the mansion of \$1.64 million, hence the total registered mortgage would be \$3 million. The \$1.64 million would be rolled out over the first eight to ten months after closing, with about \$180,000 per month being advanced until the townhouses were completed and the mansion was ready for sale.

We anticipate an investment of \$470,473 will provide a profit of another \$500,000 within two years, resulting in a 106% straight line return on investment.

I was hesitant to bring this to you as I never want you to feel pressed for cash. Given Equitable Trust's plans to provide financing for Gerrard, Parliament and Carlton in the next few weeks, freeing up about \$11.5 million, and given that Atlantic is not closing until the end of July, early August, I figured you may have an appetite for another investment together. Let me know if it suits you.

Have a great day!

Norma

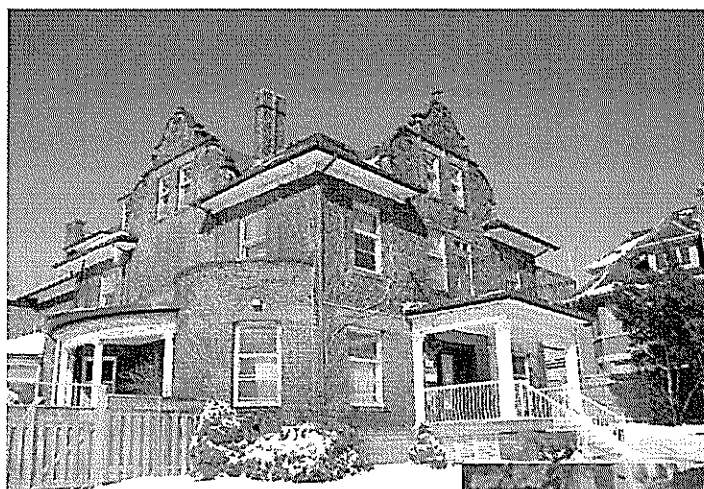
P.S. I am attaching along with the investment proposal the drawings that show how the townhouses are going to look.

Norma Walton B.A., J.D., M.B.A.
 WALTON ADVOCATES
 Barristers & Solicitors
 30 Hazelton Avenue
 Toronto, Ontario, Canada M5R 2E2
 Tel: (416) 489-3171 Ext. 103
 Fax: (416) 489-9973
norma@waltonadvocates.com



THE ROSE and THISTLE GROUP LTD.

30 Hazelton Avenue, Toronto, Ontario, M5R 2E2, (416) 489-9790 Fax: (416) 489-9973



Investment Proposal

450 Pape Avenue

June 22, 2011

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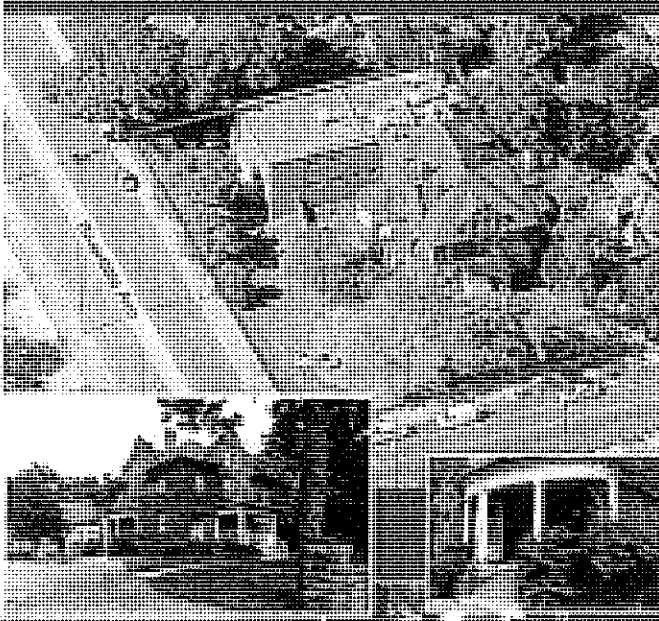
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SECTION A:

1. THE OPPORTUNITY



The opportunity is to purchase 50% of the equity in Riverdale Mansion Ltd., a Rose and Thistle company that was formed to own 450 Pape Avenue. We project the investment will earn a straight-line return of 106% within 24 months, resulting in an 43.75% compounded annual return. This return is superior to our historic return on investment as further delineated on page 22.

This exceptionally well-located site currently houses a historic mansion and a newer building sitting on more than half an acre right at the corner

of Pape and Riverdale. Riverdale is one of Toronto's most desirable neighbourhoods. Our property is within two blocks of Withrow Park and a short walk south of the Danforth, directly across from Pape Avenue Public School.

We will sever off and sell the mansion and convert the newer building into six townhouses.

Within days of securing the property we had already received interest from three potential purchasers of the mansion, all private school operators or day care providers. It is about 11,000 square feet in size over four floors. Hence Rose and Thistle will renovate, sever off and sell the mansion. Rose and Thistle will convert the newer back section which is approximately 9,600 square feet in size into six townhouses, each about 1,600 square feet over three floors with private front patio and private rooftop terraces. There are already three purchasers, through word of mouth, that want to buy a townhouse. This speaks to the tremendous appeal of the location.

We have already completed our pre-construction planning, having completed architectural drawings, survey, met with the city councillor for the area, met with the city planner and her manager for the area, and met with the head of the city's heritage department. All of them were supportive of our plans. We will begin converting the newer section into townhouses the moment we close on July 4, with completion of construction scheduled for 15 months after closing, and with all townhouses to be sold off and occupied within 18 months, plus a 6 month contingency. During the 24 month period, we will sever off and sell the mansion.

Unlike investments in stocks and bonds, carefully selected and well-located income properties have value secured by physical assets. Commercial buildings are also not subject to the wide fluctuations common to stock markets and when properly managed provide reliable, above average returns on investment.

2. THE INVESTMENT PARTICULARS

The details of the opportunity are as follows:

What: 50% of the equity in Riverdale Mansion Ltd., the company that will own 450 Pape Avenue

Amount available: \$470,473

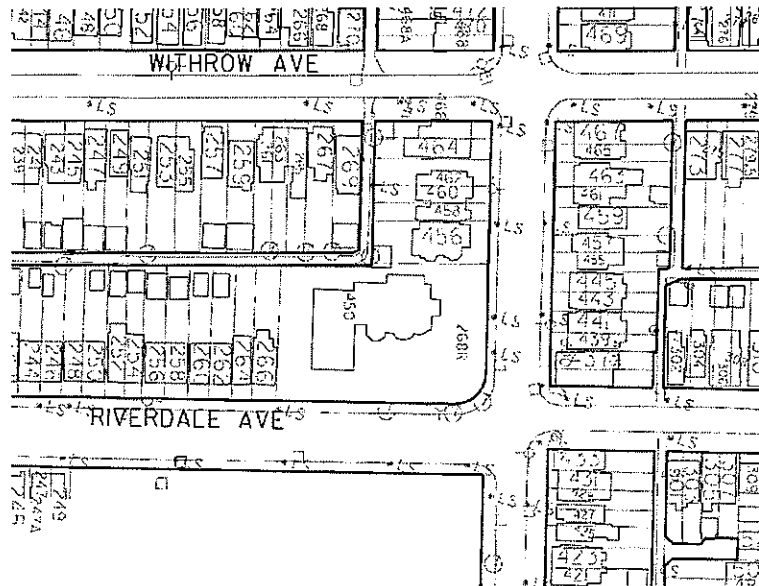
Commencement date: On or prior to July 4, 2011

Capital appreciation and return: 50% of all profits to be paid out upon receipt

Term: 24 months to June 30, 2013

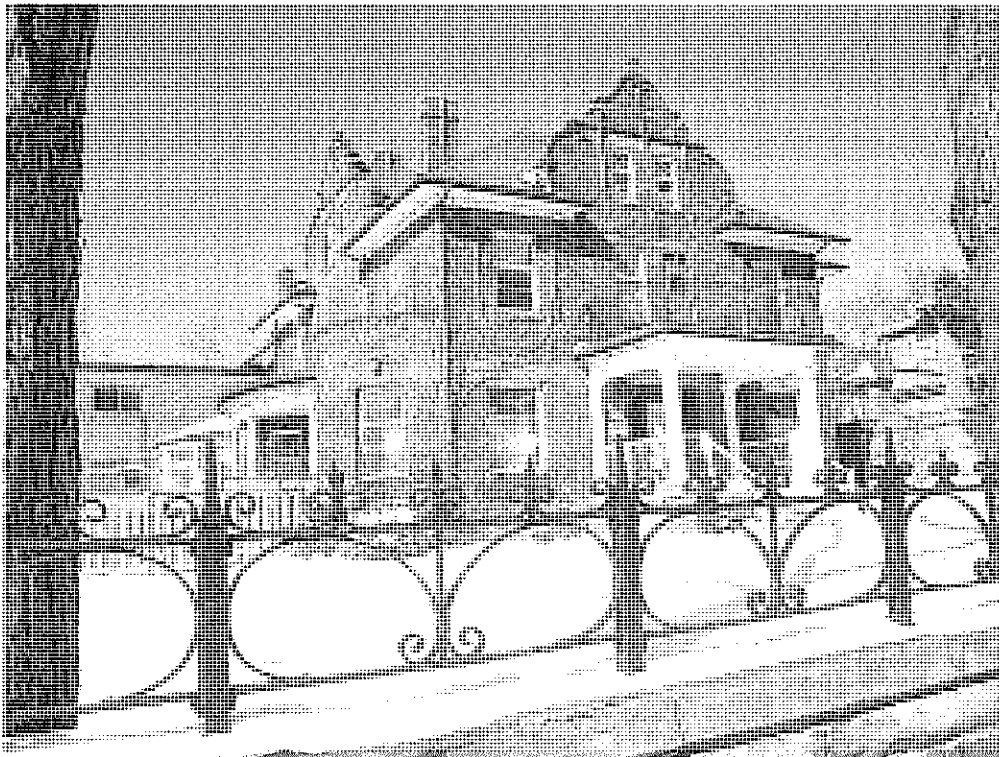
The total capital is \$3.94 million, being \$3 million from mortgage and \$940,946 from equity. The capital structure is as follows:

Total Capital Required			\$	3,940,946
Mortgage:	76.12%	8.00%	\$	3,000,000
Dr. Bernstein:	11.94%		\$	470,473
Ron and Norma Walton:	11.94%		\$	470,473



SECTION B:**1. THE PROPERTY**

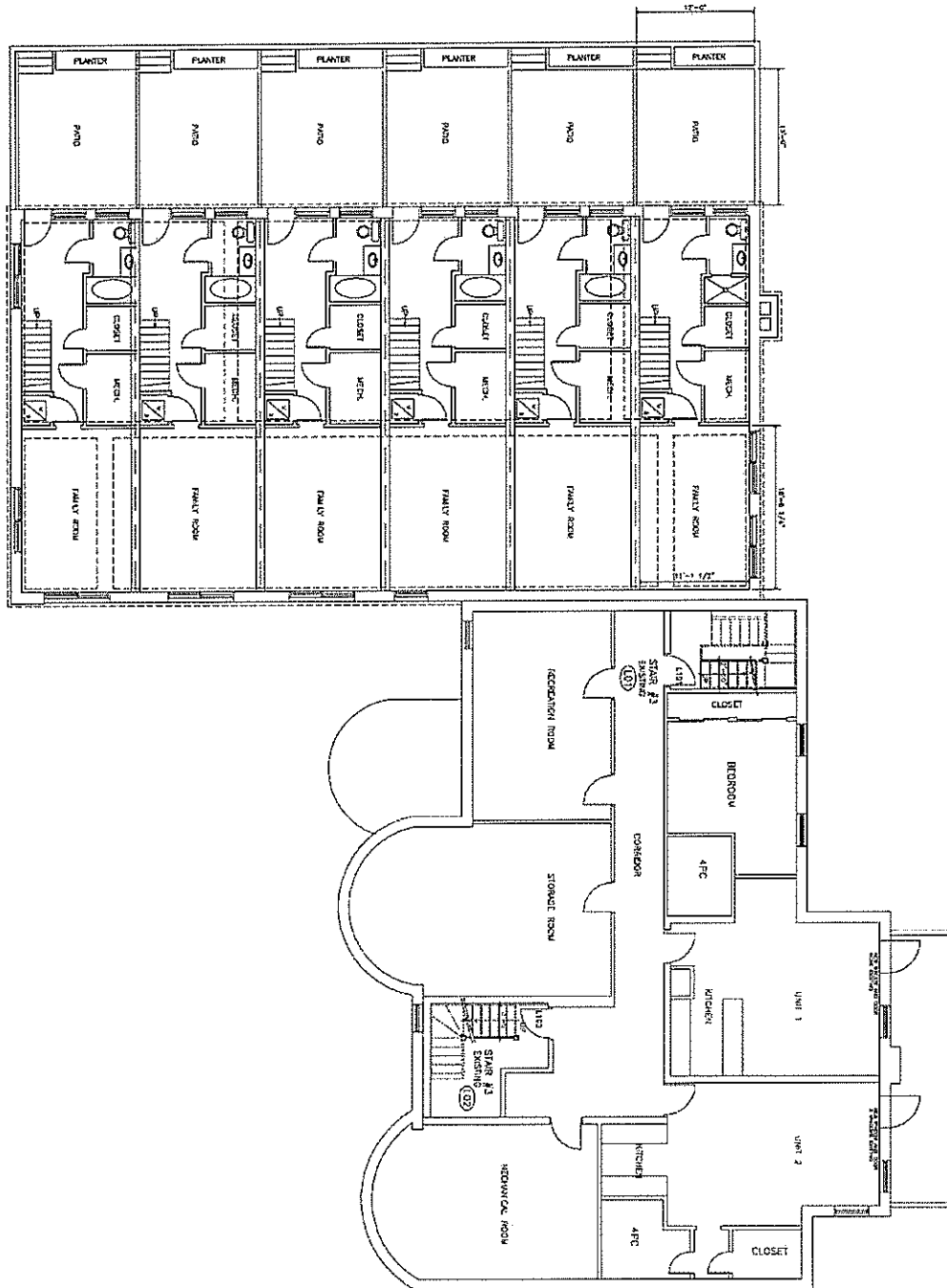
450 Pape Avenue is right in the heart of Riverdale. Neighbouring properties range from brand new million dollar houses to the original houses that haven't been touched in 50 years. With exceptional access to transit and wonderful parks, Riverdale is a magnet for young families. The Danforth provides a thriving social life with numerous restaurants, bars, retailers, yoga studios, organic grocers and all manner of people. Just south of the property is Gerrard Square, the recipient of significant investment recently.



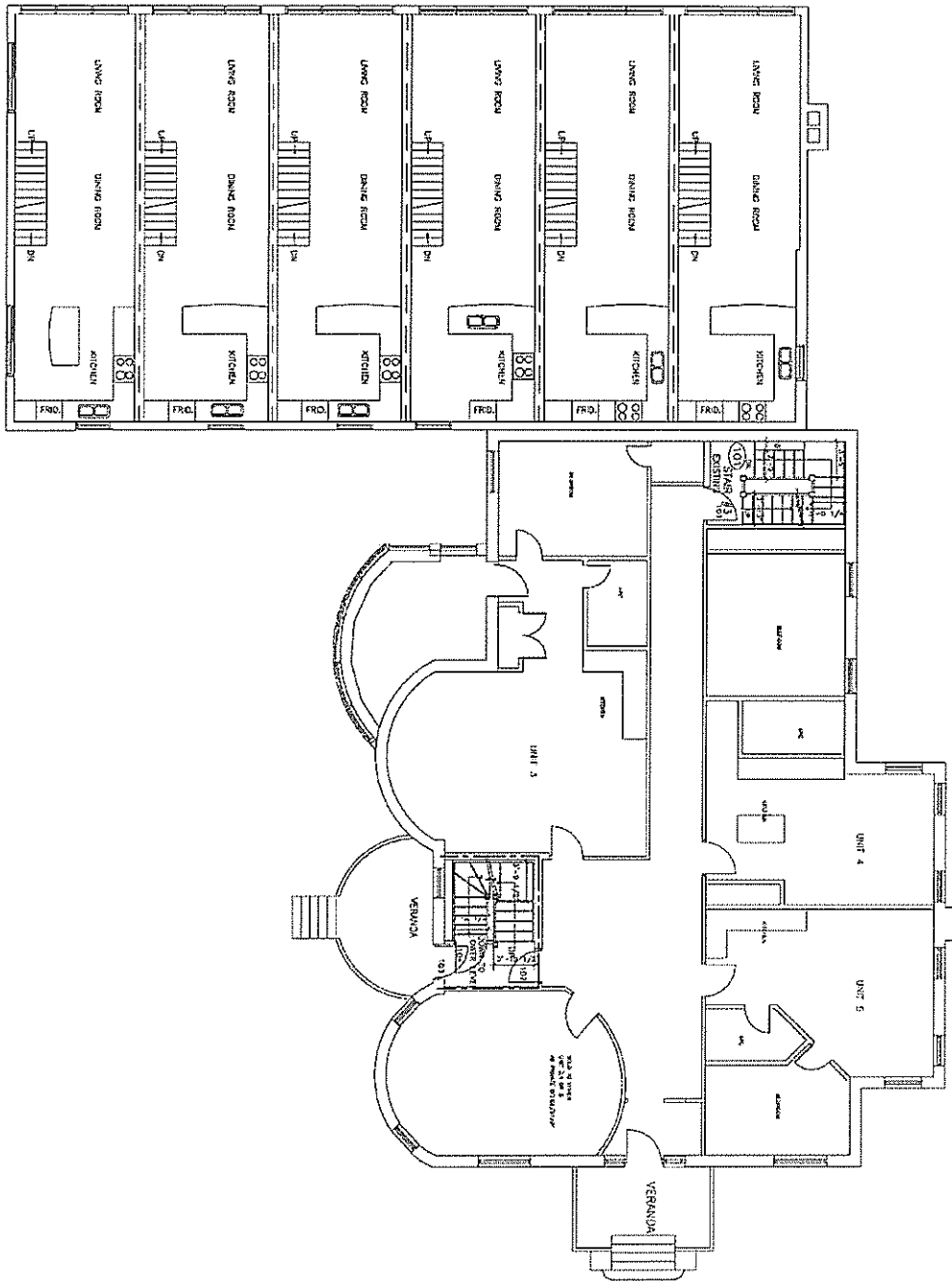
The historic mansion we have purchased has been owned by The Salvation Army since 1930. They added the newer building in 1960 which doubled the size of the property. It sits on almost 0.6 acres of land right on the corner, giving us a lot of flexibility as to planned use. There is room for approximately 14 vehicles to park, some out front and some out the side off the municipal laneway. There is a lovely yard out back that will become the front yards for the six townhouses.

Each townhouse will be approximately 1,600 square feet in area over three levels. In addition, each will have a private front patio area and a private rooftop deck. Two bedrooms on the third floor and a den/bedroom on the first floor will accommodate family purchasers, although the three purchasers who are thus far interested are either singles or professional couples without children.

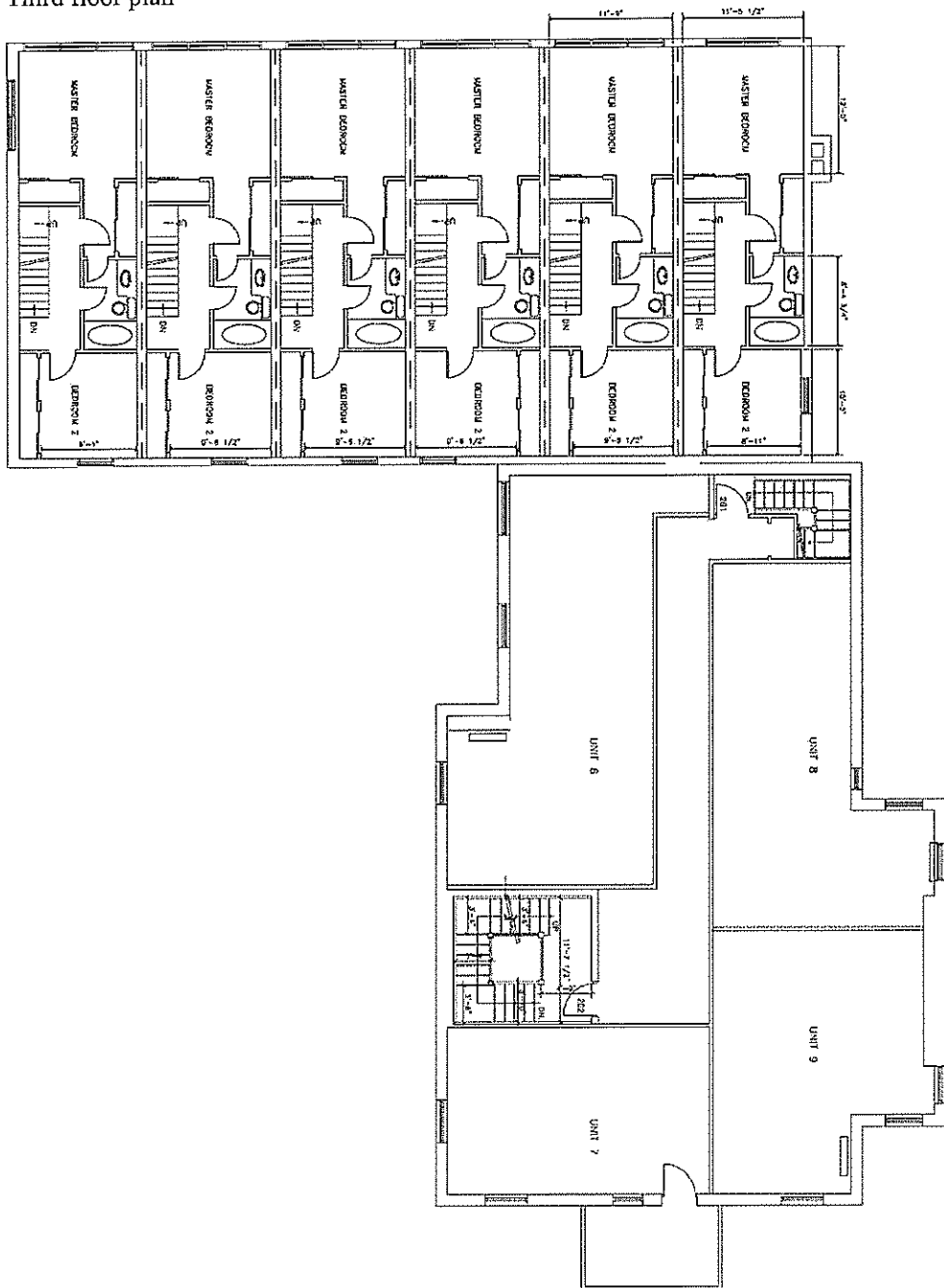
First floor plan



Second floor plan



Third floor plan



2. THE PLAN

The plan, given Rose and Thistle's experience with similar buildings in its portfolio, is to sever the property into two parcels. We will sell the mansion to a private school operator or a daycare provider. At the same time we will convert the newer building into six townhouses. We will contract with the three purchasers who have already expressed interest, and will sell the remaining three houses while they are under construction. Once completed, title will be transferred to our purchasers and we will cash out of this project.

The following steps will be implemented to achieve this objective:

1. Have already begun pre-construction planning:

- a. engaged our architect, designer, engineer and surveyor to prepare drawings and apply for building permits and sever property into two;
- b. arrange for our trades to provide quotes for the work required.

Timeline: to June 30, 2011

2. As of June 30, roll out construction as follows:

- a. begin demolition;
- b. remove supporting walls in back section of newer building and replace with steel beams
- c. begin building out floors to specifications and renovate mansion
- d. pave laneways
- e. build roof decks and front patios
- f. arrange for purchasers to choose finishings
- g. complete construction and arrange for occupancy

Estimated timeline: 15 months to September 30, 2012

3. Sell mansion and any remaining available townhouses;

Estimated timeline: 3 months to December 31, 2012

4. Pay out capital and profits to investors.

Estimated timeline: Immediately thereafter

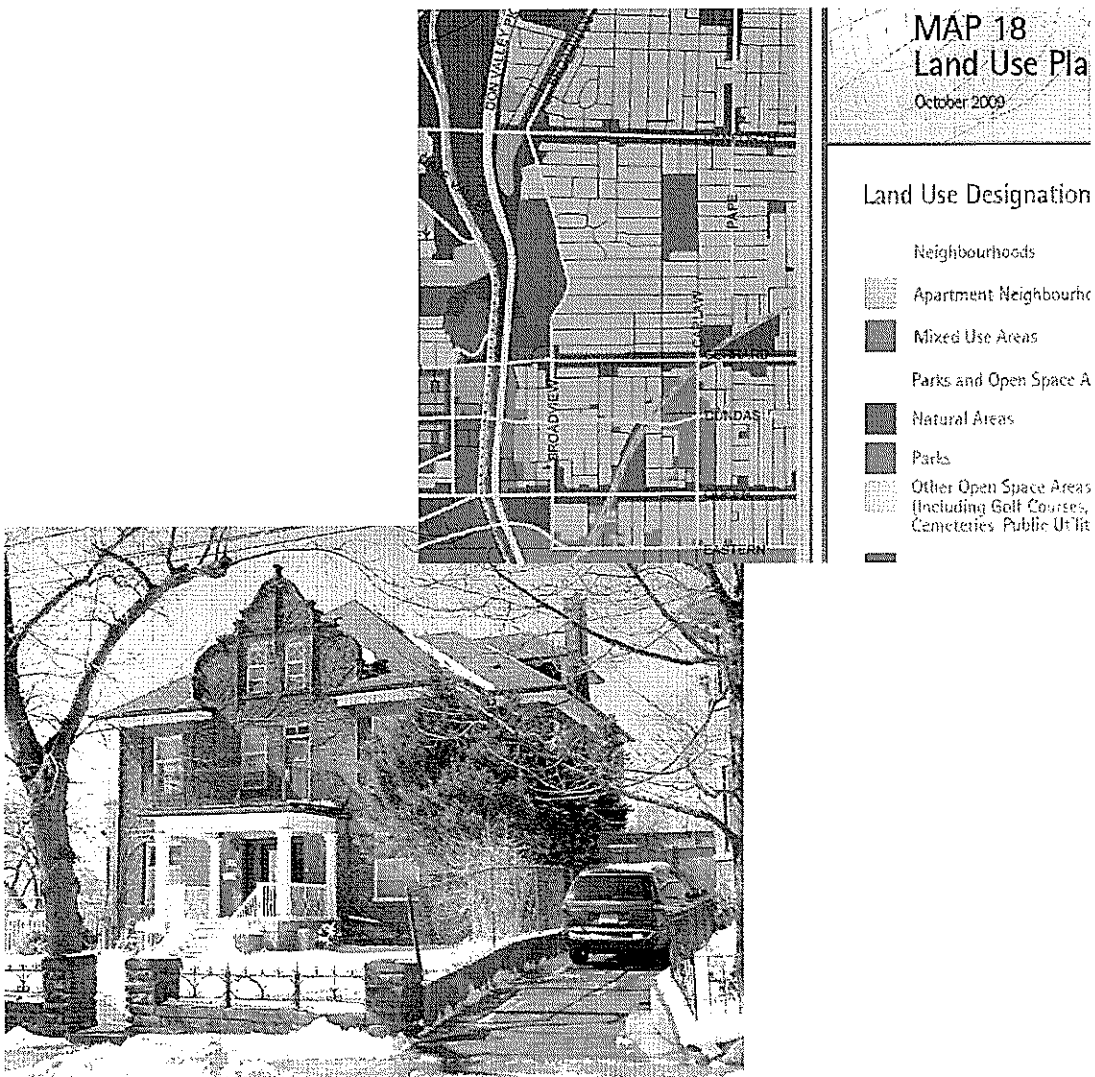
CONTINGENCY: 6 months

Total project timeline: 24 months including contingency

3. FINANCIAL PROJECTIONS

The property was purchased for \$1.7 million. With closing costs it will have a cost base of \$1.85 million. The hard construction costs will cost \$1.24 million and the soft costs and city development fees including architect, engineers, interior designers, and cost consultants will run about \$550,000. Financing and carrying costs will cost another \$340,000. Hence the total project cost will be about \$3.94 million.

Rose and Thistle anticipates that within 24 months, being June 30, 2013, the property will have been sold, generating revenues of \$5.1 million less commissions, resulting in a profit of \$1 million. Hence Rose and Thistle projects that the shareholders will receive 106% of their initial investment within 24 months, resulting in a 43.75% compounded annual return on investment within two years. We refer you to the Financial Projections section of this proposal for expenditure, revenue and profit details.



SECTION C: INVESTING IN TORONTO

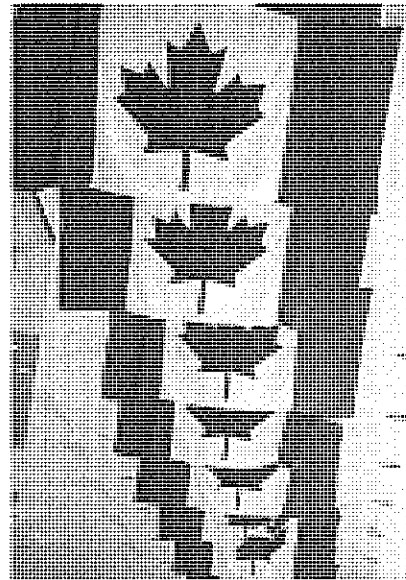
A continental gateway and a crossroads for the world, Toronto is Canada's business capital. It ranks alongside economic powerhouses such as New York, Boston and Chicago. Toronto is annually rated as the most multi-cultural city in the world by the United Nations. Canada accepts approximately 300,000 new immigrants every year, and 43% of all immigrants to Canada settle in the Greater Toronto Area. This results in an annual population increase of more than 100,000 people. As a result, the demand for both residential and commercial real estate is strong and demographic trends strongly suggest that such demand will remain robust.

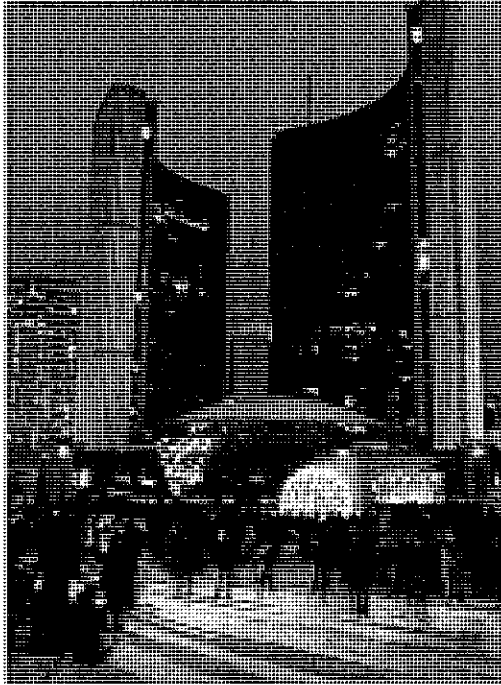


Toronto boasts a stable economic and political climate. Toronto commercial real estate has attracted worldwide investors, particularly from the United States, Great Britain, Israel and Germany. It has one of the five most diversified economies of any city-region in North America, and consistently ranks with Boston and Chicago as one of the best business cities in North America.

Population

With 2.7 million residents, Toronto is the 5th largest city in North America. One-quarter of Canada's population is located within 160 km (100 mi.) of the city and more than 60% of the population of the USA is within a 90-minute flight.





Economy

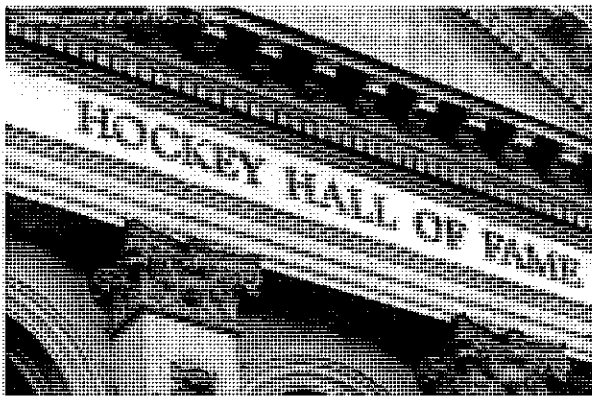
The City of Toronto's economy comprises 11% of Canada's GDP, with Toronto's GDP topping \$140 billion in 2009. Toronto-based businesses export over \$70 billion in goods and services to every corner of the globe. Toronto has retail sales of \$47 billion annually.

Capital

Five of Canada's six largest banks have their headquarters in Toronto, near the country's busiest stock exchange. Toronto is North America's third largest financial services centre and 75% of Canada's foreign banks and 65% of the country's pension fund companies are located here.

Competitive

Toronto has an excellent reputation as one of North America's leading economies while at the same time delivering overall business cost savings of 6.5% over large U.S. cities and 12.2% when compared to Asian and European centres.



Workforce

Toronto's more than 76,000 businesses choose from a large, highly skilled, multilingual workforce of 1.4 million people - one-sixth of the country's labour force. More than 800,000 workers have university or college training and 58% have earned a post-secondary degree, diploma or certificate. Residents speak more than 135 languages and dialects.

Education

Toronto's impressive range of post-secondary educational facilities includes three universities and five colleges offering training in virtually every discipline and skill. Toronto leads the country in the number of post-secondary schools and graduates, with more than 15,000 medical/biotech researchers, two top-ranked MBA schools and excellent programs in engineering, computer sciences and multi-media.



Location

Some 180 million customers and suppliers are within a one-day's drive from Toronto. Toronto's Pearson International Airport is within easy reach of the city's central business district and provides flights to over 300 destinations in 54 countries through 64 carriers.

Connections

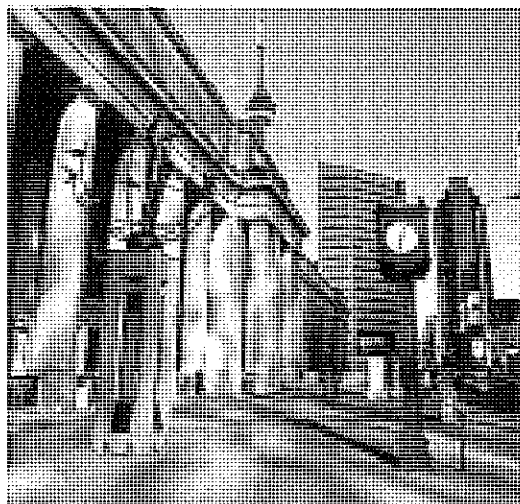
Toronto boasts an expansive local network of consultants, professional firms and specialty suppliers. The business services cluster is among North America's largest and growing. Toronto is home to 9 of Canada's 10 largest law practices, 9 of the top 10 accounting firms and all 10 top human resources and benefits firms.

Transportation

With four major highways, multi-modal railway facilities, a Great Lakes port and an international airport handling over 30 million passengers and 350,000 tons of cargo annually, Toronto is a true North American gateway.

Transit

Toronto's public transit system is the second largest in North America and has the highest per capita ridership rate on the continent. More than 2,400 subway vehicles, buses and streetcars make it easy for more than 1.4 million business riders to travel throughout the city daily.



SECTION D: THE ROSE AND THISTLE GROUP LTD.

A. EXPERIENCE

Over the past ten years, The Rose and Thistle Group has owned, managed and developed a total of \$130 million worth of properties, of which \$85 million remain under management and development.

Rose and Thistle is seeking out properties similar to the properties with which it has had success in the past. Since 2001, Rose and Thistle has owned, managed and developed the following properties, twenty of which it continues to own.

Our heritage commercial buildings:

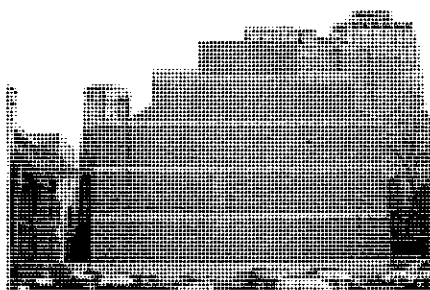


30 Hazelton Avenue

A heritage building in Yorkville with high-end luxury office and retail tenancies

Head office of The Rose and Thistle Group Ltd.

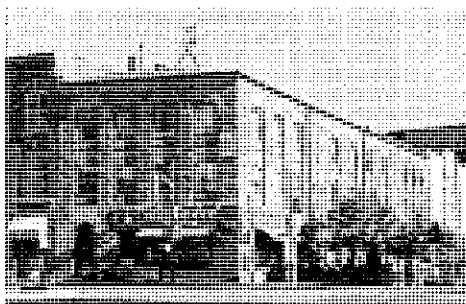
Severed one lot into two and renovated the heritage designated building into our offices and a retail suite



30A Hazelton Avenue

A commercial building in Yorkville with high-end luxury office tenancies

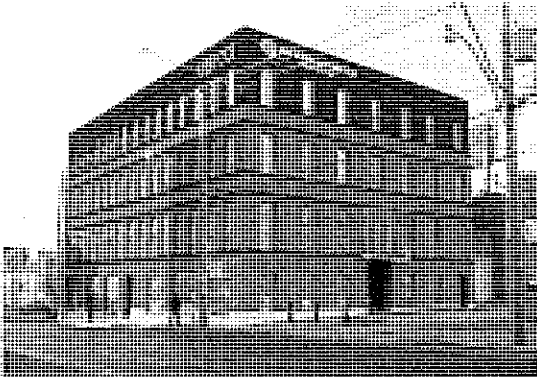
Severed one lot into two and renovated the building into four luxury suites



65 Front Street East

A heritage corner building in Old Town built in the mid-1800s that has loft commercial office space

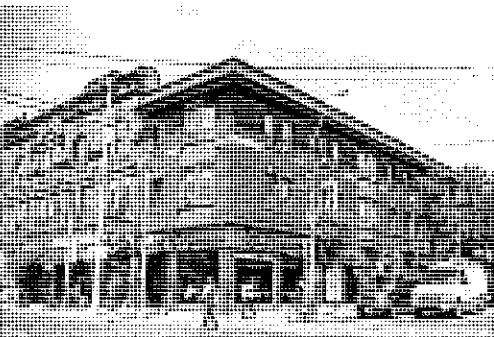
Renovated this heritage listed commercial loft building; improved the tenant mix, reduced costs, and increased profitability. Obtained approval to add a fourth storey to the building



86 Parliament Street: The Old Telegram Building

A heritage corner building built in 1887 that used to house The Toronto Telegram, located in Corktown, with retail and commercial space.

Gutted and renovated the property. Opened Urban Amish Interiors Furniture Gallery on floors one and two, and leased floors three and four to Sun Edison.



252 Carlton / 478 Parliament

A heritage corner building in Cabbagetown that has retail and commercial space.

Home to Ginger and Johnny G's restaurants

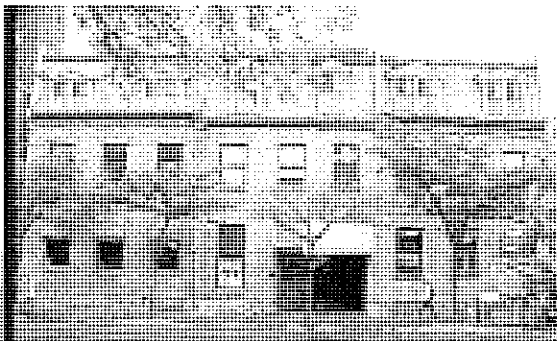
Renovated the second and third floors to house the Salvation Army and Dance Umbrella of Ontario, each on a full floor



110 Lombard Street: The Old Firehall

Toronto's first fire hall, built in 1886. The former home of Second City which launched the careers of Dan Ackroyd, John Candy, Mike Myers, Gilda Radner, Martin Short, etc.

Currently leased to Gilda's Club



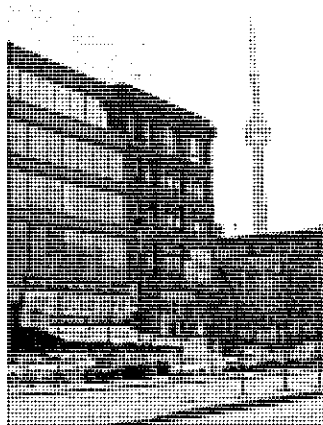
66 Gerrard Street East

This is Toronto's original apothecary, built in the 1880s. This beautiful building, kitty corner Ryerson, now houses a Starbucks as anchor corner retail tenant.



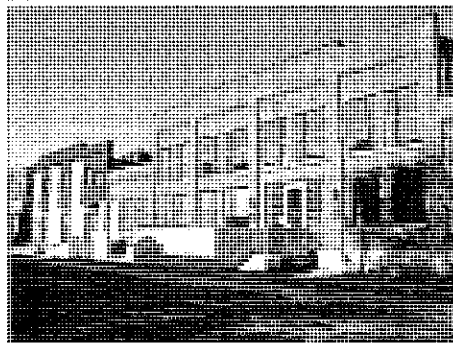
24 Cecil Street

A stunning corner property south of the University of Toronto that will be renovated and tenanted



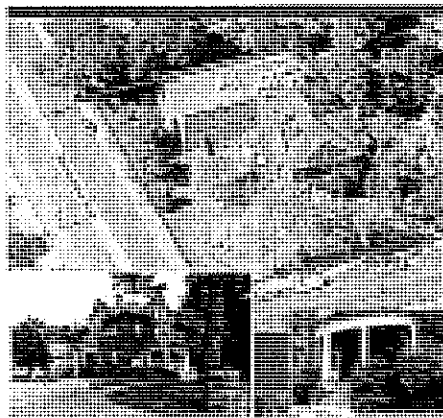
241 Spadina Avenue

This beautiful heritage building was originally built in 1910 for The Consolidated Plate Glass Company of Toronto. Currently under renovation, we will be leasing it to commercial tenants over the next few months.



32 Atlantic Avenue

This brick and beam building sitting on over an acre of land has 30 foot ceilings and 65,000 square feet of space. It is being renovated to accommodate new tenants this summer

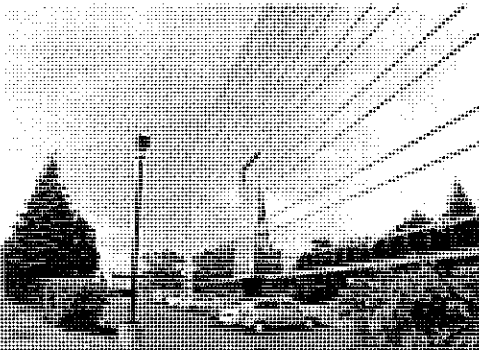


450 Pape Avenue

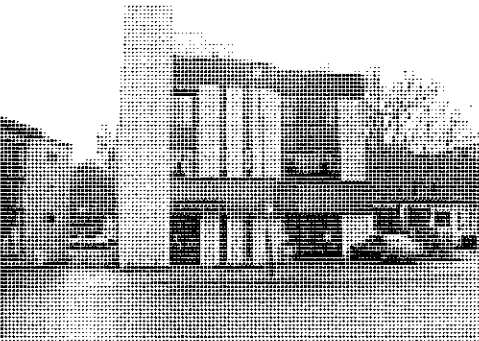
This half acre property on the corner of Pape and Riverdale contains a historically designated mansion and a newer back section that is being converted into six beautiful three-level townhouses

**14 College Street**

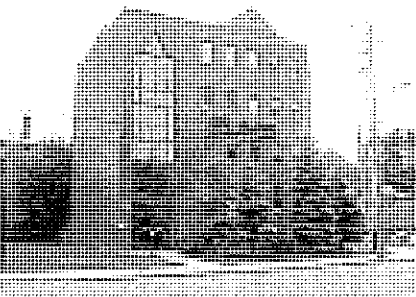
Purchased a beautiful 26,000 square foot heritage property originally built for the Toronto Bible Society. We will renovate and re-let to new tenants this year.

Our commercial buildings:**18 Wynford**

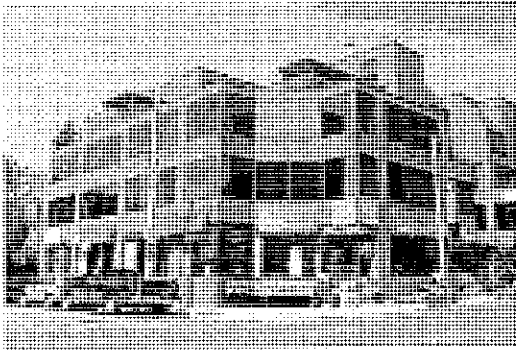
This 145,000 square foot building on approximately two acres is currently being renovated with vacant space being tenanted as the renovations are completed

**185 Davenport Road**

Fully converted an office building into five mixed use residential and commercial condominium suites and sold them.

**355 Eglinton Avenue East**

Commercial building, renovated for re-sale.



1246 Yonge Street

Commercial building converted to condominiums

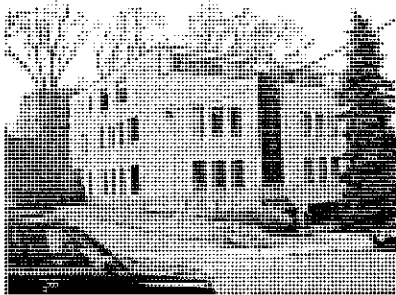
Converted this office building into 28 mixed use condominiums, plus expanded the underground parking garage and then sold all 28 units.



17 Yorkville Avenue

Commercial building converted to condominiums

Converted this office building into six mixed use luxury condominiums then sold all six units

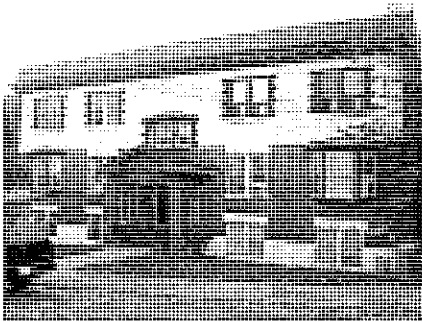


10-12 Bruce Park

Mixed-use building

Entered into an agreement to purchase this building then sold that right to another purchaser for a profit.

Our residential apartment buildings:



19 Tennis Crescent

An 8-plex in Riverdale

Renovated five of the suites and significantly increased annual revenues when they were re-leased. Are renovating other suites as they become available



646 Broadview Avenue

A 13-plex in Riverdale

Fully converted a
heritage-designated mansion into
thirteen residential rental units.

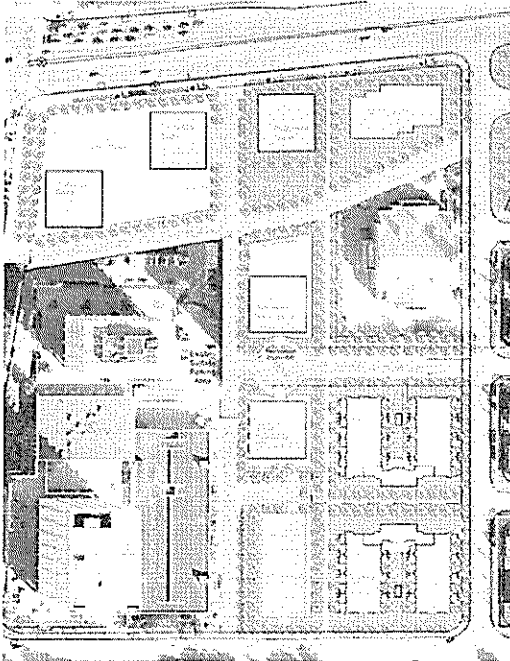


648 Broadview Avenue:

A 10-plex in Riverdale

Renovated five of the suites and significantly
increased annual revenues when they were re-
leased. Are renovating other suites as they
become available

Our infill residential housing:



1185 Eglinton Avenue East

Are rezoning and development-approving
this site for 620,000 square feet of
residential density, comprised of 64
stacked townhouses and 663 suites in two
condominium towers, one 31-storeys tall
and the second 34-storeys tall.

**78 Tisdale**

Bought a vacant 1.5 acre parcel of land in North York; are completing all steps required to permit the construction of 38 townhouses which we will then build.

**3771 St. Clair Ave. E..**

17 luxury townhouses

Bought a vacant 2/3 acre lot and completed all development steps required then built and sold 17 townhouses

**346 Jarvis: 6 luxury townhouses**

Bought six partially completed townhouses and completed construction; two remaining for sale

**232-234 Galloway Road: 16 townhouses**

Bought vacant land and are building sixteen townhouses for sale.

**247 Rance Avenue: 7 townhouses**

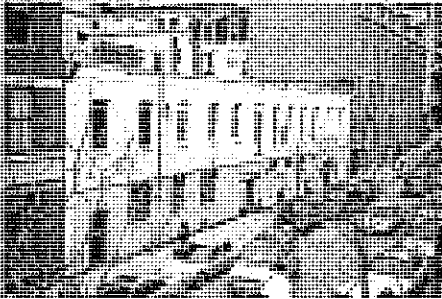
Bought a vacant 2/3 acre lot and obtained approval to build seven houses on the site. Sold to Toronto Community Housing Corporation



14 and 16 Montcrest Blvd.

2 luxury detached houses

Severed off two lots from our 646 Broadview property, and built two luxury detached houses and sold both. They have phenomenal views of the Toronto skyline, being just north of Riverdale park.



10-12 Market Street

Redevelopment site

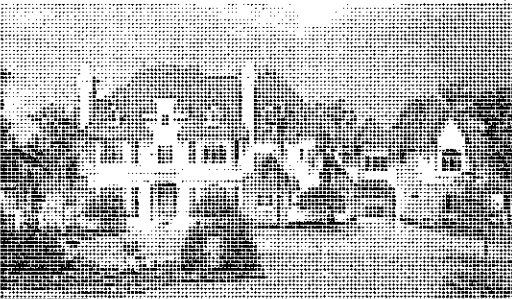
Obtained approval to build a 10-storey luxury residential and retail condominium building on the site of the original Toronto fish market, a heritage site, before selling this site to another developer



9 Post Road

Infill housing site

Severed one lot into two and obtained approval and a building permit to construct a luxury mansion in the Bridle Path neighbourhood in Toronto, before selling the site to a builder



2 Park Lane

Infill housing site

Severed one lot into two and renovated the house on the property before selling the site to a builder



118 and 120 Isabella

Mixed use houses

Renovated two houses for profitable resale

B. HISTORIC RETURN ON INVESTMENT

Since 2001, the Rose and Thistle Group Ltd. has achieved impressive compounded annual returns.

Average Return by property*		
Property	Compounded annual return	Timeline
17 properties in Toronto	26.20%	7 years
* outlier removed; outlier skews returns up to 70.83% compounded annually		

The properties are listed from our highest compounded annual return to our lowest. We have thus far never lost money on a project.

Property	Compounded annual return	Timeline
10-12 Bruce Park	785.00%	2 months
19 Tennis Crescent	104.00%	6 months
118 and 120 Isabella	84.75%	1 year
185 Davenport Road	36.36%	6 years
30A Hazelton Avenue	33.51%	7 years
646 Broadview Avenue	26.48%	4 years
30 Hazelton Avenue	25.16%	7 years
65 Front Street East	21.90%	2 years
355 Eglinton Avenue East	18.00%	9 months
1246 Yonge Street	16.87%	3 years
17 Yorkville Avenue	13.50%	3 years
247 and 251 Ranee Avenue	10.00%	5 years
14 and 16 Montcrest Blvd.	8.00%	4.5 years
9 Post Road	7.00%	3 years
2 Park Lane	7.00%	3 years
3771 & 3775 St. Clair Ave. E.	4.50%	5 years
10-12 Market Street	2.11%	2 years

C. MISSION STATEMENT

The mission of Rose and Thistle Investments is to identify, acquire, manage and develop under-utilized commercial, residential and mixed-use buildings and vacant land that have the potential, when the requisite amount of time, skill and capital are applied, to achieve an above average return and provide our tenants and purchasers with homes or offices of which they are proud.

D. INVESTMENT CRITERIA AND STRATEGY

Rose and Thistle reviews potential acquisitions using an investment criteria which focuses primarily on return on equity, security of cash flow, potential for capital appreciation and the potential to increase value by more efficient management, including accessing capital for expansion and development.

We are “sticking to our knitting” by seeking opportunities similar to the properties with which we have had success in the past, namely the following three types of investments:

1. Medium-size commercial and mixed-use buildings that are well-located and well built where there is the possibility to:

- a. sever off a portion of the land for redevelopment or to create multiple parcels where there is currently one;
- b. subdivide the building into condominiums;
- c. add onto or renovate the existing building; and/or
- d. change the tenant mix and create operating efficiencies;

2. Medium-size apartment buildings that are well-located and well-built where there is the potential to:

- a. sever off a portion of the land for redevelopment;
- b. add onto the existing building; and/or
- c. update the suites, improve the building, and thus change the tenant mix and increase rents; and

3. Residential housing and development sites where the land is well-located.

We are prudent investors who apply rigorous criteria when evaluating each potential real estate opportunity.

E. SERVICES

i. Real estate acquisition, disposition and financing

- Acquisition and syndication of residential, commercial, and retail real estate
- Assistance with property ownership transition that capitalizes on value created
- Research, investment analysis, due diligence, market and value assessment
- Financing and re-financing
- Access to capital through our network of contacts

ii. Construction and development

- Project management of re-developments, renovations and new developments for residential, commercial, and retail properties in urban and suburban markets
- Expertise in planning, obtaining zoning approvals, construction management, and operation start-up
- Experience working with government and regulatory agencies, business community leaders and investors to enhance project success
- Tarion-registered new home builder

iii. Property management

- Operations and management of multi-unit small to medium commercial, residential and retail properties
- Short-term and long-term strategy to maximize return on investment
- Tenant relationship management through ongoing communications and reporting
- Tenant retention strategy and effectiveness measurement
- Administration of leases to optimize results
- Market research for competitive pricing and positioning
- Maintenance and management of the property
- Twenty four hour on-call emergency repair
- Rent collection and lease enforcement
- On-site staffing, if needed, according to owner approved budget
- Maintenance and capital improvement planning
- Regular property inspections

iv. Leasing Services

- Obtaining tenants
- In-house leasing team with extensive industry contacts
- Advertising vacancies
- Negotiating new and renewal leases
- Marketing strategy to promote properties to prospective tenants and brokers through our network of contacts, Web sites, printed media and other channels of communication

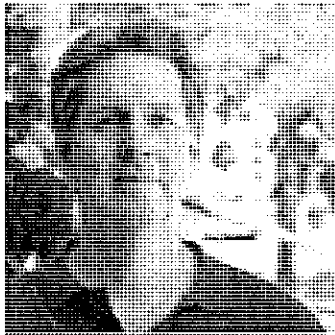
v. Legal and Accounting Support

- Drafting and filing legal documents
- Litigation
- The conversion of commercial rental units to commercial and/or residential condominium properties and the implementation of condominium sales programs
- Zoning, by-law and legislative compliance
- Severance and variance applications
- Representation at municipal zoning, fire, building and by-law hearings
- Insurance management and advice on appropriate coverage
- Centralized accounting and finance functions, including financial statements and audit, accounts receivable, accounts payable, payroll, cash and tax management
- Weekly, monthly or quarterly occupancy and collection reporting
- Weekly, monthly or quarterly financial reporting
- Annual budget preparation
- Unit turnover costs
- Capital expenditures
- Operating and labour costs
- Revenue
- Partnership distributions as directed

F. MANAGEMENT TEAM**Norma Walton, B.A., J.D., M.B.A.**

Norma is a co-founder of The Rose and Thistle Group Ltd. and the CEO of its real estate division. She has considerable experience in the field of land and commercial real estate acquisition, development and especially financing.

Norma has a Bachelors Degree in French, her Juris Doctor law degree and an executive Master of Business Administration Degree all from the University of Western Ontario. She is a member of the Law Society of Upper Canada.

**Ronauld G. Walton, CPIM, J.D., LL.M., M.B.A.**

Ron is a co-founder of The Rose and Thistle Group Ltd. He is the COO of its real estate arm and the President of all its subsidiary corporations. Ron has a Juris Doctor law degree from the University of Western Ontario, a Master of Intellectual Property Laws Degree from York University, a Master of Business Administration Degree from the University of Liverpool, a Diploma in Marketing Management from Centennial College and is Certified in Production and Inventory Management by the American Production and Inventory Control Society.

Ron is a member of the Law Society of Upper Canada, the Canadian Civil Liberties Association, Canada's History Society, Heritage Toronto and the Heritage Canada Foundation. He is a registered trade-mark agent with the Government of Canada.

**Carlos Carreiro
Director of Construction and Maintenance**

Carlos has an extensive twenty-year background in real estate. He has been a real estate agent, a land developer, and a residential and commercial property renovator and builder. He is adept at interior design and renovation having studied architectural technology at Ryerson. He has an extensive network of industry contacts to call upon as the need arises. He is an exceptional manager of both construction sites and commercial buildings.

**Mario R. Bucci, B.B.M., C.M.A., Chief Financial Officer**

Mario provides leadership and co-ordination in the administrative, accounting and budgeting efforts of The Rose and Thistle Group. He creates and evaluates the financial programs and supporting information and control systems of the company in order to preserve company assets and report accurate and timely financial results.

Mario has over 25 years experience in finance. He has a Bachelor of Business Management Degree from Ryerson University and is a member of the Certified Management Accountants of Ontario.



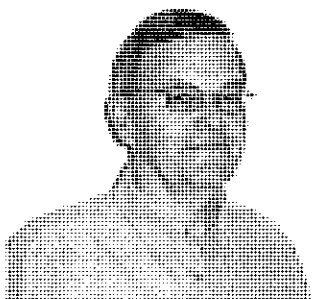
Steve Williams, Vice President of Operations

Steve has more than a decade of both project management and overall management experience. He is responsible for ensuring that cost effective operations and infrastructure are in place to support all of The Rose and Thistle's active real estate projects and oversees the operational budget for each project. He contracts and coordinates outside contractors to resolve operating difficulties and ensure project deadlines are met.



John Geikins, C.M.A., Senior Accounting Manager

John manages Rose and Thistle's finance staff and oversees the maintenance and accuracy of all financial records for The Rose and Thistle Group Ltd. and related companies. He has an Accounting and Finance Diploma from Seneca College and is a Certified Management Accountant with over twenty five years experience in accounting and income tax compliance. Prior to joining the Rose and Thistle Group, John was in upper management discharging considerable financial responsibility with one of Canada's largest corporations.



John Rawlings, Consultant

John, an engineer by training, had thirty years experience with the Ford Motor Company in a variety of management positions. He has been on contract to The Rose and Thistle Group Ltd. for ten years. John has supervised seventeen hundred individuals including architects, engineers, electricians, plumbers, contractors and maintenance and repair workers. While on contract to Ford, John was in charge of the construction of two twenty million dollar facilities and a one hundred and fifty million dollar plant expansion at the Ford facilities in Oakville and St. Thomas.



Chris Willis, Senior Construction Manager

Chris is responsible for directing and coordinating the construction and renovation of select Rose and Thistle commercial properties. He is a key participant in project planning and identification of required resources. He oversees construction projects from start to finish and ensures that construction activities are on-schedule, on-budget all the while minimizing exposure and risk in each project.



Trudy Haalmeyer, Director of Leasing

Trudy oversees all aspects of our leasing, property management and marketing objectives. She has an extensive background in commercial and industrial leasing, property management and construction and development. Her focus is to ensure seamless tenant transitions, expedite the documentation process and work closely with the brokerage and design communities to guide each property towards long term optimum profitability for all stakeholders.



Samantha Slemko, B.GS, Property and Leasing Manager
Samantha joined us in 2006 as a project manager for our subsidiary company, CCI. In that capacity she managed some of CCI's largest technology projects and was responsible for meeting client goals, deadlines and budgets. She currently oversees the rental of all Rose and Thistle properties, tenant relations, lease negotiations, building repair and maintenance all with the goal of increasing asset value.

Samantha comes from a project management background in health information. She has a diploma in Health Information Technology as well as a Bachelors Degree in General Studies from the University of North Dakota.



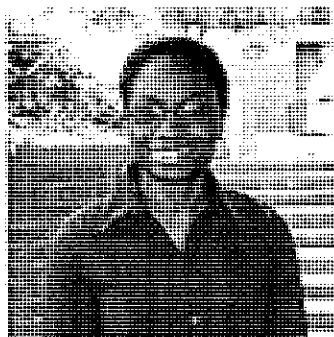
Jackie McKinlay, Associate

Jackie has over a decade of real estate law experience and is the hub through which all of our residential and commercial real estate deals flow. She co-ordinates condominium registration documents, real estate financings, interacts with lawyers, clients, architects, surveyors, conveyancers and City personnel, she co-ordinates the preparation and receipt of R plans, site plans, surveys and landscape surveys and all of the real estate acquisitions, sales and re-financings. Jackie is a graduate of The Ontario Law Clerks Association and is a registered mortgage agent.



Tom Trklja, B.A. in Law, F.Inst.L.C.O., Associate

Tom obtained his Law Degree from the University of Belgrade in 1987 after which he practiced law in Belgrade for several years. Subsequently he graduated on the President's Honour List from the Legal Assistant Program at Seneca College of Applied Arts and Technology in 1999. Through his legal training and practical experience Tom has been in the legal field for more than twenty three years. He has played a key role in multi-million dollar mergers and acquisitions, a variety of complex contract negotiations and all aspects of corporate law. He is also skilled in real estate development law and real estate financing. He is a member of the Institute of Law Clerks of Ontario.



Kendra Henry-Curtis, Senior Accountant

Kendra studied accounting, information systems and computer programming and is an honours graduate of Centennial College with an Accountant/Programmer Analyst diploma. At present, she is completing the Certified General Accountant program and will soon have her CGA designation. She assists in the maintenance and preparation of financial records and statements.

SECTION E: THE FINANCIAL PROJECTIONS**A: ASSUMPTIONS**

The financial assumptions used to generate the estimated costs and revenues were specifically designed to be conservative in their estimates to mitigate identified potential risks. The key assumptions are as follows:

Average Sale Prices	For the townhouses, we are using \$350 per square foot, being the average price per square foot for a new townhouse in the city of Toronto. Given how desirable this neighbourhood is, we expect that we will be able to better these prices. This works out to \$560,000 for a brand new 1,600 square foot two bedroom plus den townhouse in Riverdale.
Realty Commissions	Rose and Thistle expects to hire a real estate agency to sell the townhouses. Typically they are paid between 2.5 and 4% commission depending on whether the sale is co-brokered with a purchaser agent or not. We have thus averaged the commissions at 3.25%.
Hard Costs	Rose and Thistle is currently building similar sized townhouses at 232 Galloway that cost approximately \$80 per square foot. We are budgeting \$92 per square foot for these new ones to be conservative and given that with conversions of existing buildings, you sometimes find unexpected items that result in unforeseen costs as opposed to new builds. We expect to come in under the project costs.
Soft Costs	Soft Costs include interest charges, property carrying charges, marketing, advertising, architectural fees, engineering fees, interior design fees, cost consultant fees, financing fees, city of Toronto development fees, legal fees, project management fees, and all other general consultant's fees to complete the development. Rose and Thistle has estimated these based on their recent experience with other similar projects.
Mansion Value	Given the interest from three parties already, we anticipate the mansion will sell for approximately \$175 per square foot or \$1.75 million

B: RISKS

Inherent with any investment there are associated risks. Rose and Thistle through their industry experience is aware of and has taken appropriate measures to mitigate the risk exposure to the investor. However, it is essential that preferred shareholders be aware of some of the key risks involved in the project and more importantly, how these risks have been considered by Rose and Thistle.

Risk	Discussion
Market condition for residential sales	- Rose and Thistle cannot control the economic environment in Toronto. We are encouraged by the net migration of approximately 100,000 people a year to the area, which historically has kept real estate vibrant over the past two decades. Also Riverdale is one of Torontos best neighbourhoods. Nonetheless we have no control of the overall state of the real estate market.
Interest Rate Increases	- Rose and Thistle cannot control interest rate fluctuations and expects over the course of the project that rates will rise from their historic lows. Nonetheless, given the strength of the Canadian dollar, it is not anticipated that rampant inflation will occur resulting in dramatic rate hikes, but rather that the rates will rise incrementally. Incremental rate hikes will not threaten the health of the development
General Investment Risk	- All investments with the exception of sovereign bonds of major industrial nations (eg. US treasury bills, Canada savings bonds) carry with them inherent risk. There are no guarantees in life. The best one can do, as Rose and Thistle believes it has, is to acquire desirable assets, at a reasonable price at a favourable time. Investors must be aware that this investment is significantly riskier than acquiring savings bonds. Investors must be comfortable that the return is not guaranteed, unlike the return of such a bond. Rose and Thistle will do everything it can to mitigate the project risk.

SECTION F:**TABLE 1: CAPITAL REQUIRED**

450 Page CAPITAL REQUIRED			
Purchase Costs			
Purchase Price		1,700,000	
Mortgage and lender's legal fees		60,000	
Ontario Land Transfer Tax		25,500	
Municipal Land Transfer Tax		25,500	
Other fees and disbursements for due diligence material		20,000	
Total Purchase Price			\$ 1,831,000
Hard construction costs			
Mansion renovations			
Painting, sanding and finishing hardwood	\$	80,000	
Repair exterior brickwork; general clean up	\$	100,000	
Repair and replace all systems as needed	\$	65,000	
Build six townhouses	\$	884,000	
Project management fees	\$	112,900	
		\$	1,241,900
Soft construction costs			
Development charges and fees	\$	304,046	
Professional fees	\$	224,000	
		\$	528,046
Total Construction Costs:			\$ 1,769,946
Carrying Costs			
Property tax	\$	100,000	
Interest on mortgage	\$	240,000	
Total Carrying Costs:			\$ 340,000
Total Capital Required			\$ 3,940,946
Mortgage:	76.12%	8.00%	\$ 3,000,000
Dr. Bernstein:	11.94%		\$ 470,473
Ron and Norma Walton:	11.94%		\$ 470,473

TABLE 2: TOWNHOUSE CONSTRUCTION COSTS

Townhouse Construction Costs		
Each of the six townhouses is 1,600 square feet		
	BUDGET PER TOWNHOUSE	TOTAL BUDGET
Hoarding, siting, fencing	\$833.33	\$5,000.00
Demolition	\$4,000.00	\$24,000.00
Stripping Site	\$0.00	\$0.00
Pregrading	\$1,500.00	\$9,000.00
Internal and external services		
Sanitary	\$2,000.00	\$12,000.00
Storm	\$2,000.00	\$12,000.00
Water	\$2,000.00	\$12,000.00
Hydro	\$2,000.00	\$12,000.00
Road	\$4,000.00	\$24,000.00
Excavation	\$1,000.00	\$6,000.00
Footings, stonework, waterproofing, backfill	\$3,000.00	\$18,000.00
Drains and Concrete in basement	\$4,000.00	\$24,000.00
Framing (including steel)	\$8,000.00	\$48,000.00
Roofs, soffit, fascia, eaves, dormers	\$8,000.00	\$48,000.00
Rough-ins		
Plumbing rough-in and finish	\$6,000.00	\$36,000.00
Heating rough-in and finishing grills	\$6,000.00	\$36,000.00
HVAC rough-in and finishing	\$6,000.00	\$36,000.00
Windows (including caulking) and doors	\$6,000.00	\$36,000.00
Insulation and drywall	\$16,000.00	\$96,000.00
Upper and lower stairs (including railings)	\$5,000.00	\$30,000.00
Bricks and stucco	\$6,000.00	\$36,000.00
Painting	\$7,000.00	\$42,000.00
Flooring	\$10,000.00	\$60,000.00
Kitchen and bathroom cabinetry	\$10,000.00	\$60,000.00
Trim and finishes	\$6,000.00	\$36,000.00
(including hardware, mirrors, shower doors)		
Exterior staircases and railings	\$4,000.00	\$24,000.00
Finish landscaping including sodding	\$4,000.00	\$24,000.00
Finished laneway	\$4,000.00	\$24,000.00
Garbage disposal	\$1,000.00	\$6,000.00
Site supervision	\$8,000.00	\$48,000.00
Totals:	\$147,333.33	\$884,000.00

TABLE 3: SOFT COSTS

Soft Construction Costs	
Development charges and fees	
Site plan agreement deposits	
Boulevard deposit	\$10,000.00
Landscaping deposit	\$60,000.00
Permit	\$35,000.00
Townhouse levy	\$53,046.00
Park levy	\$50,000.00
Education levy	\$6,000.00
Plan of condominium application	\$35,000.00
Part lot control application	\$25,000.00
Miscellaneous other city deposits and charges	\$30,000.00
	\$304,046.00
Professional fees	
Architectural plans	\$35,000.00
Engineering fees	\$30,000.00
Interior design fees	\$25,000.00
Marketing and advertising fees	\$50,000.00
Insurance	\$36,000.00
Cost consultant fees	\$18,000.00
Surveyor's fees	\$30,000.00
	\$224,000.00
Total Soft Construction Costs	\$528,046.00

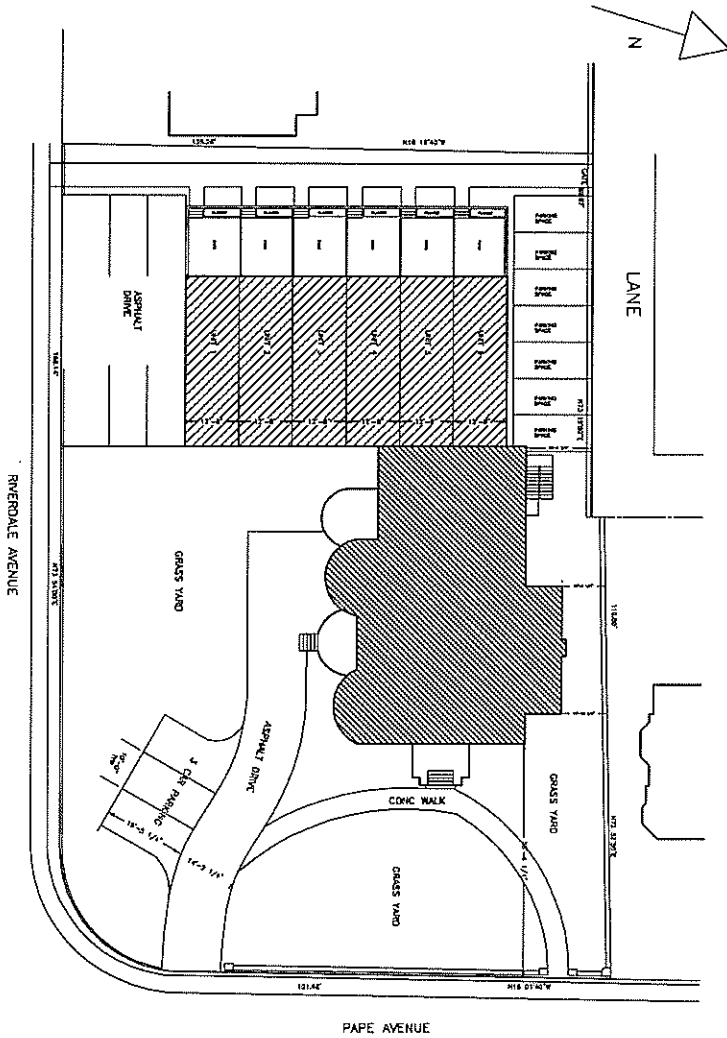
TABLE 4: REVENUES AND PROJECTED PROFITS

Revenues and Projected Profits				
	Per unit:	Per square foot:	Total:	
Townhouse revenues:	\$ 560,000	\$ 350	\$ 3,360,000	
Sale of mansion	\$ -	\$ -	\$ 1,750,000	
	Total Revenues:			\$ 5,110,000
	Less realty commission (3.25%):			\$ (166,075)
Net Revenues:				\$ 4,943,925
Less Project Cost:				\$ 3,940,946
Projected Profit:				\$ 1,002,979

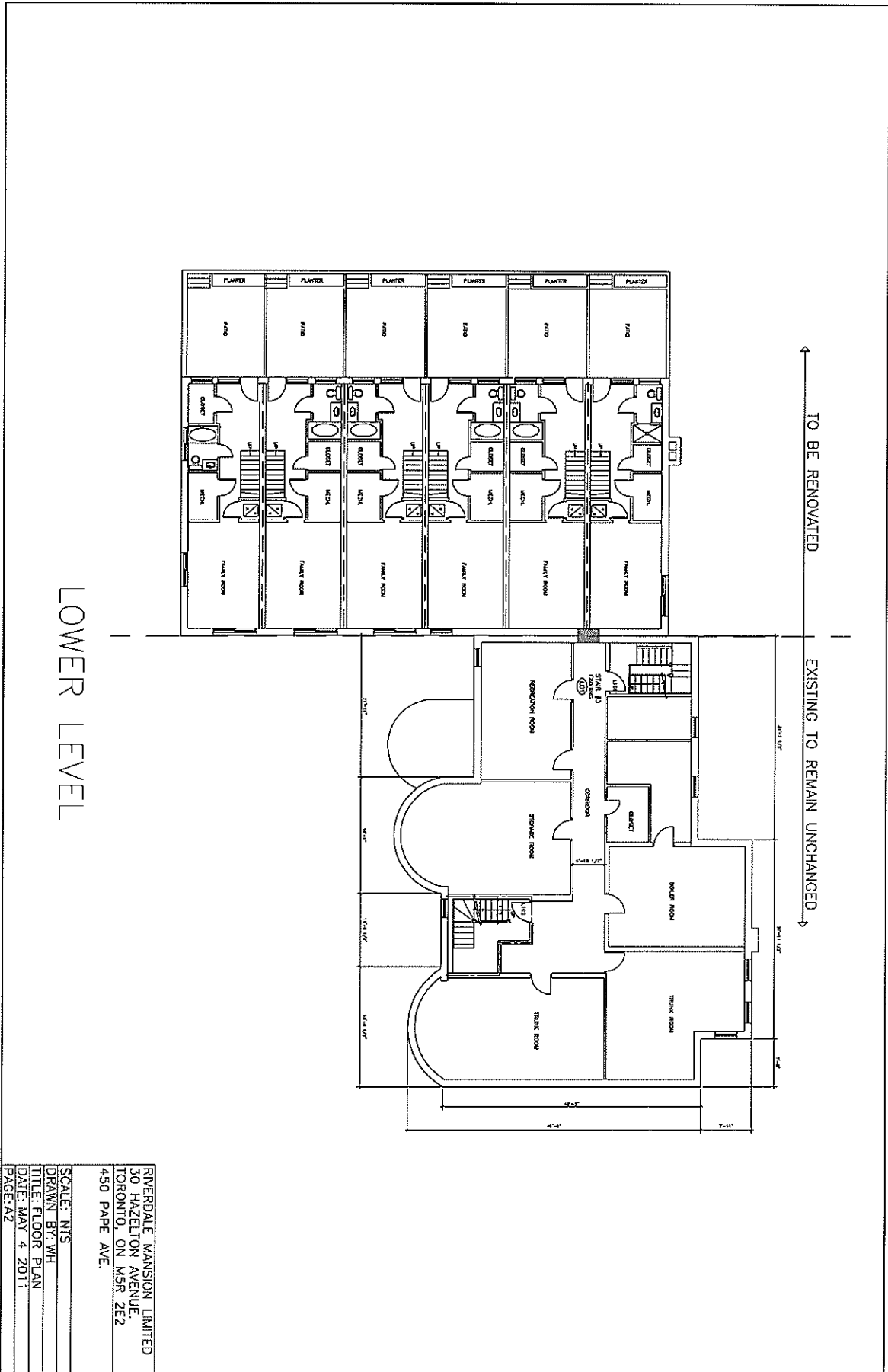
TABLE 5: PROJECTED INVESTOR RETURN

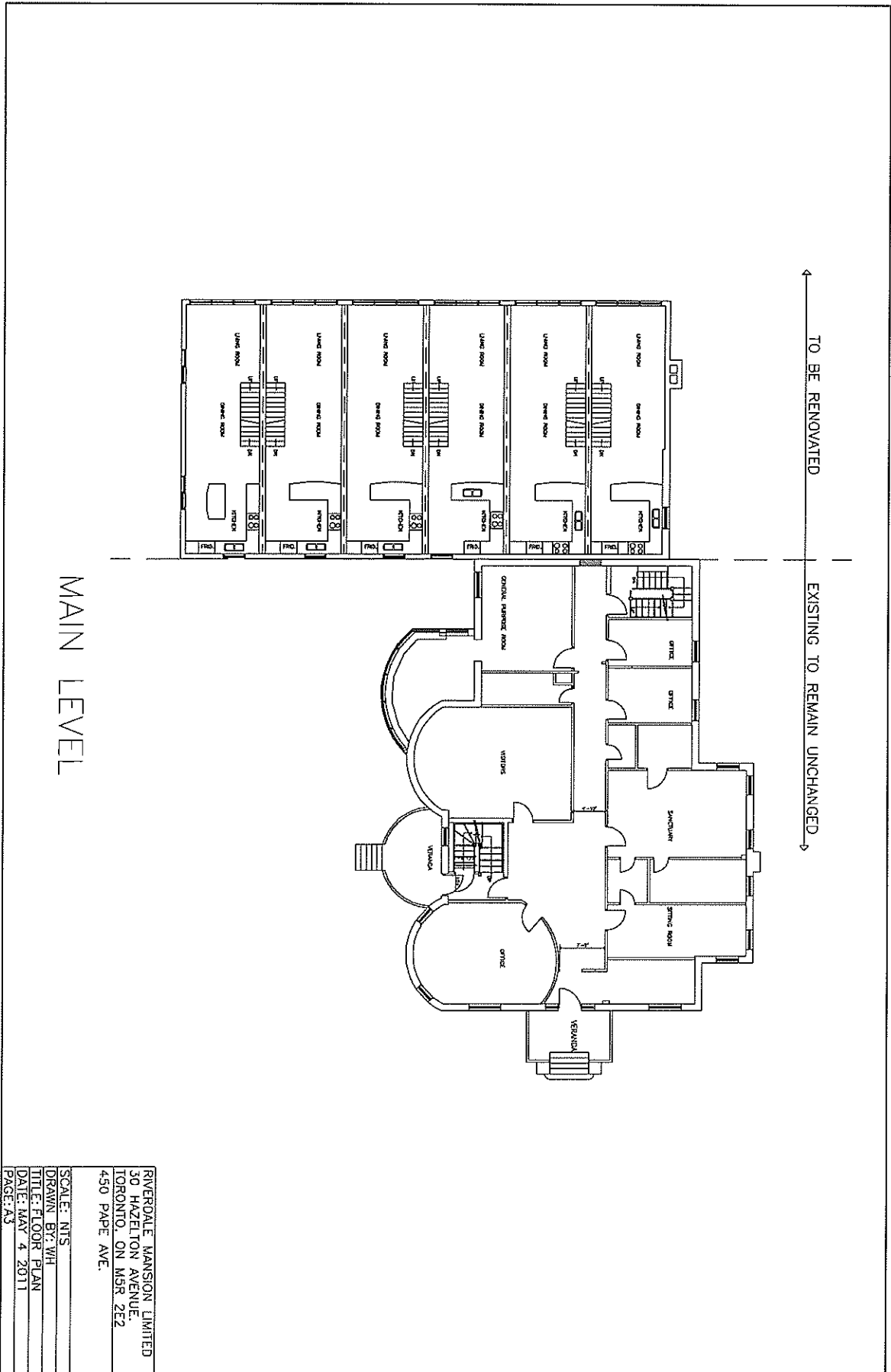
Investor Return	
Equity:	\$940,946.00
Cash out date:	By June 30, 2013
Projected Profits:	\$1,002,979.00
Total Return on Investment:	106.59%
Compounded annual return:	43.75%
Total investment period:	24 months

SITE PLAN

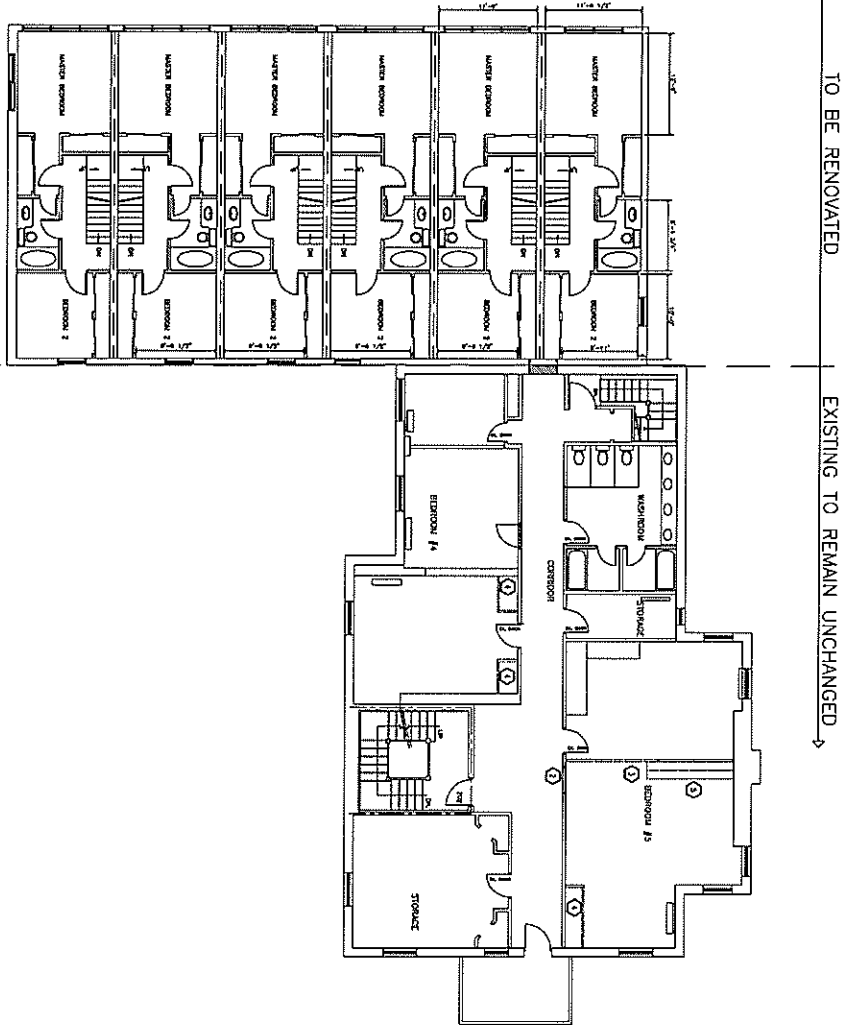


RIVERDALE MANSION LIMITED
 30 HAZELTON AVENUE,
 TORONTO, ON M5R 2E2
 450 PAPE AVE.
 SCALE: NTS
 DRAWN BY: WH
 TITLE: SITE PLAN
 DATE: MAY 4, 2011
 PAGE: A1





SECOND LEVEL



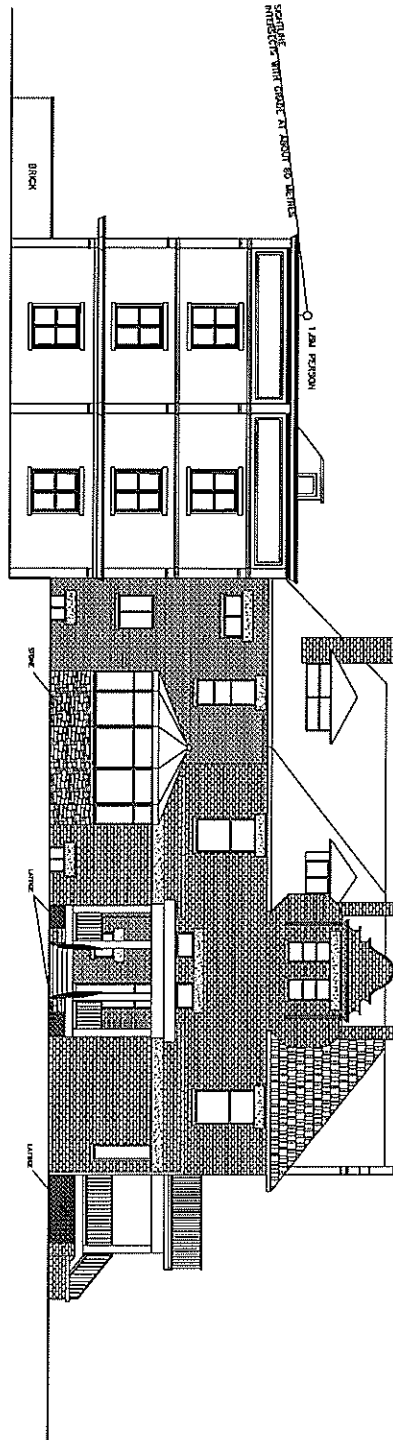
RIVERDALE MANSION LIMITED
30 HAZELTON AVENUE.
TORONTO, ON M5R 2E2
450 PAPE AVE.
SCALE: NTS
DRAWN BY: WH
TITLE: FLOOR PLAN
DATE: MAY 4 2011
PAGE: A4

THIRD LEVEL

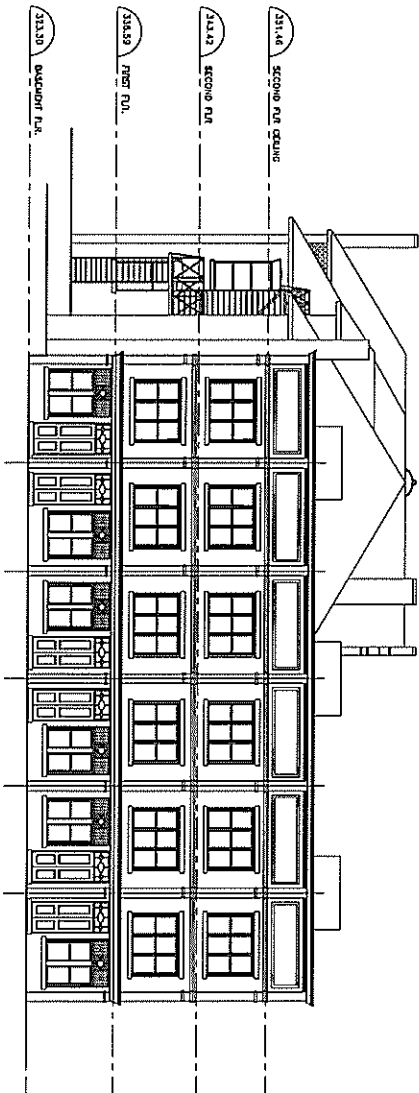
RIVERDALE MANSION LIMITED
30 HAZELTON AVENUE,
TORONTO, ON M5R 2E2
450 PAPE AVE.

SCALE: NTS
DRAWN BY: WH
TITLE: FLOOR PLAN
DATE: MAY 4 2011
PAGE: A5

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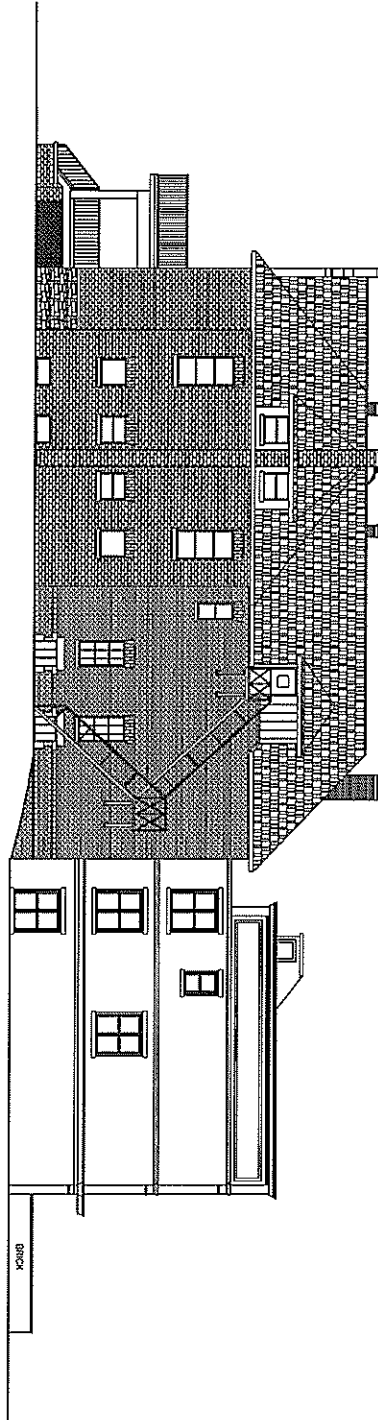


SOUTH ELEVATION

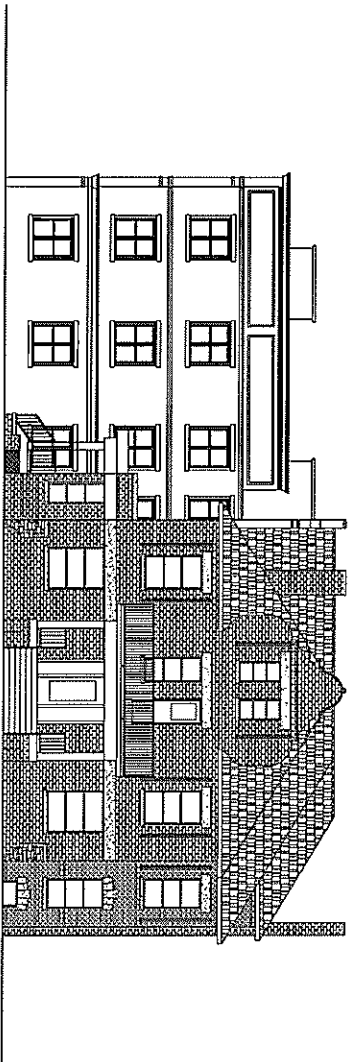


WEST ELEVATION

RIVERDALE MANSION LIMITED
30 HAZELTON AVENUE
TORONTO, ON M5R 2E2
450 PAPER AVE.
SCALE: NIS
DRAWN BY: WH
TITLE: ELEVATIONS
DATE: MAY 4 2011
PAGE: A6



NORTH ELEVATION

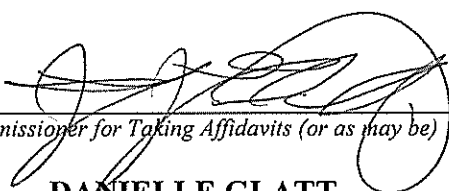


EAST ELEVATION

RIVERDALE MANSION LIMITED
30 HAZELTON AVENUE,
TORONTO, ON M5R 2E2
450 PAPE AVE.
SCALE: NTS
DRAWN BY: YH
TITLE: ELEVATIONS
DATE: MAY 4, 2011
PAGE: A7

TAB 18

This is Exhibit "18" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma walton <norma@waltonadvocates.com>
Sent: Sunday, June 26, 2011 10:22 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 450 Pape
Attach: proposed deal terms.doc; ltr to bernstein jun 26, 11.pdf; bernstein proposal june 22, 11.xls

Dear Stan,

We had a lovely weekend! Hope yours was the same and that Jake is feeling much better.

As promised, I am attaching a draft mortgage commitment letter and proposed deal terms for your review, along with the excel spreadsheet that we can attach as Exhibit A to the deal terms. They mirror the terms we agreed upon at Wynford. What I propose is that we prepare all mortgage documents in the same format as previously prepared by Horwitz Finner; we'll sign and register all documents; and we'll prepare a reporting letter to your son as your lawyer on the transaction. We'll also incorporate your new company to hold your shares. That way, you can keep the full \$60,000 and would just need to cut cheques for the following:

1. \$1.3 million to Walton Advocates in trust (\$1.36 million less \$60,000); and
2. \$470,473 to Riverdale Mansion Ltd.

You don't need to certify either cheque assuming we have it before mid week as that will give our bank two business days to clear it. Obviously the mortgage money will remain in trust until the day the transaction is closing, and if for some reason the transaction does not close, all mortgage and equity monies will be promptly returned to you.

Let me know if the above makes sense and confirm that you are comfortable with the arrangements. If so, let me know whether you want a numbered company or alternatively advise the name you wish and we'll incorporate before closing. If not, let me know which lawyer you'd like to use and we'll coordinate with him or her, or let me know if you'd like me to refer you to a competent and reasonably-priced lawyer. Whichever way you choose, no worries from our end.

We look forward to completing another exciting project together!

Regards,
Norma

Norma Walton B.A., J.D., M.B.A.
WALTON ADVOCATES
Barristers & Solicitors
30 Hazelton Avenue
Toronto, Ontario, Canada M5R 2E2
Tel: (416) 489-3171 Ext. 103
Fax: (416) 489-9973
norma@waltonadvocates.com

AGREEMENT

Between:

A new company to be incorporated

“Bernstein”

- and -

Ron and Norma Walton

“Walton”

- and -

Riverdale Mansion Ltd.

the “Company”

WHEREAS Bernstein and Walton intend to purchase 450 Pape Avenue, Toronto, Ontario (the “Property”) on or about July 4, 2011 and put ownership of the Property in the Company’s name;

AND WHEREAS Bernstein and Walton, or whomever Bernstein and Walton may direct in accordance with the provisions of paragraph 5 herein, will each hold 470,473 shares in the Company;

AND WHEREAS Bernstein and Walton will each provide the sum of \$470,473 to the Company for the purposes of purchasing the property, renovating the mansion, constructing the townhouses, and obtaining city approvals to sever and sell off the mansion and the townhouses to separate purchasers (the “Project”);

AND WHEREAS Walton will manage and supervise the Project and ensure it is completed according to the excel spreadsheet attached as Exhibit “A” to this Agreement;

THEREFORE the parties agree as follows:

1. Walton has contracted to purchase the Property and the purchase is scheduled to close on July 4, 2011.
2. Walton has commenced discussions with the city and the councilor to obtain their approval for the plan for the property; with trades to complete construction of the townhouses; with trades to complete the renovations on the mansion; and with planning and other consultants to arrange to sever off and sell the different components to separate purchasers.

3. Walton intends to renovate and sell the mansion and convert the newer section of the building into six separate townhouses, each with condominium title, to be sold to six separate purchasers between now and June 30, 2013 in accordance with Exhibit "A".
4. Bernstein wishes to own 50% of the shares in the Company in exchange for providing 50% of the equity required to complete the Project. The Company will issue sufficient shares such that Bernstein has 470,473 and Walton has 470,473 voting shares of the same class.
5. The ownership of the Company will be as follows:
 - a. 50% to Bernstein; and
 - b. 50% to Ron and Norma Walton as they may direct between each other or alternatively to be held by a completely Walton-owned and controlled company, provided that all covenants and agreements of Walton herein shall continue in full force and effect and such company executes an agreement to be bound by the provisions of the within Agreement.
6. Walton will be managing, supervising and completing the Project in accordance with the attached Exhibit "A".
7. Walton has provided the \$75,000 deposit to purchase the Property, which amount will form part of Walton's equity contributions.
8. The balance of equity in the amount of \$865,946 will be paid as follows:
 - a. Bernstein will provide to the Company the sum of \$470,473 on or before July 4, 2011; and
 - b. Walton will provide the sum of \$395,473 to the Company in a timely manner as required as the Project is completed.
9. Walton and Bernstein will each provide 50% of whatever additional capital over and above the \$470,473 each that is required to complete the Project, if any, in a timely manner.
10. In addition to managing, supervising and completing the Project, Walton will be responsible for supervising the renovations of the building on the Property, hiring of all consultants, designers, architects and engineers to complete the Project, finance, bookkeeping, office administration, accounting, information technology provision, filing tax returns for the Company, and fulfilling all active roles required to complete the Project in accordance with Exhibit "A".
11. Bernstein will not be required to play an active role in completing the Project. Notwithstanding that, any decisions concerning the selling or the refinancing of the Property will require his approval; any decisions requiring an increase in the total amount of equity required to complete the Project will require his approval;

and any significant decisions that vary from the Project plan described in Exhibit "A" will require his approval.

12. Walton will provide to Bernstein ongoing reports at minimum monthly detailing all items related to the Property including the progress in moving the plan forward.
13. Walton will provide a written report to Bernstein each month detailing the following:
 - a. copies of invoices for work completed;
 - b. the bank statement for that month; and
 - c. if the bank statement does not have a copy of cancelled cheques, then Walton will also provide a complete listing of all cheques written, including payees, dates and amounts.At Bernstein's request, Walton will provide whatever other back-up information he requests. Any cheque or transfer over \$50,000 will require Bernstein's signature or written approval before being processed.
14. Once the Project is substantially completed to the point that all of the Property has been sold, both parties will be paid out their capital plus profits and Walton will retain the Company for potential future use.
15. The Board of Directors of the Company will be composed of two directors, being Bernstein and Norma Walton. The only shares to be issued in the Company will be as set out above, and neither party may transfer his or her shares to another party without the consent of all the other parties, which consent may be unreasonably withheld. Bernstein shall have the option of being paid out his share of capital and profits from the Project and once he has been paid out in full, he will surrender his share certificate, he will concurrently resign from the Board of Directors and Norma Walton and the Company will accept such resignation. At such time Bernstein shall be released of all obligations and liability related to the Company and shall be indemnified by Walton with respect to all liabilities, claims and obligations whatsoever of the Company up to the date at which Bernstein has been paid out his capital and profits from the Project.
16. The Company will only be used to purchase, renovate and construct, and sell the property at 450 Pape Avenue, Toronto, Ontario or such other matters solely relating to the Project and the Property.
17. If the parties disagree on how to manage, supervise and complete the Project in accordance with Exhibit "A" and cannot reach agreement amongst themselves, each of them undertakes to attend a minimum of four hours of mediation in pursuit of reaching an agreement. After mediation, if there are any remaining issues to be determined, those issues in dispute shall be determined by a single arbitrator in as cost-effective a manner as possible, with no right of appeal. All

costs of such mediation and/or arbitration will be borne equally by Bernstein and Walton.

18. Notwithstanding anything to the contrary contained in the within Agreement, in consideration of the sum of \$10.00 and other good and valuable consideration paid to Walton and the Company (the receipt and sufficiency of which is hereby acknowledged), Walton and the Company hereby acknowledge, agree and confirm that Bernstein shall not be liable, responsible for or obligated with respect to any amounts or extent whatsoever with respect to the compliance, performance or observance of any terms or provisions with respect to any Charges / Mortgage of Land (and any agreements or documentation given as additional security therefor) registered against title to the Property or any part thereof in favour of 368230 Ontario Limited including, without limiting the generality of the foregoing, the payment of any principal, interest, costs or any other monies thereunder and Walton and the Company hereby further agree and covenant to indemnify and save Bernstein harmless with respect to any losses, damages or costs suffered or incurred by Bernstein with respect to such Charge / Mortgage of Land.

19. The above represents all deal terms between the parties.

Dated at Toronto, Ontario this day of JUNE 2011

Bernstein company to be incorporated
Per A.S.O.

Riverdale Mansion Ltd.
Per A.S.O.

Ron Walton

Norma Walton

WALTON ADVOCATES

BARRISTERS AND SOLICITORS/TRADE MARK AGENTS

Corporate Law * Family Law * Employment Law * Estate Law * Real Estate Development Law

30 HAZELTON AVENUE • TORONTO, ONTARIO • M5R 2E2
(416) 489-3171 • Fax: (416) 489-9973 • E-mail: norma@waltonadvocates.com

June 26, 2011

BY EMAIL

Dr. Stanley Bernstein
Dr. Bernstein Diet and Health Clinics
21 Kern Road
Toronto, ON M3B 1S9

Dear Stan,

**Re: Riverdale Mansion Ltd. first mortgage from 368230 Ontario Inc.
450 Pape Avenue, Toronto
Closing Date: July 4, 2011**

The Salvation Army has owned almost 0.6 acres of land on the corner of Pape and Riverdale in the Riverdale neighbourhood of Toronto for more than 80 years. They originally ran a home for pregnant girls out of the property then a few years ago changed the facility to a home for men with mental problems. In 2008, they shuttered their programs out of that location, declared the property surplus, and listed it for sale. Originally listed for \$2.5 million, they received an offer in due course for \$2.2 million. While the first purchasers were conducting their due diligence, Councillor Paula Fletcher became aware of the property and decided it should be a home for poor artists. The city thus designated the property historically, scuttling the offer that was on the table, and Councillor Fletcher arranged to purchase the property conditionally for \$1.9 million. That second offer to purchase fell apart when the city of Toronto acquisitions department advised Councillor Fletcher that their mandate was to sell properties owned by the city, not purchase more. The Salvation Army re-listed it and received a third offer for \$1.7 million with a 6 week due diligence provision. We found out about the property a couple of days before that due diligence provision was to end, and advised the Salvation Army (who are a tenant of ours at 252 Carlton) that we would purchase firm if the deal on the table fell apart. The third purchasers requested two more weeks to complete their due diligence and instead The Salvation Army contracted with us to purchase the property without conditions.

There is a historic mansion on the property that dates from 1910 and a newer building that dates from the 1960s. Our plan for the property is simple. We will demise the newer section of the property into six condominium townhouses, each about 1,600 square feet over three levels with rooftop deck and private front patio. At the same time, we will clean up and ready for sale the mansion and will sever the mansion from the new section of the property before sale. We already have three purchasers interested in buying the townhouses through word of mouth, and we have two parties interested in purchasing the mansion, all before closing. McKenzie Ray Heron and Edwardh are

conducting an appraisal of the property and they have determined that based on our plan for the property the value far exceeds the \$1.7 million purchase price.

We anticipate the project will cost \$3.94 million and will generate revenues of approximately \$5 million within two years of closing. We are seeking a first mortgage facility to acquire the property, renovate the mansion, and construct the townhouses, detailed as follows:

Lender:	368230 Ontario Inc.	
Borrower:	Riverdale Mansion Ltd.	
Guarantors:	Ron and Norma Walton	
Purpose of Loan:	Purchase property, renovate mansion, and construct townhouses	
Security:	First mortgage 450 Pape Avenue General assignment of rents Guarantee	
Closing Date:	July 4, 2011	
Loan Amount:	Mortgage:	\$3,000,000
	First Advance:	\$1,360,000
	Construction Advances:	\$1,640,000
Interest Rate:	8% per annum calculated and payable monthly (interest only), not in advance, before and after default plus 4% per annum on the unadvanced portion of the loan	
Term:	to June 30, 2013	
Amortization:	0 years	
Monthly Payments:	On First Advance, the sum of \$9,067 per month related to the first \$1.36 million plus \$5,467 related to the \$1.64 million set aside for construction advances, for a total of \$14,534 Once the full facility is advanced, the sum of \$20,000 per month Payment shall be in the form of post-dated cheques, replenished yearly	

Bonus Interest: \$60,000

Cost Consultant: Phil Pavitt from BTY Group will provide to the lender monthly progress reports confirming the work in place at 450 Pape and certifying to the lender an amount to be paid to the borrower based on that work in place and the cost to complete. Borrower will be responsible for payment of all invoices from BTY Group.

Other terms: Closed for the first three months; open thereafter on any payment date upon payment of one month's interest. \$200 NSF charge for each returned cheque as liquidated damage amount.

Partial discharges to be provided for each individual townhouse upon payment of 90% of the net proceeds of sale or \$500,000, whichever amount is greater

Survey: Satisfactory R Plan or survey to be provided to Lender's lawyer prior to closing

Interest Adjustment Date: Interest shall be adjusted to the 1st day of the month after the advance is made, and shall be payable on the first of each month thereafter.

Default: If Lender must send collection letters to Borrower due to default, a \$200 fee for each collection letter will apply.

Mortgage Statements: Borrower shall pay \$100 for preparation of each Mortgage Statement requested.

Legal Fees: Lender's lawyer: Daniel Bernstein

All legal, survey, insurance, valuation and inspection costs and fees, and other costs and fees incurred in connection with this mortgage shall be paid by the Borrower unless otherwise stated. Borrower's counsel will prepare and register all documents and report to Lender's lawyer accordingly.

Title and Legal Requirements: Advance of funds shall be made subject to the Lender and its solicitors being satisfied with title to all property secured and all legal aspects required of the transaction.

It is a pleasure doing business with you.

Yours truly,
WALTON ADVOCATES

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- 4 -

Norma Walton

	A	B	C
1	Soft Construction Costs		
2			
3	Development charges and fees		
4	Site plan agreement deposits		
5	Boulevard deposit	\$10,000.00	
6	Landscaping deposit	\$60,000.00	
7	Permit	\$35,000.00	
8	Townhouse levy	\$53,046.00	
9	Park levy	\$50,000.00	
10	Education levy	\$6,000.00	
11	Plan of condominium application	\$35,000.00	
12	Part lot control application	\$25,000.00	
13	Miscellaneous other city deposits and charges	\$30,000.00	
14			
15			\$304,046.00
16			
17	Professional fees		
18	Architectural plans	\$35,000.00	
19	Engineering fees	\$30,000.00	
20	Interior design fees	\$25,000.00	
21	Marketing and advertising fees	\$50,000.00	
22	Insurance	\$36,000.00	
23	Cost consultant fees	\$18,000.00	
24	Surveyor's fees	\$30,000.00	
25			
26			\$224,000.00
27			
28	Total Soft Construction Costs		\$528,046.00

1	Townhouse Construction Costs					
2						
3	Each of the six townhouses is 1,600 square feet					
4						
5						
6		BUDGET	TOTAL BUDGET	DRAW #1	DRAW #2	DRAW #3
7		PER TOWNHOUSE		07.10.04.	07.11.05.	07.12.20.
8						
9	Hoarding, silting, fencing	\$833.33	\$5,000.00			
10	Demolition	\$4,000.00	\$24,000.00			
11	Stripping Site	\$0.00	\$0.00			
12	Pregrading	\$1,500.00	\$9,000.00			
13	Internal and external services					
14	Sanitary	\$2,000.00	\$12,000.00			
15	Storm	\$2,000.00	\$12,000.00			
16	Water	\$2,000.00	\$12,000.00			
17	Hydro	\$2,000.00	\$12,000.00			
18	Road	\$4,000.00	\$24,000.00			
19	Excavation	\$1,000.00	\$6,000.00			
20	Footings, stonework, waterproofing, backfill	\$3,000.00	\$18,000.00			
21						
22	Drains and Concrete in basement	\$4,000.00	\$24,000.00			
23	Framing (including steel)	\$8,000.00	\$48,000.00			
24	Roofs, soffit, fascia, eaves, dormers	\$8,000.00	\$48,000.00			
25	Rough-ins					
26	Plumbing rough-in and finish	\$6,000.00	\$36,000.00			
27	Heating rough-in and finishing grills	\$6,000.00	\$36,000.00			
28	HVAC rough-in and finishing	\$6,000.00	\$36,000.00			
29	Windows (including caulking) and doors	\$6,000.00	\$36,000.00			
30	Insulation and drywall	\$16,000.00	\$96,000.00			
31	Upper and lower stairs (including railings)	\$5,000.00	\$30,000.00			
32	Bricks and stucco	\$6,000.00	\$36,000.00			
33	Painting	\$7,000.00	\$42,000.00			
34	Flooring	\$10,000.00	\$60,000.00			

	G	H	I	J	K	L	M	N	O	P
1										
2										
3										
4										
5										
6	DRAW #4	DRAW #5	DRAW #6	DRAW #7	DRAW #8	DRAW #9	DRAW #10	DRAW #11	DRAW #12	DRAW #13
7	08.02.13.	08.02.28.	08.04.02.	08.04.28.	08.05.30.	08.07.03.	08.08.01.	08.08.26.	08.09.29.	08.10.31.
8										
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33										
34										

	A	B	C	D	E	F
35	Kitchen and bathroom cabinetry	\$10,000.00	\$60,000.00			
36	Trim and finishes	\$6,000.00	\$36,000.00			
37	(including hardware, mirrors, shower doors)					
38	Exterior staircases and railings	\$4,000.00	\$24,000.00			
39	Finish landscaping including sodding	\$4,000.00	\$24,000.00			
40	Finished laneway	\$4,000.00	\$24,000.00			
41	Garbage disposal	\$1,000.00	\$6,000.00			
42	Site supervision	\$8,000.00	\$48,000.00			
43						
44	Totals:	\$147,333.33	884,000.00			

	G	H	I	J	K	L	M	N	O	P
35										
36										
37										
38										
39										
40										
41										
42										
43										
44										

	A	B	C	D	E
1	Revenues and Projected Profits				
2					
3		Per unit:	Per square foot:	Total:	
4	Townhouse revenues:	\$ 560,000	\$ 350	\$ 3,360,000	
5	Sale of mansion	\$ -	\$ -	\$ 1,750,000	
6					
7		Total Revenues:			\$ 5,110,000
8		Less realty commission (3.25%):			\$ (166,075)
9	Net Revenues:				\$ 4,943,925
10					
11	Less Project Cost:				\$ 3,940,946
12					
13	Projected Profit:				\$ 1,002,979

	A	B	C	D
1	450 Page			
2	CAPITAL REQUIRED:			
3	Purchase Costs			
4				
5	Purchase Price	1,700,000		
6	Mortgage and lender's legal fees	60,000		
7	Ontario Land Transfer Tax	25,500		
8	Municipal Land Transfer Tax	25,500		
9	Other fees and disbursements	20,000		
10	for due diligence material			
11				
12	Total Purchase Price			\$ 1,831,000
13				
14	Hard construction costs			
15				
16	Mansion renovations			
17	Painting, sanding and finishing hardwood	\$ 80,000		
18	Repair exterior brickwork; general clean up	\$ 100,000		
19	Repair and replace all systems as needed	\$ 65,000		
20				
21	Build six townhouses	\$ 884,000		
22				
23	Project management fees	\$ 112,900		
24				
25			\$ 1,241,900	
26				
27	Soft construction costs			
28				
29	Development charges and fees	\$ 304,046		
30	Professional fees	\$ 224,000		
31				
32			\$ 528,046	
33				
34	Total Construction Costs:			\$ 1,769,946
35				
36	Carrying Costs			
37	Property tax	\$ 100,000		
38	Interest on mortgage	\$ 240,000		
39				
40	Total Carrying Costs:			\$ 340,000
41				
42	Total Capital Required			\$ 3,940,946
43				
44	Mortgage:	76.12%	8.00%	\$ 3,000,000
45	Dr. Bernstein:	11.94%		\$ 470,473

	A	B	C	D
46	Ron and Norma Walton	11.94%		\$ 470,473

556

	A	B	C
1			
2		Investor Return	
3	Equity:		\$940,946.00
4			
5	Cash out date:		By June 30, 2013
6			
7	Projected Profits:		\$1,002,979.00
8			
9	Total Return on Investment:		106.59%
10			
11	Compounded annual return:		43.75%
12			
13	Total investment period:		24 months
14			

TAB 19

This is Exhibit "19" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Thursday, November 24, 2011 12:18 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: RE: New opportunity

Sounds great! Welcome aboard on yet another rollicking adventure...☺

From: Dr. Stanley Bernstein [mailto:drb@drbdiet.com]
Sent: Thursday, November 24, 2011 12:16 PM
To: Norma Walton
Subject: RE: New opportunity

Dear Norma,

Please incorporate 'DBDC Investments Highway 7 Ltd' to use as my company.
Not a surprise name.
Nice buildings.
I will have a cheque ready for tomorrow morning.

Thanks again,
Regards,

Stan

From: Dr. Stanley Bernstein
Sent: November-23-11 9:25 PM
To: Norma Walton
Subject: RE: New opportunity

Dear Norma,

Even more interesting with these details and possibilities.
Very nice options.

Thanks for the opportunity to partner this with you.

Regards,
Stan

From: Norma Walton [nwalton@roseandthistle.ca]
Sent: November-23-11 8:09 PM
To: Dr. Stanley Bernstein
Subject: FW: New opportunity

Dear Stan,

And the other interesting development is that after purchasing, we found out that our tenant who occupies the back building and now half of the front wants to purchase and was trying to tie the property up around the same time as we were. We were just more nimble. We have since spoken with him about potentially purchasing the back building if we are successful at severing the property, which he is very interested in doing, and at a significantly higher price per square foot than what we paid. So we may have some interesting choices to make in a couple of years... sell part to him and take our profits then, or redevelop and take significantly more profits later! As I like to say when you and I do business together, all good!

Regards,
Norma

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Wednesday, November 23, 2011 6:04 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: New opportunity
Attach: proposal for dr. bernstein nov 23 11.pdf

560

Dear Stan,

Well, you told me to go shopping...☺

I am attaching a proposal for a property that Ron and I have secured at 5770 and 5780 Highway 7 West in Vaughan, Ontario. There are a number of things we like about the property:

1. It sits on 12 acres;
2. It has great frontage on Highway 7;
3. There are no environmental issues;
4. It has recently been rezoned by the town of Vaughan to permit high rise residential, subject to ratification by the Region of York over the next few years;
5. The two buildings that sit on the property were constructed by Royal Plastics brand new in 1998 and 1999 respectively and are both attractive and in great shape;
6. We purchased for \$14.5 million and because we brought a tenant to fill the vacant space in part of the front building, the property has appraised at \$15.35 million;
7. We plan to sever the properties into two legal parcels because we anticipate it will increase the value of each (the sum of the parts being worth more than the whole);
8. We had three lenders (First National, Harbour and Penmor) competing to provide first mortgage financing of 75% loan to value at an interest rate of 5.69% (the competing for our business has never happened to us before...it was refreshing!);
9. The property will be fully tenanted and cash flow positive within 45 days of closing, with cash distributions of 3.18% annually of the total investment, paid monthly or quarterly; and
10. We expect within 30 months we'll be able to turn each of our 50% equity of \$2.25 million into almost \$3.4 million.

The purchase closes on December 15th. We have thus far provided a deposit of \$800,000 and have paid for the appraisal, the environmental report and the building condition assessment along with mortgage placement fees, for another \$150,000, for a total out of pocket to date of \$950,000.

If you like the property and the opportunity, we'd love for you to join us as a 50% equity partner. We've structured the investment so that if you wanted to exit with your profits after 30 months, you could or alternatively you could stay in for the long haul with us, whatever you preferred.

The total investment would be \$2,257,500. \$475,000 would be due now, whenever you were able to reimburse us for your half of the deposit and out-of-pocket disbursements we've paid to date. The balance of \$1,782,500 would be provided to Royal Agincourt Corp. on December 8th via cheque for the December 15th closing (or you can provide a certified cheque on December 15th if you prefer – your call). Also, we can incorporate a holding company to own this investment if you wish. Just let us know the preferred name and we'll arrange.

If the above is of interest, I'll have Jackie or Tom put together the following documents for your records:

1. The appraisal;
2. The environmental report;
3. The building condition assessment report;
4. The leases; and
5. The agreement of purchase and sale.

Let me know if of interest. It is always a pleasure to partner with you, and we seem to bring each other good luck!

Regards,
Norma

Norma Walton B.A., J.D., M.B.A.
THE ROSE AND THISTLE GROUP LTD.
30 Hazelton Avenue

561

Toronto, Ontario, Canada M5R 2E2
Tel: (416) 489-9790 Ext. 103
Fax: (416) 489-9973

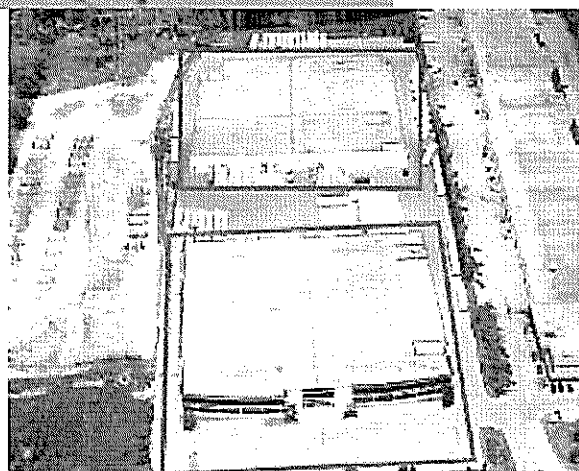
www.roseandthistlegroup.com

The Rose and Thistle Group Ltd. is a privately held land and investment company that owns a stable of commercial properties, is a property developer, and is the parent company of Plexor Plastics Corp., Handy Home Products Inc., Corporate Communications Interactive Inc., Urban Amish Interiors Inc., Loft Raum Inc. and is affiliated with Walton Advocates, Barristers and Solicitors.



THE ROSE and THISTLE GROUP LTD.

30 Hazelton Avenue, Toronto, Ontario, M5R 2E2, (416) 489-9790 Fax: (416) 489-9973



Investment Proposal

5770 and 5780 Highway 7 West, Vaughan

November 23, 2011

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SECTION A:**1. THE OPPORTUNITY**

The opportunity is to purchase 50% of the equity in Royal Agincourt Corp., a Rose and Thistle company that was formed to own 5770 and 5780 Highway 7 West in Vaughan. Vaughan is part of the Greater Toronto Area and is one of the fastest growing municipalities in Canada. This investment is for a term of 30 months and will deliver a 3.18% cash flow return annually, paid monthly, on the equity investment along with a projected 41.19% straight line profit at the end of the term. Rose and Thistle intends to sever the property into two legal parcels over the investment term, increasing the value of the property.

The two separate buildings on the property were originally built for Royal Plastics in 1998 and 1999. They total 225,468 square feet of rentable space. They were well built and ideally located in a highly desirable industrial area situated near expanding residential neighbourhoods.

5780 sits in back and is fully tenanted by Graphic Transportation, a trucking and logistics company. 5770 fronts Highway 7 and is partially tenanted by Graphic Transportation. The purchase price of \$14.5 million was based upon partial vacancy on closing. Instead we have contracted with one of our former law clients, Verick International Inc., to occupy the space that is currently available in 5770. Hence the buildings will be fully tenanted within 45 days of closing, and as a result the property has been appraised at \$15.35 million.

Unlike investments in stocks and bonds, carefully selected and well-located income properties have value secured by physical assets. Commercial buildings are also not subject to the wide fluctuations common to stock markets and when properly managed provide reliable, above average returns on investment.



2. THE INVESTMENT PARTICULARS

The details of the opportunity are as follows:

What: 50% of the equity in Royal Agincourt Corp. which will own 5770 and 5780 Highway 7 West, Vaughan

Investment amount: \$2,257,500

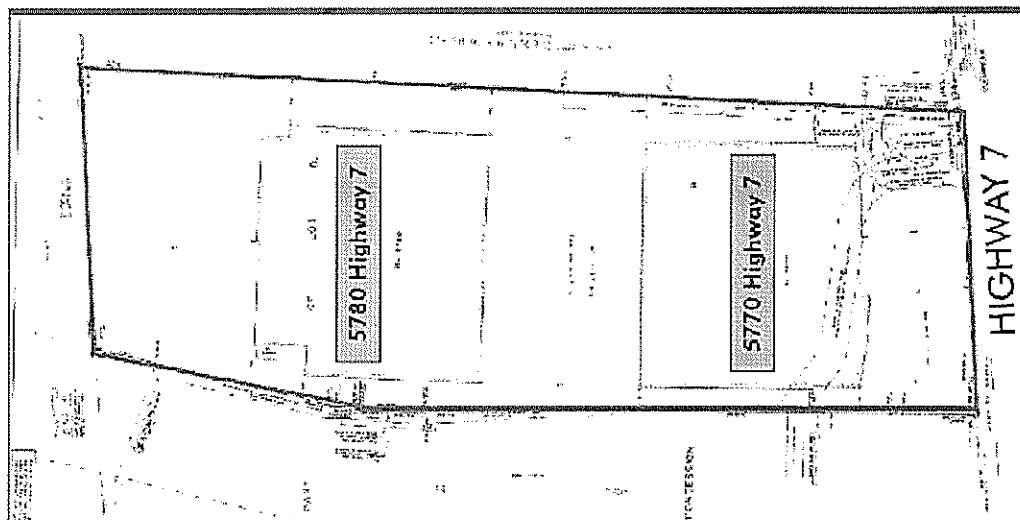
Commencement date: December 15, 2011

Capital appreciation and return: The investment pays a 3.18% cash return on the investment amount annually, paid monthly, along with a lump sum return upon refinancing once the property has been severed into two legal parcels. At the end of the investment term, it is anticipated each party's 50% equity will have increased by the sum of \$950,000 in addition to the 3.18% annual payments. The total straight-line return projected over the 30 months including all payments will be \$1.13 million or over 50% return on equity.

Term: 30 months to June 15, 2014

The total capital is \$15.4 million, being \$10.875 million from mortgage and \$2.25 million from each of the common shareholders. The capital structure is as follows:

Total Capital Required			\$ 15,390,000
Mortgage:	70.66%	4.43%	\$ 10,875,000
Ron and Norma Walton:	14.67%		\$ 2,257,500
Dr. Stanley Bernstein:	14.67%		\$ 2,257,500



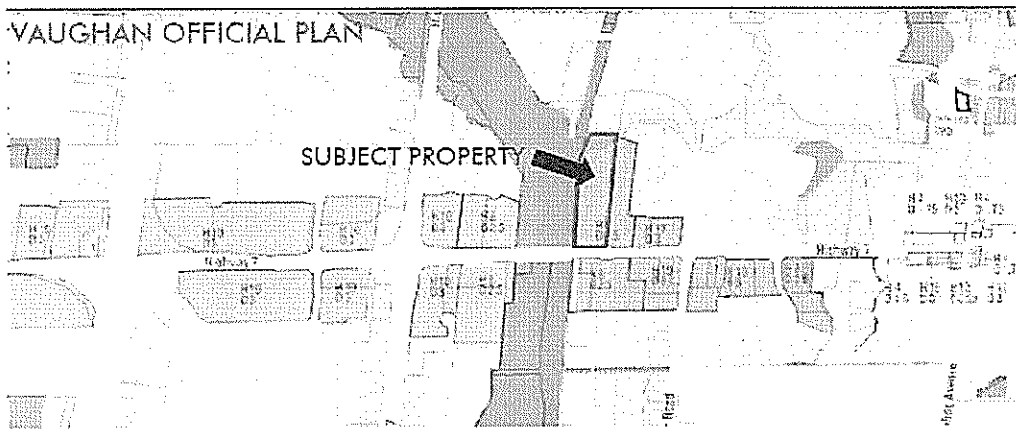
SECTION B:**1. THE PROPERTY**

Built for Royal Plastics in 1998 and 1999, the properties total 191,468 square feet of industrial space and 34,000 square feet of office space. Each has multiple loading docks for trucks and there is ample parking in front, between the two buildings and in back. They sit on 12 acres of land. Phase I Environmental reports confirm that both properties are clean.



The area is changing. The City of Vaughan has recently amended the zoning of this property from industrial to mixed use giving Rose and Thistle tremendous flexibility going forward to redevelop the properties into residential condominiums and townhouses. You can see from the aerial map that there is already residential behind and to the east of the property.

Rose and Thistle's immediate objective is to sever the properties into two separate legal parcels. Severance increases the value of the properties because the sum of the parts is greater than the whole. Further it makes the entry price to own the property lower. For example, rather than needing to pay \$15 million for both properties, once severed someone could buy one for \$8.5 million.



2. THE PLAN

The plan is to close the purchase; build a block wall barrier between the two warehouse tenants who will occupy 5770 and renovate the front offices; move the new tenant into the property; manage the tenancies; sever the property into two; and refinance to pay out profits.

The following steps will be implemented to achieve this objective:

1. Pre-closing:

- a. Due diligence on the property now completed;
- b. Arranged first mortgage financing; and
- c. Secured new tenant and entered into leases with existing tenants.

Timeline: to December 15, 2011

2. As of Closing:

- a. Build the block wall barrier and renovate the offices as required;
- b. Move new tenant in;
- c. Manage tenants;
- d. Engage surveyor to prepare a plan of survey and R Plan;
- c. Apply to sever the properties;
- f. Go through the planning process required to sever the properties;
- g. Complete severance.

Estimated timeline: 18 months to June 15, 2013

3. Refinance property.

Estimated timeline: 6 months to December 15, 2013

4. Pay out capital and profits.

Estimated timeline: Thereafter

CONTINGENCY: 6 months

Total project timeline: 30 months including contingency

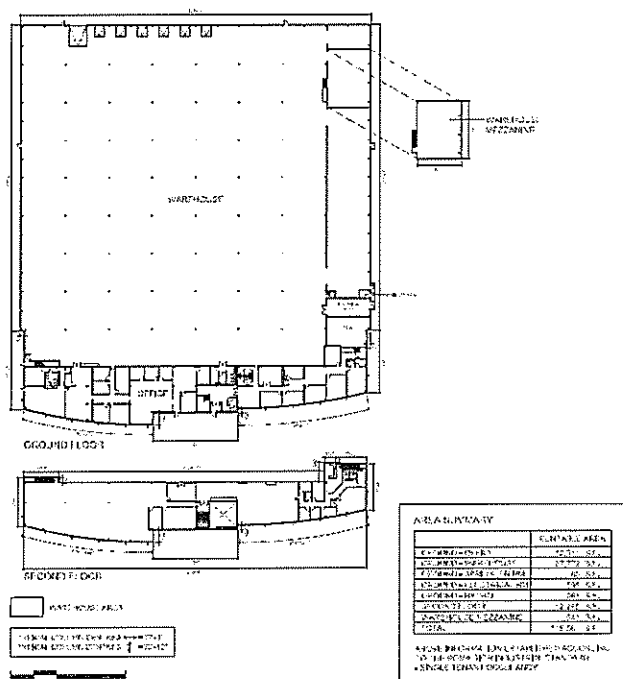
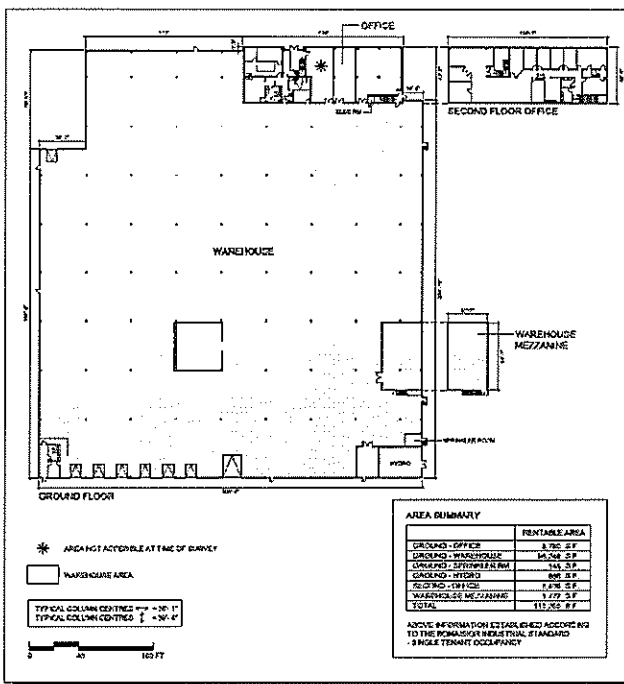
3. FINANCIAL PROJECTIONS

The property was purchased for \$14.5 million. With closing costs it will have a cost base of \$15 million. The property has been appraised at \$15.35 million already. The hard construction costs will cost \$330,000 and the soft costs including permit fees and surveyor's fees will run about \$100,000. Hence the total project cost will be about \$15.4 million.

Rose and Thistle anticipates that within 30 months, being June 15, 2014, the property will be severed, refinanced and equity paid out. Along the way, the common shareholders will have been paid 3.18% annual distributions paid monthly, and upon project completion they will be entitled to a further lump sum equal to an additional return of 42.1% straight line if the severance is successful. If severance

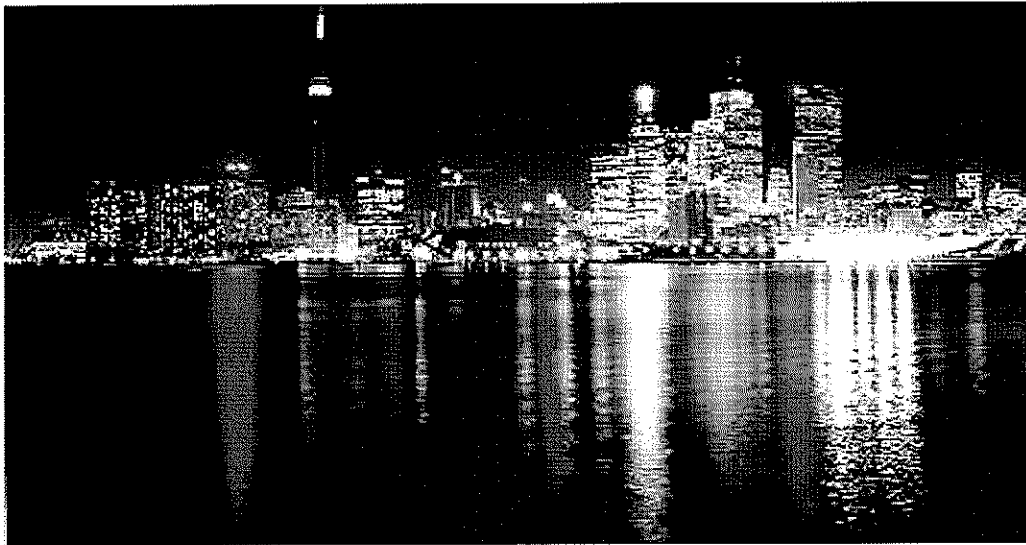
is successful, it is thus estimated that common shareholders will enjoy a straight-line return of just over 50% over the 30 month term.

It is projected that an investment of \$2,257,500 on December 15, 2011 will provide a total return of \$1.13 million within 30 months, being a 17.7% compounded annual return. We refer you to the Financial Projections section of this proposal for expenditure, revenue and profit details.



SECTION C: INVESTING IN THE GREATER TORONTO AREA

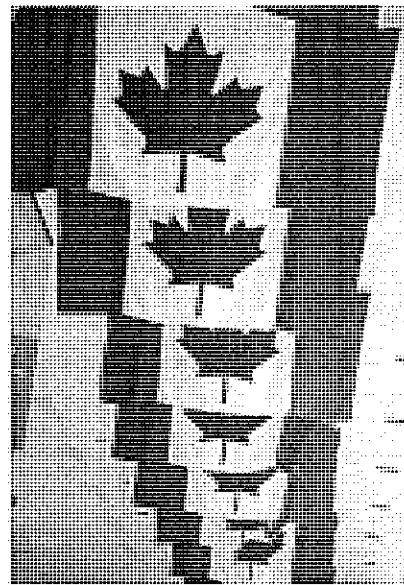
A continental gateway and a crossroads for the world, Toronto is Canada's business capital. It ranks alongside economic powerhouses such as New York, Boston and Chicago. Toronto is annually rated as the most multi-cultural city in the world by the United Nations. Canada accepts approximately 300,000 new immigrants every year, and 43% of all immigrants to Canada settle in the Greater Toronto Area. This results in an annual population increase of more than 100,000 people. As a result, the demand for both residential and commercial real estate is strong and demographic trends strongly suggest that such demand will remain robust.

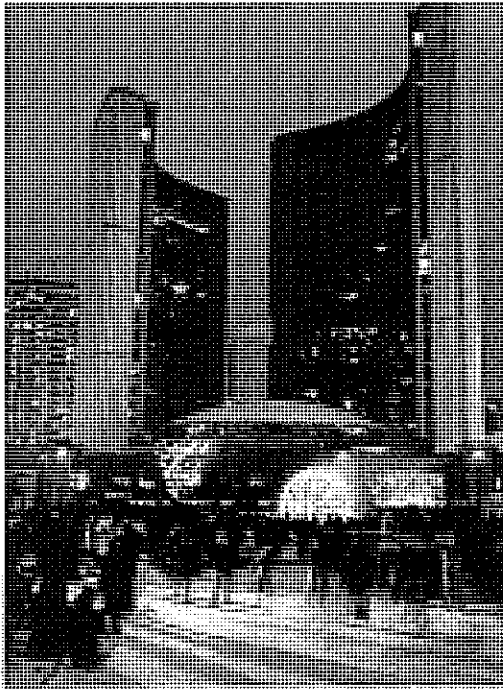


Toronto boasts a stable economic and political climate. Toronto commercial real estate has attracted worldwide investors, particularly from the United States, Great Britain, Israel and Germany. It has one of the five most diversified economies of any city-region in North America, and consistently ranks with Boston and Chicago as one of the best business cities in North America.

Population

With 2.7 million residents, Toronto is the 5th largest city in North America. One-quarter of Canada's population is located within 160 km (100 mi.) of the city and more than 60% of the population of the USA is within a 90-minute flight.





Economy

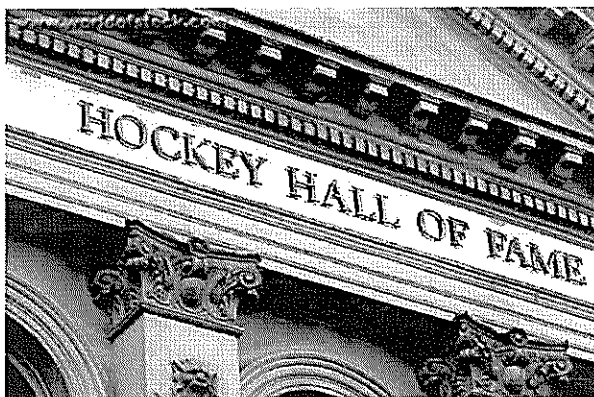
The City of Toronto's economy comprises 11% of Canada's GDP, with Toronto's GDP topping \$140 billion in 2009. Toronto-based businesses export over \$70 billion in goods and services to every corner of the globe. Toronto has retail sales of \$47 billion annually.

Capital

Five of Canada's six largest banks have their headquarters in Toronto, near the country's busiest stock exchange. Toronto is North America's third largest financial services centre and 75% of Canada's foreign banks and 65% of the country's pension fund companies are located here.

Competitive

Toronto has an excellent reputation as one of North America's leading economies while at the same time delivering overall business cost savings of 6.5% over large U.S. cities and 12.2% when compared to Asian and European centres.

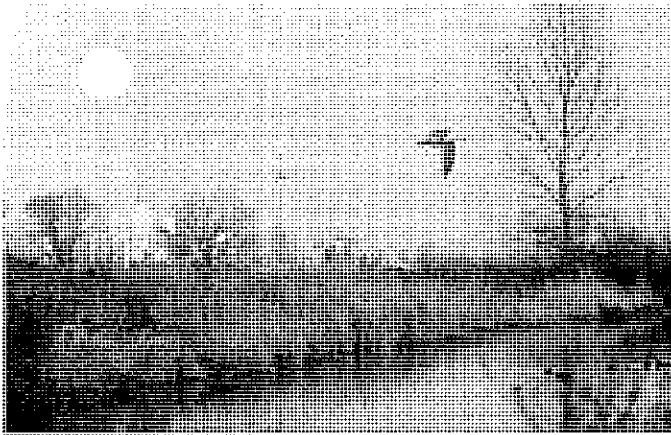


Workforce

Toronto's more than 76,000 businesses choose from a large, highly skilled, multilingual workforce of 1.4 million people - one-sixth of the country's labour force. More than 800,000 workers have university or college training and 58% have earned a post-secondary degree, diploma or certificate. Residents speak more than 135 languages and dialects.

Education

Toronto's impressive range of post-secondary educational facilities includes three universities and five colleges offering training in virtually every discipline and skill. Toronto leads the country in the number of post-secondary schools and graduates, with more than 15,000 medical/biotech researchers, two top-ranked MBA schools and excellent programs in engineering, computer sciences and multi-media.



Location

Some 180 million customers and suppliers are within a one-day's drive from Toronto. Toronto's Pearson International Airport is within easy reach of the city's central business district and provides flights to over 300 destinations in 54 countries through 64 carriers.

Connections

Toronto boasts an expansive local network of consultants, professional firms and specialty suppliers. The business services cluster is among North America's largest and growing. Toronto is home to 9 of Canada's 10 largest law practices, 9 of the top 10 accounting firms and all 10 top human resources and benefits firms.

Transportation

With four major highways, multi-modal railway facilities, a Great Lakes port and an international airport handling over 30 million passengers and 350,000 tons of cargo annually, Toronto is a true North American gateway.

Transit

Toronto's public transit system is the second largest in North America and has the highest per capita ridership rate on the continent. More than 2,400 subway vehicles, buses and streetcars make it easy for more than 1.4 million business riders to travel throughout the city daily.



**SECTION D:
THE ROSE AND THISTLE GROUP LTD.****A. EXPERIENCE**

Over the past ten years, The Rose and Thistle Group has owned, managed and developed a total of \$150 million worth of properties, of which \$100 million remain under management and development.

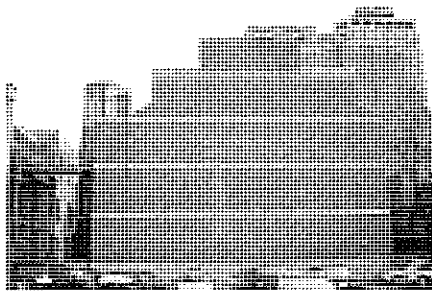
Rose and Thistle is seeking out properties similar to the properties with which it has had success in the past. Since 2001, Rose and Thistle has owned, managed and developed the following properties, twenty-one of which it continues to own.

Our heritage commercial buildings:**30 Hazelton Avenue**

A heritage building in Yorkville with high-end luxury office and retail tenancies

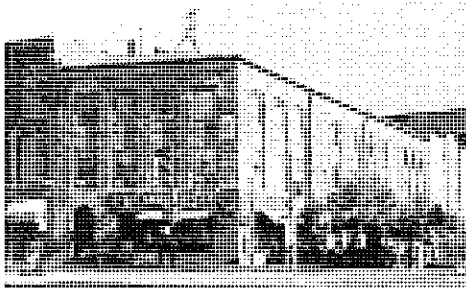
Head office of The Rose and Thistle Group Ltd.

Severed one lot into two and renovated the heritage designated building into our offices and a retail suite

**30A Hazelton Avenue**

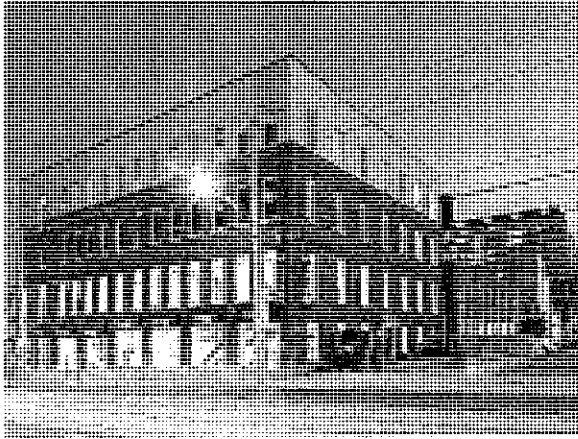
A commercial building in Yorkville with high-end luxury office tenancies

Severed one lot into two and renovated the building into four luxury suites

**65 Front Street East**

A heritage corner building in Old Town built in the mid-1800s that has loft commercial office space

Renovated this heritage listed commercial loft building; improved the tenant mix, reduced costs, and increased profitability. Obtained approval to add a fourth storey to the building



86 Parliament Street: The Old Telegram Building

A heritage corner building built in 1887 that used to house The Toronto Telegram, located in Corktown, with retail and commercial space.

Gutted and renovated the property. Opened Urban Amish Interiors Furniture Gallery on floors one and two, and leased floors three and four to Sun Edison.



252 Carlton / 478 Parliament

A heritage corner building in Cabbagetown that has retail and commercial space.

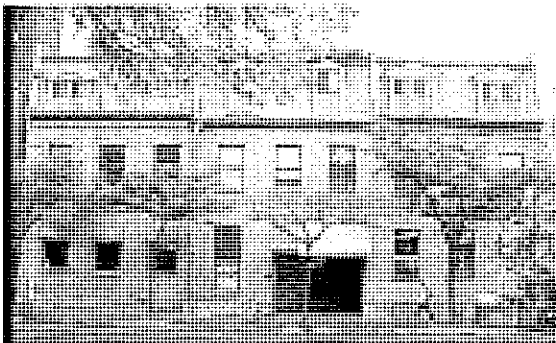
Home to Ginger and Johnny G's restaurants

Renovated the second and third floors to house the Salvation Army and Dance Umbrella of Ontario, each on a full floor



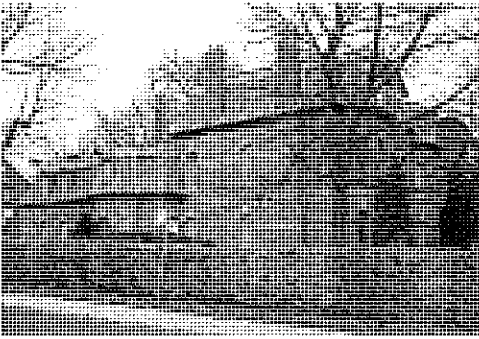
110 Lombard Street: The Old Firehall

Toronto's first fire hall, built in 1886. The former home of Second City which launched the careers of Dan Ackroyd, John Candy, Mike Myers, Gilda Radner, Martin Short, etc.



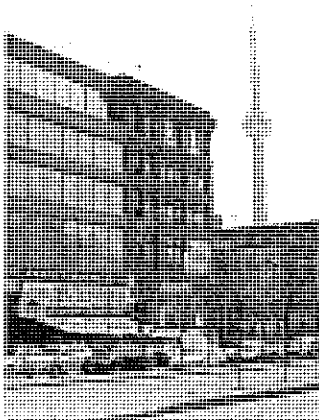
66 Gerrard Street East

This is Toronto's original apothecary, built in the 1880s. This beautiful building, kitty corner Ryerson, now houses a Starbucks as anchor corner retail tenant.



24 Cecil Street

A stunning corner property south of the University of Toronto that has been custom designed and fully renovated to house Gilda's Club



241 Spadina Avenue

This beautiful heritage building was originally built in 1910 for The Consolidated Plate Glass Company of Toronto. With renovations almost completed, a trendy new restaurant will soon open on the ground floor with beautiful commercial offices above



32 Atlantic Avenue

This brick and beam building sitting on over an acre of land has 30 foot ceilings and 65,000 square feet of space. It is being renovated to accommodate new tenants this spring

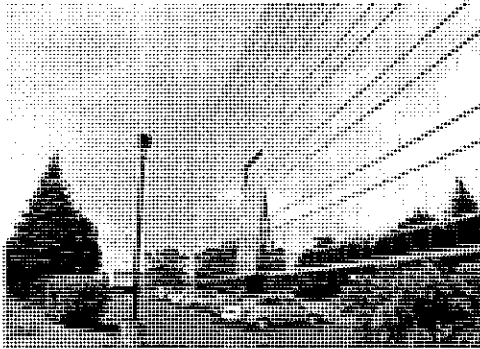


450 Pape Avenue

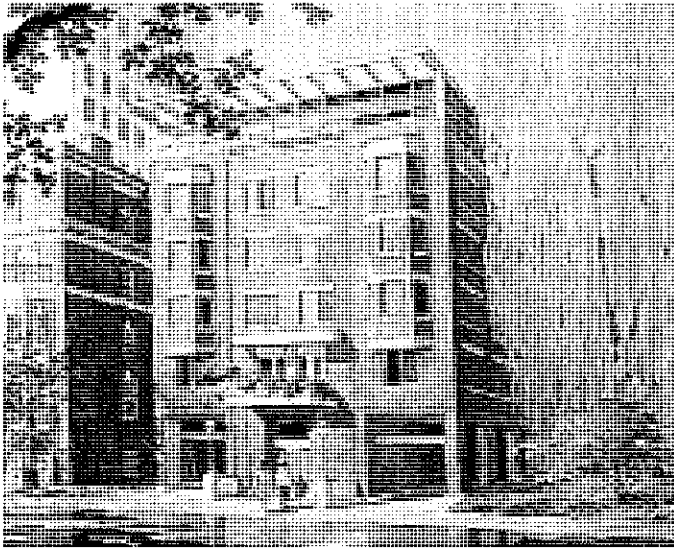
This half acre property on the corner of Pape and Riverdale contains a historically designated mansion and a newer back section that is being converted into six beautiful three-level townhouses

**14 College Street**

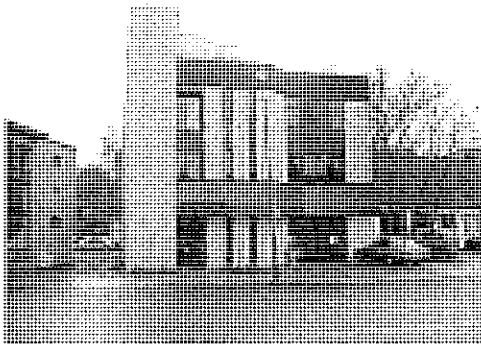
Purchased a spectacular 26,000 square foot heritage property originally built for the Toronto Bible Society. A new restaurant will soon open on the ground floor with commercial offices above

Our commercial buildings:**18 Wynford**

This 145,000 square foot building on approximately two acres is currently being renovated with vacant space being tenanted as the renovations are completed

**26 Gerrard Street East**

This 25,000 SF building used to house Ronald McDonald House. It will be tenanted by a similar residential style user.



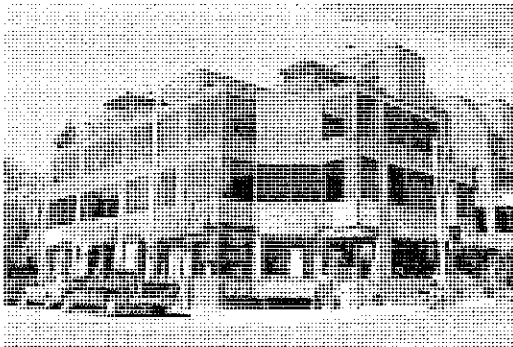
185 Davenport Road

Fully converted an office building into five mixed use residential and commercial condominium suites and sold them.



355 Eglinton Avenue East

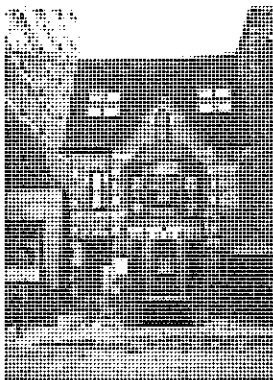
Commercial building, renovated for re-sale.



1246 Yonge Street

Commercial building converted to condominiums

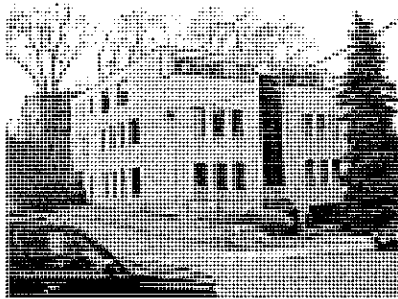
Converted this office building into 28 mixed use condominiums, plus expanded the underground parking garage and then sold all 28 units.



17 Yorkville Avenue

Commercial building converted to condominiums

Converted this office building into six mixed use luxury condominiums then sold all six units



10-12 Bruce Park

Mixed-use building

Entered into an agreement to purchase this building then sold that right to another purchaser for a profit.

Our residential apartment buildings:



19 Tennis Crescent

An 8-plex in Riverdale

Renovated five of the suites and significantly increased annual revenues when they were re-leased. Property was then sold for a profit.



646 Broadview Avenue

A 13-plex in Riverdale

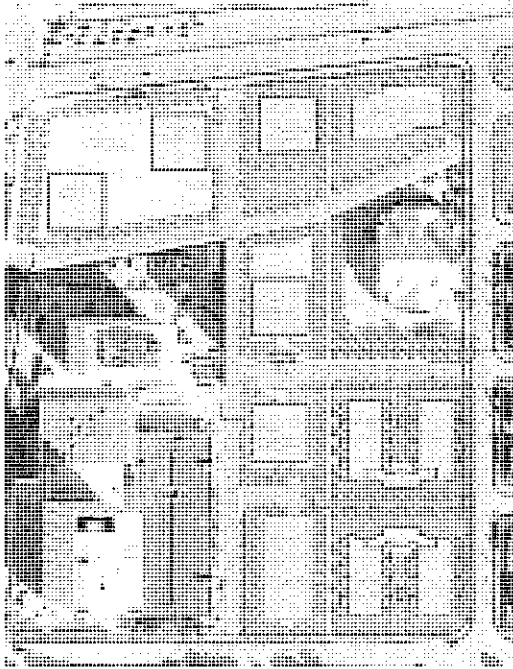
Fully converted a
heritage-designated mansion into
thirteen residential rental units.



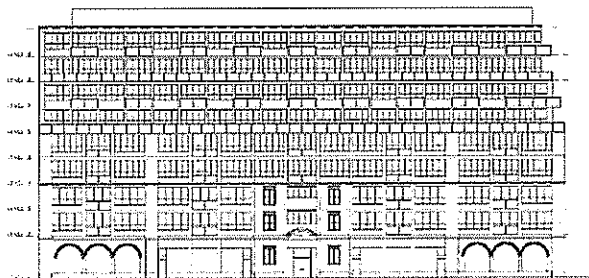
648 Broadview Avenue:

A 10-plex in Riverdale

Renovated five of the suites and significantly increased annual revenues when they were re-leased. Are renovating other suites as they become available

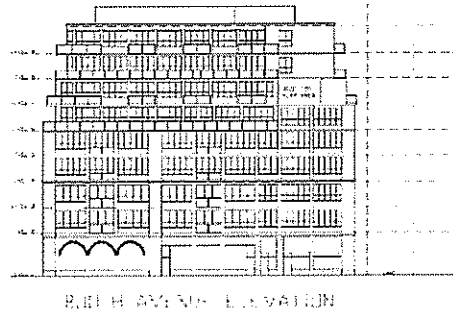
Our infill residential housing:**1185 Eglinton Avenue East**

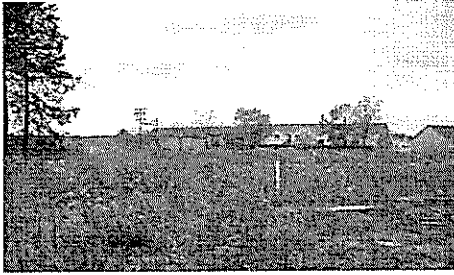
Are rezoning and development-approving this site for 620,000 square feet of residential density, comprised of 64 stacked townhouses and 693 suites in two condominium towers, one 31-storeys tall and the second 34-storeys tall.

**875 Queen Street East**

Bought a former United church property sitting on 28,000 square feet of land at Queen and Booth

Are redeveloping it into a retail and residential condominium complex



**78 Tisdale**

Bought a vacant 1.5 acre parcel of land in North York; are completing all steps required to permit the construction of 38 townhouses

**3771 St. Clair Ave. E..**

17 luxury townhouses

Bought a vacant 2/3 acre lot and completed all development steps required then built and sold 17 townhouses

**346 Jarvis: 6 luxury townhouses**

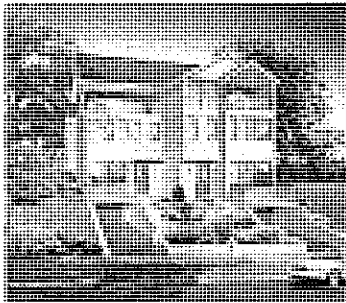
Bought six partially completed townhouses and completed construction; all now sold or leased

**232-234 Galloway Road: 16 townhouses**

Bought vacant land and built sixteen townhouses for sale, with 8 pre-sold and 8 being listed for sale this fall.

**247 Rance Avenue: 7 townhouses**

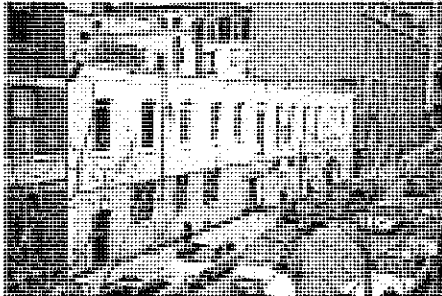
Bought a vacant 2/3 acre lot and obtained approval to build seven houses on the site. Sold to Toronto Community Housing Corporation



14 and 16 Montcrest Blvd.

2 luxury detached houses

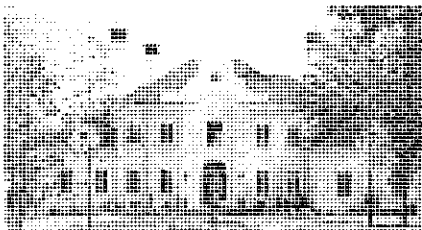
Severed off two lots from our 646 Broadview property, and built two luxury detached houses and sold both. They have phenomenal views of the Toronto skyline, being just north of Riverdale park.



10-12 Market Street

Redevelopment site

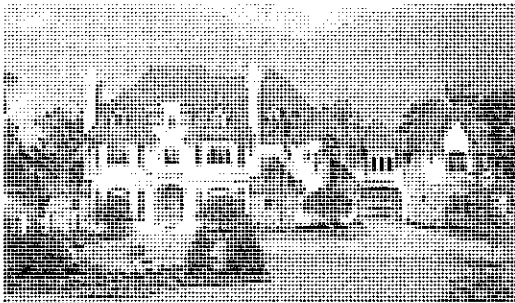
Obtained approval to build a 10-storey luxury residential and retail condominium building on the site of the original Toronto fish market, a heritage site, before selling this site to another developer



9 Post Road

Infill housing site

Severed one lot into two and obtained approval and a building permit to construct a luxury mansion in the Bridle Path neighbourhood in Toronto, before selling the site to a builder



2 Park Lane

Infill housing site

Severed one lot into two and renovated the house on the property before selling the site to a builder



118 and 120 Isabella

Mixed use houses

Renovated two houses for profitable resale

B. HISTORIC RETURN ON INVESTMENT

Since 2001, the Rose and Thistle Group Ltd. has achieved impressive compounded annual returns.

Average Return by property*		
Property	Compounded annual return	Timeline
17 properties in Toronto	26.20%	7 years
* outlier removed; outlier skews returns up to 70.83% compounded annually		

The properties are listed from our highest compounded annual return to our lowest. We have thus far never lost money on a project.

Property	Compounded annual return	Timeline
10-12 Bruce Park	785.00%	2 months
19 Tennis Crescent	104.00%	6 months
118 and 120 Isabella	84.75%	1 year
185 Davenport Road	36.36%	6 years
30A Hazelton Avenue	33.51%	7 years
646 Broadview Avenue	26.48%	4 years
30 Hazelton Avenue	25.16%	7 years
65 Front Street East	21.90%	2 years
355 Eglinton Avenue East	18.00%	9 months
1246 Yonge Street	16.87%	3 years
17 Yorkville Avenue	13.50%	3 years
247 and 251 Ranee Avenue	10.00%	5 years
14 and 16 Montcrest Blvd.	8.00%	4.5 years
9 Post Road	7.00%	3 years
2 Park Lane	7.00%	3 years
3771 & 3775 St. Clair Ave. E.	4.50%	5 years
10-12 Market Street	2.11%	2 years

C. MISSION STATEMENT

The mission of The Rose and Thistle Group is to identify, acquire, manage and develop under-utilized commercial, industrial and residential buildings and vacant land in the Greater Toronto Area that have the potential, when the requisite amount of time, skill and capital are applied, to achieve an above average return and provide our tenants and purchasers with homes or offices of which they are proud.

D. INVESTMENT CRITERIA AND STRATEGY

Rose and Thistle reviews potential acquisitions using an investment criteria which focuses primarily on return on equity, security of cash flow, potential for capital appreciation and the potential to increase value by more efficient management, including accessing capital for expansion and development.

We are “sticking to our knitting” by seeking opportunities similar to the properties with which we have had success in the past, namely the following three types of investments:

1. Industrial, commercial and mixed-use buildings that are well-located and well built where there is the possibility to:
 - a. sever off a portion of the land for redevelopment or to create multiple parcels where there is currently one;
 - b. subdivide the building into condominiums;
 - c. add onto or renovate the existing building; and/or
 - d. change the tenant mix and create operating efficiencies;
2. Apartment buildings that are well-located and well-built where there is the potential to:
 - a. sever off a portion of the land for redevelopment;
 - b. add onto the existing building; and/or
 - c. update the suites, improve the building, and thus change the tenant mix and increase rents; and
3. Residential housing and development sites where the land is well-located.

We are prudent investors who apply rigorous criteria when evaluating each potential real estate opportunity.

E. ROSE AND THISTLE SERVICES**i. Real estate acquisition, disposition and financing**

- Acquisition and syndication of residential, commercial, and retail real estate
- Assistance with property ownership transition that capitalizes on value created
- Research, investment analysis, due diligence, market and value assessment
- Financing and re-financing
- Access to capital through our network of contacts

ii. Construction and development

- Project management of re-developments, renovations and new developments for residential, commercial, and retail properties in urban and suburban markets
- Expertise in planning, obtaining zoning approvals, construction management, and operation start-up
- Experience working with government and regulatory agencies, business community leaders and investors to enhance project success
- Tarion-registered new home builder

iii. Property management

- Operations and management of multi-unit small to medium commercial, residential and retail properties
- Short-term and long-term strategy to maximize return on investment
- Tenant relationship management through ongoing communications and reporting
- Tenant retention strategy and effectiveness measurement
- Administration of leases to optimize results
- Market research for competitive pricing and positioning
- Maintenance and management of the property
- Twenty four hour on-call emergency repair
- Rent collection and lease enforcement
- On-site staffing, if needed, according to owner approved budget
- Maintenance and capital improvement planning
- Regular property inspections

iv. Leasing Services

- Obtaining tenants
- In-house leasing team with extensive industry contacts
- Advertising vacancies
- Negotiating new and renewal leases
- Marketing strategy to promote properties to prospective tenants and brokers through our network of contacts, Web sites, printed media and other channels of communication

v. Legal and Accounting Support

- Drafting and filing legal documents
- Litigation
- The conversion of commercial rental units to commercial and/or residential condominium properties and the implementation of condominium sales programs
- Zoning, by-law and legislative compliance
- Severance and variance applications
- Representation at municipal zoning, fire, building and by-law hearings
- Insurance management and advice on appropriate coverage
- Centralized accounting and finance functions, including financial statements and audit, accounts receivable, accounts payable, payroll, cash and tax management
- Weekly, monthly or quarterly occupancy and collection reporting
- Weekly, monthly or quarterly financial reporting
- Annual budget preparation
- Unit turnover costs
- Capital expenditures
- Operating and labour costs
- Revenue
- Partnership distributions as directed

F. MANAGEMENT TEAM**Norma Walton, B.A., J.D., M.B.A.**

Norma is a co-founder of The Rose and Thistle Group Ltd. Rose and Thistle is a land and investment company that is a property manager, Tarion approved real estate developer and management holding company (www.RoseandThistleGroup.com). Norma is the CEO of our real estate group and has considerable experience in the field of land and commercial real estate acquisition, development and financing. Norma has a Bachelors Degree in French, her Juris Doctor law Degree and an executive Master of Business Administration Degree all from the University of Western Ontario. She is a member of the Law Society of Upper Canada.

Ronauld G. Walton, CPIM, J.D., LL.M., M.B.A.

Ron is a co-founder of The Rose and Thistle Group Ltd. He is the COO of its real estate arm and the President of all its subsidiary corporations. Ron has a Juris Doctor law degree from the University of Western Ontario, a Master of Intellectual Property Laws Degree from York University, a Master of Business Administration Degree from the University of Liverpool, a Diploma in Marketing Management from Centennial College and is Certified in Production and Inventory Management by the American Production and Inventory Control Society. Ron is a member of the Law Society of Upper Canada, the Canadian Civil Liberties Association, Canada's History Society, Heritage Toronto and the Heritage Canada Foundation. He has been nominated for the Premiers Award given by Province of Ontario for social and economic contributions.

Mario R. Bucci, B.B.M., C.M.A., Chief Financial Officer

Mario provides leadership and co-ordination in the administrative, accounting and budgeting efforts of The Rose and Thistle Group. He creates and evaluates the financial programs and supporting information and control systems of the company in order to preserve company assets and report accurate and timely financial results. Mario has over 25 years experience in finance. He has a Bachelor of Business Management Degree from Ryerson University and is a member of the Certified Management Accountants of Ontario.

Yvonne Liu, B.Sc., Director, Strategic Development

Yvonne is responsible for identifying businesses development needs and establishing and monitoring performance benchmarks. She has over fifteen year's management experience working in diverse business sectors such as information technology, healthcare and real estate. She has recently provided transitional support for the Luxembourg Consul in Toronto. Yvonne has a Bachelor of Science degree in Health Sciences from Ryerson University and a Diploma in Website Applications from the York College of Industry and Technology. She is currently working towards her Project Management Professional and Six Sigma certifications.



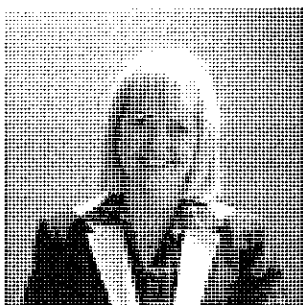
Carlos Carreiro, Director of Construction and Maintenance

Carlos has an extensive twenty-year background in real estate. He has been a real estate agent, a land developer, and a residential and commercial property renovator and builder. He is adept at interior design and renovation having studied architectural technology at Ryerson. He has an extensive network of industry contacts to call upon as the need arises. He is an exceptional manager of both construction sites and commercial buildings.



Steve Williams, Vice President of Operations

Steve has more than a decade of both project management and overall management experience. He is responsible for ensuring that cost effective operations and infrastructure are in place to support all of The Rose and Thistle's active real estate projects and oversees the operational budget for each project. He contracts and coordinates outside contractors to resolve operating difficulties and ensure project deadlines are met.



Trudy Haalmeyer, Director of Leasing

Trudy oversees all aspects of our leasing, property management and marketing objectives. She has an extensive background in commercial and industrial leasing, property management and construction and development. Her focus is to ensure seamless tenant transitions, expedite the documentation process and work closely with the brokerage and design communities to guide each property towards long term optimum profitability for all stakeholders.



John Geikins, C.M.A., Senior Accounting Manager

John manages Rose and Thistle's finance staff and oversees the maintenance and accuracy of all financial records for The Rose and Thistle Group Ltd. and related companies. He has an Accounting and Finance Diploma from Seneca College and is a Certified Management Accountant with over twenty five years experience in accounting and income tax compliance. Prior to joining the Rose and Thistle Group, John was in upper management discharging considerable financial responsibility with one of Canada's largest corporations.



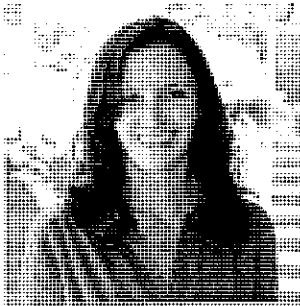
Chris Willis, Senior Construction Manager

Chris is responsible for directing and coordinating the construction and renovation of select Rose and Thistle commercial properties. He is a key participant in project planning and identification of required resources. He oversees construction projects from start to finish and ensures that construction activities are on-schedule, on-budget all the while minimizing exposure and risk in each project.



John Rawlings, Consultant

John, an engineer by training, had thirty years experience with the Ford Motor Company in a variety of management positions. He has been on contract to The Rose and Thistle Group Ltd. for ten years. John has supervised seventeen hundred individuals including architects, engineers, electricians, plumbers, contractors and maintenance and repair workers. While on contract to Ford, John was in charge of the construction of two twenty million dollar facilities and a one hundred and fifty million dollar plant expansion at the Ford facilities in Oakville and St. Thomas.



Samanthe Slemko, B.GS, Property and Leasing Manager

Samantha joined us in 2006 as a project manager for our subsidiary company, CCI. In that capacity she managed some of CCI's largest technology projects and was responsible for meeting client goals, deadlines and budgets. She currently oversees the rental of all Rose and Thistle properties, tenant relations, lease negotiations, building repair and maintenance all with the goal of increasing asset value. Samantha comes from a project management background in health information. She has a diploma in Health Information Technology as well as a Bachelors Degree from University of North Dakota.



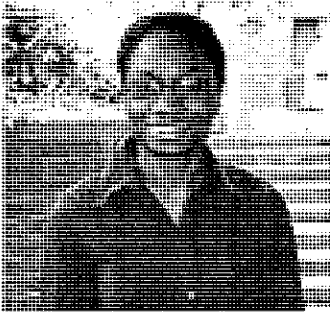
Jackie McKinlay, Associate

Jackie has over a decade of real estate law experience and is the hub through which all of our residential and commercial real estate deals flow. She co-ordinates condominium registration documents, real estate financings, interacts with lawyers, clients, architects, surveyors, conveyancers and City personnel, she co-ordinates the preparation and receipt of R plans, site plans, surveys and landscape surveys and all of the real estate acquisitions, sales and re-financings. Jackie is a graduate of The Ontario Law Clerks Association and is a registered mortgage agent.



Tom Trklja, B.A. in Law, F.Inst.L.C.O., Associate

Tom obtained his Law Degree from the University of Belgrade in 1987 after which he practiced law in Belgrade for several years. Subsequently he graduated on the President's Honour List from the Legal Assistant Program at Seneca College of Applied Arts and Technology in 1999. Through his legal training and practical experience Tom has been in the legal field for more than twenty three years. He has played a key role in multi-million dollar mergers and acquisitions, a variety of complex contract negotiations and all aspects of corporate law. He is also skilled in real estate development law and real estate financing. He is a member of the Institute of Law Clerks of Ontario.



Kendra Henry-Curtis, Senior Accountant

Kendra studied accounting, information systems and computer programming and is an honours graduate of Centennial College with an Accountant/Programmer Analyst diploma. At present, she is completing the Certified General Accountant program and will soon have her CGA designation. She assists in the maintenance and preparation of financial records and statements.

SECTION E: THE FINANCIAL PROJECTIONS**A: ASSUMPTIONS**

The financial assumptions used to generate the estimated costs and revenues were specifically designed to be conservative in their estimates to mitigate identified potential risks. The key assumptions are as follows:

Rental Rates	Rose and Thistle based the rental rates on the actual contracted rates, which have been confirmed with the brokerage community as being fair.
Hard Costs	Rose and Thistle renovates and builds to suit spaces for tenants in all of their buildings. The costs for drywalling to block the warehouse space and the costs to renovate the offices come from that experience.
Soft Costs	Soft Costs include surveyor's fees and city fees to permit severance. Rose and Thistle has estimated these based on their recent experience with other similar projects.
Capitalization Rate	Rose and Thistle is using a 7% capitalization rate to determine property value. Most quality commercial properties in Toronto are below 7% capitalization and this property has been appraised using a capitalization rate that is below 7%. Rose and Thistle is using 7% to be conservative.
Anticipated Increase in Value	In Rose and Thistle's experience, severance increases the value of property. They have estimated that the value will increase by 10% if severance is granted in this case. That is based on their experience with other properties where they achieved severance in the past, and speaking with agents familiar with the area.

B: RISKS

Inherent with any investment there are associated risks. Rose and Thistle through their industry experience is aware of and has taken appropriate measures to mitigate the risk exposure to the investor. However, it is essential that preferred shareholders be aware of some of the key risks involved in the project and more importantly, how these risks have been considered by Rose and Thistle.

Risk	Discussion
Market condition for industrial and commercial leasing activity	- Rose and Thistle cannot control the economic environment in the Greater Toronto Area. We are encouraged by the net migration of approximately 100,000 people a year to the area, which historically has kept real estate vibrant over the past two decades. Also Highway 7 benefits from its location near major highways and in a lower tax jurisdiction than the city of Toronto proper. Nonetheless Rose and Thistle has no control over the overall state of the real estate market.
Interest Rate Increases	- Rose and Thistle cannot control interest rate fluctuations and expects over the course of the project that rates will rise from their historic lows.
General Investment Risk	- All investments with the exception of sovereign bonds of major industrial nations (eg. US treasury bills, Canada savings bonds) carry with them inherent risk. There are no guarantees in life. The best one can do, as Rose and Thistle believes it has, is to acquire desirable assets, at a reasonable price at a favourable time. Investors must be aware that this investment is significantly riskier than acquiring savings bonds. Investors must be comfortable that the return is not guaranteed, unlike the return of such a bond. Rose and Thistle will do everything it can to mitigate the project risk.

SECTION F:**TABLE 1: CAPITAL REQUIRED**

5770 and 5780 Highway 7 West, Vaughan, Ontario			
CAPITAL REQUIRED			
Purchase Costs			
Purchase Price		14,500,000	
Mortgage fee including legal fees		217,500	
Ontario Land Transfer Tax		217,500	
Other fees and disbursements		25,000	
for appraisal, reliance letters for environmental reports, municipal enquiries and fees, etc.			
Total Purchase Price			\$ 14,960,000
Tenant Fixturing Costs			
Block wall construction and drywall	\$	200,000	
Renovate offices	\$	100,000	
Project management fee	\$	30,000	
Total Renovation Costs			\$ 330,000
Professional Fees			
Surveyor's fees	\$	50,000	
Severance fees	\$	50,000	
Total Professional Fees			\$ 100,000
Total Capital Required			\$ 15,390,000
Mortgage:	70.66%	4.43%	\$ 10,875,000
Ron and Norma Walton:	14.67%		\$ 2,257,500
Dr. Stanley Bernstein:	14.67%		\$ 2,257,500

TABLE 2: RENT ROLL JANUARY 1, 2012

Projected Rent Roll: January 1, 2012										
Tenant	Size	Start date	End date	Net rent p.s.f.	Additional rent p.s.f.	Total rent p.s.f.	Net rent annually	Additional rent annually	Total rent annually	
5770 Highway 7 West										
1 Venck International Inc.	15652	1-Jan-12	31-Dec-16	\$12.25	\$2.75	\$15.00	\$191,737.00	\$43,043.00	\$234,780.00	
2 Venck International Inc.	48576	1-Jan-12	31-Dec-16	\$4.30	\$2.75	\$7.05	\$208,875.80	\$133,584.00	\$342,460.80	
3 Superior Logistical Services Inc.	2744	1-Jan-12	31-Mar-15	\$12.25	\$2.75	\$15.00	\$33,614.00	\$7,546.00	\$41,160.00	
* Note net rent increases each year										
4 Graphic Transportation Services Inc.	49590	1-Jan-12	31-Mar-15	\$4.00	\$2.75	\$6.75	\$198,360.00	\$136,372.50	\$334,732.50	
	116562						\$632,587.80	\$320,545.50	\$953,133.30	
5780 Highway 7 West										
1 Graphic Transportation Services Inc.	108906	18-Feb-10	31-Mar-15	\$4.00	2.75	\$6.75	\$435,624.00	\$299,491.50	\$735,115.50	
* Note net rent increases each year										
Total:	225468						\$1,068,211.80	\$620,037.00	\$1,688,248.80	

TABLE 3: INCOME AND EXPENSE STATEMENT JANUARY 1, 2012

Income and Expenses as of January 1, 2012		
Revenues:		
Rental Revenues	\$1,688,249	
Total Revenues:		\$1,688,249
Expenses before interest payments:		
Property taxes:	\$363,478	
Utilities (paid by tenants directly):	\$0	
Property management fees:	\$49,128	
Operating costs:	\$184,884	
Insurance:	\$22,547	
Total Expenses before interest payments:		<u>\$620,037</u>
Net Income before interest:		\$1,068,212
Interest on first mortgage in year 1:		<u>\$635,000</u>
Net Income:		<u>\$433,212</u>

TABLE 4: CASH FLOW JANUARY 1, 2012

Cash Flow Statement:		
Receipts:		
Rental Receipts (after deducting 3% vacancy allowance):	\$1,637,601	
Total Receipts:		\$1,637,601
Total Disbursements:		
Principal and interest payments on first mortgage:	\$751,124	
Property taxes:	\$363,478	
Utilities (tenants pay directly):		
Property management fees:	\$49,128	
Operating expenses:	\$184,884	
Insurance:	\$22,547	
Reserve fund for capital expenses:	\$81,860	
Contingency:	<u>\$40,940</u>	
Total Disbursements:		<u>\$1,493,961</u>
Cash available after payment of all disbursements:		\$143,620
To Ron and Norma Walton:		\$71,810
To Dr. Stanley Bernstein:		<u>\$71,810</u>

TABLE 5: PROPERTY VALUE, CURRENT AND PROJECTED

Property Value - December 15, 2011	
As of December 15, 2011	
Net Income before interest:	\$1,068,212
7% capitalization rate:	\$15,260,169
Property Value - June 15, 2014	
As of June 15, 2014:	
Value of building October 1, 2011:	\$15,260,169
10% increase in value due to severance:	\$1,526,017
Total value as of April 1, 2014:	\$16,786,185
Increase in value:	\$1,526,017


TABLE 6: PROJECTED INVESTOR RETURN

Property Ownership as of December 15, 2011		
Value:	\$15,260,168.57	100.00%
First mortgage:	\$10,875,000.00	71.26%
Ron and Norma Walton:	\$2,192,584.29	14.37%
Dr. Stanley Bernstein:	\$2,192,584.29	14.37%
Total:	\$15,260,168.57	100.00%
Property Ownership as of June 15, 2014		
Value:	\$16,786,185.43	100.00%
First mortgage (principal paid down by \$373,645):	\$10,501,355.00	62.56%
Ron and Norma Walton:	\$3,142,415.21	18.72%
Dr. Stanley Bernstein:	\$3,142,415.21	18.72%
Total:	\$16,786,185.43	100.00%

Profits per Investor	
Initial investment:	\$2,257,500.00
Monies distributed during the 30 month term:	\$179,525.13
Plus increase in value of investment as of June 15, 2014:	\$763,008.43
Plus decrease in principal due on mortgage as of June 15, 2014:	\$186,822.50
Total return:	\$1,129,356.05
Total straight-line percentage return on investment:	50.03%

TAB 20

This is Exhibit "20" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Monday, December 26, 2011 4:59 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 14 Trent investment opportunity
Attach: 2 kelvin and 14 trent.pdf; 14 Trent.pdf; spreadsheets for proposal dec 26, 11.xls

Dear Stan,

I hope you are having a lovely holiday down south. Thank you for your Christmas wishes. Our children had a wonderful weekend, celebrating with my parents on Saturday and Ron's family on Sunday. It makes for such a relaxing weekend just hanging around with family.

As discussed by phone, and knowing you have always wanted to own a bingo hall ☺ we would love to have you partner with us on our 14 Trent acquisition.

Currently owned by Variety Village, 14 Trent is located at Dawes Road and Danforth, just north of the rail lines. It is a bingo hall of just over 16,000 square feet sitting on 52,054 square feet of land, or just under 1.2 acres. Under the official plan, it is designated apartment neighbourhood on the north part of the site and mixed use on the south part of the site. We have consulted with our planners who have confirmed they are confident we can obtain approval for an eight to ten storey condominium building on the site.

14 Trent and 2 Kelvin were tied up by another developer at a much higher price. When he found out that 2 Kelvin had environmental concerns, he dropped both properties. We then immediately tied up 14 Trent for \$2.7 million because 14 Trent is environmentally clean. Just after we received Variety Village's signback at \$2.7 million, another developer also made an offer on the two for a higher price than us.

Hence our plan is to purchase the property closing March 31, 2012; lease back the bingo hall to Variety Village for minimum 12 and ideally 24 months at \$10,000 per month gross rent; and development-approve the site for as much density as possible, with a view to selling it to a developer once re-zoned. We anticipate our due diligence will take three months and the planning process will take another 24 months, making for a 27 month project.

The neighbourhood is middle to lower income, so we expect the condominiums would sell for \$450 per square foot at day's end. The subway is a stone's throw away, which will make them appealing to a lot of purchasers. The accessibility to transit coupled with the affordability should make the project of great interest to a developer as selling the units should not be a problem.

We expect the total cost will be just under \$4.5 million and we anticipate the site will sell for at least \$6 million net of realty fees, or \$30 per buildable foot. Hence over a 27 month period, we expect an equity investment of \$1,166,150 will generate profits of \$736,544 or 28% compounded annually. The first \$122,500 would roll out now to cover ½ of the deposit and ½ of the due diligence costs. The balance would be required on closing, anticipated to occur March 31.

I am attaching the excel spreadsheets showing the capital costs, site valuation, anticipated profits, and investor return, along with the MLS listing and the flyer for both 14 Trent and 2 Kelvin. As discussed, we'll take another look at 2 Kelvin once our due diligence on 14 Trent is completed.

We'd obviously love to have you partner with us again. If that is of interest, please prepare a cheque for \$122,500 payable to The Rose and Thistle Group Ltd. As we move along in our due diligence, we can discuss whether you wish to also provide the first mortgage on the property.

Have a great evening!

Regards,
Norma

Norma Walton B.A., J.D., M.B.A.
THE ROSE AND THISTLE GROUP LTD.
30 Hazelton Avenue
Toronto, Ontario, Canada M5R 2E2
Tel: (416) 489-9790 Ext. 103
Fax: (416) 489-9973

www.roseandthistlegroup.com

The Rose and Thistle Group Ltd. is a privately held land and investment company that owns a stable of commercial properties, is a property developer, and is the parent company of Plexor Plastics Corp., Handy Home Products Inc., CCI Interactive Inc., Urban Amish Interiors Inc., Loft Raum Inc. and is affiliated with Walton Advocates, Barristers and Solicitors.

14 TRENT AVE., Toronto



Industrial Property For Sale

Building Area:

Approximately 16,024 sq. ft.

Site Area:

Approximately 52,054 sq. ft.

Zoning:

I1D1 with 12.0 meter height restriction

Legal Description:

Lt 82 pl 674 Toronto; lt 83 pl 674; lt 84 pl 674 lt 85 pl 674; pt blk A pl 578E as in CT600108 S/T of 494447 City of Toronto

Assessment:

2011 Tax year phased in \$2,379,000

Comments:

- One block from Danforth and Dawes Ave.
- Lots of parking
- Tenant may lease-back entire building
- Possible assembly of up to 3.2 acres
- Located in a mix use area

Asking Price:

\$2,800,000 CAD

For further information please contact:

Robert Love

Vice-President Sales Representative

416-703-6621 Ex. 231

416-540-9342 Mobile



Metropolitan

Commercial Realty Inc.

Metropolitan Commercial Realty Inc.

Brokerage

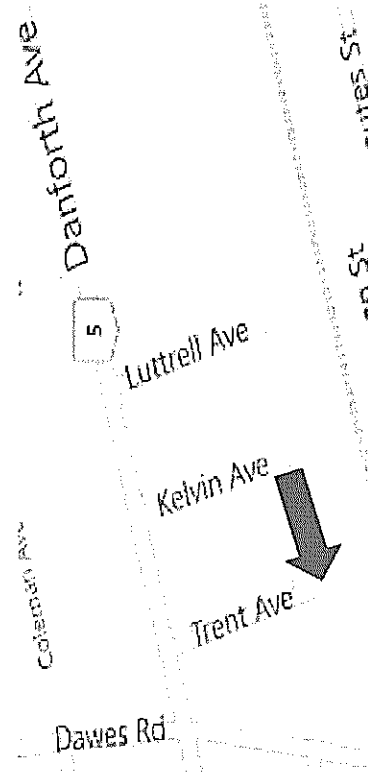
626 King Street West, Suite 302

Toronto, ON, M5R 1M7

Tel. 416.703.6621

Fax. 416.703.6735

www.metcomrealty.com



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14 TRENT AVE., Toronto

597

LOCATION:

Between Main Street and Victoria Park just south of the Danforth.

FINISHES:

Combination of brick and block exterior construction
Ceiling heights up to 18 feet
Brick and cement block exterior

FLOOR AREA:

Approximately 16,024 sq.ft.

SITE AREA:

52,056 sq.ft

CEILING HEIGHT:

18 feet plus

LEGAL DESCRIPTION:

Lt 82 pl 674 Toronto; lt 83 pl 674; lt 84 pl 674 lt 85 pl 674; pt blk A pl 578E as in CT600108 S/T of 494447 City of Toronto

TITLE

Fee Simple

ZONING:

M1D1. Industrial zoning with one time coverage



Metropolitan
Commercial Realty Inc.

Metropolitan Commercial Realty Inc.
Brokerage

626 King Street West, Suite 302

Toronto, ON, M5R 1M7

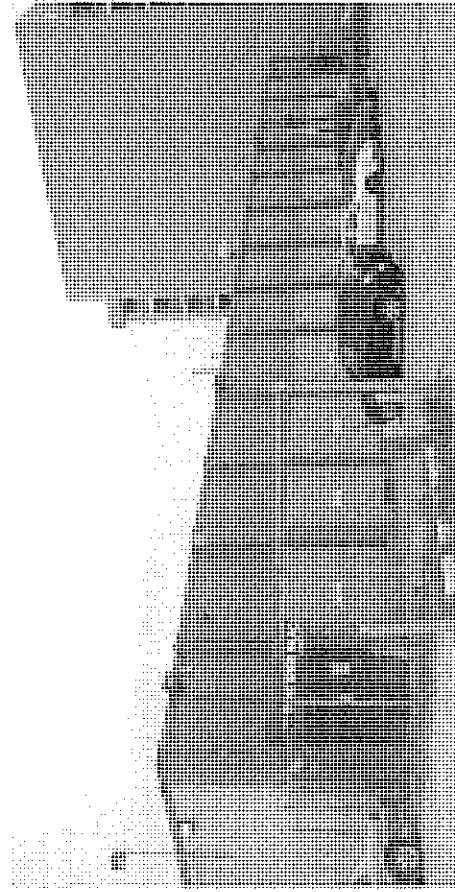
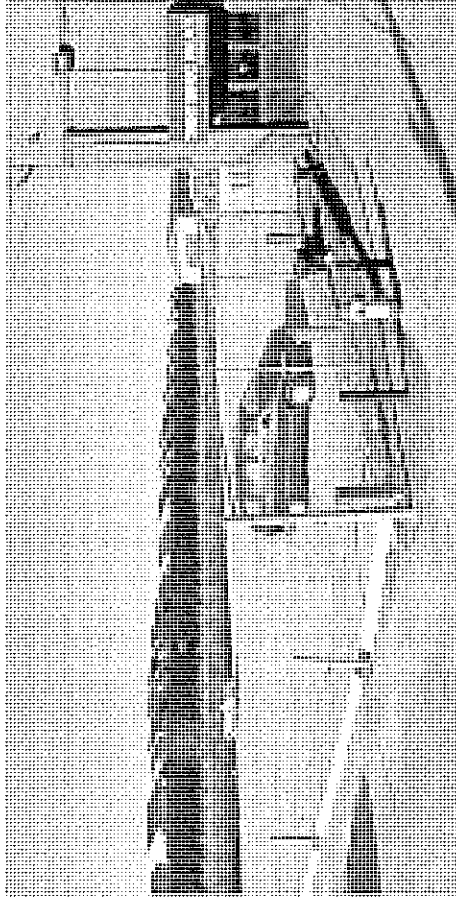
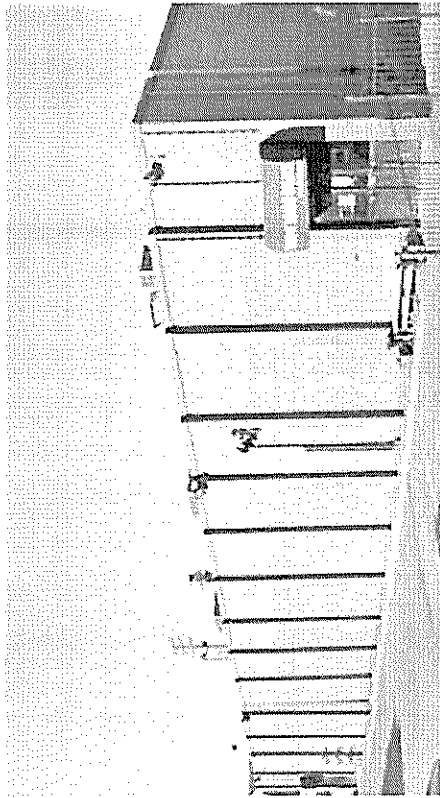
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141 TRENT AVE., TORONTO



Metropolitan Commercial Realty Inc.
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 626 King Street West, Suite 302
 Toronto, ON, M5R 1M7

Metropolitan
 Commercial Realty Inc.

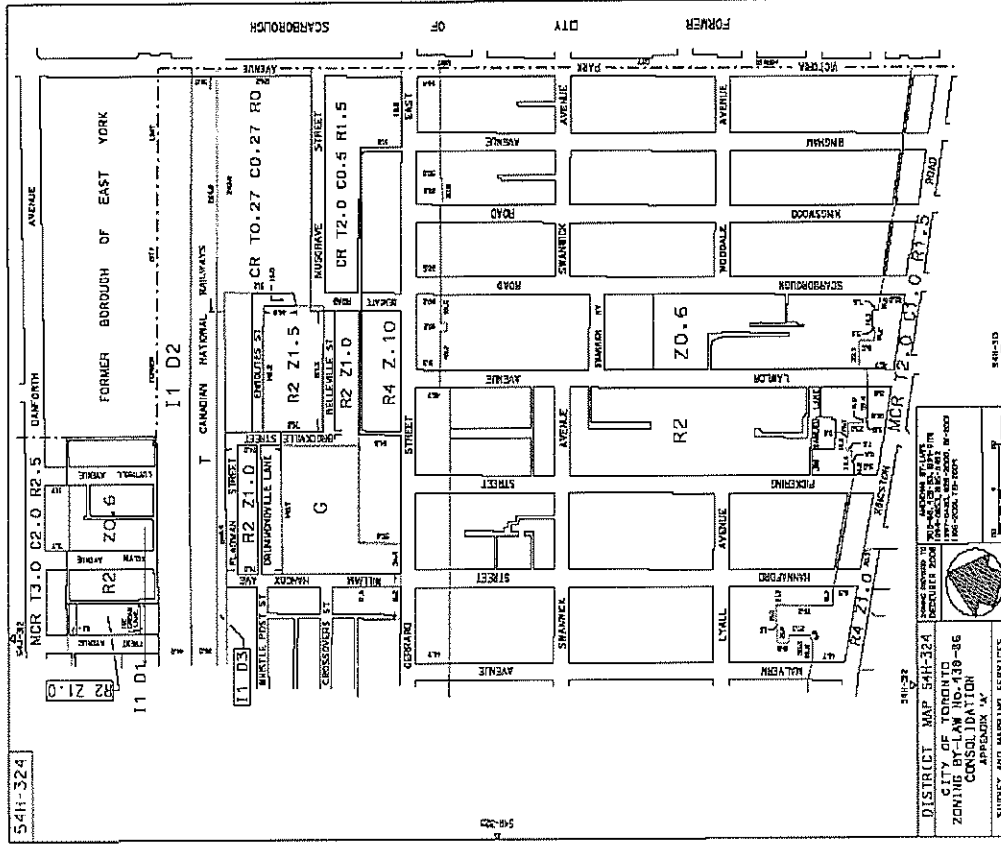
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14 TRENT AVE, Toronto

599

Zoning I1D1



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Fax. 416.703.6735
www.metcomrealty.com

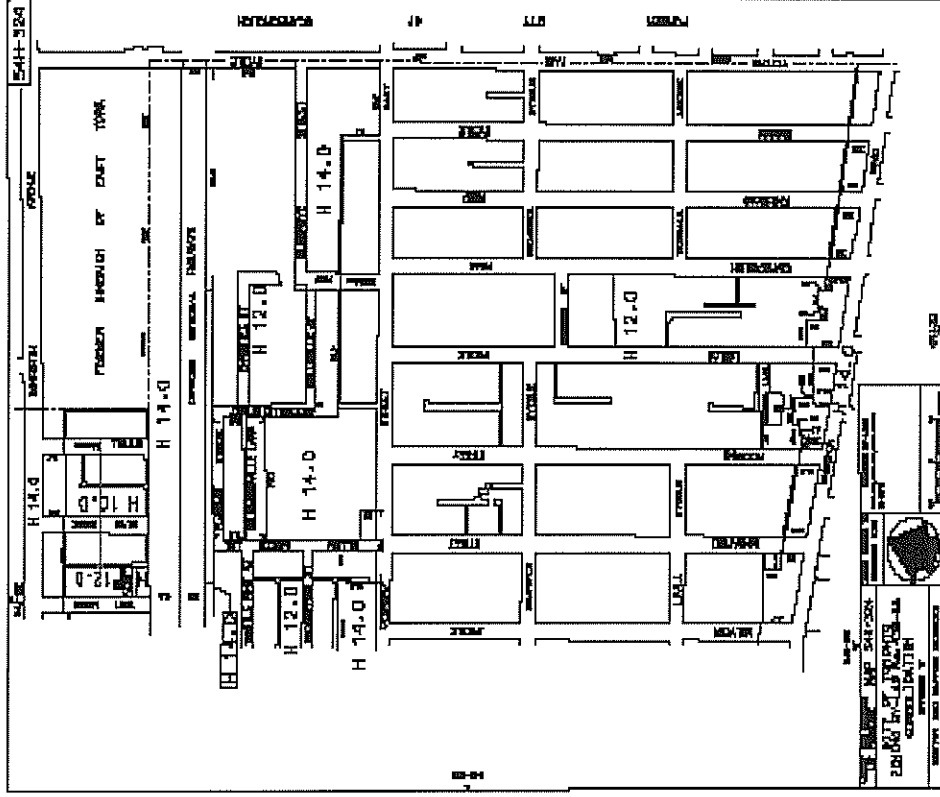


Metropolitan
Commercial Realty Inc.

The information contained herein has been provided to Metropolitan Commercial Realty Inc. from sources deemed reliable and correct, however, we do not warrant its accuracy or assume any responsibility or liability of any kind whatsoever with respect to the accuracy or the information contained herein. All persons are advised to independently verify the information. The information herein is subject to errors, omissions, change of price, rental or other conditions, prior sale or withdrawal at any time without notice.

14 TRENT AVENUE, TORONTO

Zoning: Height Limit (12 metres)



Metropolitan
Commercial Realty Inc.

Metropolitan Commercial Realty Inc.

Brokerage

626 King Street West, Suite 302

Toronto, ON, M5R 1M7

Tel. 416.703.6621

Fax. 416.703.6735

www.metcomrealty.com

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East Danforth is located on the eastern part of Danforth Ave. in the old city of Toronto. It stretches from the eastern edge of Greektown by Jones Avenue to the boundary of Scarborough at Victoria Park. The area is covered by two business improvement associations, Danforth Village and Danforth Mosaic. To the north of the neighbourhood is Old East York once a separate municipality, but today closely integrated into the area.

The area first appeared in the 19th century as the 'Coleman' postal village centered on the intersection of Danforth and Dawes (a street built through the lands of the local Taylor family) with a general store and inn. With the building of the railways in the mid-19th century the area acquired a train station, East Toronto. By the turn of the century the area was called "Little York" (an original name of Toronto) and became a part of the short-lived town of East Toronto. The turn of the 20th century also brought the construction of the Prince Edward Viaduct connecting Bloor and Danforth, which encouraged the development of the Luttrell Loop on Danforth, and a streetcar terminus for the Bloor-Danforth, Gerrard and former Coxwell streetcar routes which connected to the old train station.


The area developed from the 1910s thru the 1930s as a streetcar subalong the Danforth streetcar line. Most of the housing to the north and south of the street dates from this period. In 1966 the Bloor-Danforth subway line replaced the streetcar. The neighbourhood is served by six subway stations: Donlands, Greenwood, Coxwell, Woodbine, Main Street, and Victoria Park.. In the 1960s and 1970s a number of apartment towers were built in the area, most notably Crescent Town area just north of Danforth at Victoria Park and the Main Square complex south of Danforth at Main Street. Most of the area remains low-rise, with low-end stores along Danforth and single-family homes to the north and south. At the far east of the neighborhood is the Shoppers World Danforth, a strip/shopping mall built in 1962 (revamped in the 1990).



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	14 Trent Ave Toronto E02 East End-Danforth		List: \$2,800,000 For Sale
	Toronto, Ontario M4C5C5	Map: 116-27-Q	Sale
	Dir/Cross St: Dawes Rd And Danforth		DOM: 3
	Contract Dt: 9/9/2011		Taxes: \$21,273/2011/Annual
Industrial			Lease Term:
Free Standing		Freestanding: Y	SPIS: N
Other			Franchise:
Possession: Tbd			
Com Condo Fees:			

MLS#: E2193936 **PIN#:**

Total Area: 16,024 Sq Ft	Survey:	Public Transit
Ofc/Apt Area:	Lot/Bldg/ 0X0 Feet Lot	
Indust Area: 16,024 Sq Ft	Unit/Dim:	
Retail Area:	Lot Irreg:	Soil Test:
Apx Age: 16-30	Crane:	Outside Storage:
Volts:	Bay Size:	Rail: N
Amps:	%Bldg:	Basement: N
Zoning: I1D1	Washrooms:	Elevator:
Truck Level: 0	Water: Municipal	UFFI:
Grade Level: 0	Water Supply:	Assessment: 2481000,2010
Drive-In: 0	Sewers:	Chattels:
Double Man: 2	A/C: Y	LLBO:
Clear Height: 18' 0"	Utilities: Y	Days Open:
Sprinklers: Y	Garage Type: None	Hours Open:
Heat: Gas Forced Air Open	Park Spaces: #Trl Spc:	Employees:
Phys Hdcap-Equip:		Seats:

Bus/Bldg Name:	For Year:	Financial Statement:
Actual/Estimated:		
Taxes:	Heat:	Gross Inc/Sales:
Insur:	Hydro:	Est Value Inv At Cost:
Mgmt:	Water:	Com Area Upcharge:
Maint:	Other:	Percentage Rent:
		= Net Income B4 Debt:

Present Use Is A Bingo Hall. Tenant Interested In Leasing Back Entire Building For Approx. 2 Years. Possible Development Site And Land Assembly Possibilities. Same Owner As 2 Kelvin Ave. Listed On Mls

Listing Contracted With: METROPOLITAN COMMERCIAL REALTY INC., BROKERAGE 416-703-6621

	A	B	C
1	Possible Site Valuations:		
2			
3	Site size (square feet):	52054	
4			
5	Condominium development site	Buildable square feet	Price per square foot
6			
7	Assume 4 times coverage:	208,216	\$25.00
8			\$27.50
9			\$30.00
10			\$32.50
11			\$35.00
12			
13	Assume 5 times coverage:	260,270	\$25.00
14			\$27.50
15			\$30.00
16			\$32.50
17			\$35.00
18			
19	To be conservative, we are assuming 4-times coverage at \$30 p.s.f.		
20		Less realty fees (assume 4.5%):	
21			
22	Net Revenues:		

	D
1	
2	
3	
4	
5	Projected value:
6	
7	\$ 5,205,400
8	\$ 5,725,940
9	\$ 6,246,480
10	\$ 6,767,020
11	\$ 7,287,560
12	
13	\$ 6,506,750
14	\$ 7,157,425
15	\$ 7,808,100
16	\$ 8,458,775
17	\$ 9,109,450
18	
19	\$ 6,246,480
20	\$ 281,092
21	
22	\$ 5,965,388

	A	B	C
1	Anticipated Profit		
2			
3	Condominium development site		\$ 5,965,388
4			
5	Less Project Cost:		\$ 4,492,300
6			
7	Projected Profit:		\$ 1,473,088

	A	B	C	D
1	14 Trent Avenue			
2	CAPITAL REQUIRED			
3	Purchase Costs			
4	Purchase Price	2,700,000		
5	Mortgage fee	43,200		
6	Lender's legal fee	7,500		
7	Ontario Land Transfer Tax	40,500		
8	Municipal Land Transfer Tax	40,500		
9	Other fees and disbursements	25,000		
10	for appraisal, reliance letters for			
11	environmental reports, municipal			
12	enquiries and fees, etc.			
13	Total Purchase Price			\$ 2,856,700
14				
15	Demolition of 14 Trent			
16	Demolition	\$ 200,000		
17	Construction Management Fee:	\$ 20,000		
18			\$ 220,000	
19				
20	Development of one condominium tower on site:			
21	Architectural plans	\$ 300,000		
22	Engineering fees	\$ 100,000		
23	Interior design fees	\$ 100,000		
24	Cost consultant fees	\$ 50,000		
25	Surveyor's fees	\$ 50,000		
26	City development fees	\$ 400,000		
27	Project Management Fee:	\$ 100,000		
28			\$ 1,100,000	
29	Total Demolition and Development Charges:			\$ 1,320,000
30				
31	Carrying Costs			
32	Property tax, utilities, insurance, maintenance, etc.	\$ 210,000		
33	Interest on mortgage	\$ 345,600		
34	Less rental income:	\$ (240,000)		
35	Total Carrying Costs:			\$ 315,600
36				
37	Total Capital Required			\$ 4,492,300
38				
39	Mortgage:	48.08%	8.00%	\$ 2,160,000
40	Dr. Bernstein equity:	25.96%		\$ 1,166,150
41	Ron and Norma Walton equity:	25.96%		\$ 1,166,150

	A	B	C
1	Projected Investor Return:		
2			
3	Equity shareholders:		
4	Dr. Bernstein capital investment	\$1,166,150.00	
5	Ron and Norma Walton capital investment	\$1,166,150.00	
6			
7	Cash out date:		
8	On or before April 1, 2014:		
9			
10	Projected profits:	\$1,473,089.40	
11	Profit - Dr. Bernstein	\$736,544	
12	Profit - Ron and Norma Walton	\$736,544	
13			
14	Straight-line return:	63.16%	
15	Compounded annual return:	28.00%	
16			
17	Total investment period:	27 months	

TAB 21

This is Exhibit "21" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Tuesday, April 3, 2012 10:10 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 14 Trent monies and developments
Attach: Deal Terms january 11, 12.doc; condominium plan with legion land.pdf; condominium plan for 14 trent.pdf

Dear Stan,

So glad to hear you are enjoying both the weather and the music in Florida!

We close 14 Trent's purchase on April 11. Despite not yet closing, we have been making considerable strides in our effort to increase the value of the property since agreeing to purchase. On that note, I had sent you our plan showing approximately 171,000 SF of density, which we purchased for just under \$16 per buildable foot – an incredible price in today's market where developers are chasing sites on the subway at \$30 to north of \$100 per buildable foot.

To add to the potential upside, I mentioned during our meeting with Larry that I had "presented" to the Legion Hall, who own 9 Dawes Road, the idea of buying their site and finding them a place where we would design-build a new Legion Hall. They were interested. Hence Ron and I commissioned Sol Wassermuhl at Page and Steele to show us how that would affect our proposed development. The results are attached (with and without the Dawes Road property). Basically given how it adjoins our property it would more than double the density proposed even though their site is only 0.7 acres whereas ours is 1.2 acres. Hence we'd be looking at a development of 344,000 SF instead of 171,000.

We have thus offered to the Legion Hall that we would swap their site for a design-build Legion Hall on a new site with a value of \$3 million give or take. This equates to about \$17.40 PSF, which would be an incredible buy for us. We'll see how our proposal is received.

If he has not already done so, I will have Tom prepare your share certificate for 14 Trent for 1,166,150 shares. You've already provided \$122,500 to cover ½ of the deposit and due diligence expenses pre-closing, leaving a balance owing of \$1,043,650. At your convenience, please prepare a cheque payable to Hidden Gem Developments Ltd. and we'll retrieve when ready.

Great upside on this development already, and we're just getting started!

Enjoy your evening.

Regards,
Norma

AGREEMENT

Between:

DBDC Investments Trent Ltd.

“Bernstein”

- and -

Ron and Norma Walton

“Walton”

- and -

Hidden Gem Development Inc.

the “Company”

WHEREAS Bernstein and Walton intend to purchase 14 Trent Avenue, Toronto, Ontario (the “Property”) on or about March 31, 2012 and put ownership of the Property in the Company’s name;

AND WHEREAS Bernstein and Walton, or whomever Bernstein and Walton may direct in accordance with the provisions of paragraph 5 herein, will each hold 1,166,150 shares in the Company;

AND WHEREAS Bernstein and Walton will each provide the sum of \$1,166,150 to the Company for the purposes of purchasing, redeveloping and selling the property (the “Project”);

AND WHEREAS Walton will manage and supervise the Project and ensure it is completed according to the excel spreadsheet attached as Exhibit “A” to this Agreement;

THEREFORE the parties agree as follows:

1. Walton has contracted to purchase the Property and the purchase is scheduled to close on March 31, 2012.
2. Walton has secured a tenant for the Property for a one-year period with a likely renewal for a second year.
3. Walton has commenced development approvals for the residential re-development plans for the Property.

4. Walton has engaged a consultant to prepare demolition specifications for the demolition of the building on the Property so that demolition job can be tendered through the Commercial News.
5. Walton intends to complete development approvals between now and November 15, 2013 in accordance with Exhibit "A".
6. Bernstein wishes to own 50% of the shares in the Company in exchange for providing 50% of the equity required to complete the Project. The Company will issue sufficient shares such that Bernstein has 1,166,150 and Walton has 1,166,150 voting shares of the same class.
7. The ownership of the Company will be as follows:
 - a. 50% to Bernstein; and
 - b. 50% to Ron and Norma Walton as they may direct between each other or alternatively to be held by a completely Walton-owned and controlled company, provided that all covenants and agreements of Walton herein shall continue in full force and effect and such company executes an agreement to be bound by the provisions of the within Agreement.
8. Walton will be managing, supervising and completing the Project in accordance with the attached Exhibit "A".
9. Walton and Bernstein have each provided ½ of the \$245,000 to cover the due diligence costs and deposit to purchase the Property.
10. The balance of equity in the amount of \$2,087,300 will be paid as follows:
 - a. Bernstein will provide to the Company the sum of \$1,043,650 on or before March 31, 2012; and
 - b. Walton will provide the sum of \$1,043,650 in a timely manner as required as the Project is completed.
11. Walton and Bernstein will each provide 50% of whatever additional capital over and above the \$1,043,650 each that is required to complete the Project, if any, in a timely manner.
12. In addition to managing, supervising and completing the Project, Walton will be responsible for supervising the tenancy of the building and the eventual demolition of the Property, hiring of all consultants, designers, architects and engineers to complete the Project, finance, bookkeeping, office administration, accounting, information technology provision, filing tax returns for the Company, and fulfilling all active roles required to complete the Project in accordance with Exhibit "A".

13. Bernstein will not be required to play an active role in completing the Project. Notwithstanding that, any decisions concerning the selling or the refinancing of the Property will require his approval; any decisions requiring an increase in the total amount of equity required to complete the Project will require his approval; and any significant decisions that vary from the Project plan described in Exhibit "A" will require his approval.
14. Walton will provide to Bernstein ongoing reports at minimum monthly detailing all items related to the Property including the progress in moving the plan forward.
15. Walton will provide a written report to Bernstein each month detailing the following:
 - a. copies of invoices for work completed;
 - b. the bank statement for that month; and
 - c. if the bank statement does not have a copy of cancelled cheques, then Walton will also provide a complete listing of all cheques written, including payees, dates and amounts.

At Bernstein's request, Walton will provide whatever other back-up information he requests. Any cheque or transfer over \$50,000 will require Bernstein's signature or written approval before being processed.
16. Once the Project is substantially completed to the point that all of the Property has been sold, both parties will be paid out their capital plus profits and Walton will retain the Company for potential future use.
17. The Board of Directors of the Company will be composed of two directors, being Bernstein and Norma Walton. The only shares to be issued in the Company will be as set out above, and neither party may transfer his or her shares to another party without the consent of all the other parties, which consent may be unreasonably withheld. Bernstein shall have the option of being paid out his share of capital and profits from the Project and once he has been paid out in full, he will surrender his share certificate, he will concurrently resign from the Board of Directors and Norma Walton and the Company will accept such resignation. At such time Bernstein shall be released of all obligations and liability related to the Company and shall be indemnified by Walton with respect to all liabilities, claims and obligations whatsoever of the Company up to the date at which Bernstein has been paid out his capital and profits from the Project.
18. The Company will only be used to purchase, redevelop and sell the property at 14 Trent Avenue, Toronto, Ontario or such other matters solely relating to the Project and the Property.

19. If the parties disagree on how to manage, supervise and complete the Project in accordance with Exhibit "A" and cannot reach agreement amongst themselves, each of them undertakes to attend a minimum of four hours of mediation in pursuit of reaching an agreement. After mediation, if there are any remaining issues to be determined, those issues in dispute shall be determined by a single arbitrator in as cost-effective a manner as possible, with no right of appeal. All costs of such mediation and/or arbitration will be borne equally by Bernstein and Walton.

20. The above represents all deal terms between the parties.

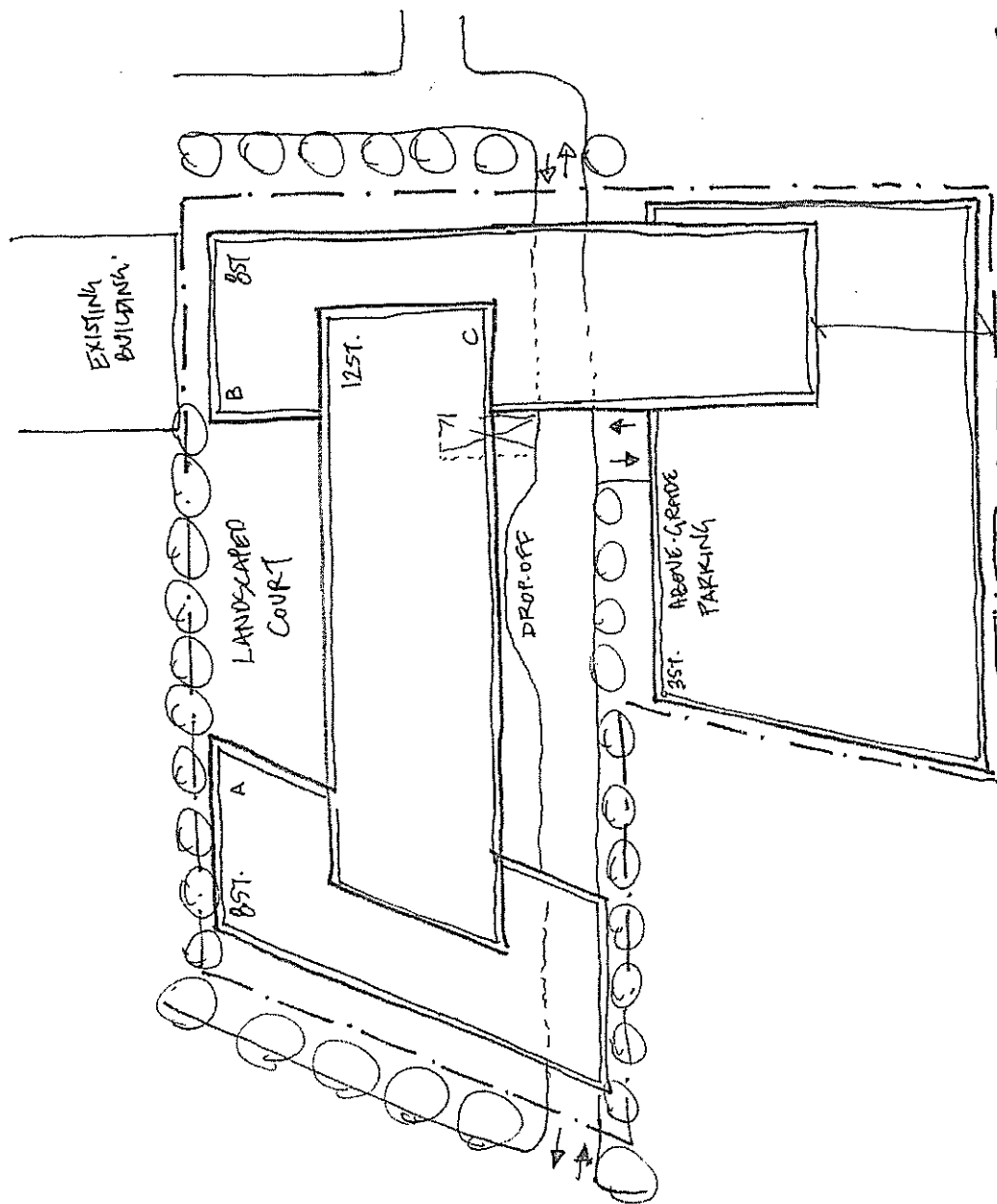
Dated at Toronto, Ontario this day of JANUARY 2012

DBDC Investments Trent Ltd.
Per A.S.O.

Hidden Gem Development Inc.
Per A.S.O.

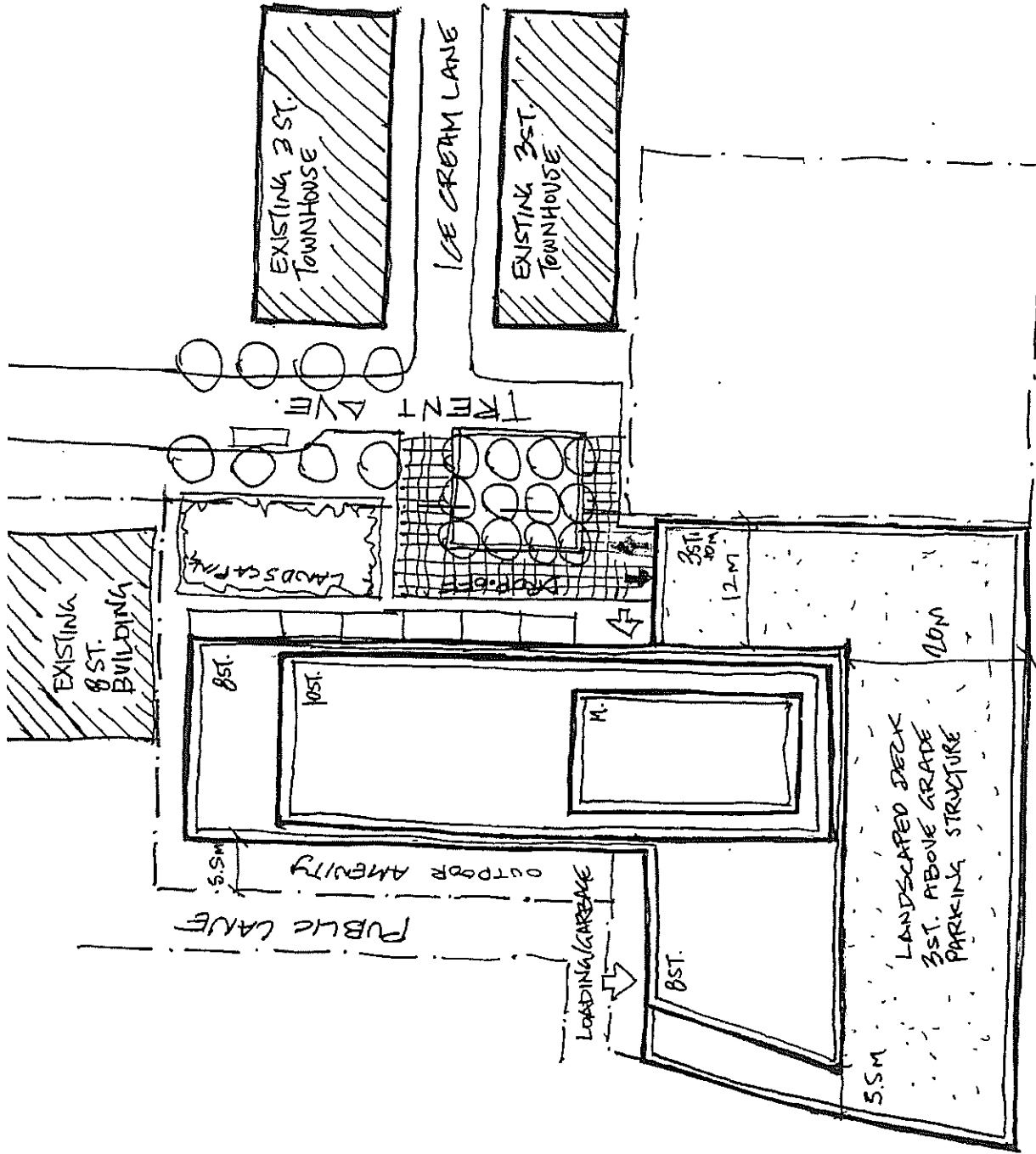
Ron Walton

Norma Walton



BUILDING A: $970 \times 8 = 7,760\text{sm}$
 BUILDING B: $1465 \times 8 = 11,880\text{sm}$
 BUILDING C: $950 \times 12 + 1140 \times 2 = 12,280\text{sm}$

14 TRENT
 OF 160N 3
 31,920SM
 343,460SF
 ± 380 ± 900 ± 600SF



14 TRENT AVE

OPTION 2 -

P45/181 GROUP

JAN 4-2011

15,900sqm / 171,000sf Est: 3.33

220 UNITS @ 775sf GROSS

±150 SPACES ABOVE GRADE

615

616



Branch: 1104 TOR BLOOR & BAY
77 BLOOR ST W
TORONTO, ON

Date: Apr 2, 2012, 02:11 PM
Ref #: 00007333/8 - ZSAC

From: Cheque Total

90.00

To: 1020-333900

Deposit

Cash: 0.00

Number of Items: 1
368230 ONT

90.00

Customer Signature

X

Banking can be this comfortable



Branch: 1104 TOR BLOOR & BAY
77 BLOOR ST W
TORONTO, ON

Date: Apr 2, 2012, 11:28 AM
Ref #: 00006597/2 - ZJON

From: Cheque Total

20,479.17

To: 1020-333900

Deposit

Cash: 0.00

Number of Items: 1
368230 ONT

20,479.17

Customer Signature

X

Banking can be this comfortable



617

THE ROSE AND THISTLE GROUP LTD.

30 HAZELTON AVENUE • TORONTO, ONTARIO • M5R 2E2
Tel: (416) 489-9790 • Fax: (416) 489-9973 • E-mail: khenryc@roseandthistle.ca

FACSIMILE TRANSMISSION

To: Dr. Stanley Bernstein

From: Kendra Henry-Curtis

Firm:

Pages: 2 pages including cover

Fax: 416-352-1426

Date: April 2, 2012

Phone:

cc:

Re: Deposit Slips

Hi Dr. Bernstein,

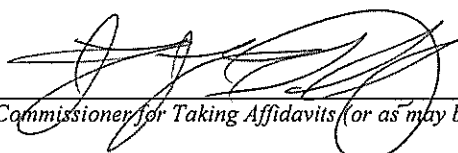
Attached are the deposit slips for the Atala Investments and Wynford Professional Centre cheques.

Thank you,

Kendra Henry-Curtis

TAB 22

This is Exhibit "22" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Dr. Stanley Bernstein <drb@drbdiet.com>
Sent: Tuesday, December 27, 2011 12:27 PM
To: Norma Walton <nwalton@roseandthistle.ca>
Subject: RE: 3765 St. Clair Avenue East investment opportunity

Dear Norma,

I very much appreciate the offer to participate in both properties, St. Clair and Trent, with you.
I will take half ownership in both in the name of new corporations.
I will also commit to providing the funding for the second mortgage on St Clair under the suggested terms.

If Warren will be in the office tomorrow, I will have him prepare 2 cheques for you.
I will also provide you with 2 new corporate names and would appreciate your offices incorporating these companies at my expense.

I look forward to 2 more successful ventures with you.

Hope you are having a wonderful day with your family and not working too much,

Regards

Stan

From: Norma Walton [nwalton@roseandthistle.ca]
Sent: December-26-11 5:52 PM
To: Dr. Stanley Bernstein
Subject: 3765 St. Clair Avenue East investment opportunity

Dear Stan,

For winter, it is mild here...4 degrees today. Nothing like Florida, but on the other end of the scale, nothing like Winnipeg either...☺

Ron and I built 17 townhouses at 3771 St. Clair Avenue east, selling all of them in 2009. Hence when the church property next door came on the market for sale, the listing agent contacted us immediately. The offer price for just under one acre of land was \$2.5 million, which we told him was way too high. He explained that the church had been burnt before with conditional offers and encouraged us to bid on it given our familiarity with the property. We decided to go in firm at \$1.6 million to test the waters. Low and behold, the church accepted our offer.

We met with the city planners two weeks ago and they are completely supportive of our plan to build 24 townhouses on the site, so we are rolling into our rezoning and site plan applications over the next three months. We close the purchase February 1.

We've already provided a \$100,000 deposit and are in the process of due diligence. Our mortgage broker has arranged from DUCA a first mortgage of \$960,000 at 5.6% interest only for two years. He also has a second mortgagee willing to provide \$240,000 at 12% with a 1% fee. That works out to a blended rate of 6.88% on \$1.2 million plus a 1% mortgage fee, or 75% loan to value for two years, interest only, while we development-approve the site and ready for construction. If you wish to only invest equity, we are good to go. If you wish to also provide either a first mortgage for \$1.2 million at 6.88% interest plus 1% fee, or alternatively the second mortgage at \$240,000 at 12% interest plus 1% fee, that would obviously be great as well. Whatever you prefer...

The total cost to development-approve and construct the site is just over \$8 million and the net revenues should tally just over \$10 million, leaving a \$2 million profit earned over three years. That works out to a 24% compounded annual return.

I am attaching the excel spreadsheets for the property along with the property brochure and the proposed site plan for 24 townhouses. If you'd like to partner with us on the property, we'd request \$65,000 now to cover ½ of the deposit, due diligence and mortgage placement fee costs. Please make that cheque payable to The Rose and Thistle Group Ltd.

620

Then on closing February 1st, we'd each need another \$862,100 to cover closing costs, development approval costs and carrying costs. The final \$240,000 of equity would flow sometime in mid-2013 once the site is development-approved and ready to construct.

We'd love to partner with you on the property...as usual should be fun!

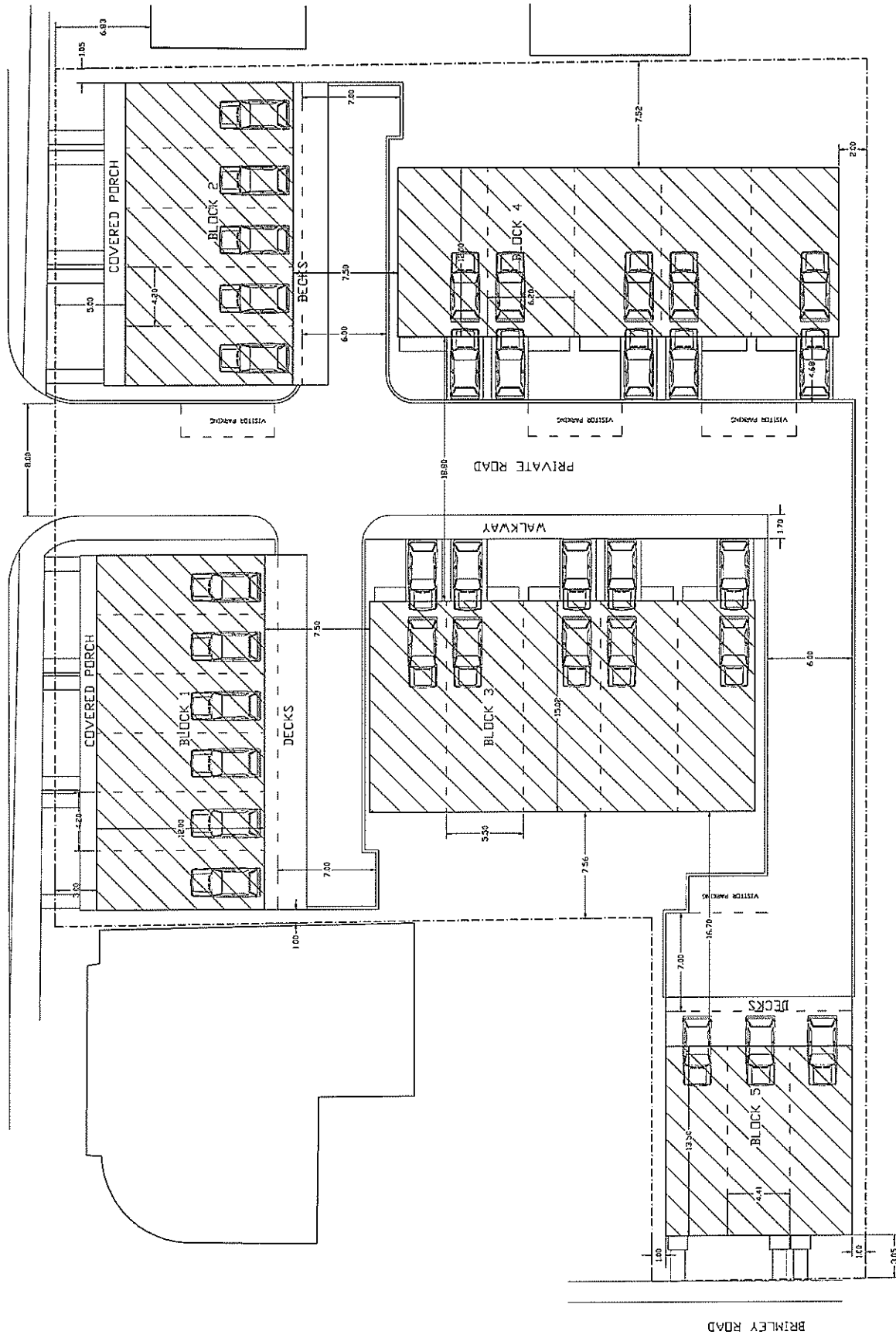
Cheers,
Norma

Norma Walton B.A., J.D., M.B.A.
THE ROSE AND THISTLE GROUP LTD.
30 Hazelton Avenue
Toronto, Ontario, Canada M5R 2E2
Tel: (416) 489-9790 Ext. 103
Fax: (416) 489-9973

www.roseandthistlegroup.com

The Rose and Thistle Group Ltd. is a privately held land and investment company that owns a stable of commercial properties, is a property developer, and is the parent company of Plexor Plastics Corp., Handy Home Products Inc., CCI Interactive Inc., Urban Amish Interiors Inc., Loft Raum Inc. and is affiliated with Walton Advocates, Barristers and Solicitors.

ST. CLAIR AVE. E.



FOR SALE

Infill Residential Developments / Places of Worship

<p>3765 ST. CLAIR AVENUE EAST TORONTO</p>	
--	--

	<p>77 CRAIGLEE DRIVE TORONTO</p>
--	---

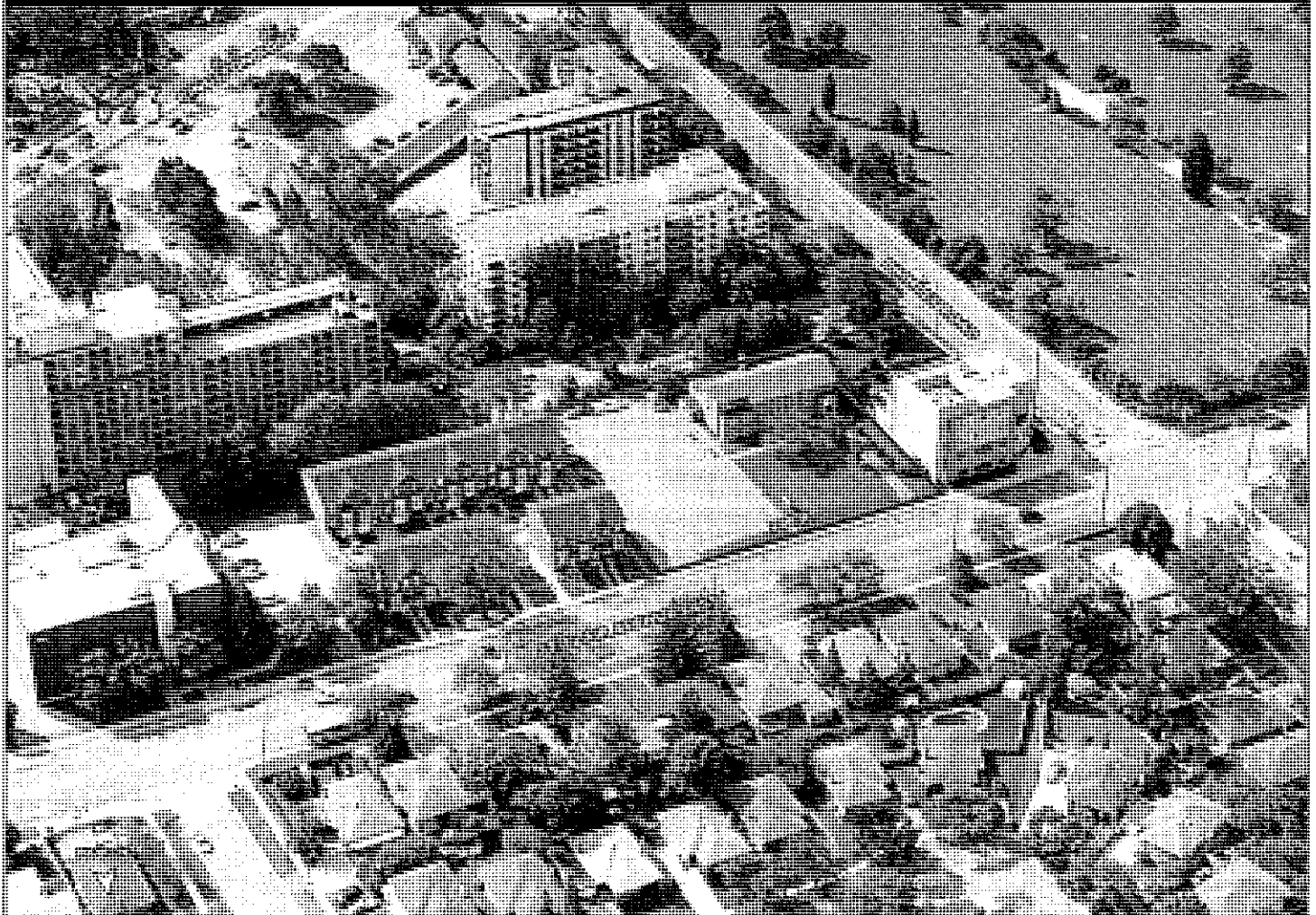
Opportunity

Cushman & Wakefield is pleased to offer for sale two places of worship. The properties represent an excellent opportunity to acquire well-located sites within an established Toronto neighbourhood. These existing places of worship are ideal for urban residential development or continued use by a faith based or community organization.



**CUSHMAN &
WAKEFIELD**
COMMERCIAL REAL ESTATE

3765 St. Clair Avenue East, Toronto



Salient Details

Site Area:	0.97 acres 42,144 square feet
Frontage:	300 feet
Expos:	Irregular - L shaped site
Building Area:	3,000 square feet above grade (approx.)
Zoning:	PW (Place of Worship)
Official Plan:	Mixed Use Area

Location

The property is well located wrapping the southeast corner of St. Clair Avenue East and Brimley Road benefiting from frontage on both streets. The property has excellent access to public transportation notably, within 2 kilometers of the Scarborough Go Station and located directly on the St. Clair Avenue and Brimley Road bus lines. Local amenities include shopping, restaurants with close proximity to schools and parks.

Key Highlights

- Well located property at the southeast corner of St. Clair and Brimley within an established Scarborough neighbourhood
- Residential redevelopment taking place in the immediate area, adjacent to a new townhouse complex
- Existing facility is in good condition and has ample on-site parking
- Excellent access to public transit and amenities, including Bluffer's Park and retailers on St. Clair and Kingston Road

Asking Price

\$2,500,000

(Please refer to offering memorandum)

Note: All building areas are expressed and in are verified. Site dimensions are approximate, please refer to survey.

77 Craiglee Drive, Toronto



Salient Details

Site Area:	0.36 acres
	13,654 square feet
Frontage:	Craiglee - 130 feet
	Chambers - 110 feet
Depth:	130 feet
Building Area:	5,000 square feet above grade (approx.)
Zoning:	FW (Place of Worship)
Official Plan:	Neighbourhoods

Location

The property is well located within an established residential community. The property has excellent access to public transportation with bus lines running on Kennedy Road and Kingston Road. There are several schools in the immediate area including Clifside Public School and Bick Hill Heights. The property also boasts walking distance to several amenities such as parks including Sandown and Highways Park and retail within walking distance.

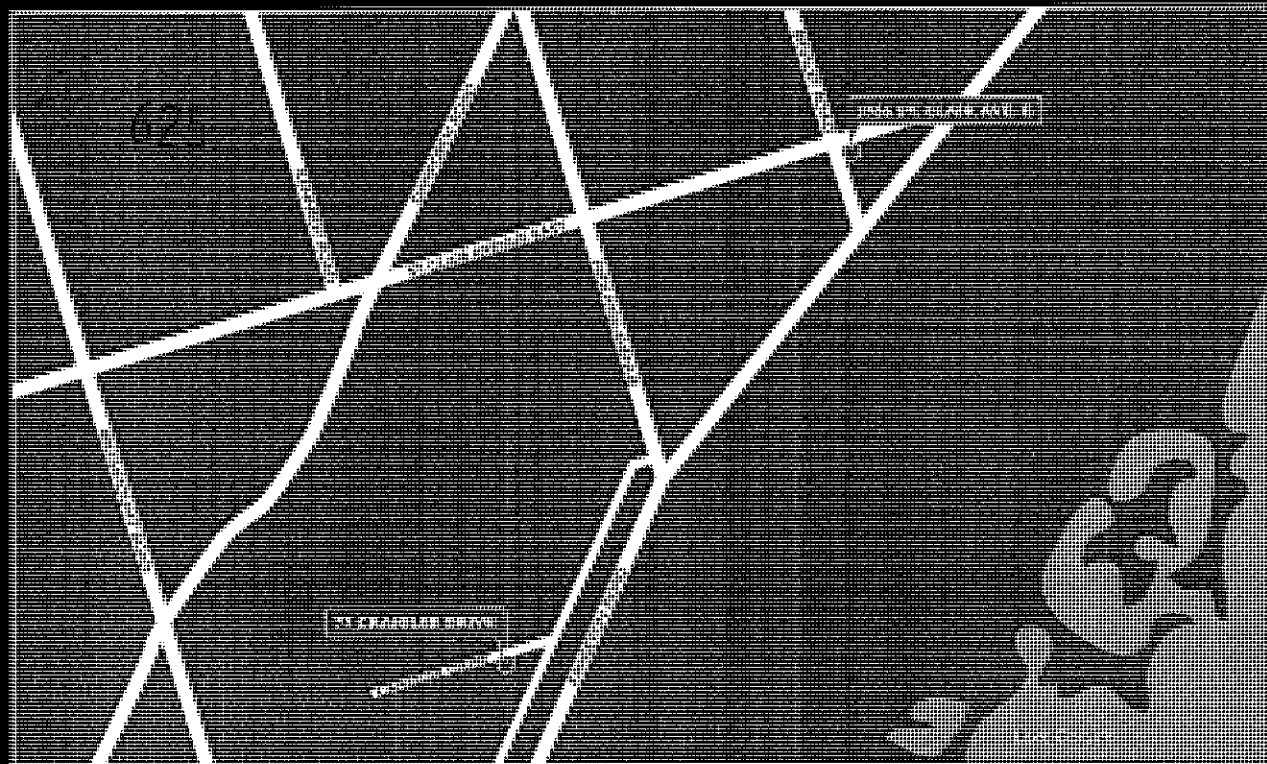
Key Highlights

- Well located property at northwest of Kingston Road and Midland Avenue within an established Scarborough neighbourhood
- Many homes in the immediate area are undergoing renovation
- Existing facility is in good condition
- Excellent access to public transit and amenities, including Bickler's Park and retailers on St. Clair and Kingston Road

Asking Price

\$1,500,000

(Please refer to offering guidelines)



Offering Guidelines

Cushman & Wakefield Ltd., Brokerage, has been retained by The Incorporated Society of the Diocese of Toronto ("Vendor") as Listing Agent ("Advisor") to seek proposals for the disposition of 3765 St. Clair Avenue East and 77 Craigfee Drive (the "Properties"). The Properties are being offered individually and will be sold on an "as is, where is" basis, free and clear of debt.

The Vendor's objective is to maximize sale proceeds and while all offers will be considered, preference will be given to offers with limited (or no) conditionality and a timely closing. Based on information contained herein, and other information that may be made available by the Advisor or Vendor, interested parties are invited to submit an agreement of purchase and sale utilizing the Vendor's standard form of agreement ("APS"). The APS will be made available on the Advisor's virtual data room: www.cw-cm.ca/3765stclair77craigfee

Offers are to be delivered to the Advisor on behalf of the Vendor as of Tuesday, October 25, 2011 at 2:00pm and will not be reviewed until that time. Initial Offers, regardless of form and content, will not create any binding legal obligations upon the Vendor or the Advisor. Offers will be evaluated, among other criteria, on the consideration offered for the Property, the prospective purchaser's ability to complete the transaction and the proposed conditions of closing if any. The Vendor is under no obligation to select any of the Offers and reserves the right to amend the offering procedure at any time and without notice.

ADVISORY TEAM:

NOAH RECHTSMAN*

Investment Advisor
Capital Markets Group
416.359.2753
noah.rechtsman@cs.cushmanwakefield.com

MEGAN SAURO*

Investment Advisor
Capital Markets Group
416.359.2391
megan.sauero@cs.cushmanwakefield.com

25 King Street West, 18th
Toronto, Ontario M5X 1C4

www.cushmanwakefield.com
* Sales Representative

These materials are based upon the information furnished by the principal and sources, which are deemed reliable, for which we assume no responsibility and is subject to verification during relevant due diligence period. This information is made subject to prior sale, change in price or terms, or withdrawal without notice. Prospective purchasers should rely upon this information as being accurate unless they conduct independent or other advisors should be consulted. If required, an opinion is required in this presentation.



CUSHMAN & WAKEFIELD
Global Real Estate Solutions™

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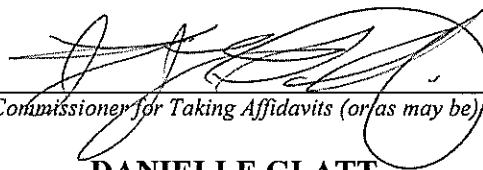
	A	B	C	D	E
1	Revenues and Projected Profits				
2					
3		Per unit:	Per square foot:	Total:	
4	Townhouse revenues:	\$ 435,000	\$ 290	\$ 10,440,000	
5					
6		Total Revenues:			\$ 10,440,000
7		Less realty commission (3.25%):			\$ (339,300)
8					
9	Net Revenues:				\$ 10,100,700
10					
11	Less Project Cost:				\$ 8,055,200
12					
13	Projected Profit:				\$ 2,045,500

	A	B	C	D
1	3765 St. Clair Avenue East			
2	CAPITAL REQUIRED			
3	Purchase Costs			
4	Purchase Price	1,600,000		
5	Mortgage fee	114,420		
6	Lender's legal fee	7,500		
7	Ontario Land Transfer Tax	24,000		
8	Municipal Land Transfer Tax	24,000		
9	Other fees and disbursements	25,000		
10	for appraisal, reliance letters for			
11	environmental reports, municipal			
12	enquiries and fees, etc.			
13	Total Purchase Price			\$ 1,794,920
14				
15	Demolition of 3765 St. Clair Avenue East			
16	Demolition	\$ 150,000		
17	Construction Management Fee:	\$ 15,000		
18			\$ 165,000	
19				
20	Construction of 24 townhouses:			
21	Site servicing work	\$ 720,000		
22	1,500 square feet each @ \$90 PSF	\$ 3,240,000		
23	Construction Management Fee:	\$ 396,000		
24			\$ 4,356,000	
25				
26	Soft Construction Costs:			
27	City Development Charges and Fees	\$ 540,000		
28	Consultant's fees	\$ 420,000		
29	Project Management Fee:	\$ 96,000		
30			\$ 1,056,000	
31				
32	Total Demolition and Development Charges:			\$ 5,677,000
33				
34	Carrying Costs			
35	Property tax, utilities, insurance, maintenance, etc.	\$ 120,000		
36	Interest on mortgage	\$ 611,280		
37	Less rental income:	\$ (48,000)		
38				
39	Total Carrying Costs:			\$ 683,280
40				
41	Total Capital Required			\$ 8,055,200
42				
43	Mortgage:	71.02%	8.00%	\$ 5,721,000
44	Dr. Bernstein equity:	14.49%		\$ 1,167,100
45	Ron and Norma Walton equity:	14.49%		\$ 1,167,100

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TAB 23

This is Exhibit "23" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Friday, November 4, 2011 6:32 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 78 Tisdale Avenue
Attach: APS Tisdale Skygrove.pdf; APS Tisdale 966843 Ontario Inc.pdf

Dear Stan,

78 Tisdale is a 1.5 acre parcel of land we own in North York. You hold the mortgage on the property in the face amount of \$3.5 million, of which \$2 million has been advanced to date. We are very close to completing the Record of Site Condition and Rezoning / Site Plan Approval for 38 townhouses on the site. When that occurs, another \$1.5 million is due to be advanced on your mortgage. When we arranged the mortgage, we valued the property once development approved at \$5 million assuming 40 townhouses were approved.

We have had realtors seeking us out (the property has never been listed for sale) and sending us offers to purchase from builders hungry to build in that area. There is a large Ismaili community there already as their mosque is on Bermondsey, so townhouses are snapped up quickly. I am attaching two of the offers to purchase we have recently received, one at \$6.08 million and one at \$6.84 million. We will likely build the site ourselves but the builders' agents have been all over us trying to get us to sign back the attached offers. In addition, Gary Goldman of Stafford Developments is keen to purchase or partner with us to build the 38 lots as he has a similar development on Hobson that he is almost sold out of and about to start building, so he would roll our site into his and call it Keystone Mews II.

Given the increased value of the site and the fact we are due to pay our engineers a significant sum of money this month to move the Record of Site Condition forward to registration, I was wondering if you would be comfortable advancing 1/2 of the \$1.5 million advance that will be coming to us soon, being \$750,000 now. That would mean you had mortgage monies advanced of \$2.75 million against a site that is worth in excess of \$6 million. Let me know if agreeable. If so, great and thank you. If not, no worries.

Thanks as always!
Norma

Norma Walton B.A., J.D., M.B.A.

THE ROSE AND THISTLE GROUP LTD.

30 Hazelton Avenue

Toronto, Ontario, Canada M5R 2E2

Tel: (416) 489-9790 Ext. 103

Fax: (416) 489-9973

www.roseandthistlegroup.com

The Rose and Thistle Group Ltd. is a privately held land and investment company that owns a stable of commercial properties, is a property developer, and is the parent company of Plexor Plastics Corp., Handy Home Products Inc., Corporate Communications Interactive Inc., Urban Amish Interiors Inc., Loft Raum Inc. and is affiliated with Walton Advocates, Barristers and Solicitors.

Agreement of Purchase and Sale

Form 100

for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 11th day of October, 20 11

BUYER, SKYGROVE DEVELOPMENTS INC., agrees to purchase from
(Full legal names of all Buyers)

SELLER, TISDALE MEWS INC., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 78 TISDALE AVENUE fronting on the _____ side

of _____ in the City of Toronto

and having a frontage of _____ more or less by a depth of _____ more or less

and legally described as Part of Lot 4, Plan 5413 designated as Part 1, Plan 66R-22415 as shown on Schedule "C" attached hereto

(Legal description of land including easements not described elsewhere)

PURCHASE PRICE: SIX MILLION AND EIGHTY THOUSAND Dollars (CDN\$) 6,080,000.00

DEPOSIT: Buyer submits upon acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

TWO HUNDRED THOUSAND Dollars (CDN\$) 200,000.00

by negotiable cheque payable to Seller's Solicitors in trust "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, B and C attached hereto form(s) part of this Agreement.

1. IRREVOCABILITY: This Offer shall be irrevocable by Buyer until 5:00 a.m./p.m. on the 19 day of October, 20 11, 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 see Schedule "A" day of 20. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

3. NOTICES: The Seller hereby appoints the Listing Brokerage as agent for the Seller for the 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. 416-489-9973 (For delivery of notices to Seller) FAX No. 416-667-8747 (For delivery of notices to Buyer)

INITIALS OF BUYER(S):

INITIAL OF SELLER(S):

4. CHATELS INCLUDED: None

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: None

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: None

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 in addition to the Purchase Price. If the sale of the property is not subject to HST, Seller agrees to certify on or (included in/in addition to) 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 15th day of prior to the closing date, 20 (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 () 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 Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, 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 any 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. If a discharge of any Charge/Mortgage held by a

INITIALS OF BUYER(S):



INITIAL OF SELLER(S):



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, or cause same to be registered, 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, and, where a real-time electronic cleared funds transfer system is not being used, 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 to 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 or 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 the 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 the 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):

INITIAL OF SELLER(S):

- 634
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:

.....
(Witness)

SKYGROVE DEVELOPMENTS INC.

..... Date

(Buyer)

(Seal)

.....
(Witness)

Per: *[Signature]*
(Buyer) Authorized Signing Officer

..... Date *Oct 14, 2011*
(Seal)

I, the Undersigned Seller, agree to the above Offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales 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 brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

.....
(Witness)

TISDALE MEWS INC.

..... Date

(Seller)

(Seal)

.....
(Witness)

Per:
(Seller) Authorized Signing Officer

..... 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.

.....
(Witness)

.....
(Spouse)

..... Date
(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 a.m./p.m. this day of 20.....

.....
(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage.....	Tel. No. (.....)
Co-op/Buyer Brokerage.....	Tel. No. (.....)

ACKNOWLEDGEMENT

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

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

..... DATE
(Seller)

..... DATE
(Buyer)

..... DATE
(Seller)

..... DATE
(Buyer)

Address for Service:
Tel. No. (.....)

Address for Service:
Tel. No. (.....)

Seller's Lawyer:

Buyer's Lawyer: **Goldman, Spring, Kichler & Sanders LLP**

Address:
(.....) (.....)
Tel No. FAX No.

Address: **700-40 Sheppard Avenue West, Toronto, Ontario M2N 6K9**
Attn.: **Sheldon B. Spring**
Tel No. **416-225-9400** FAX No. **416-225-4805**

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

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

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 time of the acceptance of the foregoing Agreement of Purchase and Sale.

Acknowledged by:

.....
(Authorized to bind the Listing Brokerage)

.....
(Authorized to bind the Co-operating Brokerage)

Schedule A

Agreement of Purchase and Sale

Form 100

for use in the Province of Ontario

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

BUYER, SKYGROVE DEVELOPMENTS INC., and

SELLER, TISDALE MEWS INC.

for the purchase and sale of 78 TISDALE AVENUE, TORONTO

dated the 11th day of OCTOBER, 2011

1. (a) (i) The Purchaser agrees to pay a further deposit of Four Hundred Thousand Dollars (\$400,000.00) to the Vendor's solicitors in trust, within two (2) Business Days (being any day of the week other than a Saturday, Sunday or statutory holiday) following the waiver or satisfaction of the condition contained in paragraph 3 of this Schedule "A" to be held in trust pending completion or other termination of this Agreement and to be credited towards the Purchase Price on Closing;
- (ii) The Purchaser agrees to pay to the Vendor in cash or by certified cheque on Closing, that sum which, together with the prior deposits paid equals thirty-five percent (35%) of the Purchase Price, subject to the usual and any other adjustments set out in this Agreement;
- (b) For the balance of the Purchase Price, the Purchaser agrees to give and the Vendor agrees to take back a first mortgage on the following terms and conditions:
 - (i) the Mortgage shall mature two (2) years from the Closing Date;
 - (ii) the Mortgage shall be interest free for the first six (6) months following the Closing Date and thereafter shall bear interest at the rate of four percent (4%) per annum, calculated and payable interest only half-yearly;
 - (iii) the Mortgage shall contain those further provisions as are more particularly set out in Schedule "B" to this Agreement.
- (c) The deposit, and if applicable, further deposit, shall be placed in an interest bearing trust account or term deposit with all interest earned to be paid to the Purchaser forthwith after closing or other termination of this Agreement.
2. The purchase price includes all plans, surveys, drawings, engineering plans, specifications, studies, soil, environmental and all other reports, and generally all documents and material whatsoever in the possession or under the control of the Vendor relating to the subject lands and their proposed development insofar as the same has progressed to date, all of which have been paid for in full by the Vendor and all of which are free and clear of any lien thereagainst, in which respect the Vendor shall provide evidence reasonably satisfactory to the Purchaser on closing. The Vendor covenants to forthwith deliver all such documents and material in its possession to the Purchaser within three (3) Business Days after the date of acceptance of this Agreement by the Vendor, to be held by the Purchaser pending completion or other termination of this Agreement, and to be returned to the Vendor in the event this transaction is not successfully completed for any reason whatsoever. In addition, within three (3) Business Days after the date of acceptance of this Agreement the Vendor shall provide to the Purchaser, written authorization for the Purchaser to contact the consulting engineers, surveyors, planners and all other consultants presently retained by the Vendor (collectively the "Consultants") with respect to the property and the development of same as well as

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

INITIALS OF BUYER(S):

INITIAL OF SELLER(S):

authorization for the Consultants to release all information to the Purchaser regarding the property and the proposed development of same. The Vendor shall provide to the Purchaser on the Closing Date, evidence reasonably satisfactory to the Purchaser that the Vendor has paid in full for the costs of all services rendered by the Consultants up to the Closing Date. In the event that any amount is outstanding to be paid to any of the Consultants, such sum shall be deducted from the balance due on closing and paid directly to the Consultants.

3. This Agreement arising from acceptance of this offer is conditional for a period of twenty (20) Business Days after the date of acceptance of this Agreement (the "Investigation Period"), upon the Purchaser being satisfied, in its sole and uncontrolled discretion, with its inspections of the lands, the documents provided to it, the development feasibility and the economic feasibility of the proposed development. In the event notice in writing from the Purchaser or its solicitors has not been received by the Vendor or its solicitors prior to the expiry of the Investigation Period that the condition set out in this Paragraph 3 has been waived or satisfied, or, in the event notice in writing has been received by the Vendor or its solicitors at any time prior to the expiry of the Investigation Period that the condition set out in this Paragraph 3 has not been satisfied, this Agreement shall be at an end and all deposit money together with interest thereon shall forthwith be repaid without deduction to the Purchaser and this Agreement of Purchase and Sale shall be null and void and the parties hereto shall be relieved of any obligation or liability hereunder. The Purchaser and its agents and representatives shall be allowed reasonable access to the lands as required by the Purchaser from time to time during the Investigation Period and the Purchaser shall be entitled to carry out such reasonable tests and inspections as the Purchaser may deem necessary, provided that the Purchaser shall correct any damage caused by any such tests and inspections. Notwithstanding that the foregoing condition may be a true condition precedent, whether deemed by a court of competent jurisdiction or otherwise, the parties acknowledge and confirm that the foregoing condition has been inserted for the sole benefit of the Purchaser, and may be unilaterally waived by the Purchaser in whole or in part by notice in writing to the Vendor at any time prior to the expiry of the Investigation Period. It is specifically acknowledged and agreed by the parties that the Vendor shall at no time claim: (i) that the Purchaser is required to exercise reasonable discretion in satisfying itself as to the foregoing condition, (ii) that this condition is void for uncertainty, and (iii) that the condition is so ambiguous as to void or nullify this transaction, and the provisions of this sentence may be pleaded by the Purchaser as a complete bar and estoppel to any such claim.
4. A copy of the proposed site plan in respect of the property indicating the location and configuration of the proposed municipal road, condominium road and other amenities and improvements as well as the size and layout of the thirty-eight (38) freehold parcels of tied land ("Pottis") is annexed hereto as Schedule "C" and forms a part thereof (the "Site Plan"). The Vendor covenants and agrees that it shall, at the earliest time, in an expeditious manner, obtain approval of the Site Plan and negotiate and settle the terms of the Site Plan Agreement for the property in accordance with the requirements of this Agreement. The Vendor covenants to consult with the Purchaser and keep the Purchaser informed on a continuous and detailed basis in respect of all matters relating to the content of the proposed Site Plan and proposed Site Plan Agreement and in respect of negotiations in connection therewith, and the Purchaser shall be entitled to attend at all meetings between the Vendor and its representatives, and the Municipality and other authorities having jurisdiction in respect of all of which meetings the Vendor shall provide prior written notification to the Purchaser. The Vendor covenants and agrees that it shall provide the Purchaser, as and when required by the Purchaser, all drawings, documents and generally all information and material in respect of the proposed development of the property in accordance with the Site Plan and Site Plan Agreement. The parties agree that the floor plans for the dwelling units to be erected on the Pottis are to be provided as part of the documents to be delivered pursuant to Paragraph 2 of Schedule "A", which floor plans shall form part of the Site Plan and to be approved as part of the Site Plan Agreement.

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

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The Vendor covenants and agrees that it shall use its best efforts to comply with the requirements of this Agreement, as to the design of the Site Plan and the terms of the Site Plan Agreement. All deviations from the requirements contained in the proposed Site Plan annexed as Schedule "C" to this Agreement including without limitation relating to the Site Plan layout, road configuration, location and/or size of Potts and all matters relating to construction of dwelling units, including without limitation, exterior elevations, coverage and gross area of such dwelling units, and relating to other amenities to be provided within the property in addition to dwelling units shall require, and shall be subject to, the prior written approval of the Purchaser, which approval shall not be unreasonably withheld or delayed.

5. The Vendor covenants to enter into the Subdivision Agreement, Site Plan Agreement and any other required development agreements with the Municipality and/or any utility authority or supplier, subject to the provisions of this Agreement at the earliest date. All costs incurred by the Vendor in obtaining passage of the required zoning by-law and in negotiating and settling the terms of the Site Plan and the Subdivision Agreement and Site Plan Agreement, including without limitation, all costs incurred in connection with services rendered by any architect, engineers and/or planning consultants shall be at the sole cost and expense of the Vendor.

The Vendor shall be obligated, at its sole costs and expense, to pay all monetary obligations whatsoever required to be paid pursuant to the Subdivision Agreement, Site Plan Agreement and any other applicable development agreements with any government, utility or other authority having jurisdiction, save and except for building permit fees referable to the Potts and any other fees specifically payable by the Purchaser pursuant to the provisions of this Agreement. All such monetary obligations shall be paid in full by the Vendor on or prior to the Closing Date herein and all of which monetary obligations are included in the purchase price, in respect of which the Vendor shall deliver evidence of payment on or before the Closing Date in such manner as may be reasonably required by the Purchaser.

On the Closing Date, the Purchaser shall assume all of the obligations imposed pursuant to the Site Plan Agreement relating to the construction of dwellings within the Potts.

6. The Closing Date shall be established as that date which is fifteen (15) Business Days after the date upon which the Vendor delivers written notice to the Purchaser of completion of Permit Servicing Requirements, as hereinafter defined. Provided that the Closing Date shall not in any event be established prior to the 15th day of April, 2012.
7. Completion of "Permit Servicing Requirements" shall mean:
- (a) the property has been rezoned to permit a common element condominium with thirty-eight (38) Potts, of the size, configuration and layout set out in the Site Plan;
 - (b) the Vendor has registered a Plan of Subdivision and obtained approval of the Site Plan and entered into the Site Plan Agreement and posted all securities and paid all monies required thereunder as hereinbefore set out;
 - (c) the Vendor has delivered to the Purchaser and registered a Record of Site Condition in the Environmental Site Registry maintained by the Ministry of the Environment confirming compliance with the Environmental Protection Act for the use of the property as a residential development;
 - (d) each of hydro, water, sanitary sewer and storm sewer services are respectively constructed, installed and operative and are capable of providing adequate service to each of the thirty-eight (38) Potts, and, that the base course of asphalt and curb base has been laid on the roadway immediately in front of each Pott and extended to an existing municipal roadway so that vehicular access is available to and from each Pott without impediment of any kind; and

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- (e) a building permit is obtainable by the Purchaser upon proper application therefor for the erection upon each Potl of a freehold townhouse dwelling unit, and, that each building permit is available to the Purchaser upon payment by the Purchaser of the usual building permit fee only, and without payment of any levy or special charge or deposit therefore and that a part lot control exemption by-law has been duly passed by the Municipality in final form with all appeal period having expired, and that the same is registered on title to the property;

and notice from the Vendor as to its compliance with the foregoing requirements shall be accompanied by a letter from the Vendor's consulting engineers addressed to the Purchaser confirming the completion of the aforesaid requirements.

8. It is a condition of this Agreement that Permit Servicing Requirements, as hereinbefore defined, shall have been completed with respect to all of the Potls on or before the 30th day of June, 2012. In the event that the Vendor has not completed Permit Servicing Requirements on or before the 30th day of June, 2012, the Purchaser may, in its discretion, extend the date by which such condition is to be fulfilled for three (3) successive periods of four (4) months each. In the event that the date by which such condition is to be fulfilled is not extended as aforesaid by the Purchaser from time to time, and, in any event, if the condition has not been fulfilled by the expiry of the last of the extended period or periods, then this Agreement shall be null and void and the Vendor's solicitors shall, forthwith after termination of this Agreement, refund to the Purchaser all deposit monies paid, plus interest earned thereon without deduction.
9. On or before the Closing Date, the Vendor agrees to pay for and to install and complete the following matters and services (herein called the "Vendor's services") in accordance with the requirements of the Municipality and other duly constituted authorities, including those services provided for in the Subdivision Agreement, Site Plan Agreement or other agreements entered into, or to be entered into between the Vendor and the Municipality or public utility, and the same are included in the sale price herein:
- (a) To construct functioning storm and sanitary sewers, to service each lot (without necessity for installation of sump pump or other mechanical assistance in any dwelling unit for water drainage to storm sewers) and to connect the same to municipal trunk sewers, and to provide lateral connections to the lot line in front of each Potl;
 - (b) To construct a functioning water service to each lot, and to connect the same to the municipal service, and to provide lateral connections to the lot line in front of each Potl;
 - (c) To provide functioning hydro-electric service adjacent to the lot line of each Potl, and, if and as required by the Municipality, to provide street signs and a lighting system along the roadways, including all requirements as to the foregoing to be constructed/installed within the condominium lands;
 - (d) To provide functioning gas service adjacent to the lot line of each Potl;
 - (e) To construct paved roads to base course asphalt along the frontage of each Potl, in accordance with the Municipally approved plans therefore;
 - (f) To construct two-stage curbs with driveway depressions, and, if and as required by the Municipality, public sidewalks and walkways, including construction of all such items required by the Site Plan Agreement to be constructed within the boundaries of the condominium lands;

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- (g) To rough grade each of the Pottls herein, on or before the Closing Date, to a level of thirty-six inches (36") below the municipally approved finished grade for each such Potl, including removal of all trees from the building envelope on each Potl, and, on or before the Closing Date to deliver to the Purchaser a certificate of the Vendor's consulting engineer confirming the rough grade level of each Potl herein.
10. On or before the Closing Date, the Vendor shall be responsible and shall pay for the cost of all public utility and Municipal impost charges, levies, development charges, education development charges, GO transit development charges/levies and all other financial obligations in the nature of impost charges, levies and capital contributions for the Pottls and the property being purchased herein and which are imposed by The Public Utilities Commission ("P.U.C.") or the Municipality pursuant to the Subdivision Agreement, Site Plan Agreement, or other agreement entered into or to be entered into by the Vendor with respect to the development of the property. The Vendor shall be solely responsible for payment of any educational and/or health/hospital charges, levies and/or monetary obligations whatsoever, and if applicable, for payment of cash in lieu of parkland conveyance/dedication, which may be imposed by any body or authority in respect of the whole or any part of the property.
11. The Vendor warrants, both as of the date of acceptance hereof and as of the closing date of this Agreement, as follows:
- (a) The Vendor is the registered owner of the subject lands with a good and marketable title thereto in fee simple;
 - (b) No portion of the subject lands is presently zoned, or otherwise designated in any manner (including designation on any Official Plan) by any governmental, quasi governmental, utility or any other authority having jurisdiction in that regard, as a "highway or utility corridor", "greenbelt", "flood plain", "holding" or "study" area, or other words or designation of similar import, with the result that the subject lands are presently frozen as to obtaining any Official Plan amendment, re-zoning, or which disentitle the Purchaser to develop and/or utilize the subject lands for the purposes contemplated in this Agreement, or any or all of them;
 - (c) No portion of the subject lands have been expropriated by any authority having jurisdiction in that regard, nor has the Vendor or any person associated with or acting on behalf of the Vendor received notice of intention to expropriate from any authority having jurisdiction in that regard;
 - (d) All existing mortgages or encumbrances affecting the subject lands are in good standing without default whatsoever as of the date of acceptance hereof, and, in aggregate, secure for principal an amount less than the purchase price herein;
 - (e) There are no covenants or restrictions affecting or which run with the lands which have not been complied with in full, and which in any manner would restrict or disentitle the Purchaser from registration of the proposed plan of condominium herein contemplated, and the full use and enjoyment of the residential building lots to be created by registration of such plan of condominium;
 - (f) No excavation has been made in or upon the lands, nor has any fill been placed on or about the lands, during the period of ownership or control of the lands by the Vendor;

Compliance with each of the foregoing warranties on the part of the Vendor is a condition of the completion of this Agreement, which condition is expressed to be for the sole benefit of the Purchaser, and which the Purchaser may waive, either in whole or in part, by notice in writing delivered to the Vendor on or before the Closing Date. The foregoing warranties shall survive closing and the Vendor shall execute a document confirming same on closing.

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12. Following the date of waiver/satisfaction of the condition (the "development condition") contained in paragraph 3 of Schedule "A" of this Agreement, the Purchaser shall have the right, either on its own account or on behalf of the Vendor, at the sole cost and expense of the Purchaser, to take and complete all such actions, matters and things as may be required by the Purchaser, in its discretion, for the development of the subject lands, including without limitation, the right to prepare, submit, and process all applications and other documents generally required for the development of the subject lands through all governmental, public and utility bodies, agencies and authorities having jurisdiction in that regard, and, the right to enter into all such agreements as the Purchaser may deem necessary for the development of the subject lands. The foregoing relates only to the those matters for which the Vendor is not responsible to obtain pursuant to the provisions of this Agreement. Provided that the Vendor shall not incur any financial obligation in connection therewith, the Vendor covenants that it shall, forthwith upon request by the Purchaser, and without further payment therefore, deliver such written authorizations and execute all such documents as the Purchaser may require to enable the Purchaser to undertake and complete the foregoing.
13. From and after the date of acceptance hereof, the Purchaser shall be entitled to enter upon the whole or any part of the subject lands to undertake surveys and such tests as the Purchaser may, in its discretion, require, including soil tests provided that the Purchaser shall restore the lands to their original condition at its sole cost and expense.
14. The Vendor covenants and agrees to produce and register, on or before the closing date, valid discharges of all existing mortgages, charges or encumbrances whatsoever affecting title to the subject lands, and, to discharge, or otherwise remove from title all easements, right-of-way, restrictions, or any other matter affecting the title to the subject lands or the use thereof which are not specifically permitted pursuant to the provisions of this Agreement.
15. The Vendor warrants that no portion of the subject lands have been utilized as a waste disposal site or landfill site, and, that there does not now exist in, on or under the subject lands, arising from any current or previous use of the subject lands or from any other source whatsoever, any contaminant, pollutant or hazardous substance that is likely to cause immediately, or at some future time, harm to or degradation of the environment or risk to human health for safety as defined in or pursuant to any federal, provincial and/or municipal laws, by-laws, rules, regulations, orders, codes and requirements now or hereafter in existence relating to the protection of the environment and public health and safety, and that the subject lands have not been utilized for any purpose which would require permission, approval, authority or licence from the Ministry of the Environment or any other authority having jurisdiction for any future development of the subject lands. The Vendor hereby indemnifies the Purchaser against all costs, losses, damages and liabilities whatsoever arising from a breach of such warranty. Such warranty and indemnity shall not merge on closing, and shall be contained as a provision in any mortgage taken back by the Vendor and in a separate written confirmation of the same delivered by the Vendor to the Purchaser on closing. Compliance with such warranty is a condition of completion of this Agreement, which condition is expressed to be for the sole benefit of the Purchaser.
16. The Purchaser represents that it is now or will by no later than the closing date be registered for the purposes of the Harmonized Sales Tax ("HST") in accordance with the applicable provisions in that regard pursuant to the *Excise Tax Act* of Canada, as amended. The Purchaser covenants to deliver a Statutory Declaration on closing confirming its HST registration number, which shall be conclusive of such HST registration, and shall preclude the Vendor from collection of HST from the Purchaser on closing. The Purchaser further covenants to deliver an indemnity in favour of the Vendor on closing as to any obligation or liability for payment of HST arising from completion of this Agreement.

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

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Schedule A

Agreement of Purchase and Sale

Form 100 641

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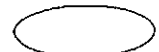
17. The Purchaser shall have the right to assign this Agreement to any person or persons, corporation or corporations as may be designated by the Purchaser in its discretion, or to cause title to the subject lands to be taken in a name other than the Purchaser herein (any party so designated by the Purchaser being hereinafter referred to as the "assignee"). Provided that upon the Purchaser delivering to the Vendor, a written covenant of such assignee to be bound by the provisions of this Agreement, the Purchaser hereinbefore originally named shall be relieved of all obligation and liability whatsoever pursuant to the provisions of this Agreement, and, such assignee shall be deemed to be the party hereinbefore originally named as the Purchaser.
18. The parties may rely upon executed copies of this Offer and its acceptance or amendments thereto which are delivered by electronic facsimile transmission to the same extent as if such transmission of the Offer or amendments sent by electronic facsimile transmission were originals.
19. Any reference in this Schedule "A" to Vendor shall mean Seller and any reference in this Schedule "A" to Purchaser shall mean Buyer.

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

INITIALS OF BUYER(S):



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Schedule B

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1. PROVIDED that the Chargor shall have the right to prepay the whole or any part of the principal sum hereby secured at any time and from time to time without notice or bonus.
2. PROVIDED FURTHER that the Chargor shall have the right to obtain at any time and from time to time a partial discharge or discharges of this Charge as follows:

- (a) If the lands which are the subject of this Charge are not included in a registered plan of condominium or tied to a plan of condominium, upon payment on account of principal of a sum bearing the same proportion to the principal balance outstanding under this Charge at the time of partial discharge that the area of land to be partially discharged bears to the total area of undischarged lands immediately prior thereto; or
- (b) If the lands which are the subject of this Charge are contained within a registered plan of condominium or tied to a registered plan of condominium, upon payment on account of principal of a sum bearing the same proportion to the principal balance outstanding under this Charge at the time of partial discharge that the number of units or parcels of land tied to the registered Condominium ("Potls") to be partially discharged bears to the total number of undischarged units or Potls contained within such registered plan of condominium immediately prior thereto;

as the appropriate case may be, together with interest thereon to the date of payment, provided, however, that no such partial discharge shall leave landlocked any undischarged lands. For the purpose of any partial discharge of this Charge, the Chargor shall, at its sole cost and expense, obtain compliance with the provisions of The Planning Act, R.S.O. 1990, as amended.

3. The Chargee shall execute upon request and without payment of any kind, all plans and other material necessary to enable the Chargor to develop the lands and will otherwise give such consents, releases or assurances as the Chargor shall require in such development, including but not exhausting the generality of the foregoing:
 - (a) Engineering, financial, site plan, condominium and subdivision agreements required by the Municipality to be executed by the Chargee;
 - (b) Any consent or consents required to be executed in order to have the lands entered under The Land Titles Act registration system or required to register any Plan of Condominium or Plan of Subdivision or Reference Plan of the lands or any part thereof;
 - (c) Any consent or consents required to be executed in order to have the lands or any part thereof re-zoned or divided;
 - (d) To execute a postponement of the Charge in favour of any easement required to be granted by the Chargor for any utility or public purpose; and
 - (e) To grant, if necessary, partial discharges for the purpose of conveying or dedicating any of the said lands for public roads or for widening of existing public roads or for the purpose of conveying or dedicating any of the said lands that are to be conveyed by the Chargor without payment to any Municipality or to the Province of Ontario or to any conservation authority or water resources commission or to any public or private utility, including without limitation, Municipal reserves, parklands, walkways, road widenings and roads, or for any other public purpose;

provided however that the Chargee shall not be required to undertake or assume any financial or other obligation.

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

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4. All prepayments of principal and payments of principal shall be credited to the amounts required to be paid at any future date in order to obtain partial discharges of this Charge.
5. The Chargee hereby covenants and agrees that upon five (5) days' notice, he or his appointee will execute any documentation referred to herein.
6. The Chargor, its agents, employees or contractors, may conduct building operations upon the lands including without limiting the generality of the foregoing, demolition or removal of any existing building, surveying, grading, excavation, installation of services and all acts incidental to the development of the lands at any time and from time to time and without payment and without the same being deemed acts of waste.
7. The Chargee covenants and agrees that it shall execute and deliver to the Chargor, within five (5) days of written request by the Chargor, and without payment to the Chargee, a Charge statement setting out the status of this Charge, in such detail as the Chargor may require.
8. The Charge shall incorporate the Dye & Durham Standard Charge Terms Form Number 200033, provided that the Charge shall specify the exclusion of clause number 14 thereof.

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

INITIALS OF BUYER(S):



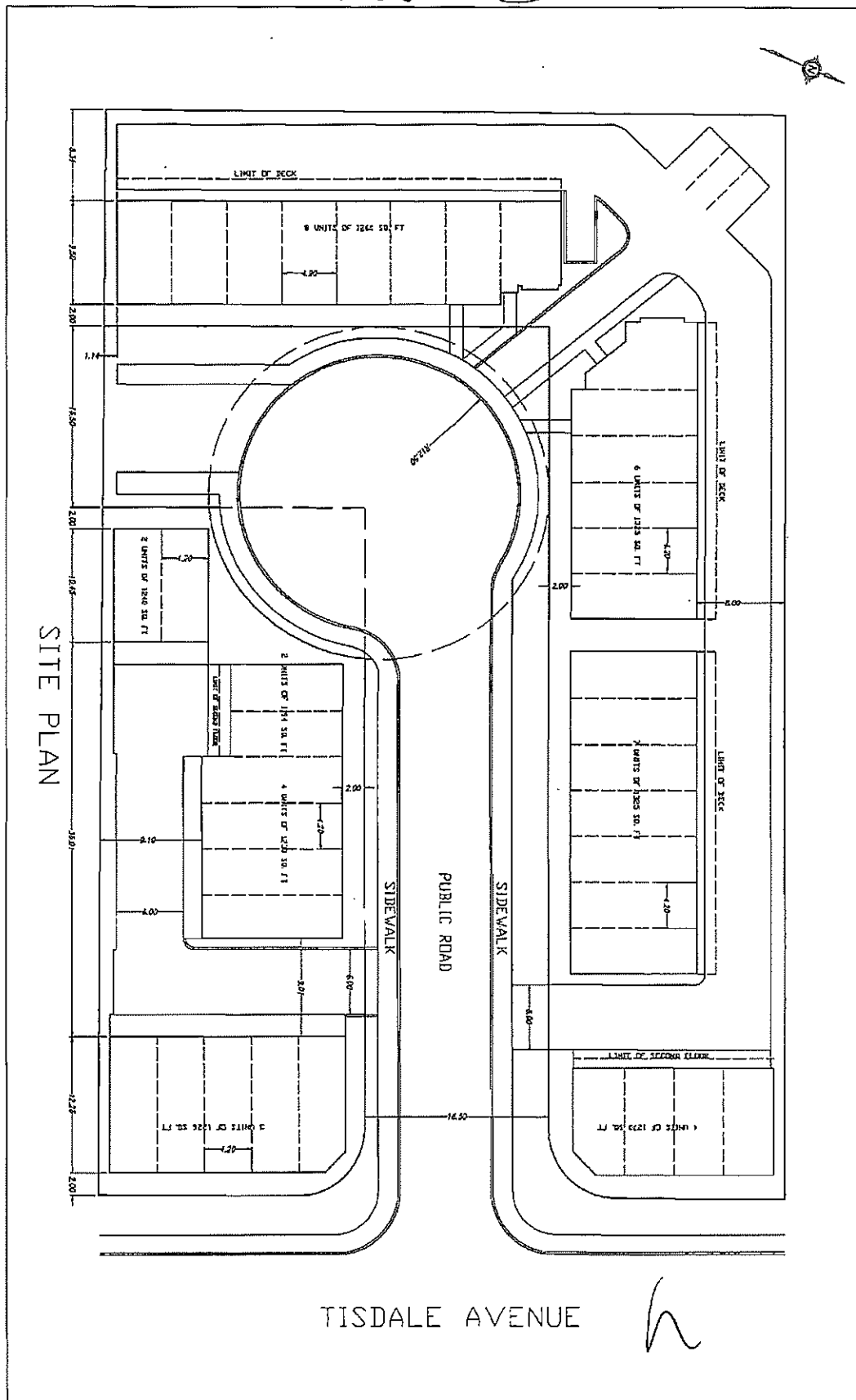
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Schedule C



This Agreement of Purchase and Sale dated this 1 day of October 2011

BUYER, 966843 Ontario Inc. In Trust Company To Be Incorporated Without Liability, agrees to purchase from
(Full legal names of all Buyers)

SELLER, TISDALE MEWS INC., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 78 TISDALE AVE fronting on the East side
of TISDALE AVE in the City of Toronto

and having a frontage of 50 more or less by a depth of 144 more or less

and legally described as PART OF LOT 4 PLAN 5413 TWP OF YORK DESIGNATED AS PART 1 ON PLAN 66R-23

CITY OF TORONTO (FORMERLY CITY OF N. YORK). WLY LIMIT OF TISDALE AVE. (the "property").
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE: Dollars (CDN\$) 6,840,000.00

Six Million Eight Hundred Forty Thousand Dollars

DEPOSIT: Buyer submits Upon acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

Twenty-Five Thousand Dollars (CDN\$) 25,000.00

by negotiable cheque payable to Keller Williams Referred Realty Inc., 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, B attached hereto form(s) part of this Agreement.

1. **IRREVOCABILITY:** This Offer shall be irrevocable by Buyer until 5:00 p.m. on
(Seller/Buyer)

the 4 day of October 2011, 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 31 day

of May 2012. Upon completion, vacant possession of the property shall be given to the
Buyer unless otherwise provided for in this Agreement.

3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the 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. 416-445-4747 (For delivery of notices to Seller) FAX No. 416-445-4747 (For delivery of notices to Buyer)

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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, or cause same to be registered, 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, and, where a real-time electronic cleared funds transfer system is not being used, 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.
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 to be apportioned to Buyer.
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or 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.
20. **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.
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 the 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 the 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, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
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.
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.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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:

647

(Witness)

966843 Ontario Inc. In trust for a company
Company To Be Incorporated Without
Liability

(Buyer/Authorized Signing Officer)



DATE Oct 1/2011

(Witness)

(Buyer/Authorized Signing Officer)



DATE

I, the Undersigned Seller, agree to the above Offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales 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 brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Seller/Authorized Signing Officer)



DATE

(Witness)

(Seller/Authorized Signing Officer)



DATE

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.

(Witness)

(Spouse)



DATE

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..... a.m./p.m. this..... day

of....., 20.....

(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage..... Tel. No.

Co-op/Buyer Brokerage Keller Williams Referred Realty Inc., Brokerage Tel. No. 416-445-8855

156 Duncan Mill Road, #1 Toronto

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.

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.

(Seller) DATE.....

(Buyer) DATE.....

(Seller) DATE.....

(Buyer) DATE.....

Address for Service.....

Address for Service.....

Tel. No.

Tel. No.

Seller's Lawyer.....

Buyer's Lawyer.....

Address.....

Address.....

Tel. No. FAX No.

Tel. No. FAX No.

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale: Keller Williams Referred Realty Inc., Brokerage
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 time of the acceptance of the foregoing Agreement of Purchase and Sale.

Acknowledged by:

(Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage)

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

BUYER, 966843 Ontario Inc. In Trust Company To Be Incorporated Without Liability, and

SELLER, TISDALE MEWS INC.

for the purchase and sale of 78 TISDALE AVE Toronto

..... dated the 1 day of October, 2011

During the Inspection Period, as herein defined the Buyer and its agents and employees shall have reasonable access to the Real Property during business hours upon reasonable prior notice to the Seller, at the Buyer's sole risk and expense for the purpose of making any of the Buyer's inspections, including without limitation physical inspections, building inspections, soil tests and environmental audits. Such access shall be in the company of a representative of the Seller provided that the Seller makes such representative available. The Buyer agrees to repair any damage caused to the premises as a result of these inspections.

The Buyer shall deliver to the Seller on closing: 1. a statutory declaration that the Buyer is a registrant within the meaning of Part IX of the Excise Tax Act of Canada (the -Act-) and that the Buyer's registration is in full force and effect; 2. reasonable evidence of the Buyer's registration under the Act; and 3. an undertaking by the Buyer to remit any tax eligible under the Act in respect of this transaction and to indemnify the Seller against all loss, costs and damages resulting from the Buyer's failure to do so.

Pursuant to the Municipal Freedom of Information and Protection of Privacy Act, 1989 the Seller consents to the Municipality and any and all Public Utilities having jurisdiction disclosing any information with their control concerning this property.

The Seller represents and warrants to the Buyer that to the best of its knowledge, information and belief the subject property does not contain and has never been used for the storage, manufacturing of any materials or substances deemed to be dangerous or hazardous as defined under any Federal, Provincial or Municipal Environment, Health and Safety laws.

The Seller, shall between the date of acceptance hereof and closing keep, operate and maintain the real property in a reasonable and professional manner, and the Seller assumes all risk until the Completion of this transaction.

The Seller will pay any commission to Keller Williams Referred Realty Inc., Brokerage payable on completion of this transaction. The Seller agrees to pay Keller Williams Referred Realty Inc., Brokerage a commission as set out in a separate Commission Agreement between Keller Williams Referred Realty Inc., Brokerage and the Seller on successful completion only. The Seller hereby agrees to indemnify and save harmless the Buyer with respect to any commission or fee payable to the above mentioned Agent. The Seller represents and warrants to the Buyer that it has not engaged any other agents, brokers or real estate agencies in the Sale of the Real Property by the Seller, except for Keller Williams Referred Realty Inc., Brokerage. This representation shall not merge but shall survive closing.

The Seller acknowledges that the Buyer is acquiring the property for development, and the purchase price is calculated on the basis of One Hundred and Eighty Thousand Dollars (\$180,000.00) per fully serviced building lot. In the event of a discrepancy in lots, the purchase price will be adjusted a closing to reflect the number of lots available.

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

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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

BUYER, 966843 Ontario Inc. In Trust Company To Be Incorporated Without Liability, and

SELLER, TISDALE MEWS INC.

for the purchase and sale of 78 TISDALE AVE Toronto

dated the 1 day of October, 2011

The Seller represents and warrants to the Buyer that to the best of its knowledge, information and belief the subject property does not contain and has never been used for the storage, manufacturing of any materials or substances deemed to be dangerous or hazardous as defined under any Federal, Provincial or Municipal Environment, Health and Safety laws;

There are no easements, right of ways over the property except for the usual utilities;

The Seller has not received a notice of expropriation for any parts of the property.

Notwithstanding the completion date set out in this Offer, the Buyer may change the completion date of the transaction by not more than 60 days, by giving written notice of the amended completion date to the Seller or the Seller's Solicitor at least 30 days in advance of the earlier of the completion date set out herein and the amended completion date.

Notwithstanding the completion date set out in this Offer, the Seller may extend the completion date of the transaction, by giving notice of the amended completion date to the Buyer or the Buyer's Solicitor to be 30 days after site plan approval is granted for at least 35 lots as per attached application documents. The Buyer has the right to terminate this agreement if the Seller does not obtain a site plan approval by March 15, 2012. This Offer shall then become null and void and all deposits shall be returned to the Buyer in full without deduction.

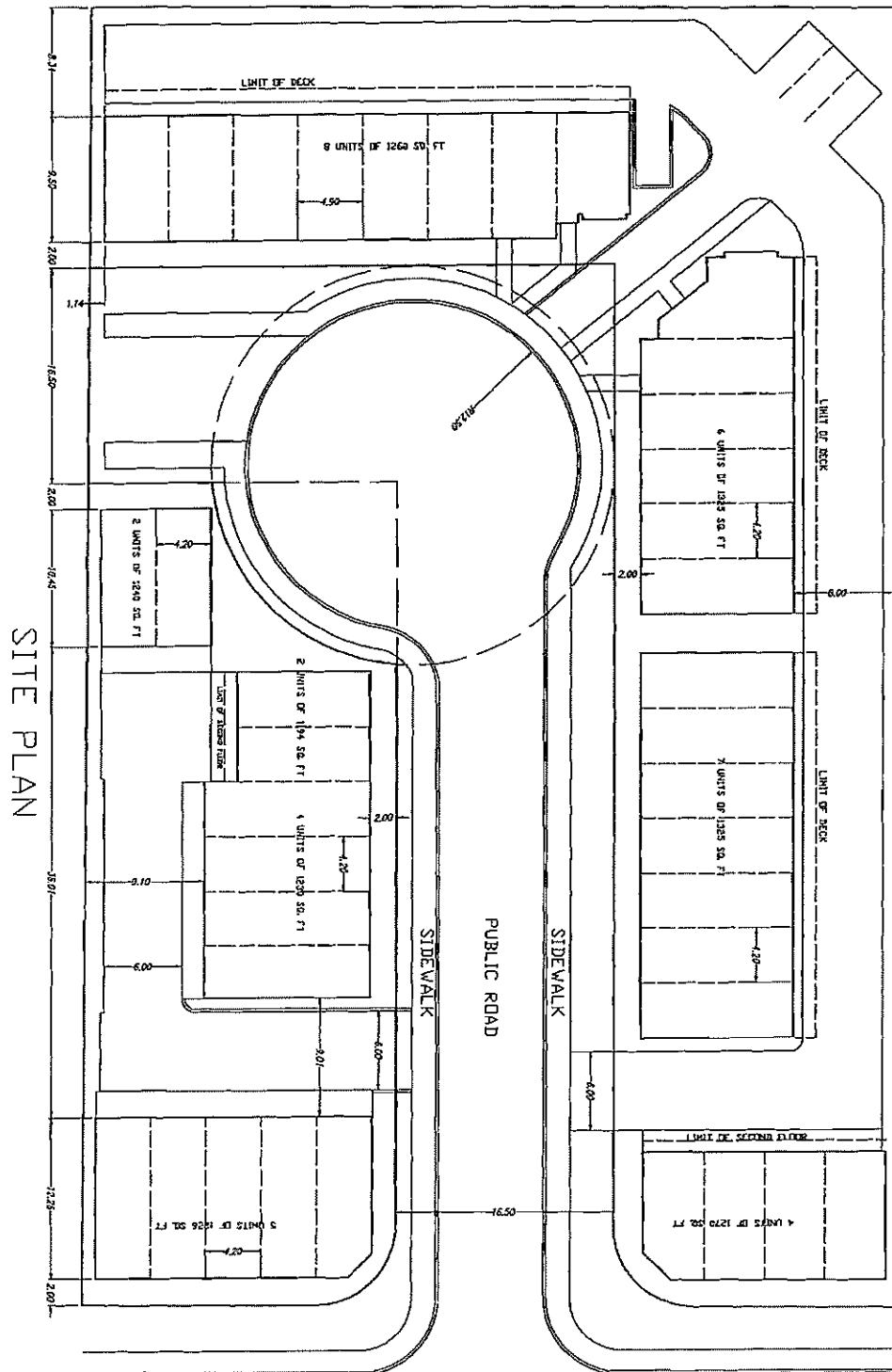
After Approval of Site plan and before closing, the Buyer or its assignee may be allowed to erect a "For Sale" sign on the subject property.

The Buyer's solicitor and Seller's solicitor are hereby authorized by the parties hereto to enter into a document registration agreement in the form adopted by the Joint LSUC-CBAO Committee on Electronic Registration of Title Documents on September 19, 2000, establishing the procedures and timing for completing this transaction, which DRA shall be exchanged between the Seller's Solicitor and the Buyer's Solicitor no later than five (5) days before the Closing Date. The delivery and exchange of all closing deliveries hereunder and the release thereof to the parties hereto shall be governed by the DRA, pursuant to which the solicitor receiving any closing deliveries will be required to hold same in escrow, and will not be entitled to release same except in strict accordance with the provisions of the DRA. It is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by either party (the "Tendering Party") upon the other party (the "Receiving Party") when the solicitor for the Tendering Party has completed, in addition to all other requirements to effect a valid tender in accordance with the provisions of this Agreement and the DRA, all steps required by E-Reg in order to complete this transaction that can be performed or undertaken solely by the Tendering party's solicitor and specifically when the Tendering Party's solicitor has electronically "signed" the Transfer Deed of Land and all other instruments to be registered against title to the Lands at the time of the closing for completeness and granted "access" to the Receiving Party's solicitor.

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

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



TISDALE AVENUE

[Handwritten signature]

BUYER: 966843 Ontario Inc. In Trust Company To Be Incorporated Without Liability

SELLER: TISDALE MEWS INC.

78 TISDALE AVE

Toronto

For the transaction on the property known as: For the purposes of this Confirmation of Co-operation and Representation, a "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and a "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant, a "sale" includes a lease, and an "Agreement of Purchase and Sale" includes an Agreement to Lease.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002 (REBBA 2002) and Regulations.

MULTIPLE REPRESENTATION:

The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Broker has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage.

However, the Listing Brokerage shall not disclose:

- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
- The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- The price the Buyer should offer or the price the Seller should accept;
- And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage:

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

(Name of Listing Brokerage)

Tel: Fax: Date:

(Authorized to bind the Listing Brokerage)

(Print Name of Broker/Salesperson Representative of the Brokerage)

Keller Williams Referred Realty Inc., Brokerage

(Name of Co-operating/Buyer Brokerage)

156 Duncan Mill Road, #1 Toronto

Tel: 416-445-8855 Fax: 416-445-4747

Date: (Authorized to bind the Co-operating/Buyer Brokerage)

Yigal Achren

(Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction.)

The Seller/Buyer consent with their initials to their Brokerage representing more than one client for this transaction.

SELLER'S INITIALS

BUYER'S INITIALS

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

(Signature of Seller)

Date:

(Signature of Buyer)

Date: Oct 1, 2011

(Signature of Seller)

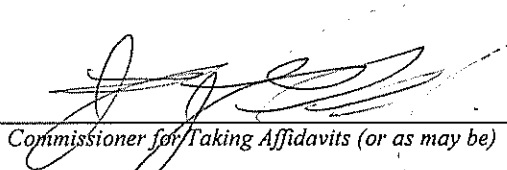
Date:

(Signature of Buyer)

Date:

TAB 24

This is Exhibit "24" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Tuesday, December 27, 2011 3:52 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 78 Tisdale investment opportunity
Attach: spreadsheets for proposal dec 27, 11.xls

Dear Stan,

Delighted you are going to join us in our St. Clair and Trent properties!

You currently hold the mortgage on 78 Tisdale in the principal amount of \$3.5 million. As you may recall, we had received two offers to purchase the lots, one at \$6.08 million and the second at \$6.84 million. We agree with the prospective buyers that it is a great site and as a result we plan to build the 38 townhouses ourselves rather than sell to a builder. We anticipate total project costs to tally just under \$15.5 million and net revenues to hit just over \$18 million, leaving a profit of \$2.5 million at day's end. We expect the project to take 30 months from now to complete and cash out.

We'd love to have you join us as a 50% owner of the equity in Tisdale. If we average the two prices we were offered by the two builders, the site is worth approximately \$6.46 million today with your mortgage of \$3.5 million against, leaving equity of \$2.96 million or \$1.48 million each. We anticipate each of our 50% stake would earn profits of \$1,261,425 or 25.25% compounded annually over the next 30 months. Hence if you'd like to join us we'd request a cheque for \$1.48 million payable to Tisdale Mews Inc. Let us know the company name that will hold your investment and we'll incorporate and prepare paperwork accordingly.

We plan to begin site servicing in the spring followed by construction. At that time, we'd need another \$191,000 to complete your equity investment of \$1.671 million.

Also in the spring, just before we roll into site servicing, we'll need construction monies. We will have you paid out of Galloway (\$4.1 million), Gerrard (\$4 million) and Hazelton (net \$4.8 million, with you to keep a second of \$1.3 million) by then. Hence if you wished to redeploy a portion of that money, we'd love for you to provide the construction mortgage. It would be for \$12.15 million (67.5% of the end value) at 8% with a 2% placement fee, with the existing \$3.5 million to remain in place and the remaining \$8.65 million to be advanced on a cost to complete basis, similar to our Galloway project. Not to worry if the construction mortgage is not of interest; just let me know so I can make other arrangements.

As usual, we'd thoroughly enjoy having you join us as an equity partner in another enjoyable project. Let me know if of interest, and if so let me know timing of investment.

Hope you are having a great time in Florida!

Cheers,
 Norma

Norma Walton B.A., J.D., M.B.A.
 THE ROSE AND THISTLE GROUP LTD.
 30 Hazelton Avenue
 Toronto, Ontario, Canada M5R 2E2
 Tel: (416) 489-9790 Ext. 103
 Fax: (416) 489-9973

www.roseandthistlegroup.com

The Rose and Thistle Group Ltd. is a privately held land and investment company that owns a stable of commercial properties, is a property developer, and is the parent company of Plexor Plastics Corp., Handy Home Products Inc., CCI Interactive Inc., Urban Amish Interiors Inc., Loft Raum Inc. and is affiliated with Walton Advocates, Barristers and Solicitors.

	A	B	C	D	E
1	Revenues and Projected Profits				
2					
3		Per unit:	Per square foot:	Total:	
4	Townhouse revenues:	\$ 490,000	\$ 327	\$ 18,620,000	
5					
6		Total Revenues:			\$ 18,620,000
7		Less realty commission (3.25%):			\$ (605,150)
8					
9	Net Revenues:				\$ 18,014,850
10					
11	Less: Project Cost:				\$ 15,492,000
12					
13	Projected Profit:				\$ 2,522,850

	A	B	C	D
1	3765 St. Clair Avenue East			
2	CAPITAL REQUIRED			
3	Property Value			
4	Average of the two offers	6,460,000		
5	Mortgage placement fee	243,000		
6				
7	Total Property Value			\$ 6,703,000
8				
9	Construction of 38 townhouses:			
10	Site servicing work	\$ 950,000		
11	1,500 square feet each @ \$90 PSF	\$ 5,130,000		
12	Construction Management Fee:	\$ 608,000		
13			\$ 6,688,000	
14				
15	Soft Construction Costs:			
16	City Development Charges and Fees	\$ 570,000		
17	Consultant's fees	\$ 380,000		
18	Project Management Fee:	\$ 95,000		
19			\$ 1,045,000	
20				
21	Total Demolition and Development Charges:			\$ 7,733,000
22				
23	Carrying Costs			
24	Property tax, insurance, maintenance, etc.	\$ 84,000		
25	Interest on mortgage	\$ 972,000		
26				
27	Total Carrying Costs:			\$ 1,056,000
28				
29	Total Capital Required:			\$ 15,492,000
30				
31	Mortgage:	78.43%	8.00%	\$ 12,150,000
32	Dr. Bernstein equity:	10.79%		\$ 1,671,000
33	Ron and Norma Walton equity:	10.79%		\$ 1,671,000

A	B	C	D	E
1	Project: [illegible]			
2	[illegible]			
3	[illegible]			
4	[illegible]			
5	[illegible]			
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99	[illegible]			
100	[illegible]			

TAB 25

This is Exhibit "25" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Sunday, April 1, 2012 2:30 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: Leslie Street
Attach: equity proposal 1131 and 1131A.xls; Deal Terms.doc; investor proposal 1131 and 1131A.pdf

Dear Stan,

Hope your trip to Florida was uneventful and that the weather there is lovely. Here you will be happy to know it is raining, cold and damp so very good call on your part getting away.

I am attaching our Leslie Street proposal, draft deal terms and excel spreadsheet. Take a look and let me know if it all makes sense. I have assumed you'd like at least one and likely two new companies to be incorporated in the name of DBDC Investments Leslie Ltd. If you want two (i.e. one for each separately registered property) we have used Lesliebrook in the name so you could have the second of your companies be called DBDC Investments Lesliebrook Ltd. Please confirm you'd like two companies incorporated, and advise the names you'd prefer.

The basic plan with the properties is for you to provide through 368230 Ontario Limited a first mortgage registered against 1131 Leslie Street for \$1.6 million at 8% interest only with 2% fee for a two year term; IMC will provide a first mortgage registered against 1131A Leslie Street for \$5.25 million at 4.35% interest plus principal with 1.25% fee for a five year term. The equity required from each of us will then total \$1.55 million, to be split proportionally according to square footage between the two companies we've incorporated to own the two properties respectively.

The basic plan for 1131A over the next two years is to rent out the vacant space on the first floor while updating the building; communicate with and renegotiate with our existing tenants at 1131A to extend their leases and incrementally increase their net rents; and try to reduce operating costs. For 1131, the plan is to remediate the environmental problem as cost-effectively and quickly as possible; tenant the building or sell to a user once clean; then refinance if tenanted.

We anticipate we'll enjoy a compounded annual return on equity of 17.25% over the next two years. We further anticipate that once 1131A is full and 1131 is tenanted, we'll each have positive cash flow of approximately \$7,200 per month after payment of all expenses and mortgages. All good plans!

Hope you have a great rest of the day.

Regards,
Norma

	A	B	C	D
1	Building Value - April 1, 2012			
2				
3	As of April 1, 2012:			
4				
5	Net Income before Interest:	\$579,229		
6				
7	7% capitalization rate:	\$8,274,699		
8				
9	Projected Building Value - April 1, 2014			
10				
11	As of April 1, 2014:			
12				
13	Net income before interest (adjusted to assume 5% vacancy):	\$761,522		
14				
15	7% capitalization rate:	\$10,878,884		
16				
17	Increase in property value:	\$2,604,184		
18				
19				
20				
21	Property Ownership as of April 1, 2014			
22				
23	Value:	\$10,878,883.61	100.00%	
24				
25	First mortgage IMC, 1131A:	\$5,016,419.00	46.11%	
26	First mortgage 368230 Ontario Limited, 1131:	\$1,600,000.00	14.71%	
27	Dr. Bernstein equity:	\$2,131,232.30	19.59%	
28	Ron and Norma Walton equity:	\$2,131,232.30	19.59%	
29				
30	Total:	\$10,878,883.61	100.00%	
31				
32				
33	Original Investment and Projected Profits:			
34				
35	Original equity investment:			
36	Dr. Bernstein:	\$1,549,527.80		
37	Ron and Norma Walton:	\$1,549,527.80		
38				
39	Projected Profits:			
40	Dr. Bernstein:	\$581,704.50		
41	Ron and Norma Walton:	\$581,704.50		
42				
43	Projected percentage return on equity (straight line):	37.54%		
44	Projected percentage return on equity (compounded annual):	17.25%		

	A	B	C	D
1	1131 and 1131A Leslie Street			
2	CAPITAL REQUIRED			
3				
4	Purchase Costs			
5	Purchase Price	8,250,000		
6	Mortgage fee	97,625		
7	Lender's legal fee	25,000		
8	Ontario Land Transfer Tax	123,750		
9	Toronto Land Transfer Tax	123,750		
10	Other fees and disbursements	25,000		
11	for appraisal, reliance letters for			
12	environmental reports, municipal			
13	enquiries and fees, etc.			
14				
15	Total Purchase Price			\$ 8,645,125
16				
17	Renovation and Tenant Fixturing Costs			
18				
19	1131A:			
20	Update building and suites as they come available	\$ 419,310		
21	Project management fee	\$ 41,931		
22	1131:			
23	Update building and suites as they come available	\$ 65,000		
24	Project management fee	\$ 6,500		
25				
26	Environmental Remediation			
27				
28	1131:			
29	Remove soil and remediate:	\$ 350,000		
30	Apply for and obtain Record of Site Condition:	\$ 150,000		
31	Project management fee:	\$ 50,000		
32				
33	Total Renovation and Environmental Costs:			\$ 1,082,741
34				
35	Professional Fees			
36	Architectural and interior design fees	\$ 60,000		
37				
38	Total Professional Fees:			\$ 60,000
39				
40	Carrying Costs			
41				
42	1131 (assume vacant for up to 24 months):	\$ 161,190		
43				
44	Total Carrying Costs:			\$ 161,190

662

	A	B	C	D
45				
46	Total Capital Required			\$ 9,949,056
47				
48	First Mortgage from IMC, 1131A:	52.77%	4.35%	\$ 5,250,000
49	First Mortgage from 368230 Ontario Limited, 1131:	16.08%	8.00%	\$ 1,600,000
50	Dr. Bernstein	15.57%		\$ 1,549,528
51	Ron and Norma Walton	15.57%		\$ 1,549,528

	A	B	C	D
1	Projected Cash Flow Statement April 1, 2014:			
2				
3	Receipts:			
4				
5	Rental Receipts	\$1,404,926		
6	Less Vacancy of 5%:	<u>\$70,246</u>		
7				
8	Total Receipts:		\$1,334,680	
9				
10	Total Disbursements:			
11				
12	Principal and interest payments on IMC mortgage, 1131A:	\$343,454		
13	Interest payments on 358230 Ontario Limited mortgage, 1131:	\$128,000		
14	Property taxes 1131A:	\$205,000		
15	Property taxes 1131:	\$35,000		
16	Utilities 1131A:	\$105,000		
17	Utilities 1131:	\$16,250		
18	Repairs and maintenance 1131A:	\$93,850		
19	Repairs and maintenance 1131:	\$14,495		
20	Cleaning expenses and supplies 1131A:	\$64,200		
21	Cleaning expenses and supplies 1131:	\$9,750		
22	Property management fees:	\$36,911		
23	Other non-recoverable expenses:	\$12,000		
24	Security:	\$12,500		
25	Structural Reserve:	\$7,500		
26	Insurance:	\$7,500		
27	Contingency:	<u>\$70,246</u>		
28				
29	Total Disbursements:		<u>\$1,161,656</u>	
30				
31	Surplus after payment of all expenses:			\$173,024
32				
33	Projected annual payments to Dr. Bernstein as of April 1, 2014:			\$86,512
34	Projected annual payments to Ron and Norma Walton as of April 1, 2014:			<u>\$86,512</u>

	A	B	C	D
1	Cash Flow Statement:			
2				
3	Receipts:			
4				
5	Rental Receipts	\$1,064,016		
6				
7	Total Receipts:		\$1,064,016	
8				
9	Total Disbursements:			
10				
11	Principal and interest payments on IMC mortgage, 1131A:	\$343,454		
12	Interest payments on 368230 Ontario Limited mortgage, 1131:	\$128,000		
13	Property taxes 1131A:	\$205,000		
14	Property taxes 1131:	\$35,000		
15	Utilities 1131A:	\$105,000		
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19	Cleaning expenses and supplies 1131A:	\$64,200		
20	Cleaning expenses and supplies 1131:	\$9,750		
21	Property management fees:	\$36,911		
22	Other non-recoverable expenses:	\$12,000		
23	Security:	\$12,500		
24	Structural Reserve:	\$7,500		
25	Insurance:	\$7,500		
26	Contingency:	\$53,201		
27				
28	Total Disbursements:		\$1,144,611	
29				
30	Annual deficit after payment of all expenses:			\$80,595

	A	B	C	D
1	Income and Expenses as of April 1, 2012			
2				
3	Revenues:			
4				
5	Rental Revenues:	\$1,064,016		
6				
7	Total Revenues:		\$1,064,016	
8				
9	Expenses before interest payments:			
10				
11	Property taxes 1131A:	\$205,000		
12	Property taxes 1131:	\$35,000		
13	Utilities 1131A:	\$105,000		
14	Utilities 1131:	\$16,250		
15	Repairs and maintenance 1131A:	\$93,850		
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19	Property management fees:	\$36,911		
20	Other non-recoverable expenses:	\$12,000		
21	Security:	\$12,500		
22	Structural Reserve:	\$7,500		
23	Insurance:	\$7,500		
24				
25				
26	Total Expenses before interest payments:		\$619,956	
27				
28	Net Income before interest:			\$444,060
29	Interest on first mortgage 1131A:			\$228,375
30	Interest on first mortgage 1131:			\$128,000
31	Net Income:			\$87,685

AGREEMENT

Between:

DBDC Investments Leslie Ltd. and DBDC Investments Lesliebrook Ltd.

"Bernstein"

- and -

Ron and Norma Walton

"Walton"

- and -

Lesliebrook Holdings Ltd. and Lesliebrook Lands Ltd.

"Company"

WHEREAS Bernstein and Walton intend to purchase 1131 and 1131A Leslie Street, Toronto, Ontario (the "Property") on or about April 27, 2012 and put ownership of the Property in the Company's name;

AND WHEREAS Bernstein and Walton, or whomever Bernstein and Walton may direct in accordance with the provisions of paragraph 5 herein, will each hold 1,549,528 shares in the Company;

AND WHEREAS Bernstein and Walton will each provide the sum of \$1,549,528 to the Company for the purposes of purchasing, managing, remediating environmental issues, updating the properties, leasing the vacant space, and refinancing the property (the "Project");

AND WHEREAS Walton will manage and supervise the Project and ensure it is completed according to the excel spreadsheet attached as Exhibit "A" to this Agreement;

THEREFORE the parties agree as follows:

1. Walton has contracted to purchase the Property and the purchase is scheduled to close on April 27, 2012.
2. Walton has commenced discussions with environmental engineers regarding the environmental remediation required for 1131 Leslie and is currently hiring trades to complete that work. Walton has spoken with real estate brokers to lease out the vacant space at 1131 and 1131A; and will meet with other consultants as required to complete the Project.

3. Walton has arranged for first mortgage financing from IMC for \$5.25 million at 4.35% for a term of five years to be secured as a first mortgage against 1131A Leslie Street. 368230 Ontario Limited has agreed to provide first mortgage financing of \$1.6 million for 1131 Leslie Street for a term of two years at an interest rate of 8%. At the end of two years it is intended that 1131 Leslie Street be refinanced once it is environmentally clean and fully tenanted.
4. Walton intends to implement the plan set out in Exhibit "A" between April 1, 2012 and April 1, 2014.
5. Bernstein wishes to own 50% of the shares in the Company in exchange for providing 50% of the equity required to complete the Project. The Company will issue sufficient shares such that Bernstein has 207,670 common shares in Lesliebrook Lands Ltd. and Walton has 207,670 voting shares of the same class, and such that Bernstein has 1,341,858 common shares in Lesliebrook Holdings Ltd. and Walton has 1,341,858 voting shares of the same class. Tallied together, Bernstein will hold a total of 1,549,528 shares and Walton will hold a total of 1,549,528 shares.
6. The ownership of the Company will be as follows:
 - a. 50% to Bernstein; and
 - b. 50% to Ron and Norma Walton as they may direct between each other or alternatively to be held by a completely Walton-owned and controlled company, provided that all covenants and agreements of Walton herein shall continue in full force and effect and such company executes an agreement to be bound by the provisions of the within Agreement.
7. Walton will be managing, supervising and completing the Project in accordance with the attached Exhibit "A".
8. Bernstein provided the \$200,000 deposit to purchase the Property and Walton has paid the disbursements for all pre-purchase reports, mortgage placement fee for IMC and lender's legal fees for IMC totaling approximately \$100,000 to date and will pay another \$100,000 between contract execution and closing, for a total of \$200,000.
9. The balance of equity in the amount of \$2,699,056 will be paid as follows:
 - a. Bernstein will provide to the Company the sum of \$1,349,528 on or before April 27, 2012; and
 - b. Walton will provide the sum of \$1,349,528 in a timely manner as required as the Project is completed.
10. Walton and Bernstein will each provide 50% of whatever additional capital over and above the \$1,549,528 each that is required to complete the Project, if any, in a timely manner.

11. In addition to managing, supervising and completing the Project, Walton will be responsible for supervising the renovations of the building on the Property, hiring of all consultants, designers, architects and engineers to complete the Project, finance, bookkeeping, office administration, accounting, information technology provision, filing tax returns for the Company, and fulfilling all active roles required to complete the Project in accordance with Exhibit "A".
12. Bernstein will not be required to play an active role in completing the Project. Notwithstanding that, any decisions concerning the selling or the refinancing of the Property will require his approval; any decisions requiring an increase in the total amount of equity required to complete the Project will require his approval; and any significant decisions that vary from the Project plan described in Exhibit "A" will require his approval.
13. Walton will provide to Bernstein ongoing reports at minimum monthly detailing all items related to the Property including the progress in moving the plan forward.
14. Walton will provide a written report to Bernstein each month detailing the following:
 - a. copies of invoices for work completed;
 - b. the bank statement for that month; and
 - c. if the bank statement does not have a copy of cancelled cheques, then Walton will also provide a complete listing of all cheques written, including payees, dates and amounts.

At Bernstein's request, Walton will provide whatever other back-up information he requests. Any cheque or transfer over \$50,000 will require Bernstein's signature or written approval before being processed.
15. Once the Project is substantially completed to the point that all of the Property has been sold, both parties will be paid out their capital plus profits and Walton will retain the Company for potential future use.
16. The Board of Directors of the Company will be composed of two directors, being Bernstein and Norma Walton. The only shares to be issued in the Company will be as set out above, and neither party may transfer his or her shares to another party without the consent of all the other parties, which consent may be unreasonably withheld. Bernstein shall have the option of being paid out his share of capital and profits from the Project and once he has been paid out in full, he will surrender his share certificate, he will concurrently resign from the Board of Directors and Norma Walton and the Company will accept such resignation. At such time Bernstein shall be released of all obligations and liability related to the Company and shall be indemnified by Walton with respect to all liabilities, claims and obligations whatsoever of the Company up to the date at which Bernstein has been paid out his capital and profits from the Project.

17. The Company will only be used to purchase, manage, remediate, renovate and refinance the properties at 1131 and 1131A Leslie Street, Toronto, Ontario or such other matters solely relating to the Project and the Property.
18. If the parties disagree on how to manage, supervise and complete the Project in accordance with Exhibit "A" and cannot reach agreement amongst themselves, each of them undertakes to attend a minimum of four hours of mediation in pursuit of reaching an agreement. After mediation, if there are any remaining issues to be determined, those issues in dispute shall be determined by a single arbitrator in as cost-effective a manner as possible, with no right of appeal. All costs of such mediation and/or arbitration will be borne equally by Bernstein and Walton.
19. The above represents all deal terms between the parties.

Dated at Toronto, Ontario this day of APRIL 2012

DBDC Investments Leslie Ltd.
Per A.S.O.

DBDC Investments Lesliebrook Ltd.
Per A.S.O.

Lesliebrook Lands Ltd.
Per A.S.O.

Lesliebrook Holdings Ltd.
Per A.S.O.

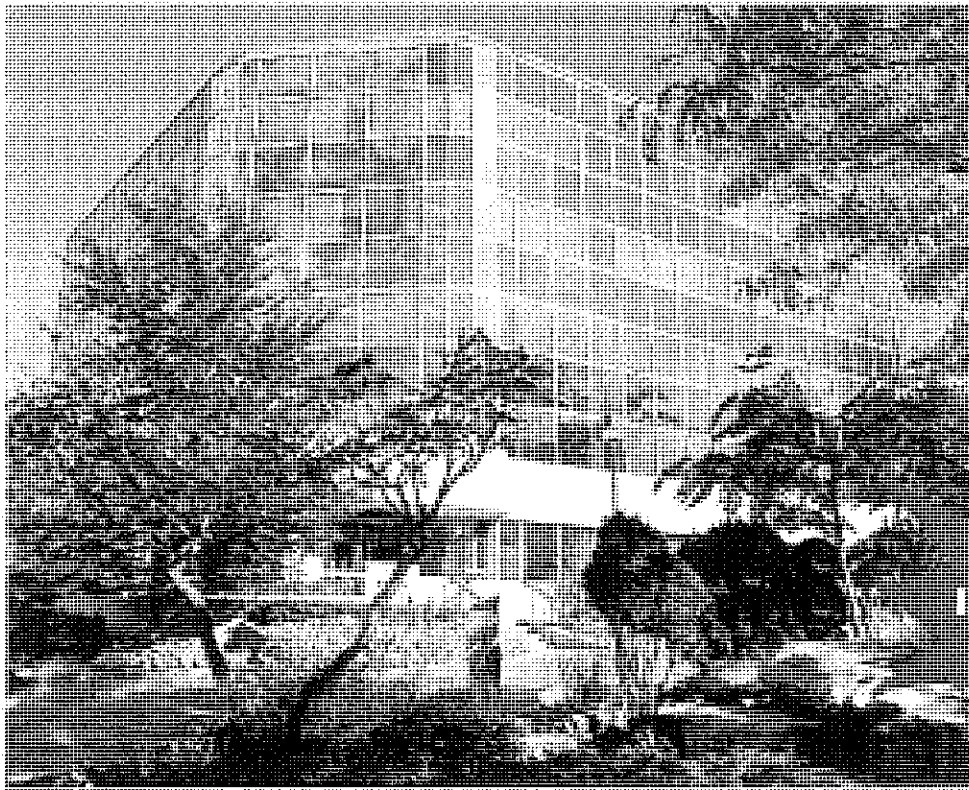
Ron Walton

Norma Walton



THE ROSE and THISTLE GROUP LTD.

30 Hazelton Avenue, Toronto, Ontario, M5R 2E2, (416) 489-9790 Fax: (416) 489-9973



Investment Proposal

1131 and 1131A Leslie Street, Toronto

April 1, 2012

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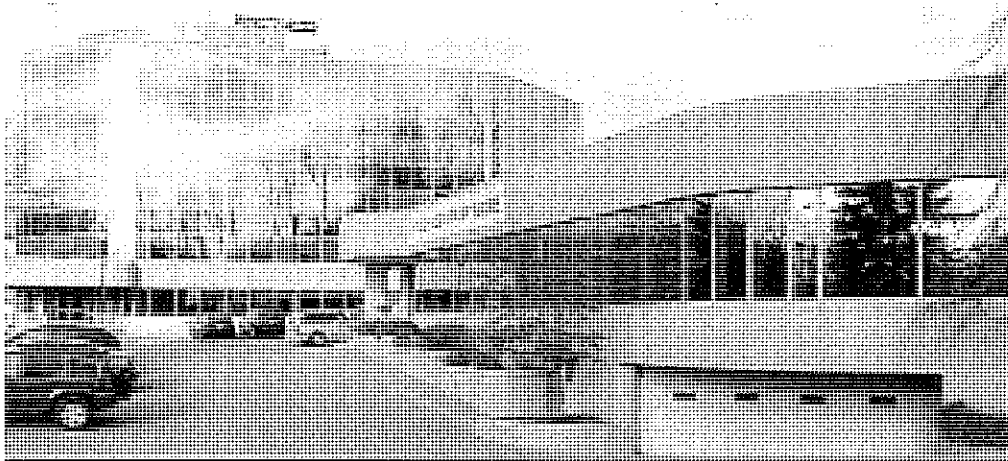
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SECTION A:**1. THE OPPORTUNITY**

The opportunity is to purchase half of the equity in both Lesliebrook Holdings Ltd. and Lesliebrook Lands Ltd., two Rose and Thistle companies that were formed to own 1131A and 1131 Leslie Street respectively in Toronto. It is projected this investment will earn a compounded annual return of 17.25% annually over the next two years.

The five storey building on the one acre property at 1131A Leslie Street was originally built in 1984. It totals 41,931 square feet of rentable space. It was well built and located in a park-like setting right across from Sunnybrook Park. It has both underground and surface parking.

The one storey building on the half acre property at 1131 Leslie Street was originally built in 1983. It totals 6,500 square feet of rentable space. It was also well built with both underground and surface parking.

1131A has vacancy of 7%. There are 17 commercial tenants along with two telecom towers that sit on the roof. 1131 has vacancy of 100% and some environmental remediation that is required before the property can be re-tenanted. The property owner passed away late last year and the past few years the properties have not been actively managed. We believe there is upside in updating both buildings and incrementally increasing net rents at 1131A as leases come up for renewal while filling the vacant space on the first floor. With 1131, we propose to remediate the environmental issue then tenant the property. Actively managing the buildings will increase its value.

Unlike investments in stocks and bonds, carefully selected and well-located income properties have value secured by physical assets. Commercial buildings are also not subject to the wide fluctuations common to stock markets and when properly managed provide reliable, above average returns on investment.

The details of the opportunity are as follows:

What: 50% of the common shares in Lesliebrook Holdings Ltd. and Leslie Lands Ltd. which own respectively 1131A and 1131 Leslie Street, Toronto

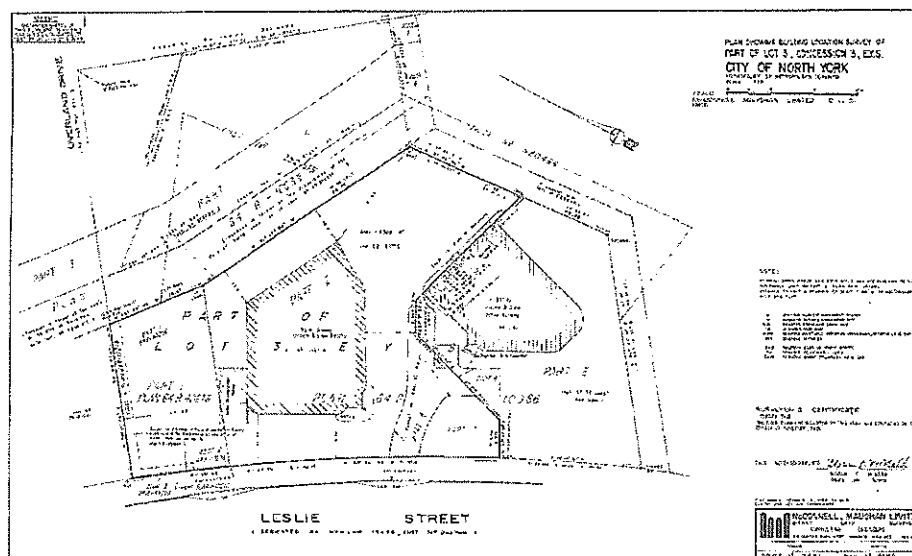
Amount required: \$1,549,528

Commencement date: On or prior to April 27, 2012

Capital appreciation and return: It is anticipated the investment will earn a profit over the next two years of \$581,705, equating to a straight line return of 37.5% and a compounded annual return of 17.25%. Thereafter the properties should be cash flow positive, providing approximately \$86,500 per year in positive cash flow for each 50% common shareholder.

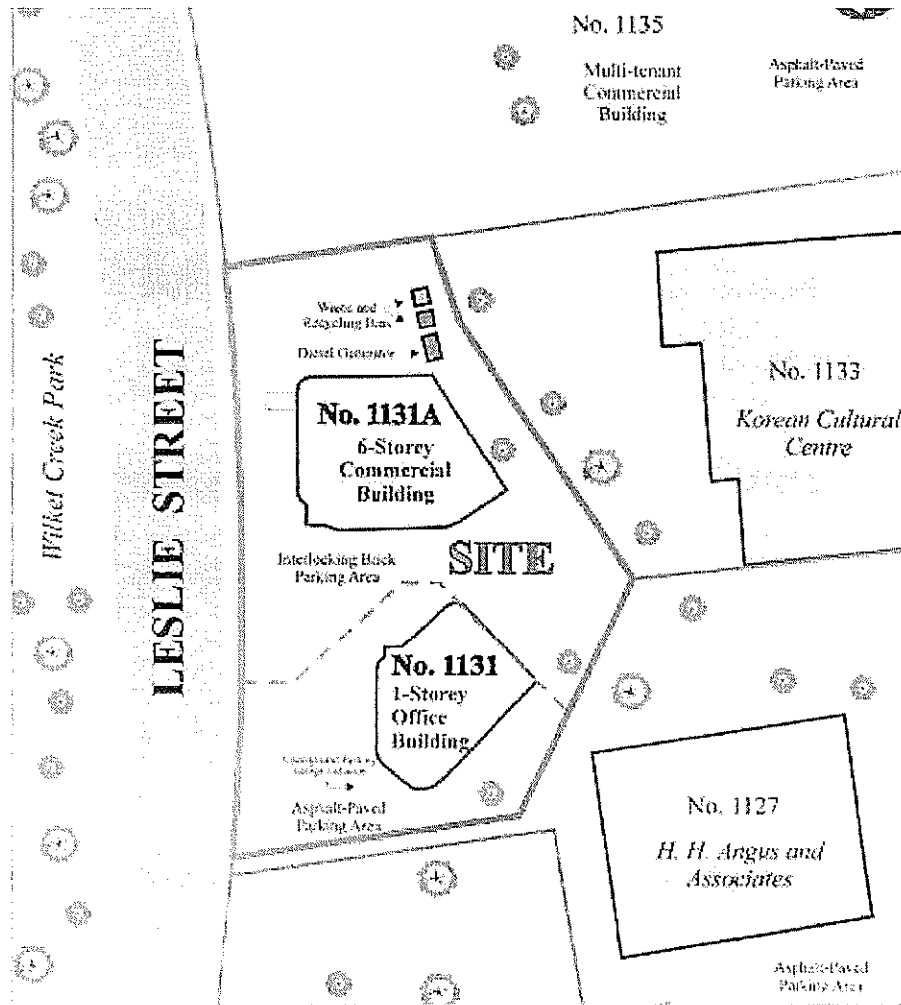
The total capital is \$9.95 million, being \$6.85 million from first mortgages; and \$1.55 million from each common shareholder. The capital structure is as follows:

Total Capital Required			\$	9,949,056
First Mortgage from IMC, 1131A:	52.77%	4.35%	\$	5,250,000
First Mortgage from 368230 Ontario Limited, 1131:	16.08%	8.00%	\$	1,600,000
Dr. Bernstein	15.57%		\$	1,549,528
Ron and Norma Walton	15.57%		\$	1,549,528



SECTION B:**1. THE PROPERTY**

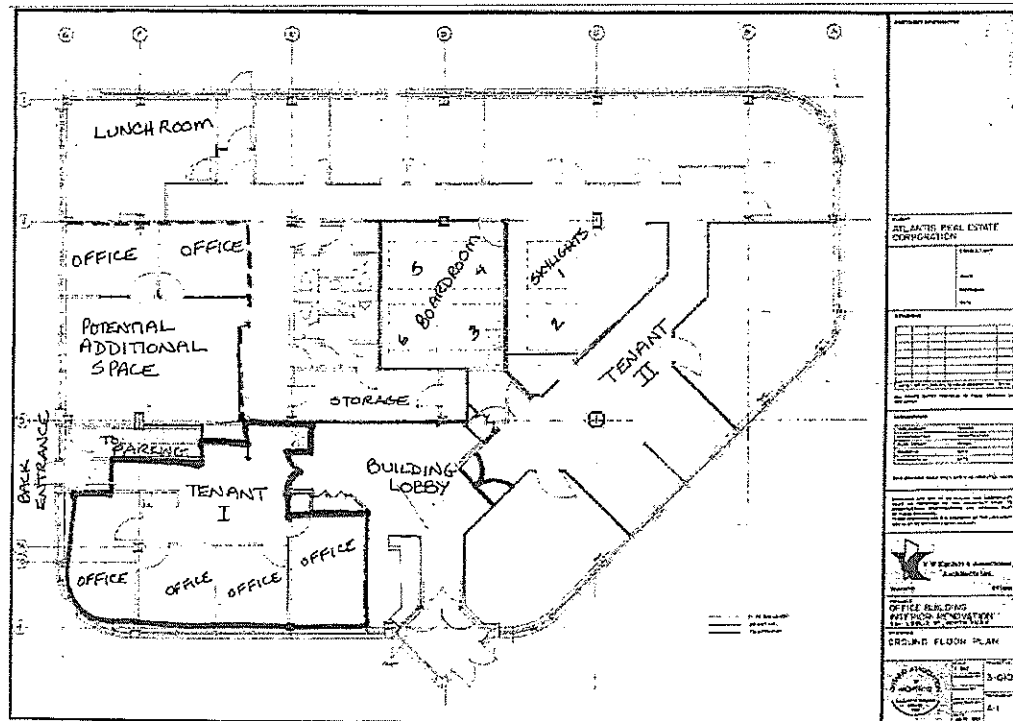
Built in 1983 and 1984, the one storey and five storey properties have 6,500 and 42,000 square feet of rentable area respectively. 1131A has approximately 46 parking spaces underground and another 46 surface parking spaces and sits on an acre of land. 1131 has 13 parking spaces underground and another 16 surface parking spaces and sits on a half acre.



The surrounding area is lovely. The property backs onto trees in a park-like setting, and Sunnybrook Park is right across the street. Easily accessible from both the DVP and downtown, it is a perfect mid-town location. Tenants are attracted to the neighbourhood because the rents are approximately \$25 gross versus \$35 to \$40 gross downtown, yet you are still close to shops and restaurants with the Shops of Don Mills a mere 5-minute drive away.

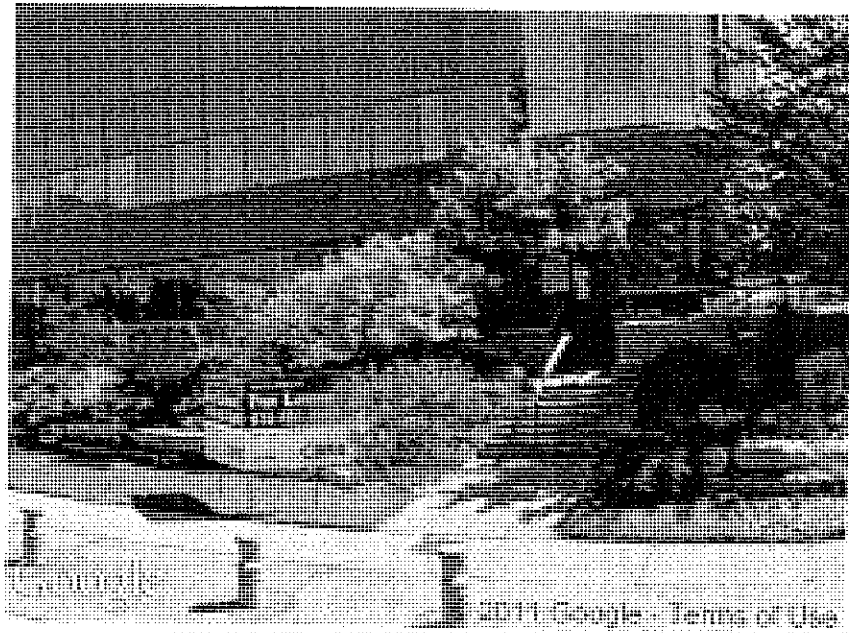


Rose and Thistle's immediate objective is to actively manage the properties and update them over the next 24 months, updating the lobby and the suites as leases come up for renewal in 1131A and remediating 1131 then tenating it. Rose and Thistle also intends to incrementally increase net rents and reduce operating costs to improve the net income.



2. THE PLAN

The plan for 1131A is to close the purchase; tenant the vacant first floor space; update the lobby and common areas; update tenant spaces as their leases come up for renewal; and increase rental rates incrementally as leases come up for renewal. The plan for 1131 is to close the purchase; remediate the environmental issues; tenant the property; update the property as the tenant specifies; and refinance the property once clean and tenanted on or before the end of the first two years.



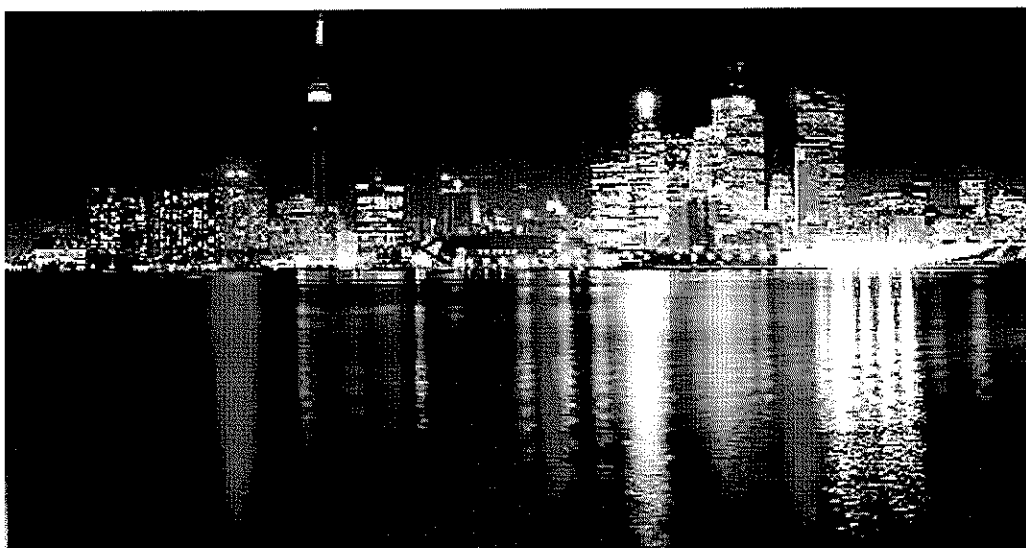
3. FINANCIAL PROJECTIONS

The properties were purchased for \$8.25 million. With closing costs they will have a cost base of \$8.65 million. The renovation costs to update 1131 and 1131A and the suites will total \$530,000 and the soft costs will run about \$60,000. The remediation costs for 1131 will cost about \$550,000 with carrying costs for 1131 totalling \$160,000. Hence the total project cost will be about \$9.95 million.

Rose and Thistle anticipates that within 24 months, being April 15, 2014, the properties will be generating more net rent than they are now and will appraise at \$10.88 million. Once 1131 is remediated and tenanted, the property should provide annual income to the common shareholders of approximately \$86,500 each while at the same time paying down the principal amount of each first mortgage. It is thus projected that an investment of \$1,549,528 on April 27, 2012 will provide a total return of \$581,700 within 24 months, being a 17.25% compounded annual return. We refer you to the Financial Projections section of this proposal for expenditure, revenue and profit details.

SECTION C: INVESTING IN THE GREATER TORONTO AREA

A continental gateway and a crossroads for the world, Toronto is Canada's business capital. It ranks alongside economic powerhouses such as New York, Boston and Chicago. Toronto is annually rated as the most multi-cultural city in the world by the United Nations. Canada accepts approximately 300,000 new immigrants every year, and 43% of all immigrants to Canada settle in the Greater Toronto Area. This results in an annual population increase of more than 100,000 people. As a result, the demand for both residential and commercial real estate is strong and demographic trends strongly suggest that such demand will remain robust.

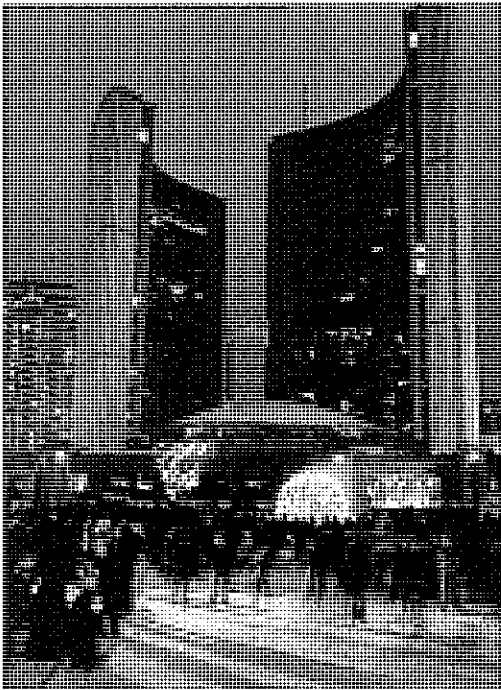


Toronto boasts a stable economic and political climate. Toronto commercial real estate has attracted worldwide investors, particularly from the United States, Great Britain, Israel and Germany. It has one of the five most diversified economies of any city-region in North America, and consistently ranks with Boston and Chicago as one of the best business cities in North America.

Population

With 2.7 million residents, Toronto is the 5th largest city in North America. One-quarter of Canada's population is located within 160 km (100 mi.) of the city and more than 60% of the population of the USA is within a 90-minute flight.





Economy

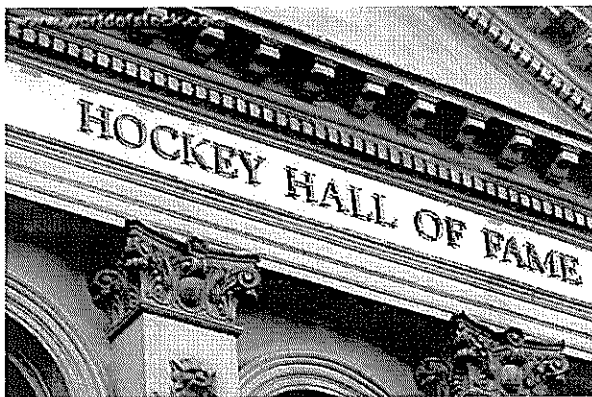
The City of Toronto's economy comprises 11% of Canada's GDP, with Toronto's GDP topping \$140 billion in 2009. Toronto-based businesses export over \$70 billion in goods and services to every corner of the globe. Toronto has retail sales of \$47 billion annually.

Capital

Five of Canada's six largest banks have their headquarters in Toronto, near the country's busiest stock exchange. Toronto is North America's third largest financial services centre and 75% of Canada's foreign banks and 65% of the country's pension fund companies are located here.

Competitive

Toronto has an excellent reputation as one of North America's leading economies while at the same time delivering overall business cost savings of 6.5% over large U.S. cities and 12.2% when compared to Asian and European centres.



Workforce

Toronto's more than 76,000 businesses choose from a large, highly skilled, multilingual workforce of 1.4 million people - one-sixth of the country's labour force. More than 800,000 workers have university or college training and 58% have earned a post-secondary degree, diploma or certificate. Residents speak more than 135 languages and dialects.

Education

Toronto's impressive range of post-secondary educational facilities includes three universities and five colleges offering training in virtually every discipline and skill. Toronto leads the country in the number of post-secondary schools and graduates, with more than 15,000 medical/biotech researchers, two top-ranked MBA schools and excellent programs in engineering, computer sciences and multi-media.

**Location**

Some 180 million customers and suppliers are within a one-day's drive from Toronto. Toronto's Pearson International Airport is within easy reach of the city's central business district and provides flights to over 300 destinations in 54 countries through 64 carriers.

Connections

Toronto boasts an expansive local network of consultants, professional firms and specialty suppliers. The business services cluster is among North America's largest and growing. Toronto is home to 9 of Canada's 10 largest law practices, 9 of the top 10 accounting firms and all 10 top human resources and benefits firms.

Transportation

With four major highways, multi-modal railway facilities, a Great Lakes port and an international airport handling over 30 million passengers and 350,000 tons of cargo annually, Toronto is a true North American gateway.

Transit

Toronto's public transit system is the second largest in North America and has the highest per capita ridership rate on the continent. More than 2,400 subway vehicles, buses and streetcars make it easy for more than 1.4 million business riders to travel throughout the city daily.



THE ROSE AND THISTLE GROUP LTD.**A. EXPERIENCE**

Over the past ten years, The Rose and Thistle Group has owned, managed and developed a total of \$250 million worth of properties, of which \$195 million remain under management and development.

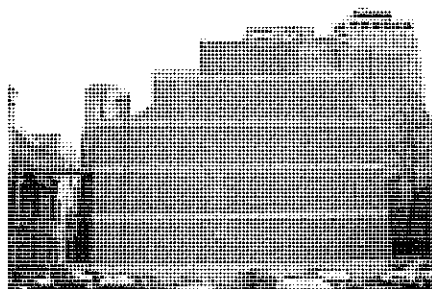
Rose and Thistle is seeking out properties similar to the properties with which it has had success in the past. Since 2001, Rose and Thistle has owned, managed and developed the following properties, over thirty of which it continues to own.

Our heritage commercial buildings:**30 Hazelton Avenue**

A heritage building in Yorkville with high-end luxury office and retail tenancies

Head office of The Rose and Thistle Group Ltd.

Severed one lot into two and renovated the heritage designated building into our offices and a retail suite

**30A Hazelton Avenue**

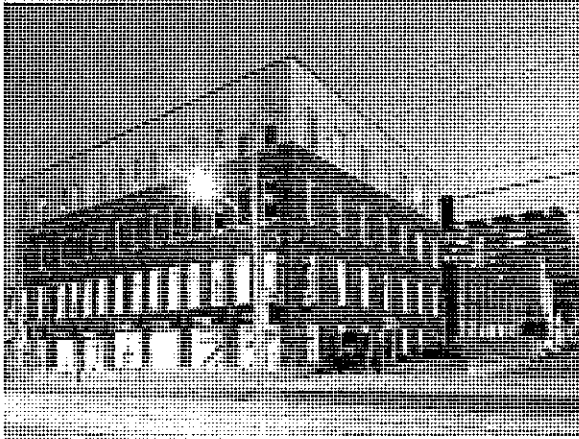
A commercial building in Yorkville with high-end luxury office tenancies

Severed one lot into two and renovated the building into four luxury suites

**65 Front Street East**

A heritage corner building in Old Town built in the mid-1800s that has loft commercial office space

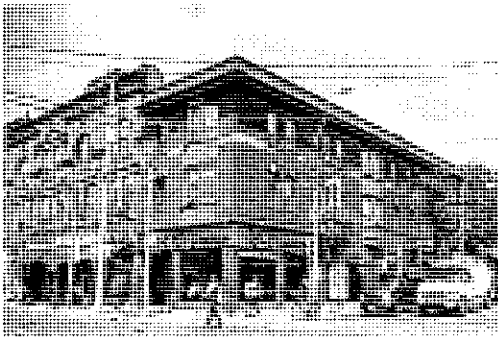
Renovated this heritage listed commercial loft building; improved the tenant mix, reduced costs, and increased profitability. Obtained approval to add a fourth storey to the building



86 Parliament Street: The Old Telegram Building

A heritage corner building built in 1887 that used to house The Toronto Telegram, located in Corktown, with retail and commercial space.

Gutted and renovated the property. Opened Urban Amish Interiors Furniture Gallery on floors one and two, and leased floors three and four to Sun Edison.



252 Carlton / 478 Parliament

A heritage corner building in Cabbagetown that has retail and commercial space.

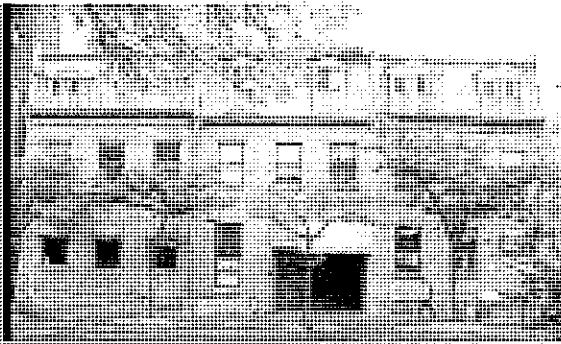
Home to Ginger and Johnny G's restaurants

Renovated the second and third floors to house the Salvation Army and Dance Umbrella of Ontario, each on a full floor



110 Lombard Street: The Old Firehall

Toronto's first fire hall, built in 1886. The former home of Second City which launched the careers of Dan Ackroyd, John Candy, Mike Myers, Gilda Radner, Martin Short, etc.



66 Gerrard Street East

This is Toronto's original apothecary, built in the 1880s. This beautiful building, kitty corner Ryerson, now houses a Starbucks as anchor corner retail tenant.

**24 Cecil Street**

A stunning corner property south of the University of Toronto that has been custom designed and fully renovated to house Gilda's Club

**241 Spadina Avenue**

This beautiful heritage building was originally built in 1910 for The Consolidated Plate Glass Company of Toronto. With renovations almost completed, a trendy new restaurant will soon open on the ground floor with beautiful commercial offices above

**32 Atlantic Avenue**

This brick and beam building sitting on over an acre of land has 30 foot ceilings and 65,000 square feet of space. It is being renovated to accommodate new tenants this spring

**450 Pape Avenue**

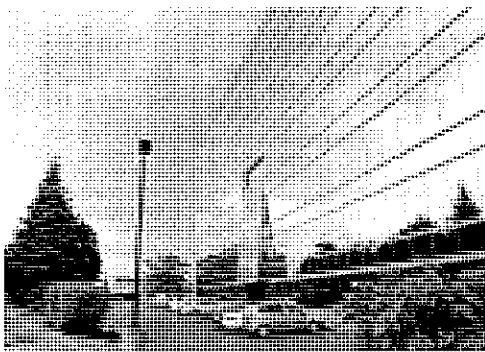
This half acre property on the corner of Pape and Riverdale contains a historically designated mansion and a newer back section that is being converted into six beautiful three-level townhouses



14 College Street

Purchased a spectacular 26,000 square foot heritage property originally built for the Toronto Bible Society. A medical centre will soon open occupying the entire building

Our commercial and industrial buildings:

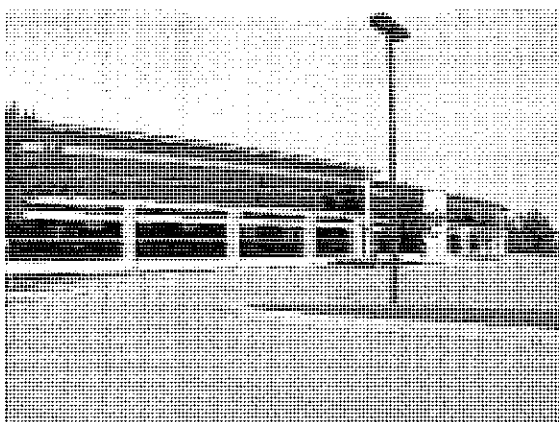
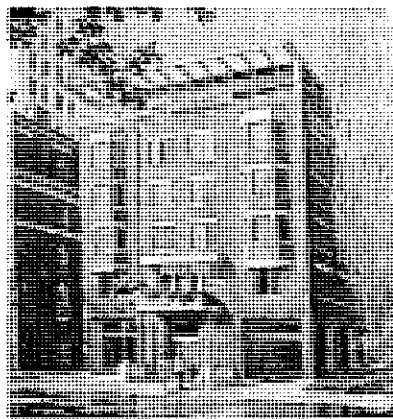


18 Wynford

This 145,000 square foot building on approximately two acres is currently being renovated with vacant space being tenanted as the renovations are completed

26 Gerrard Street East

This 25,000 SF building used to house Ronald McDonald House. It will be tenanted by a similar residential style user.

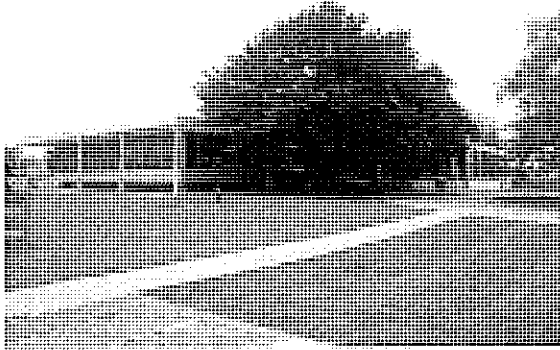


5770 and 5780 Highway 7 West

This 12 acre, two building industrial complex comprises 227,000 square feet of rentable area

1 William Morgan Drive

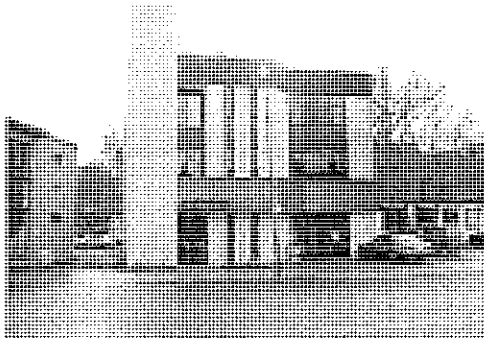
This 25,000 square foot commercial – industrial building is fully outfitted as a movie production studio

**2454 Bayview Avenue**

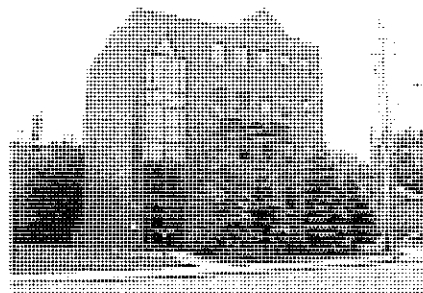
This 18,600 square foot custom-built private school facility is fully occupied by The Junior Academy

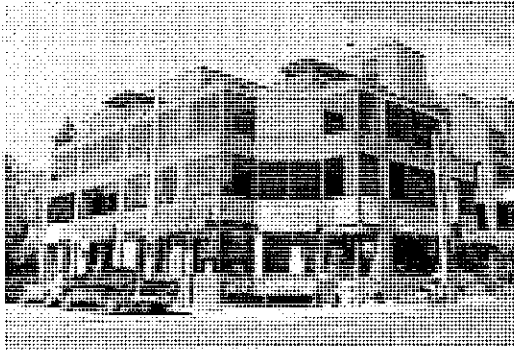
**185 Davenport Road**

Converted an office building into five residential condominiums and then sold all five

**355 Eglinton Avenue East**

Renovated an office building for re-sale





1246 Yonge Street

Commercial building converted to condominiums

Converted this office building into 28 mixed use condominiums, plus expanded the underground parking garage and then sold all 28 units.



17 Yorkville Avenue

Commercial building converted to condominiums

Converted this office building into six mixed use luxury condominiums then sold all six units

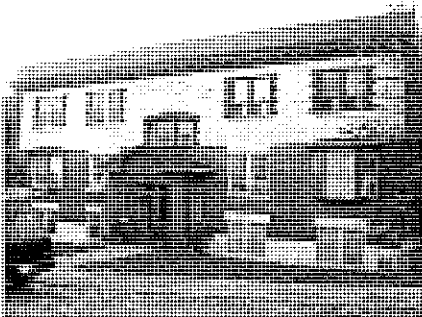


10-12 Bruce Park

Mixed-use building

Entered into an agreement to purchase this building then sold that right to another purchaser for a profit.

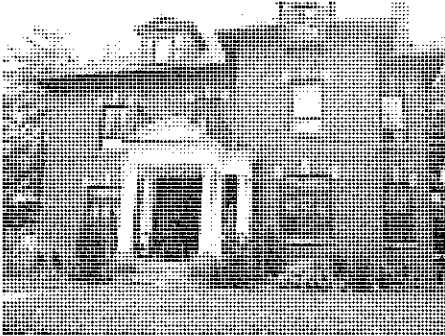
Our residential apartment buildings:



19 Tennis Crescent

An 8-plex in Riverdale

Renovated five of the suites and significantly increased annual revenues when they were re-leased. Property was then sold for a profit.

646 Broadview Avenue

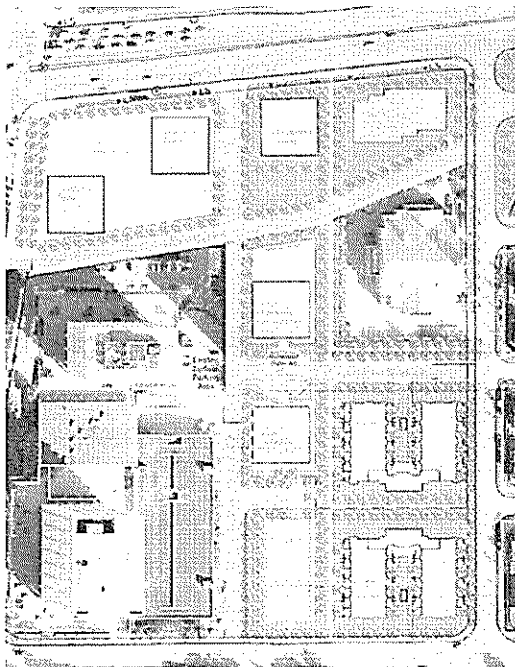
A 13-plex in Riverdale

Fully converted a
heritage-designated mansion into
thirteen residential rental units.

**648 Broadview Avenue:**

A 10-plex in Riverdale

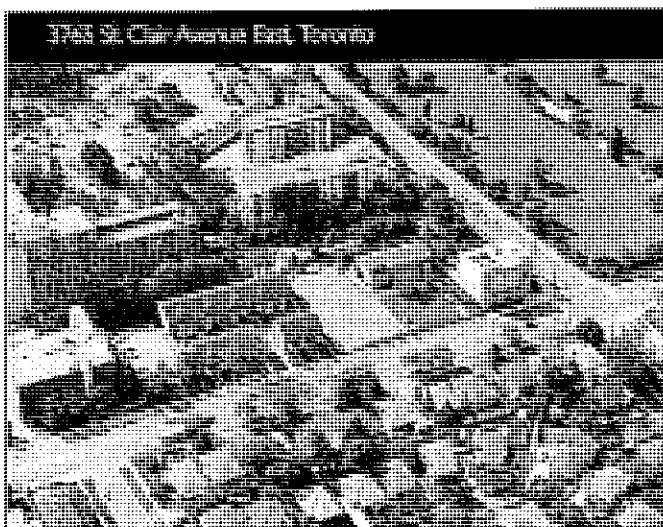
Renovated five of the suites and significantly
increased annual revenues when they were re-
leased. Sold for a profit.

Our infill residential housing:**1185 Eglinton Avenue East**

Are rezoning and development-approving
this site for 620,000 square feet of
residential density, comprised of 64
stacked townhouses and 693 suites in two
condominium towers, one 31-storeys tall
and the second 34-storeys tall.

3765 St. Clair Avenue East

Are developing this 1 acre site into 23 townhouses



875 Queen Street East

Bought a former United church property sitting on 28,000 square feet of land at Queen and Booth

Are planning to redevelop it into a retail and residential condominium complex with a brand new home for The Red Door Shelter

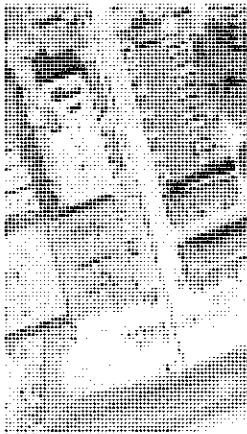
78 Tisdale

Bought a vacant 1.5 acre parcel of land in North York; are completing all steps required to permit the construction of 38 townhouses



232-234 Galloway Road: 16 townhouses

Bought vacant land and built sixteen townhouses for sale, with only one left for sale



14 Trent Avenue

Are developing a 1.2 acre site into 220 residential condominiums units, just south of Danforth near Main Street

3771 St. Clair Ave. E..

17 luxury townhouses

Bought a vacant 2/3 acre lot and completed all development steps required then built and sold 17 townhouses

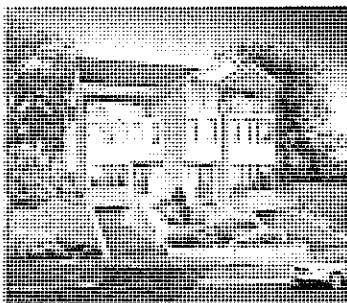


346 Jarvis: 6 luxury townhouses

Bought six partially completed townhouses and completed construction; all now sold

247 Ranee Avenue: 7 townhouses

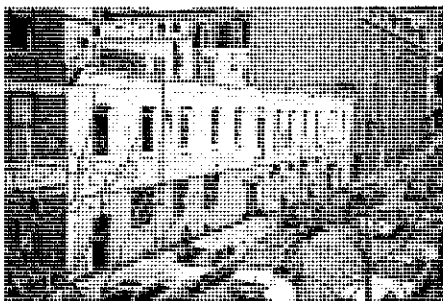
Bought a vacant 2/3 acre lot and obtained approval to build seven houses on the site. Sold to Toronto Community Housing Corporation



14 and 16 Montcrest Blvd.

2 luxury detached houses

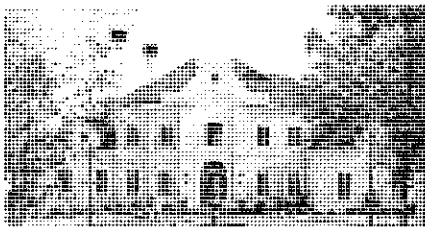
Severed off two lots from our 646 Broadview property, and built two luxury detached houses and sold both. They have phenomenal views of the Toronto skyline, being just north of Riverdale park.



10-12 Market Street

Redevelopment site

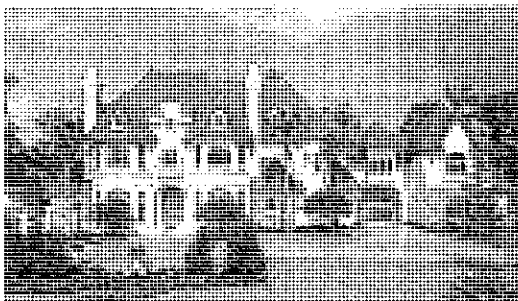
Obtained approval to build a 10-storey luxury residential and retail condominium building on the site of the original Toronto fish market, a heritage site, before selling this site to another developer



9 Post Road

Infill housing site

Severed one lot into two and obtained approval and a building permit to construct a luxury mansion in the Bridle Path neighbourhood in Toronto, before selling the site to a builder



2 Park Lane

Infill housing site

Severed one lot into two and renovated the house on the property before selling the site to a builder



118 and 120 Isabella

Mixed use houses

Renovated two houses for profitable resale

B. HISTORIC RETURN ON INVESTMENT

Since 2001, the Rose and Thistle Group Ltd. has achieved impressive compounded annual returns.

Average Return on Equity:

31 Properties

71.78%

The property projects are listed chronologically from date of completion. Of the 31 projects we've completed, we've only lost money on two of them.

Return on Investment						
Properties:	Initial purchase price:	Total cost base at end of period:	Total equity:	Profit:	Timeline:	Compounded annual return:
30 Hazelton Avenue:	\$1,150,000	\$1,500,000	\$350,000	\$500,000	June 01 to June 02	42.86%
30A Hazelton Avenue	\$1,150,000	\$1,500,000	\$350,000	\$500,000	June 01 to June 02	42.86%
10-12 Bruce Park	\$50,000	\$50,000	\$50,000	\$150,000	May 04 to Aug 04	900.00%
118 and 120 Isabella	\$1,000,000	\$1,150,000	\$400,000	\$140,000	Dec 03 to Aug 04	50.00%
1246 Yonge Street	\$4,500,000	\$7,500,000	\$2,200,000	\$1,100,000	Jan 03 to June 05	17.50%
185 Davenport Road	\$1,300,000	\$1,900,000	\$600,000	\$400,000	July 03 to July 05	29.00%
17 Yorkville Avenue	\$1,900,000	\$4,000,000	\$1,100,000	\$700,000	Dec 04 to Aug 06	32.50%
10-12 Market Street	\$1,050,000	\$2,300,000	\$1,000,000	\$0	May 04 to Sept 06	0.00%
355 Eglinton Avenue East	\$1,600,000	\$1,900,000	\$450,000	-\$150,000	March 06 to Dec 06	-50.00%
65 Front Street East	\$5,500,000	\$5,750,000	\$1,000,000	\$1,000,000	Sept 06 to Sept 08	41.50%
646 Broadview Avenue	\$1,600,000	\$1,800,000	\$375,000	\$600,000	Dec 05 to Dec 08	37.50%
9 Post Road	\$1,200,000	\$2,000,000	\$600,000	\$265,000	May 05 to Dec 08	11.00%
2 Park Lane	\$1,200,000	\$2,000,000	\$600,000	\$265,000	May 05 to Dec 08	11.00%
247 Rane Avenue	\$450,000	\$1,100,000	\$450,000	\$250,000	Dec 04 to June 09	10.25%
3771 St. Clair Avenue East	\$625,000	\$5,000,000	\$1,500,000	\$100,000	May 04 to Sept 09	1.25%
14 and 16 Montcrest	\$400,000	\$1,000,000	\$250,000	\$750,000	Dec 06 to Dec 09	59.00%
110 Lombard Street	\$2,600,000	\$2,800,000	\$800,000	\$600,000	Aug 09 to Sep 10	66.00%
86 Parliament Street	\$2,800,000	\$4,800,000	\$800,000	\$1,200,000	June 09 to Dec 10	84.25%
252 Carlton Street	\$1,525,000	\$2,000,000	\$425,000	\$500,000	April 09 to Dec 10	59.25%
66 Gerrard Street East	\$3,900,000	\$4,600,000	\$1,200,000	\$900,000	Dec 09 to Mar 11	52.50%
19 Tennis Crescent	\$850,000	\$950,000	\$200,000	\$300,000	Aug 08 to Aug 11	35.50%
346 Jarvis Avenue	\$1,400,000	\$4,200,000	\$700,000	-\$300,000	Nov 08 to Sept 11	-13.50%
648 Broadview Avenue	\$1,050,000	\$1,200,000	\$250,000	\$300,000	Dec 08 to Dec 11	30.00%

24 Cecil Street	\$2,475,000	\$3,150,000	\$800,000	\$350,000	June 11 to Dec 11	88.00%
18 Wynford Drive	\$8,500,000	\$10,800,000	\$2,000,000	\$3,200,000	Feb 11 to Feb 12	160.00%
1185 Eglinton Avenue East	\$9,500,000	\$12,400,000	\$4,000,000	\$5,600,000	Dec 10 to March 12	92.50%
78 Tisdale Avenue	\$1,476,000	\$2,500,000	\$1,000,000	\$2,500,000	March 10 to March 12	87.00%
232-234 Galloway Road	\$830,000	\$4,000,000	\$750,000	\$1,000,000	Aug 09 to March 12	40.50%
241 Spadina	\$4,500,000	\$8,500,000	\$2,200,000	\$1,300,000	Oct 10 to June 12	32.00%
14 College Street	\$5,800,000	\$6,300,000	\$700,000	\$700,000	July 11 to July 12	100.00%
32 Atlantic Avenue	\$8,500,000	\$15,000,000	\$4,000,000	\$3,600,000	Aug 11 to Aug 12	75.00%
26 Gerrard Street East	\$5,500,000	in progress				
5770 and 5780 Highway 7 West	\$14,500,000	in progress				
1 William Morgan Drive	\$4,100,000	in progress				
2454 Bayview Avenue	\$9,000,000	in progress				
47 Jefferson Avenue	\$0	in progress				
450 Pape Avenue	\$1,700,000	in progress				
3765 St. Clair Avenue East	\$1,600,000	in progress				
875 Queen Street East	\$6,650,000	in progress				
14 Trent Road	\$2,700,000	in progress				

Return on investment					Average compounded Annual Return
Properties:	Total purchase price	Total cost base at end of term	Total equity:	Total Profit:	
Total:	\$124,131,000	\$123,650,000	\$31,100,000	\$27,720,000	71.78%

C. MISSION STATEMENT

The mission of The Rose and Thistle Group is to identify, acquire, manage and develop under-utilized commercial, industrial and residential buildings and vacant land in the Greater Toronto Area that have the potential, when the requisite amount of time, skill and capital are applied, to achieve an above average return and provide our tenants and purchasers with homes or offices of which they are proud.

D. INVESTMENT CRITERIA AND STRATEGY

Rose and Thistle reviews potential acquisitions using investment criteria which focuses primarily on return on equity, security of cash flow, potential for capital appreciation and the potential to increase value by more efficient management, including accessing capital for expansion and development.

We are “sticking to our knitting” by seeking opportunities similar to the properties with which we have had success in the past, namely the following three types of investments:

1. Industrial, commercial and mixed-use buildings that are well-located and well built where there is the possibility to:
 - a. sever off a portion of the land for redevelopment or to create multiple parcels where there is currently one;
 - b. subdivide the building into condominiums;
 - c. add onto or renovate the existing building; and/or
 - d. change the tenant mix and create operating efficiencies;
2. Apartment buildings that are well-located and well-built where there is the potential to:
 - a. sever off a portion of the land for redevelopment;
 - b. add onto the existing building; and/or
 - c. update the suites, improve the building, and thus change the tenant mix and increase rents; and
3. Residential housing and development sites where the land is well-located.

We are prudent investors who apply rigorous criteria when evaluating each potential real estate opportunity.

E. ROSE AND THISTLE SERVICES**i. Real estate acquisition, disposition and financing**

- Acquisition and syndication of residential, commercial, and retail real estate
- Assistance with property ownership transition that capitalizes on value created
- Research, investment analysis, due diligence, market and value assessment
- Financing and re-financing
- Access to capital through our network of contacts

ii. Construction and development

- Project management of re-developments, renovations and new developments for residential, commercial, and retail properties in urban and suburban markets
- Expertise in planning, obtaining zoning approvals, construction management, and operation start-up
- Experience working with government and regulatory agencies, business community leaders and investors to enhance project success
- Tarion-registered new home builder

iii. Property management

- Operations and management of multi-unit small to medium commercial, residential and retail properties
- Short-term and long-term strategy to maximize return on investment
- Tenant relationship management through ongoing communications and reporting
- Tenant retention strategy and effectiveness measurement
- Administration of leases to optimize results
- Market research for competitive pricing and positioning
- Maintenance and management of the property
- Twenty four hour on-call emergency repair
- Rent collection and lease enforcement
- On-site staffing, if needed, according to owner approved budget
- Maintenance and capital improvement planning
- Regular property inspections

iv. Leasing Services

- Obtaining tenants
- In-house leasing team with extensive industry contacts
- Advertising vacancies
- Negotiating new and renewal leases
- Marketing strategy to promote properties to prospective tenants and brokers through our network of contacts, Web sites, printed media and other channels of communication

v. Legal and Accounting Support

- Drafting and filing legal documents
- Litigation
- The conversion of commercial rental units to commercial and/or residential condominium properties and the implementation of condominium sales programs
- Zoning, by-law and legislative compliance
- Severance and variance applications
- Representation at municipal zoning, fire, building and by-law hearings
- Insurance management and advice on appropriate coverage
- Centralized accounting and finance functions, including financial statements and audit, accounts receivable, accounts payable, payroll, cash and tax management
- Weekly, monthly or quarterly occupancy and collection reporting
- Weekly, monthly or quarterly financial reporting
- Annual budget preparation
- Unit turnover costs
- Capital expenditures
- Operating and labour costs
- Revenue
- Partnership distributions as directed

F. MANAGEMENT TEAM



Norma Walton, B.A., J.D., M.B.A.

Norma is a co-founder of The Rose and Thistle Group Ltd. Rose and Thistle is a land and investment company that is a property manager, Tarion approved real estate developer and management holding company (www.RoseandThistleGroup.com). Norma is the CEO of our real estate group and has considerable experience in the field of land and commercial real estate acquisition, development and financing. Norma has a Bachelors Degree in French, her Juris Doctor law Degree and an executive Master of Business Administration Degree all from the University of Western Ontario. She is a member of the Law Society of Upper Canada.



Ronauld G. Walton, CPIM, J.D., LL.M., M.B.A.

Ron is a co-founder of The Rose and Thistle Group Ltd. He is the COO of its real estate arm and the President of all its subsidiary corporations. Ron has a Juris Doctor law degree from the University of Western Ontario, a Master of Intellectual Property Laws Degree from York University, a Master of Business Administration Degree from the University of Liverpool, a Diploma in Marketing Management from Centennial College and is Certified in Production and Inventory Management by the American Production and Inventory Control Society. Ron is a member of the Law Society of Upper Canada, the Canadian Civil Liberties Association, Canada's History Society, Heritage Toronto and the Heritage Canada Foundation. He has been nominated for the Premiers Award given by Province of Ontario for social and economic contributions.



Mario R. Bucci, B.B.M., C.M.A., Chief Financial Officer

Mario provides leadership and co-ordination in the administrative, accounting and budgeting efforts of The Rose and Thistle Group. He creates and evaluates the financial programs and supporting information and control systems of the company in order to preserve company assets and report accurate and timely financial results. Mario has over 25 years experience in finance. He has a Bachelor of Business Management Degree from Ryerson University and is a member of the Certified Management Accountants of Ontario.



Mark Goldberg, Executive Vice President, Real Estate

Mark oversees all day-to-day activities of both our residential real estate development and our commercial/industrial landlord businesses. Mark has an extensive thirty year international background in real estate acquisitions and dispositions, portfolio management, property management, debt financing, leasing, and development of office buildings, shopping malls, industrial space, resorts and hotels. Prior to joining us he acquired commercial properties on behalf of private and public investment vehicles in excess of \$450 million (US) in the United Kingdom and Europe, managed a multi-million dollar real estate portfolio and was instrumental in the acquisition of several of Canada's premier destination resorts.



Steve Williams, Vice President of Operations

Steve has more than a decade of both project management and overall management experience. He is responsible for ensuring that cost effective operations and infrastructure are in place to support all of The Rose and Thistle's active real estate projects and oversees the operational budget for each project. He contracts and coordinates outside contractors to resolve operating difficulties and ensure project deadlines are met.



Trudy Haalmeyer, Director of Leasing

Trudy oversees all aspects of our leasing, property management and marketing objectives. She has an extensive background in commercial and industrial leasing, property management and construction and development. Her focus is to ensure seamless tenant transitions, expedite the documentation process and work closely with the brokerage and design communities to guide each property towards long term optimum profitability for all stakeholders.



Yvonne Liu, B.Sc., Director, Strategic Development

Yvonne is responsible for identifying businesses development needs and establishing and monitoring performance benchmarks. She has over fifteen year's management experience working in diverse business sectors such as information technology, healthcare and real estate. She has recently provided transitional support for the Luxembourg Consul in Toronto. Yvonne has a Bachelor of Science degree in Health Sciences from Ryerson University and a Diploma in Website Applications from the York College of Industry and Technology. She is currently working towards her Project Management Professional and Six Sigma certifications.



John Geikins, C.M.A., Senior Accounting Manager

John manages Rose and Thistle's finance staff and oversees the maintenance and accuracy of all financial records for The Rose and Thistle Group Ltd. and related companies. He has an Accounting and Finance Diploma from Seneca College and is a Certified Management Accountant with over twenty five years experience in accounting and income tax compliance. Prior to joining the Rose and Thistle Group, John was in upper management discharging considerable financial responsibility with one of Canada's largest corporations.



John Rawlings, Consultant

John, an engineer by training, had thirty years experience with the Ford Motor Company in a variety of management positions. He has been on contract to The Rose and Thistle Group Ltd. for ten years. John has supervised seventeen hundred individuals including architects, engineers, electricians, plumbers, contractors and maintenance and repair workers. While on contract to Ford, John was in charge of the construction of two twenty million dollar facilities and a one hundred and fifty million dollar plant expansion at the Ford facilities in Oakville and St. Thomas.



Samantha Slemko, B.GS, Property and Leasing Manager

Samantha joined us in 2006 as a project manager for our subsidiary company, CCI. In that capacity she managed some of CCI's largest technology projects and was responsible for meeting client goals, deadlines and budgets. She currently oversees the rental of all Rose and Thistle properties, tenant relations, lease negotiations, building repair and maintenance all with the goal of increasing asset value. Samantha comes from a project management background in health information. She has a diploma in Health Information Technology as well as a Bachelors Degree from University of North Dakota.



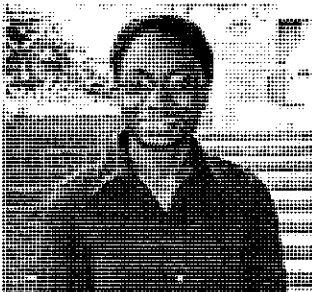
Jackie McKinlay, Associate

Jackie has over a decade of real estate law experience and is the hub through which all of our residential and commercial real estate deals flow. She co-ordinates condominium registration documents, real estate financings, interacts with lawyers, clients, architects, surveyors, conveyancers and City personnel, she co-ordinates the preparation and receipt of R plans, site plans, surveys and landscape surveys and all of the real estate acquisitions, sales and re-financings. Jackie is a graduate of The Ontario Law Clerks Association and is a registered mortgage agent.



Tom Trklja, B.A. in Law, F.Inst.L.C.O., Associate

Tom obtained his Law Degree from the University of Belgrade in 1987 after which he practiced law in Belgrade for several years. Subsequently he graduated on the President's Honour List from the Legal Assistant Program at Seneca College of Applied Arts and Technology in 1999. Through his legal training and practical experience Tom has been in the legal field for more than twenty three years. He has played a key role in multi-million dollar mergers and acquisitions, a variety of complex contract negotiations and all aspects of corporate law. He is also skilled in real estate development law and real estate financing. He is a member of the Institute of Law Clerks of Ontario.



Kendra Henry-Curtis, Senior Accountant

Kendra studied accounting, information systems and computer programming and is an honours graduate of Centennial College with an Accountant/Programmer Analyst diploma. At present, she is completing the Certified General Accountant program and will soon have her CGA designation. She assists in the maintenance and preparation of financial records and statements.



David Good, Property Maintenance Manager

David has two decades of experience superintending a diverse array of property types. He is responsible for the preventative and remedial maintenance of The Rose and Thistle Group's portfolio of commercial buildings, including the oversight of the on-site repair personnel, systems utilization, the selection and oversight of third-party vendors and quality control. He strikes a balance between controlling operational and capital expenditures while maintaining a high level of tenant satisfaction.

SECTION E: THE FINANCIAL PROJECTIONS**A: ASSUMPTIONS**

The financial assumptions used to generate the estimated costs and revenues were specifically designed to be conservative in their estimates to mitigate identified potential risks. The key assumptions are as follows:

Rental Rates	Rose and Thistle based the rental rates on the actual contracted rates, which have been confirmed with the brokerage community as being fair.
Hard Costs	Rose and Thistle renovates and builds to suit spaces for tenants in all of their buildings. The costs for updating the property come from that experience.
Soft Costs	Soft Costs include architect's and interior designer's fees to update the property. Rose and Thistle has estimated these based on their recent experience with other similar projects.
Capitalization Rate	Rose and Thistle is using a 7% capitalization rate to determine property value. Most quality commercial properties in Toronto in this neighbourhood are around a 7% capitalization rate. Rose and Thistle has spoken with the brokerage community and reviewed recent sales and believes 7% is fair, particularly given the ability to improve net income over the next two years through active management and updating the building.
Anticipated Increase in Value	If Rose and Thistle is able to update the property and increase the net income, even incrementally, over the next two years while at the same time reducing expenses, the value will likely increase.

B: RISKS

Inherent with any investment there are associated risks. Rose and Thistle through their industry experience is aware of and has taken appropriate measures to mitigate the risk exposure to the investor. However, it is essential that common shareholders be aware of some of the key risks involved in the project and more importantly, how these risks have been considered by Rose and Thistle.

Risk	Discussion
Market condition for industrial and commercial leasing activity	- Rose and Thistle cannot control the economic environment in the Greater Toronto Area. We are encouraged by the net migration of approximately 100,000 people a year to the area, which historically has kept real estate vibrant over the past two decades. Also Leslie Street benefits from its location in mid-town near the newly created Shops of Don Mills. Nonetheless Rose and Thistle has no control over the overall state of the real estate market.
Interest Rate Increases	- Rose and Thistle cannot control interest rate fluctuations and expects over the course of the project that rates will rise from their historic lows. Rose and Thistle has locked in the first mortgage rate for 1131A for five years to mitigate any increases in interest rate over that time period.
General Investment Risk	- All investments with the exception of sovereign bonds of major industrial nations (eg. US treasury bills, Canada savings bonds) carry with them inherent risk. There are no guarantees in life. The best one can do, as Rose and Thistle believes it has, is to acquire desirable assets, at a reasonable price at a favourable time. Investors must be aware that this investment is significantly riskier than acquiring savings bonds. Investors must be comfortable that the return is not guaranteed, unlike the return of such a bond. Rose and Thistle will do everything it can to mitigate the project risk.

SECTION F:**TABLE 1: CAPITAL REQUIRED**

1131 and 1131A Leslie Street CAPITAL REQUIRED			
Purchase Costs			
Purchase Price	8,250,000		
Mortgage fee	97,625		
Lender's legal fee	25,000		
Ontario Land Transfer Tax	123,750		
Toronto Land Transfer Tax	123,750		
Other fees and disbursements for appraisal, reliance letters for environmental reports, municipal enquiries and fees, etc.	25,000		
Total Purchase Price			\$ 8,645,125
Renovation and Tenant Fixturing Costs			
1131A:			
Update building and suites as they come available	\$ 419,310		
Project management fee	\$ 41,931		
1131:			
Update building and suites as they come available	\$ 65,000		
Project management fee	\$ 6,500		
Environmental Remediation			
1131:			
Remove soil and remediate:	\$ 350,000		
Apply for and obtain Record of Site Condition:	\$ 150,000		
Project management fee:	\$ 50,000		
Total Renovation and Environmental Costs:			\$ 1,082,741
Professional Fees			
Architectural and interior design fees	\$ 60,000		
Total Professional Fees:			\$ 60,000
Carrying Costs			
1131 (assume vacant for up to 24 months):	\$ 161,190		
Total Carrying Costs:			\$ 161,190
Total Capital Required			\$ 9,949,056
First Mortgage from IMC, 1131A:	52.77%	4.35%	\$ 5,250,000
First Mortgage from 368230 Ontario Limited, 1131:	16.08%	8.00%	\$ 1,600,000
Dr. Bernstein	15.57%		\$ 1,549,528
Ron and Norma Walton	15.57%		\$ 1,549,528

TABLE 2: RENT ROLL APRIL 1, 2012

Account	Unit	Unit	Property Name	Unit	Property Name	Unit	Property Name	Unit	Property Name
101	101	101	101	101	101	101	101	101	101
102	102	102	102	102	102	102	102	102	102
103	103	103	103	103	103	103	103	103	103
104	104	104	104	104	104	104	104	104	104
105	105	105	105	105	105	105	105	105	105
106	106	106	106	106	106	106	106	106	106
107	107	107	107	107	107	107	107	107	107
108	108	108	108	108	108	108	108	108	108
109	109	109	109	109	109	109	109	109	109
110	110	110	110	110	110	110	110	110	110
111	111	111	111	111	111	111	111	111	111
112	112	112	112	112	112	112	112	112	112
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114	114	114	114	114	114	114	114	114	114
115	115	115	115	115	115	115	115	115	115
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122	122	122	122	122	122	122	122	122	122
123	123	123	123	123	123	123	123	123	123
124	124	124	124	124	124	124	124	124	124
125	125	125	125	125	125	125	125	125	125
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127	127	127	127	127	127	127	127	127	127
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130	130	130	130	130	130	130	130	130	130
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132	132	132	132	132	132	132	132	132	132
133	133	133	133	133	133	133	133	133	133
134	134	134	134	134	134	134	134	134	134
135	135	135	135	135	135	135	135	135	135
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139	139	139	139	139	139	139	139	139	139
140	140	140	140	140	140	140	140	140	140
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162	162	162	162	162	162	162	162	162	162
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164	164	164	164	164	164	164	164	164	164
165	165	165	165	165	165	165	165	165	165
166	166	166	166	166	166	166	166	166	166
167	167	167	167	167	167	167	167	167	167
168	168	168	168	168	168	168	168	168	168
169	169	169	169	169	169	169	169	169	169
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171	171	171	171	171	171	171	171	171	171
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176	176	176	176	176	176	176	176	176	176
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182	182	182	182	182	182	182	182	182	182
183	183	183	183	183	183	183	183	183	183
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195	195	195	195	195	195	195	195	195	195
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197	197	197	197	197	197	197	197	197	197
198	198	198	198	198	198	198	198	198	198
199	199	199	199	199	199	199	199	199	199
200	200	200	200	200	200	200	200	200	200

TABLE 3: INCOME AND EXPENSE STATEMENT APRIL 1, 2012**Income and Expenses as of April 1, 2012****Revenues:**

Rental Revenues: \$1,064,016

Total Revenues: \$1,064,016

Expenses before interest payments:

Property taxes 1131A: \$205,000

Property taxes 1131: \$35,000

Utilities 1131A: \$105,000

Utilities 1131: \$16,250

Repairs and maintenance 1131A: \$93,850

Repairs and maintenance 1131: \$14,495

Cleaning expenses and supplies 1131A: \$64,200

Cleaning expenses and supplies 1131: \$9,750

Property management fees: \$36,911

Other non-recoverable expenses: \$12,000

Security: \$12,500

Structural Reserve: \$7,500

Insurance: \$7,500

Total Expenses before interest payments: \$619,956

Net Income before interest: \$444,060

Interest on first mortgage 1131A: \$228,375

Interest on first mortgage 1131: \$128,000

Net Income: \$87,685

TABLE 4: CASH FLOW APRIL 1, 2012

Cash Flow Statement:

Receipts:		
Rental Receipts	\$1,064,016	
Total Receipts:		\$1,064,016
Total Disbursements:		
Principal and interest payments on IMC mortgage, 1131A:	\$343,454	
Interest payments on 368230 Ontario Limited mortgage, 1131:	\$128,000	
Property taxes 1131A:	\$205,000	
Property taxes 1131:	\$35,000	
Utilities 1131A:	\$105,000	
Utilities 1131:	\$16,250	
Repairs and maintenance 1131A:	\$93,850	
Repairs and maintenance 1131:	\$14,495	
Cleaning expenses and supplies 1131A:	\$64,200	
Cleaning expenses and supplies 1131:	\$9,750	
Property management fees:	\$36,911	
Other non-recoverable expenses:	\$12,000	
Security:	\$12,500	
Structural Reserve:	\$7,500	
Insurance:	\$7,500	
Contingency:	\$53,201	
Total Disbursements:		<u>\$1,144,611</u>
Annual deficit after payment of all expenses:		\$80,595

TABLE 5: PROJECTED RENT ROLL APRIL 1, 2014

Detailed Report										
Code	Name	Unit	Rate	Qty	Amount	Unit	Rate	Qty	Amount	Unit
100	Item 1	100	1.00	100	100.00	100	1.00	100	100.00	100
101	Item 2	101	2.00	100	200.00	101	2.00	100	200.00	101
102	Item 3	102	3.00	100	300.00	102	3.00	100	300.00	102
103	Item 4	103	4.00	100	400.00	103	4.00	100	400.00	103
104	Item 5	104	5.00	100	500.00	104	5.00	100	500.00	104
105	Item 6	105	6.00	100	600.00	105	6.00	100	600.00	105
106	Item 7	106	7.00	100	700.00	106	7.00	100	700.00	106
107	Item 8	107	8.00	100	800.00	107	8.00	100	800.00	107
108	Item 9	108	9.00	100	900.00	108	9.00	100	900.00	108
109	Item 10	109	10.00	100	1000.00	109	10.00	100	1000.00	109
110	Item 11	110	11.00	100	1100.00	110	11.00	100	1100.00	110
111	Item 12	111	12.00	100	1200.00	111	12.00	100	1200.00	111
112	Item 13	112	13.00	100	1300.00	112	13.00	100	1300.00	112
113	Item 14	113	14.00	100	1400.00	113	14.00	100	1400.00	113
114	Item 15	114	15.00	100	1500.00	114	15.00	100	1500.00	114
115	Item 16	115	16.00	100	1600.00	115	16.00	100	1600.00	115
116	Item 17	116	17.00	100	1700.00	116	17.00	100	1700.00	116
117	Item 18	117	18.00	100	1800.00	117	18.00	100	1800.00	117
118	Item 19	118	19.00	100	1900.00	118	19.00	100	1900.00	118
119	Item 20	119	20.00	100	2000.00	119	20.00	100	2000.00	119
120	Item 21	120	21.00	100	2100.00	120	21.00	100	2100.00	120
121	Item 22	121	22.00	100	2200.00	121	22.00	100	2200.00	121
122	Item 23	122	23.00	100	2300.00	122	23.00	100	2300.00	122
123	Item 24	123	24.00	100	2400.00	123	24.00	100	2400.00	123
124	Item 25	124	25.00	100	2500.00	124	25.00	100	2500.00	124
125	Item 26	125	26.00	100	2600.00	125	26.00	100	2600.00	125
126	Item 27	126	27.00	100	2700.00	126	27.00	100	2700.00	126
127	Item 28	127	28.00	100	2800.00	127	28.00	100	2800.00	127
128	Item 29	128	29.00	100	2900.00	128	29.00	100	2900.00	128
129	Item 30	129	30.00	100	3000.00	129	30.00	100	3000.00	129
130	Item 31	130	31.00	100	3100.00	130	31.00	100	3100.00	130
131	Item 32	131	32.00	100	3200.00	131	32.00	100	3200.00	131
132	Item 33	132	33.00	100	3300.00	132	33.00	100	3300.00	132
133	Item 34	133	34.00	100	3400.00	133	34.00	100	3400.00	133
134	Item 35	134	35.00	100	3500.00	134	35.00	100	3500.00	134
135	Item 36	135	36.00	100	3600.00	135	36.00	100	3600.00	135
136	Item 37	136	37.00	100	3700.00	136	37.00	100	3700.00	136
137	Item 38	137	38.00	100	3800.00	137	38.00	100	3800.00	137
138	Item 39	138	39.00	100	3900.00	138	39.00	100	3900.00	138
139	Item 40	139	40.00	100	4000.00	139	40.00	100	4000.00	139
140	Item 41	140	41.00	100	4100.00	140	41.00	100	4100.00	140
141	Item 42	141	42.00	100	4200.00	141	42.00	100	4200.00	141
142	Item 43	142	43.00	100	4300.00	142	43.00	100	4300.00	142
143	Item 44	143	44.00	100	4400.00	143	44.00	100	4400.00	143
144	Item 45	144	45.00	100	4500.00	144	45.00	100	4500.00	144
145	Item 46	145	46.00	100	4600.00	145	46.00	100	4600.00	145
146	Item 47	146	47.00	100	4700.00	146	47.00	100	4700.00	146
147	Item 48	147	48.00	100	4800.00	147	48.00	100	4800.00	147
148	Item 49	148	49.00	100	4900.00	148	49.00	100	4900.00	148
149	Item 50	149	50.00	100	5000.00	149	50.00	100	5000.00	149
150	Item 51	150	51.00	100	5100.00	150	51.00	100	5100.00	150
151	Item 52	151	52.00	100	5200.00	151	52.00	100	5200.00	151
152	Item 53	152	53.00	100	5300.00	152	53.00	100	5300.00	152
153	Item 54	153	54.00	100	5400.00	153	54.00	100	5400.00	153
154	Item 55	154	55.00	100	5500.00	154	55.00	100	5500.00	154
155	Item 56	155	56.00	100	5600.00	155	56.00	100	5600.00	155
156	Item 57	156	57.00	100	5700.00	156	57.00	100	5700.00	156
157	Item 58	157	58.00	100	5800.00	157	58.00	100	5800.00	157
158	Item 59	158	59.00	100	5900.00	158	59.00	100	5900.00	158
159	Item 60	159	60.00	100	6000.00	159	60.00	100	6000.00	159
160	Item 61	160	61.00	100	6100.00	160	61.00	100	6100.00	160
161	Item 62	161	62.00	100	6200.00	161	62.00	100	6200.00	161
162	Item 63	162	63.00	100	6300.00	162	63.00	100	6300.00	162
163	Item 64	163	64.00	100	6400.00	163	64.00	100	6400.00	163
164	Item 65	164	65.00	100	6500.00	164	65.00	100	6500.00	164
165	Item 66	165	66.00	100	6600.00	165	66.00	100	6600.00	165
166	Item 67	166	67.00	100	6700.00	166	67.00	100	6700.00	166
167	Item 68	167	68.00	100	6800.00	167	68.00	100	6800.00	167
168	Item 69	168	69.00	100	6900.00	168	69.00	100	6900.00	168
169	Item 70	169	70.00	100	7000.00	169	70.00	100	7000.00	169
170	Item 71	170	71.00	100	7100.00	170	71.00	100	7100.00	170
171	Item 72	171	72.00	100	7200.00	171	72.00	100	7200.00	171
172	Item 73	172	73.00	100	7300.00	172	73.00	100	7300.00	172
173	Item 74	173	74.00	100	7400.00	173	74.00	100	7400.00	173
174	Item 75	174	75.00	100	7500.00	174	75.00	100	7500.00	174
175	Item 76	175	76.00	100	7600.00	175	76.00	100	7600.00	175
176	Item 77	176	77.00	100	7700.00	176	77.00	100	7700.00	176
177	Item 78	177	78.00	100	7800.00	177	78.00	100	7800.00	177
178	Item 79	178	79.00	100	7900.00	178	79.00	100	7900.00	178
179	Item 80	179	80.00	100	8000.00	179	80.00	100	8000.00	179
180	Item 81	180	81.00	100	8100.00	180	81.00	100	8100.00	180
181	Item 82	181	82.00	100	8200.00	181	82.00	100	8200.00	181
182	Item 83	182	83.00	100	8300.00	182	83.00	100	8300.00	182
183	Item 84	183	84.00	100	8400.00	183	84.00	100	8400.00	183
184	Item 85	184	85.00	100	8500.00	184	85.00	100	8500.00	184
185	Item 86	185	86.00	100	8600.00	185	86.00	100	8600.00	185
186	Item 87	186	87.00	100	8700.00	186	87.00	100	8700.00	186
187	Item 88	187	88.00	100	8800.00	187	88.00	100	8800.00	187
188	Item 89	188	89.00	100	8900.00	188	89.00	100	8900.00	188
189	Item 90	189	90.00	100	9000.00	189	90.00	100	9000.00	189
190	Item 91	190	91.00	100	9100.00	190	91.00	100	9100.00	190
191	Item 92	191	92.00	100	9200.00	191	92.00	100	9200.00	191
192	Item 93	192	93.00	100	9300.00	192	93.00	100	9300.00	192
193	Item 94	193	94.00	100	9400.00	193	94.00	100	9400.00	193
194	Item 95	194	95.00	100	9500.00	194	95.00	100	9500.00	194
195	Item 96	195	96.00	100	9600.00	195	96.00	100	9600.00	195
196	Item 97	196	97.00	100	9700.00	196	97.00	100	9700.00	196
197	Item 98	197	98.00	100	9800.00	197	98.00	100	9800.00	197
198	Item 99	198	99.00	100	9900.00	198	99.00	100	9900.00	198
199	Item 100	199	100.00	100	10000.00	199	100.00	100	10000.00	199
200	Item 101	200	101.00	100	10100.00	200	101.00	100	10100.00	200
201	Item 102	201	102.00	100	10200.00	201	102.00	100	10200.00	201
202	Item 103	202	103.00	100	10300.00	202	103.00	100	10300.00	202
203	Item 104	203	104.00	100	10400.00	203	104.00	100	10400.00	203
204	Item 105	204	105.00	100	10500.00	204	105.00	100	10500.00	204
205	Item 106	205	106.00	100	10600.00	205	106.00	100	10600.00	205
206	Item 107	206	107.00	100	10700.00	206	107.00	100	10700.00	206
207	Item 108	207	108.00	100	10800.00	207	108.00	100	10800.00	207
208	Item 109	208	109.00	100	10900.00	208	109.00	100	10900.00	208
209	Item 110	209	110.00	100	11000.00	209	110.00	100	11000.00	209
210	Item 111	210	111.00	100	11100.00	210	111.00	100	11100.00	210
211	Item 112	211	112.00	100	11200.00	211	112.00	100	11200.00	211
212	Item 113	212	113.00	100	11300.00	212	113.00	100	11300.00	212
213	Item 114	213	114.00	100	11400.00	213	114.00	100	11400.00	213
214	Item 115	214	115.00	100	11500.00	214	115.00	100	11500.00	214
215	Item 116	215	116.00	100	11600.00	215	116.00	100	11600.00	215
216	Item 117	216	117.00	100	11700.00	216	117.00			

TABLE 6: PROJECTED CASH FLOW STATEMENT APRIL 1, 2014

Projected Cash Flow Statement April 1, 2014:		
Receipts:		
Rental Receipts	\$1,404,926	
Less Vacancy of 5%:	<u>\$70,246</u>	
Total Receipts:		\$1,334,680
Total Disbursements:		
Principal and interest payments on IMC mortgage, 1131A:	\$343,454	
Interest payments on 368230 Ontario Limited mortgage, 1131:	\$128,000	
Property taxes 1131A:	\$205,000	
Property taxes 1131:	\$35,000	
Utilities 1131A:	\$105,000	
Utilities 1131:	\$16,250	
Repairs and maintenance 1131A:	\$93,850	
Repairs and maintenance 1131:	\$14,495	
Cleaning expenses and supplies 1131A:	\$64,200	
Cleaning expenses and supplies 1131:	\$9,750	
Property management fees:	\$36,911	
Other non-recoverable expenses:	\$12,000	
Security:	\$12,500	
Structural Reserve:	\$7,500	
Insurance:	\$7,500	
Contingency:	\$70,246	
Total Disbursements:	<u>\$1,161,656</u>	
Surplus after payment of all expenses:		\$173,024
Projected annual payments to Dr. Bernstein as of April 1, 2014:		\$86,512
Projected annual payments to Ron and Norma Walton as of April 1, 2014:		\$86,512

TABLE 7: PROPERTY VALUE, CURRENT AND PROJECTED

Building Value - April 1, 2012	
As of April 1, 2012:	
Net Income before interest:	\$579,229
7% capitalization rate:	<u>\$8,274,699</u>
Projected Building Value - April 1, 2014	
As of April 1, 2014:	
Net income before interest (adjusted to assume 5% vacancy):	\$761,522
7% capitalization rate:	<u>\$10,878,884</u>
Increase in property value:	<u>\$2,604,184</u>

TABLE 8: PROJECTED INVESTOR RETURN

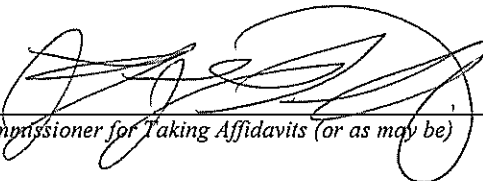
Property Ownership as of April 1, 2014		
Value:	\$10,878,883.61	100.00%
First mortgage IMC, 1131A:	\$5,016,419.00	46.11%
First mortgage 368230 Ontario Limited, 1131:	\$1,600,000.00	14.71%
Dr. Bernstein equity:	\$2,131,232.30	19.59%
Ron and Norma Walton equity:	\$2,131,232.30	19.59%
Total:	\$10,878,883.61	100.00%

Original Investment and Projected Profits:

Original equity investment:	
Dr. Bernstein:	\$1,549,527.80
Ron and Norma Walton:	\$1,549,527.80
Projected Profits:	
Dr. Bernstein:	\$581,704.50
Ron and Norma Walton:	\$581,704.50
Projected percentage return on equity (straight line):	37.54%
Projected percentage return on equity (compounded annual):	17.25%

TAB 26

This is Exhibit "26" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norina Walton <nwalton@roseandthistle.ca>
Sent: Monday, April 23, 2012 10:03 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 1131 and 1131A Leslie Street
Attach: Deal Terms revised.doc; equity proposal 1131 and 1131A revised.xls

Dear Stan,

I am delighted you are back in town!

As discussed, 1131 and 1131A Leslie are looking really good. We have negotiated that the vendor will provide a vendor take back mortgage on 1131 at a rate of 3% interest only for a term of 3 years. This period of time will permit us to address the environmental issues. Also it appears that we may be able to arrange for Suncor to pay the full cost of our clean up of 1131 caused by the presence of the Sunoco gas station. They carry a liability contingency for environmental clean up that I suspect we will qualify for. Our neighbour to the south has started a lawsuit against them for recovery, including us in the claim. It could be a very good result for us as you and I had anticipated paying for it ourselves. Hence Suncor may be reimbursing us at day's end for the environmental clean up expenses of \$550,000.

I am attaching a revised excel spreadsheet and revised deal terms for your review and signature. Also if you could arrange to prepare a cheque for \$1,200,528 payable to Lesliebrook Holdings Ltd., that would be perfect.

It is most enjoyable to partner with you.

Regards,
Norma

AGREEMENT

Between:

DBDC Investments Leslie Ltd. and DBDC Investments Lesliebrook Ltd.

“Bernstein”

- and -

Ron and Norma Walton

“Walton”

- and -

Lesliebrook Holdings Ltd. and Lesliebrook Lands Ltd.

“Company”

WHEREAS Bernstein and Walton intend to purchase 1131 and 1131A Leslie Street, Toronto, Ontario (the “Property”) on or about April 27, 2012 and put ownership of the Property in the Company’s name;

AND WHEREAS Bernstein and Walton, or whomever Bernstein and Walton may direct in accordance with the provisions of paragraph 5 herein, will each hold 1,549,528 shares in the Company;

AND WHEREAS Bernstein and Walton will each provide the sum of \$1,400,528 to the Company for the purposes of purchasing, managing, remediating environmental issues, updating the properties, leasing the vacant space, and refinancing the property (the “Project”);

AND WHEREAS Walton will manage and supervise the Project and ensure it is completed according to the excel spreadsheet attached as Exhibit “A” to this Agreement;

THEREFORE the parties agree as follows:

1. Walton has contracted to purchase the Property and the purchase is scheduled to close on April 27, 2012.
2. Walton has commenced discussions with environmental engineers regarding the environmental remediation required for 1131 Leslie and is currently hiring trades to complete that work. Walton has spoken with real estate brokers to lease out the vacant space at 1131 and 1131A; and will meet with other consultants as required to complete the Project.

3. Walton has arranged for first mortgage financing from IMC for \$5.25 million at 4.35% for a term of five years to be secured as a first mortgage against 1131A Leslie Street. Walton has arranged for a vendor take back mortgage of \$1.75 million for 1131 Leslie Street for a term of three years at an interest rate of 3%. At the end of three years it is intended that 1131 Leslie Street be refinanced once it is environmentally clean and fully tenanted.
4. Walton intends to implement the plan set out in Exhibit "A" between April 1, 2012 and April 1, 2014.
5. Bernstein wishes to own 50% of the shares in the Company in exchange for providing 50% of the equity required to complete the Project. The Company will issue sufficient shares such that Bernstein has 187,700 common shares in Lesliebrook Lands Ltd. and Walton has 187,700 voting shares of the same class, and such that Bernstein has 1,212,828 common shares in Lesliebrook Holdings Ltd. and Walton has 1,212,828 voting shares of the same class. Tallied together, Bernstein will hold a total of 1,400,528 shares and Walton will hold a total of 1,400,528 shares.
6. The ownership of the Company will be as follows:
 - a. 50% to Bernstein; and
 - b. 50% to Ron and Norma Walton as they may direct between each other or alternatively to be held by a completely Walton-owned and controlled company, provided that all covenants and agreements of Walton herein shall continue in full force and effect and such company executes an agreement to be bound by the provisions of the within Agreement.
7. Walton will be managing, supervising and completing the Project in accordance with the attached Exhibit "A".
8. Bernstein provided the \$200,000 deposit to purchase the Property and Walton has paid the disbursements for all pre-purchase reports, mortgage placement fee for IMC and lender's legal fees for IMC totaling approximately \$100,000 to date and will pay another \$100,000 between contract execution and closing, for a total of \$200,000.
9. The balance of equity in the amount of \$2,401,056 will be paid as follows:
 - a. Bernstein will provide to the Company the sum of \$1,200,528 on or before April 27, 2012; and
 - b. Walton will provide the sum of \$1,200,528 in a timely manner as required as the Project is completed.
10. Walton and Bernstein will each provide 50% of whatever additional capital over and above the \$1,400,528 each that is required to complete the Project, if any, in a timely manner.

11. In addition to managing, supervising and completing the Project, Walton will be responsible for supervising the renovations of the building on the Property, hiring of all consultants, designers, architects and engineers to complete the Project, finance, bookkeeping, office administration, accounting, information technology provision, filing tax returns for the Company, and fulfilling all active roles required to complete the Project in accordance with Exhibit "A".
12. Bernstein will not be required to play an active role in completing the Project. Notwithstanding that, any decisions concerning the selling or the refinancing of the Property will require his approval; any decisions requiring an increase in the total amount of equity required to complete the Project will require his approval; and any significant decisions that vary from the Project plan described in Exhibit "A" will require his approval.
13. Walton will provide to Bernstein ongoing reports at minimum monthly detailing all items related to the Property including the progress in moving the plan forward.
14. Walton will provide a written report to Bernstein each month detailing the following:
 - a. copies of invoices for work completed;
 - b. the bank statement for that month; and
 - c. if the bank statement does not have a copy of cancelled cheques, then Walton will also provide a complete listing of all cheques written, including payees, dates and amounts.At Bernstein's request, Walton will provide whatever other back-up information he requests. Any cheque or transfer over \$50,000 will require Bernstein's signature or written approval before being processed.
15. Once the Project is substantially completed to the point that all of the Property has been sold, both parties will be paid out their capital plus profits and Walton will retain the Company for potential future use.
16. The Board of Directors of the Company will be composed of two directors, being Bernstein and Norma Walton. The only shares to be issued in the Company will be as set out above, and neither party may transfer his or her shares to another party without the consent of all the other parties, which consent may be unreasonably withheld. Bernstein shall have the option of being paid out his share of capital and profits from the Project and once he has been paid out in full, he will surrender his share certificate, he will concurrently resign from the Board of Directors and Norma Walton and the Company will accept such resignation. At such time Bernstein shall be released of all obligations and liability related to the Company and shall be indemnified by Walton with respect to all liabilities, claims and obligations whatsoever of the Company up to the date at which Bernstein has been paid out his capital and profits from the Project.

17. The Company will only be used to purchase, manage, remediate, renovate and refinance the properties at 1131 and 1131A Leslie Street, Toronto, Ontario or such other matters solely relating to the Project and the Property.

18. If the parties disagree on how to manage, supervise and complete the Project in accordance with Exhibit "A" and cannot reach agreement amongst themselves, each of them undertakes to attend a minimum of four hours of mediation in pursuit of reaching an agreement. After mediation, if there are any remaining issues to be determined, those issues in dispute shall be determined by a single arbitrator in as cost-effective a manner as possible, with no right of appeal. All costs of such mediation and/or arbitration will be borne equally by Bernstein and Walton.

19. The above represents all deal terms between the parties.

Dated at Toronto, Ontario this day of APRIL 2012

DBDC Investments Leslie Ltd.
Per A.S.O.

DBDC Investments Lesliebrook Ltd.
Per A.S.O.

Lesliebrook Lands Ltd.
Per A.S.O.

Lesliebrook Holdings Ltd.
Per A.S.O.

Ron Walton

Norma Walton

	A	B	C	D
1	Building Value - April 1, 2012			
2				
3	As of April 1, 2012:			
4				
5	Net income before interest:	\$579,229		
6				
7	7% capitalization rate:	\$8,274,699		
8				
9	Projected Building Value - April 1, 2014			
10				
11	As of April 1, 2014:			
12				
13	Net income before interest (adjusted to assume 5% vacancy):	\$761,522		
14				
15	7% capitalization rate:	\$10,878,884		
16				
17	Increase in property value:	\$2,604,184		
18				
19				
20				
21	Property Ownership as of April 1, 2014			
22				
23	Value:	\$10,878,883.61	100.00%	
24				
25	First mortgage IMC, 1131A:	\$5,016,419.00	46.11%	
26	First mortgage 368230 Ontario Limited, 1131:	\$1,750,000.00	16.09%	
27	Dr. Bernstein equity:	\$2,056,232.30	18.90%	
28	Ron and Norma Walton equity:	\$2,056,232.30	18.90%	
29				
30	Total:	\$10,878,883.61	100.00%	
31				
32				
33	Original Investment and Projected Profits:			
34				
35	Original equity investment:			
36	Dr. Bernstein:	\$1,400,527.80		
37	Ron and Norma Walton:	\$1,400,527.80		
38				
39	Projected Profits:			
40	Dr. Bernstein:	\$855,704.50		
41	Ron and Norma Walton:	\$855,704.50		
42				
43	Projected percentage return on equity (straight line):	46.82%		
44	Projected percentage return on equity (compounded annual):	17.25%		

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DQ	DR	DS	DT	DU	DV	DW	DX	DY	DZ	EA	EB	EC	ED	EE	EF	EG	EH	EI	EJ	EK	EL	EM	EN	EO	EP	EQ	ER	ES	ET	EU	EV	EW	EX	EY	EZ	FA	FB	FC	FD	FE	FF	FG	FH	FI	FJ	FK	FL	FM	FN	FO	FP	FQ	FR	FS	FT	FU	FV	FW	FX	FY	FZ	GA	GB	GC	GD	GE	GF	GG	GH	GI	GJ	GK	GL	GM	GN	GO	GP	GQ	GR	GS	GT	GU	GV	GW	GX	GY	GZ	HA	HB	HC	HD	HE	HF	HG	HH	HI	HJ	HK	HL	HM	HN	HO	HP	HQ	HR	HS	HT	HU	HV	HW	HX	HY	HZ	IA	IB	IC	ID	IE	IF	IG	IH	II	IJ	IK	IL	IM	IN	IO	IP	IQ	IR	IS	IT	IU	IV	IW	IX	IY	IZ	JA	JB	JC	JD	JE	JF	JG	JH	JI	IJ	JK	KL	KM	KN	KO	KP	KQ	KR	KS	KT	KU	KV	KW	KX	KY	KZ	LA	LB	LC	LD	LE	LF	LG	LH	LI	LJ	LK	LL	LM	LN	LO	LP	LQ	LR	LS	LT	LU	LV	LW	LX	LY	LZ	MA	MB	MC	MD	ME	MF	MG	MH	MI	MJ	MK	ML	MM	MN	MO	MP	MQ	MR	MS	MT	MU	MV	MW	MX	MY	MZ	NA	NB	NC	ND	NE	NF	NG	NH	NI	NJ	NK	NL	NM	NN	NO	NP	NQ	NR	NS	NT	NU	NV	NW	NX	NY	NZ	OA	OB	OC	OD	OE	OF	OG	OH	OI	OJ	OK	OL	OM	ON	OO	OP	OQ	OR	OS	OT	OU	OV	OW	OX	OY	OZ	PA	PB	PC	PD	PE	PF	PG	PH	PI	PJ	PK	PL	PM	PN	PO	PP	PQ	PR	PS	PT	PU	PV	PW	PX	PY	PZ	QA	QB	QC	QD	QE	QF	QG	QH	QI	QJ	QK	QL	QM	QN	QO	QP	QQ	QR	QS	QT	QU	QV	QW	QX	QY	QZ	RA	RB	RC	RD	RE	RF	RG	RH	RI	RJ	RK	RL	RM	RN	RO	RP	RQ	RR	RS	RT	RU	RV	RW	RX	RY	RZ	SA	SB	SC	SD	SE	SF	SG	SH	SI	SJ	SK	SL	SM	SN	SO	SP	SQ	SR	SS	ST	SU	SV	SW	SX	SY	SZ	TA	TB	TC	TD	TE	TF	TG	TH	TI	TJ	TK	TL	TM	TN	TO	TP	TQ	TR	TS	TT	TU	TV	TW	TX	TY	TZ	UA	UB	UC	UD	UE	UF	UG	UH	UI	UJ	UK	UL	UM	UN	UO	UP	UQ	UR	US	UT	UU	UV	UW	UX	UY	UZ	VA	VB	VC	VD	VE	VF	VG	VH	VI	VJ	VK	VL	VM	VN	VO	VP	VQ	VR	VS	VT	VU	VV	VW	VX	VY	VZ	WA	WB	WC	WD	WE	WF	WG	WH	WI	WJ	WK	WL	WM	WN	WO	WP	WQ	WR	WS	WT	WU	WV	WW	WX	WY	WZ	XA	XB	XC	XD	XE	XF	XG	XH	XI	XJ	XK	XL	XM	XN	XO	XP	XQ	XR	XS	XT	XU	XV	XW	XX	XY	XZ	YA	YB	YC	YD	YE	YF	YG	YH	YI	YJ	YK	YL	YM	YN	YO	YP	YQ	YR	YS	YT	YU	YV	YW	YX	YY	YZ	ZA	ZB	ZC	ZD	ZE	ZF	ZG	ZH	ZI	ZJ	ZK	ZL	ZM	ZN	ZO	ZP	ZQ	ZR	ZS	ZT	ZU	ZV	ZW	ZX	ZY	ZZ	AA	AB	AC
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	A	B	C	D
1	1131 and 1131A Leslie Street			
2	CAPITAL REQUIRED			
3				
4	Purchase Costs			
5	Purchase Price	8,250,000		
6	Mortgage fee	100,625		
7	Lender's legal fee	25,000		
8	Ontario Land Transfer Tax	123,750		
9	Toronto Land Transfer Tax	123,750		
10	Other fees and disbursements	25,000		
11	for appraisal, reliance letters for			
12	environmental reports, municipal			
13	enquiries and fees, etc.			
14				
15	Total Purchase Price			\$ 8,648,125
16				
17	Renovation and Tenant Fixturing Costs			
18				
19	1131A:			
20	Update building and suites as they come available	\$ 419,310		
21	Project management fee	\$ 41,931		
22	1131:			
23	Update building and suites as they come available	\$ 65,000		
24	Project management fee	\$ 6,500		
25				
26	Environmental Remediation			
27				
28	1131:			
29	Remove soil and remediate:	\$ 350,000		
30	Apply for and obtain Record of Site Condition:	\$ 150,000		
31	Project management fee:	\$ 50,000		
32				
33	Total Renovation and Environmental Costs:			\$ 1,082,741
34				
35	Professional Fees			
36	Architectural and interior design fees	\$ 60,000		
37				
38	Total Professional Fees:			\$ 60,000
39				
40	Carrying Costs			
41				
42	1131 (assume vacant for up to 24 months):	\$ 10,190		
43				
44	Total Carrying Costs:			\$ 10,190

	A	B	C	D
45				
46	Total Capital Required			\$ 9,801,056
47				
48	First Mortgage from IMC, 1131A:	53.87%	4.35%	\$ 5,250,000
49	First Mortgage from 368230 Ontario Limited, 1131:	17.86%	3.00%	\$ 1,750,000
50	Dr. Bernstein	14.29%		\$ 1,400,528
51	Ron and Norma Walton	14.29%		\$ 1,400,528

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
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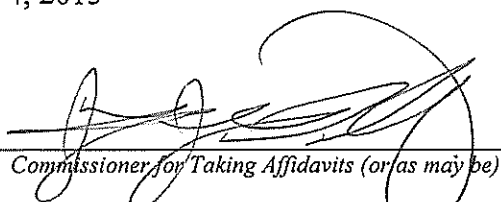
	A	B	C	D
1	Projected Cash Flow Statement April 1, 2014:			
2				
3	Receipts:			
4				
5	Rental Receipts	\$1,404,926		
6	Less Vacancy of 5%:	<u>\$70,246</u>		
7				
8	Total Receipts:		\$1,334,680	
9				
10	Total Disbursements:			
11				
12	Principal and interest payments on IMC mortgage, 1131A:	\$343,454		
13	Interest payments on VTB mortgage, 1131:	\$52,500		
14	Property taxes 1131A:	\$205,000		
15	Property taxes 1131:	\$35,000		
16	Utilities 1131A:	\$105,000		
17	Utilities 1131:	\$16,250		
18	Repairs and maintenance 1131A:	\$93,850		
19	Repairs and maintenance 1131:	\$14,495		
20	Cleaning expenses and supplies 1131A:	\$64,200		
21	Cleaning expenses and supplies 1131:	\$9,750		
22	Property management fees:	\$36,911		
23	Other non-recoverable expenses:	\$12,000		
24	Security:	\$12,500		
25	Structural Reserve:	\$7,500		
26	Insurance:	\$7,500		
27	Contingency:	\$70,246		
28				
29	Total Disbursements:	<u>\$1,086,156</u>		
30				
31	Surplus after payment of all expenses:		\$248,524	
32				
33	Projected annual payments to Dr. Bernstein as of April 1, 2014:		\$124,262	
34	Projected annual payments to Ron and Norma Walton as of April 1, 2014:		\$124,262	

	A	B	C	D
1	Cash Flow Statement:			
2				
3	Receipts:			
4				
5	Rental Receipts	\$1,064,016		
6				
7	Total Receipts:		\$1,064,016	
8				
9	Total Disbursements:			
10				
11	Principal and interest payments on IMC mortgage, 1131A:	\$343,454		
12	Interest payments on VTB mortgage, 1131:	\$52,500		
13	Property taxes 1131A:	\$205,000		
14	Property taxes 1131:	\$35,000		
15	Utilities 1131A:	\$105,000		
16	Utilities 1131:	\$16,250		
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18	Repairs and maintenance 1131:	\$14,495		
19	Cleaning expenses and supplies 1131A:	\$64,200		
20	Cleaning expenses and supplies 1131:	\$9,750		
21	Property management fees:	\$36,911		
22	Other non-recoverable expenses:	\$12,000		
23	Security:	\$12,500		
24	Structural Reserve:	\$7,500		
25	Insurance:	\$7,500		
26	Contingency:	\$53,201		
27				
28	Total Disbursements:		\$1,069,111	
29				
30	Surplus:			\$5,095

	A	B	C	D
1	Income and Expenses as of April 1, 2012			
2				
3	Revenues:			
4				
5	Rental Revenues:	\$1,064,016		
6				
7	Total Revenues:		\$1,064,016	
8				
9	Expenses before interest payments:			
10				
11	Property taxes 1131A:	\$205,000		
12	Property taxes 1131:	\$35,000		
13	Utilities 1131A:	\$105,000		
14	Utilities 1131:	\$16,250		
15	Repairs and maintenance 1131A:	\$93,850		
16	Repairs and maintenance 1131:	\$14,495		
17	Cleaning expenses and supplies 1131A:	\$64,200		
18	Cleaning expenses and supplies 1131:	\$9,750		
19	Property management fees:	\$36,911		
20	Other non-recoverable expenses:	\$12,000		
21	Security:	\$12,500		
22	Structural Reserve:	\$7,500		
23	Insurance:	\$7,500		
24				
25				
26	Total Expenses before interest payments:		\$619,956	
27				
28	Net Income before interest:			\$444,060
29	Interest on first mortgage 1131A:			\$228,375
30	Interest on first mortgage 1131:			\$52,500
31	Net Income:			\$163,185

TAB 27

This is Exhibit "27" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Sunday, April 15, 2012 7:12 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: Fraser and Spadina
Attach: investor proposal apr 15, 12.pdf; Shareholder's Authorization Dr Bernstein.doc; Discharge Statement 368230 Ont Ltd. second mortgage.doc; Discharge Statement 368230 Ont Ltd. first mortgage.doc

Dear Stan,

You'll likely laugh. For the past hour the kids and I were just in our hot tub outside. We tried to swim in the pool but the pool heater was only turned on late Saturday so the pool was completely freezing and none of us braved it. The hot tub is much smaller so was toasty and actually quite lovely. Nonetheless you are no doubt much warmer than we are. Hope you are enjoying Florida.

It was nice to speak with you on Friday night about Spadina. Since then I have spoken with the purchaser and his lawyers a few times and it appears we are tracking to close the sale of Spadina on Friday. We had originally agreed to close Tuesday because Fraser is scheduled to close on Wednesday. I'll call the vendor's lawyer tomorrow to determine if we can push the Fraser closing to Friday or ideally Monday and at what cost, then we'll advise the purchasers of Spadina the amount so they can front that cost. Lot of balls in the air eh!

Spadina will net you \$6.66 million plus accrued interest to repay your mortgages; plus \$1.12 million to repay your capital; plus \$754,000 to pay your profits, for a total of \$8.534 million. Ideally tomorrow or Tuesday we will need your Twin Dragons share certificate back along with your signed mortgage discharge (attached) and your authorization that I can sign closing documents on your behalf (also attached).

Attached is the proposal for Fraser. It is a heck of a property. As you and I have been discussing the past few months, we want to partner with you on it because it should be similar to our Atlantic property, just proportionally three to four times larger. We have fronted the \$1.25 million deposit plus \$100,000 paid to the lawyer - agent who brought us the deal, for a total of \$1.35 million paid to date. We have also paid for the due diligence and mortgage fees required to date at a cost of another \$50,000. The equity required is over \$33 million, being \$16.57 million from us and \$16.57 million from you. The good news is that most of the equity can be staggered and paid monthly over the 27 months the project will be under renovation. Hence to close we require \$8.465 million and then the balance of equity would roll out at a rate of approximately \$987,125 per month thereafter.

If you are able to reimburse us for ½ of the \$1.4 million paid to date, being \$700,000, at your convenience, that would be great. Please make that cheque payable to Fraser Properties Ltd. That will leave \$7.765 million due from you on closing. Thereafter in the months that you have the \$987,125 per month for the balance of your equity, you can provide accordingly. In the months you don't, we'll cover it. Maybe we can alternate providing that amount each month until your equity is paid up. Whatever works...

I'll ask Tom to incorporate two companies to hold your equity as there are two legal parcels we are buying, being 7-15 Fraser as one and 30 Fraser (the parking lot) as the other. I am assuming DBDC Investments Fraser Ltd. and DBDC Investments Fraser Holdings Ltd. Please confirm and I'll have Tom incorporate for you.

Hence the Spadina / Fraser plan is as follows:

1. Arrange to obtain back from you your Twin Dragons share certificate, your signed discharges (by PDF is fine) and your signed authorization (by PDF is fine);
2. Arrange to retrieve \$700,000 payable to Fraser Holdings Ltd. whenever you have it available to reimburse us for ½ of the deposits and other monies paid to date;
3. Incorporate your Fraser holding companies;
4. Delay Fraser's closing to April 20th or 23rd;
5. Delay Spadina's closing to April 20th in exchange for the Spadina purchasers fronting any additional deposit required for Fraser;
6. Close the sale of Spadina on Friday;
7. Upon closing of sale, we will deposit your \$8.534 million certified funds into your account (I know you want the mortgage monies deposited into 368230 Ontario Limited. Do you want your equity and profits deposited to the same account? Your equity in Spadina is held in the name of Dr. Bernstein Diet Clinics Ltd.);
8. Once the \$8.534 million deposit is made, arrange to retrieve a cheque from you for \$7.765 million payable to Fraser Holdings Ltd. to close the purchase of Fraser. Unfortunately given the timing that cheque would need

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to be certified; and

9. Close Fraser with both of us holding 50% of the equity.

The alternative would be for you to direct \$7.765 million of your Spadina monies directly to Fraser, but my guess is that Jacquie and Larry will want to see the actual pay-back of Spadina followed by the separate investment in Fraser, hence the plan set out above.

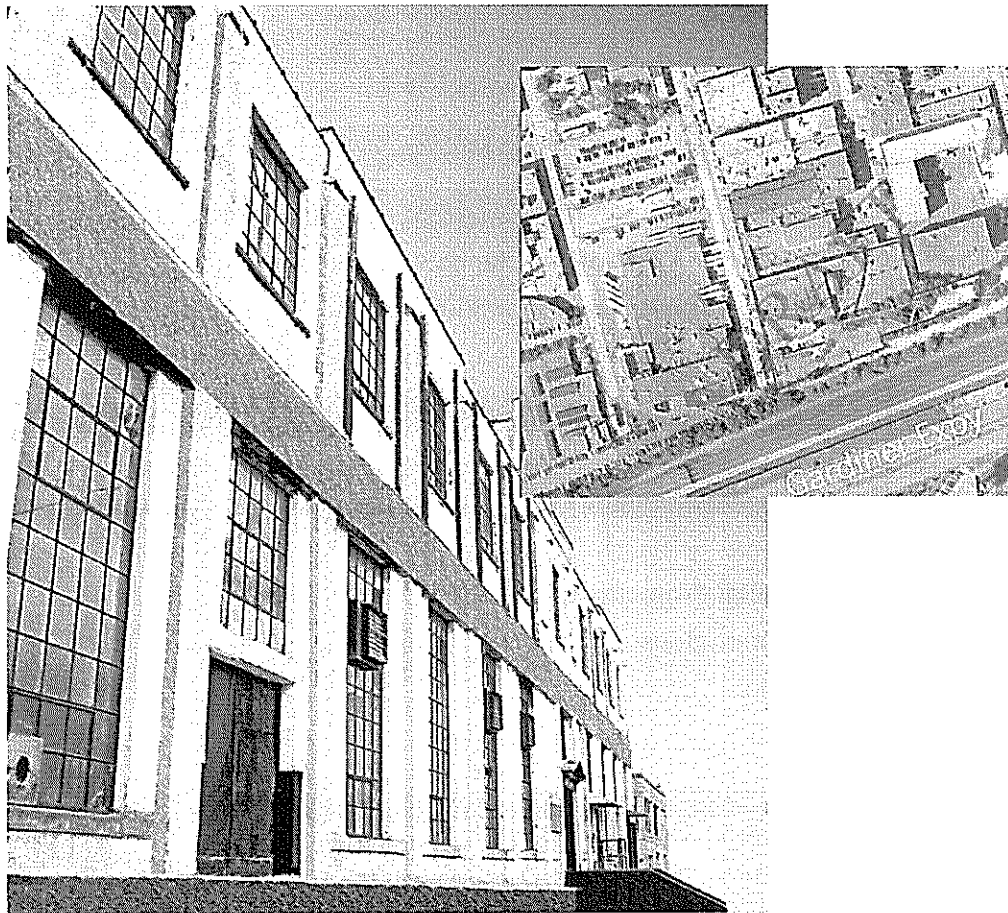
Should be a busy and exciting week, eh!

Cheers,
Norma



THE ROSE and THISTLE GROUP LTD.

30 Hazelton Avenue, Toronto, Ontario, M5R 2E2, (416) 489-9790 Fax: (416) 489-9973



Investment Proposal

7, 15 and 30 Fraser Avenue, Toronto

April 15, 2012

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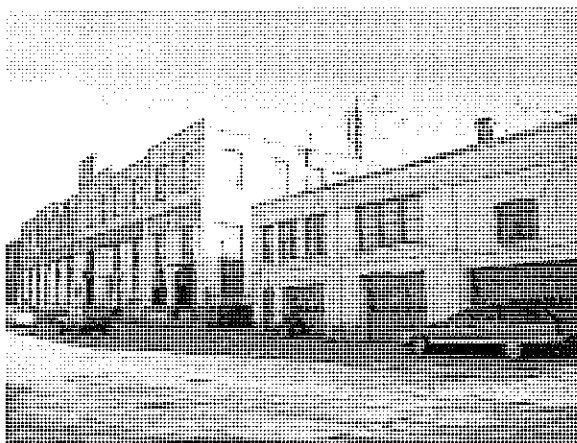
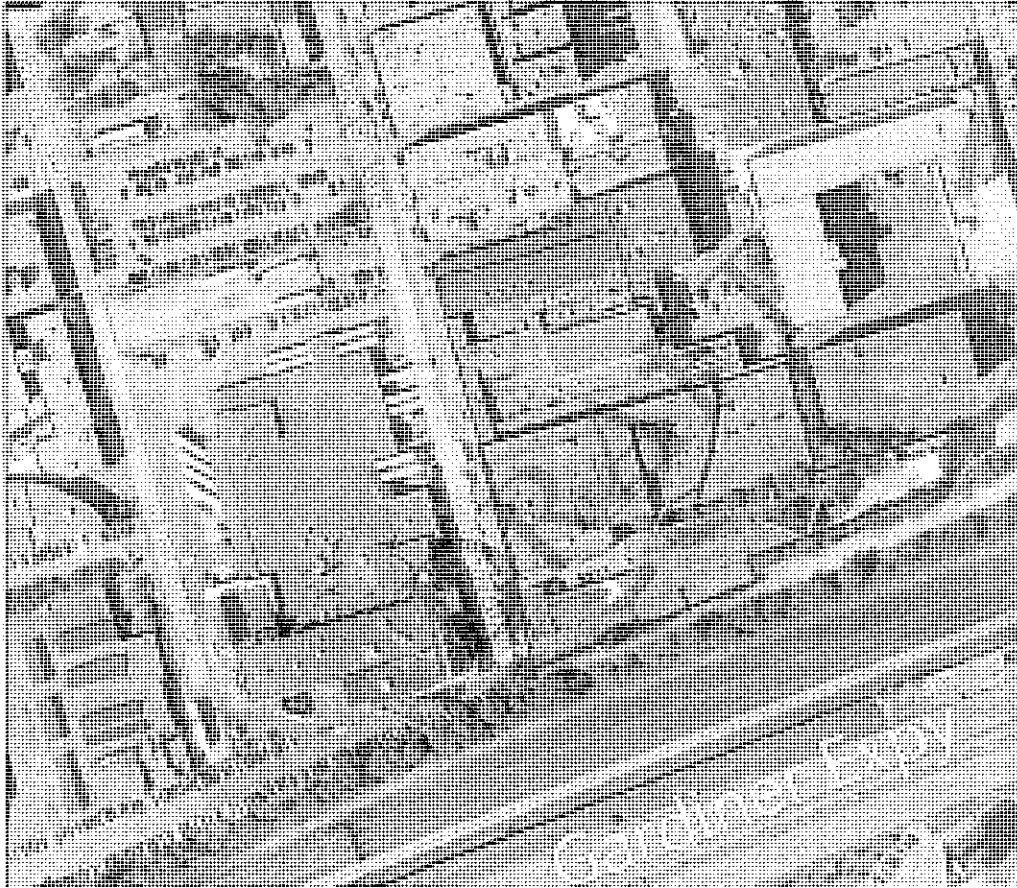
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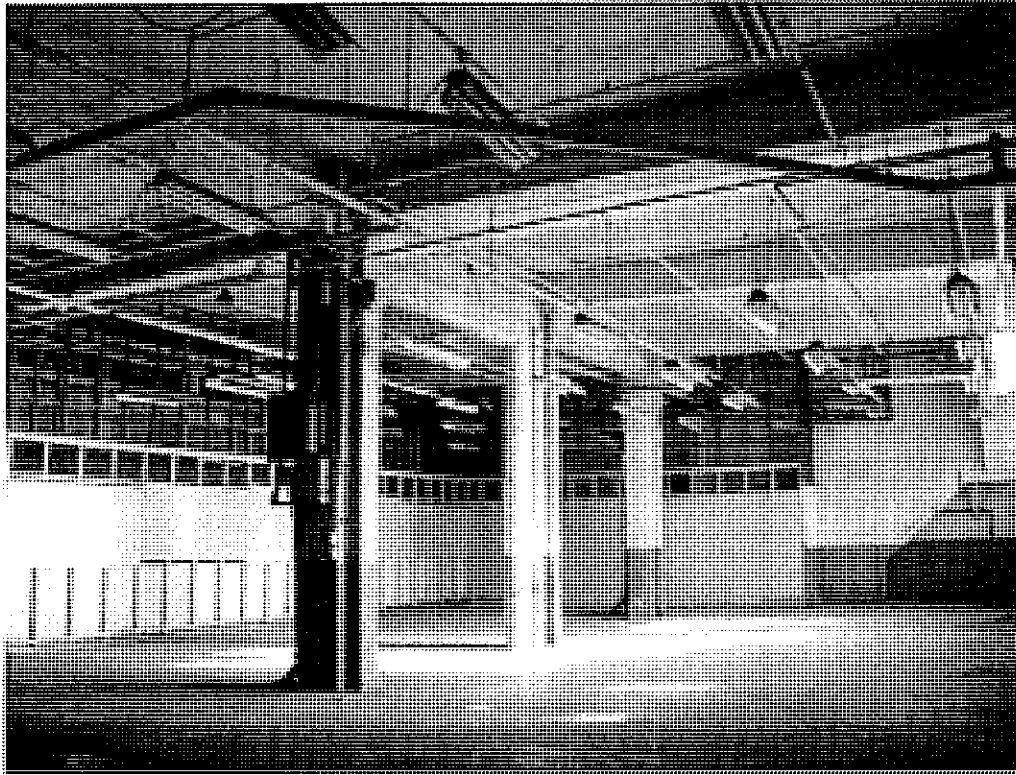
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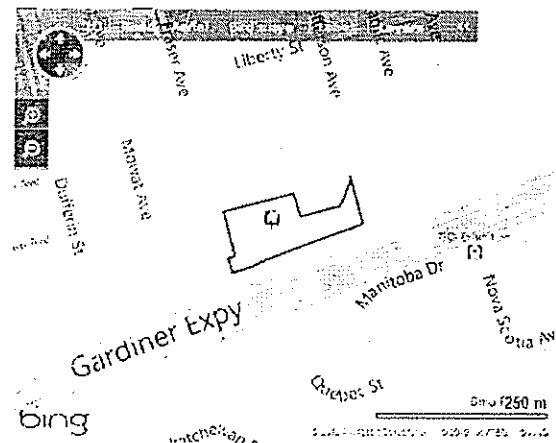
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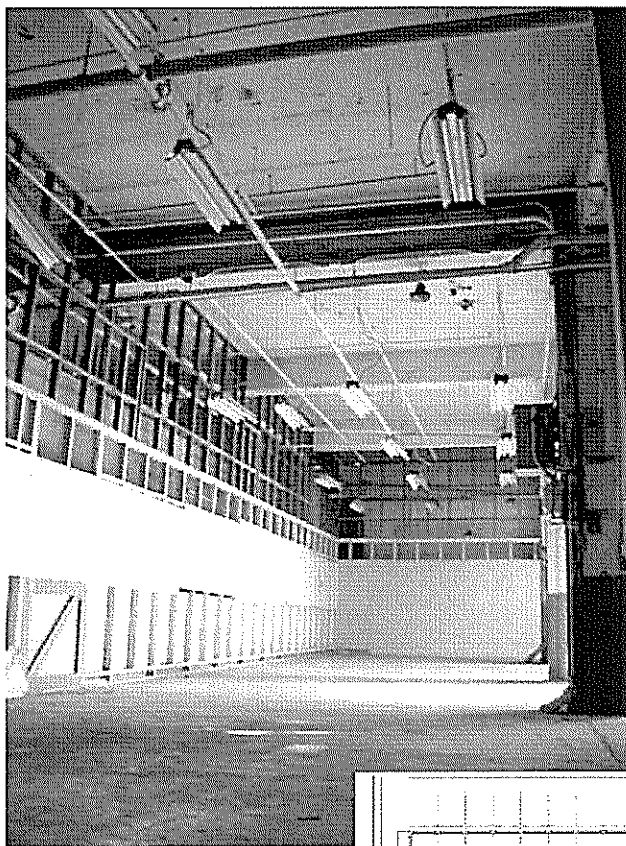
SECTION A:**1. THE OPPORTUNITY**

The opportunity is to partner with The Rose and Thistle Group and purchase equity in Fraser Properties Ltd. and Fraser Lands Ltd., two Rose and Thistle companies that were formed to own 7, 15 and 30 Fraser Avenue in Toronto. This investment is projected to earn a straight-line return within 27 months of 45.12%, resulting in a projected compounded annual return of 18%. The investment term is for 27 months, at which point the property will be refinanced and there should be an opportunity to exit with capital plus profits, or stay in longer term.



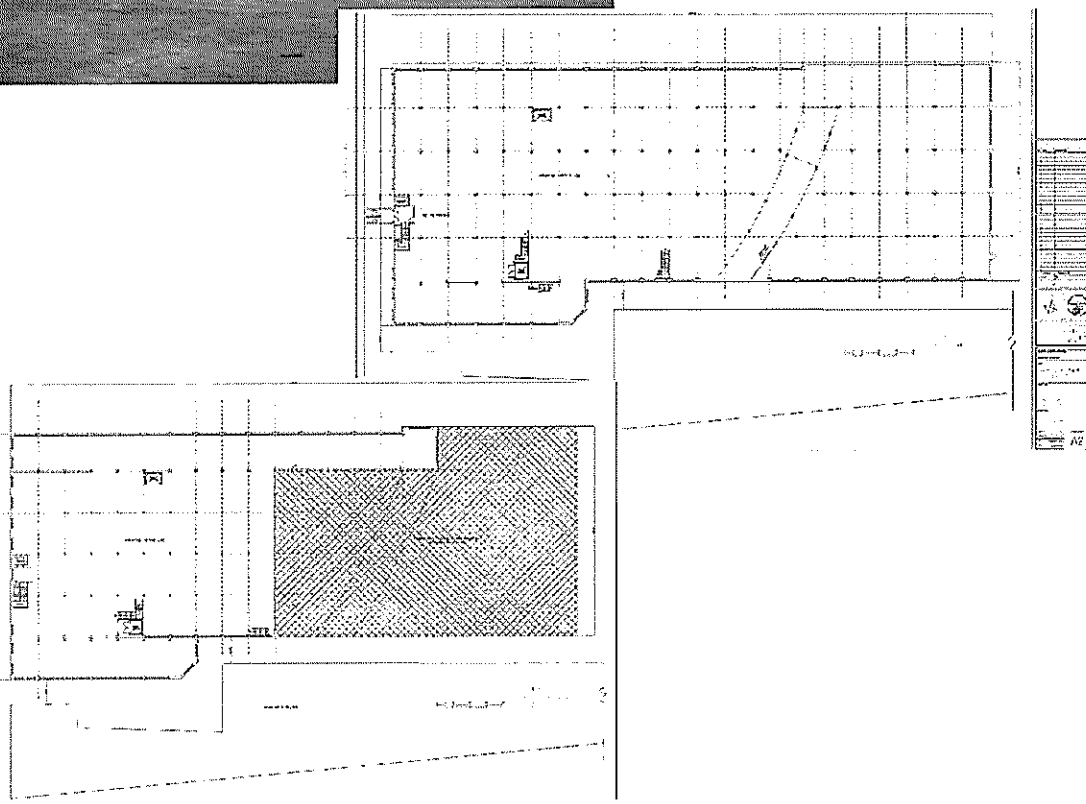
7 and 15 Fraser Avenue comprise a 3.23 acre site with two buildings thereon. 7 Fraser is a one storey building with 18 foot high ceilings with a floor plate of approximately 28,500 square feet. 15 Fraser is a two-storey building comprising approximately 70,000 square feet. Our architect walked the property in February and had the following comments: *We had a most interesting site visit yesterday. 15 Fraser is an incredible building: concrete frame and suspended concrete slab for the ground floor with 18' ceiling heights. The second floor is steel frame with mill construction roof and 13' ceiling heights. As the building is currently filled with stage sets it is virtually impossible to get accurate measurements, however I did proceed to get some reasonable estimates of building size: ground floor 45,600 S.F., second floor: 25,200 S.F. plus a mezzanine on the south side: 2,700 S.F. The building is zoned IC D3 1.5X. Office use is a permitted use. The building is also listed (not designated) by Heritage. Constructed in 1908.*





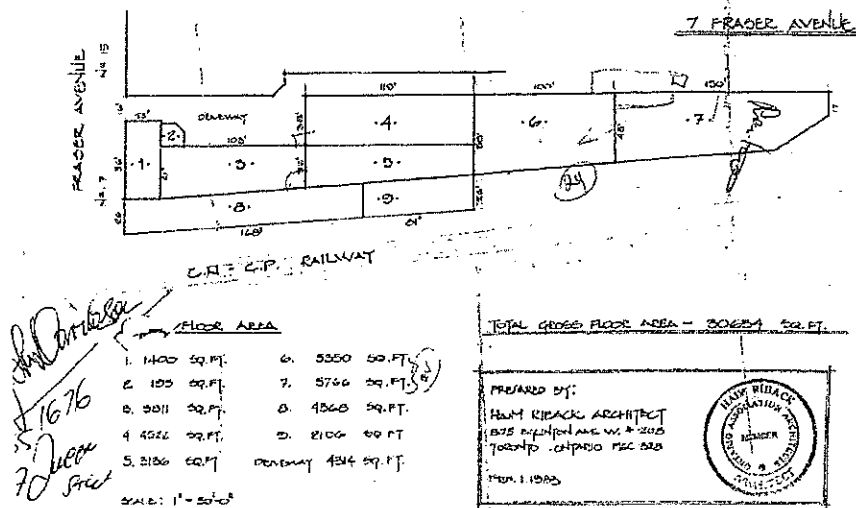
Rose and Thistle plans to construct a full second floor on 15 Fraser, such that the total square footage is 93,000 square feet once completed. There are already three tenant groups anxious to occupy 15 Fraser so our architect is preparing a plan to multi-tenant 15 Fraser with ideally three 30,000 square foot tenants.

Our architect has completed and filed a Preliminary Project Review Application with the city advising of our plans to fill in the second floor at 15 Fraser. The plans are below.

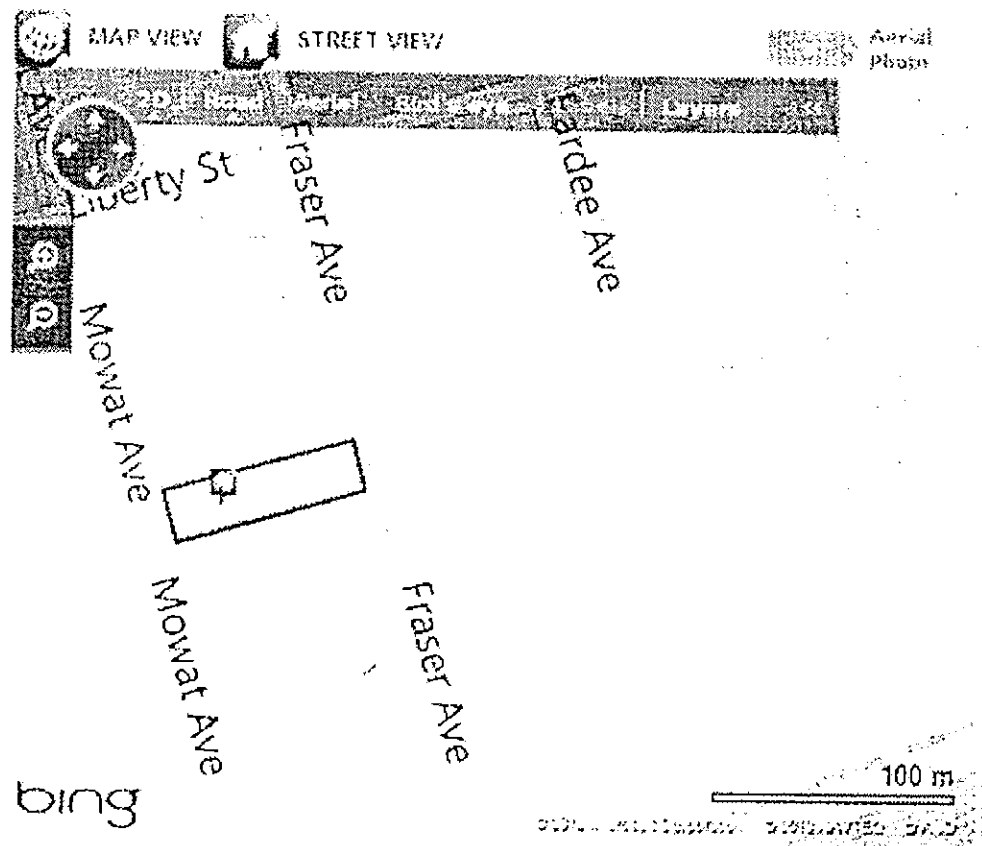




Rose and Thistle then plans to construct a second floor on 7 Fraser such that the total square footage is 57,000 square feet once completed. Rose and Thistle anticipates the same level of interest in 7 Fraser once it is marketed for lease.

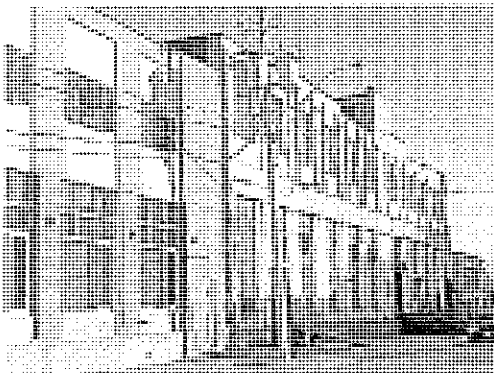


The property also has three two-sided billboard signs given its proximity to the rail lines and the Gardiner expressway that generate income. Rose and Thistle plans to devise and implement a comprehensive strategy for those six billboards to maximize their effectiveness and income.



30 Fraser Avenue comprises 1/3 of an acre and provides parking to 7 and 15 Fraser. There are tentative plans, depending on tenants' demand for parking, to construct a parkade on this property.

The property has been owned by two brothers for the past 40 plus years and has not been actively managed. There is obvious upside in gut-renovating the buildings on the property, adding onto them, and leasing them out to commercial tenants. Liberty Village has become a magnet for high tech and media tenants whose work force likes the vibe of the neighbourhood.



Unlike investments in stocks and bonds, carefully selected and well-located income properties have value secured by physical assets. Commercial buildings are also not subject to the wide fluctuations common to stock markets and when properly managed provide reliable, above average returns on investment.

2. THE INVESTMENT PARTICULARS

The details of the opportunity are as follows:

What: 50% of the common shares in Fraser Properties Ltd. and Fraser Lands Ltd. which owns 7, 15 and 30 Fraser Avenue, Toronto

Investment Size: \$16,572,067

Commencement date: On or prior to April 17, 2012

Capital appreciation and return: Common shareholders will receive 50% of the profits enjoyed by the property over the ensuing 27 months. At project end, projected to occur within 27 months of investing, they will have the option to be paid a lump sum reimbursing their capital and paying out their profits, or to stay in longer term

Term: 27 months to July 17, 2014

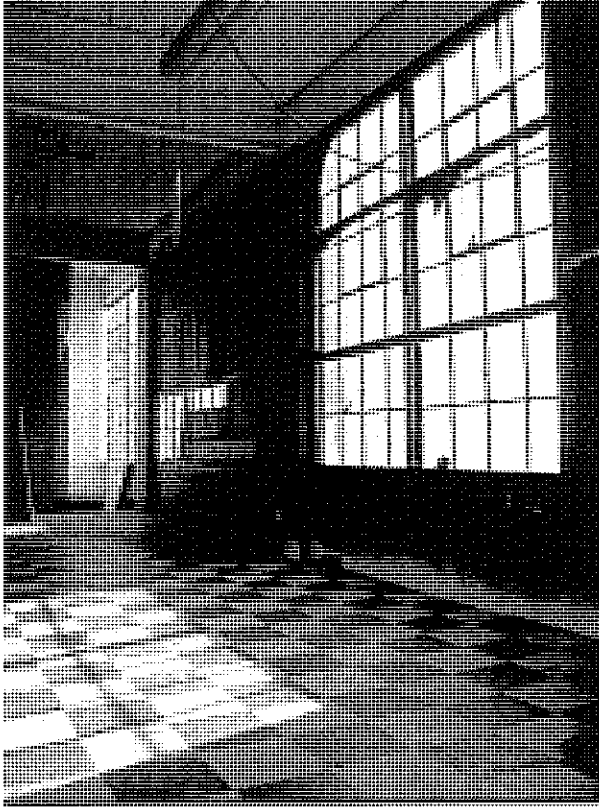
The total capital is \$51.65 million, being \$18.5 million from mortgages; \$16.57 million from Dr. Bernstein as a 50% equity investor; and the balance of \$16.57 million from Ron and Norma Walton as 50% equity investors. The capital structure is as follows:

Total Capital Required				\$	51,644,125
Acquisition Mortgage:	24.20%	5.00%	\$	12,500,000	
Second Mortgage:	11.62%	9.50%	\$	6,000,000	
Dr. Bernstein:	32.09%		\$	16,572,062	
Ron and Norma Walton:	32.09%		\$	16,572,063	



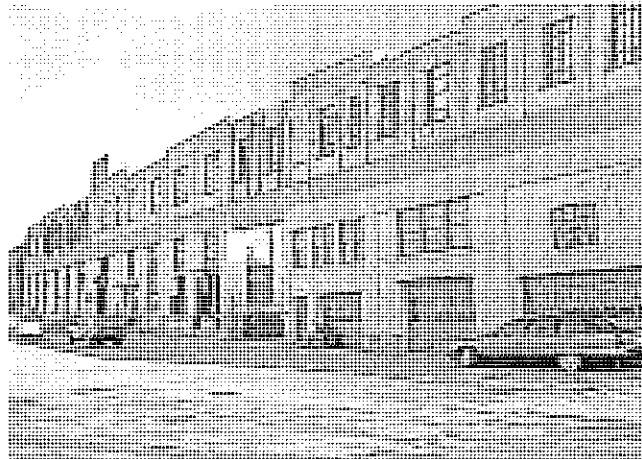
SECTION B:

1. THE PROPERTY

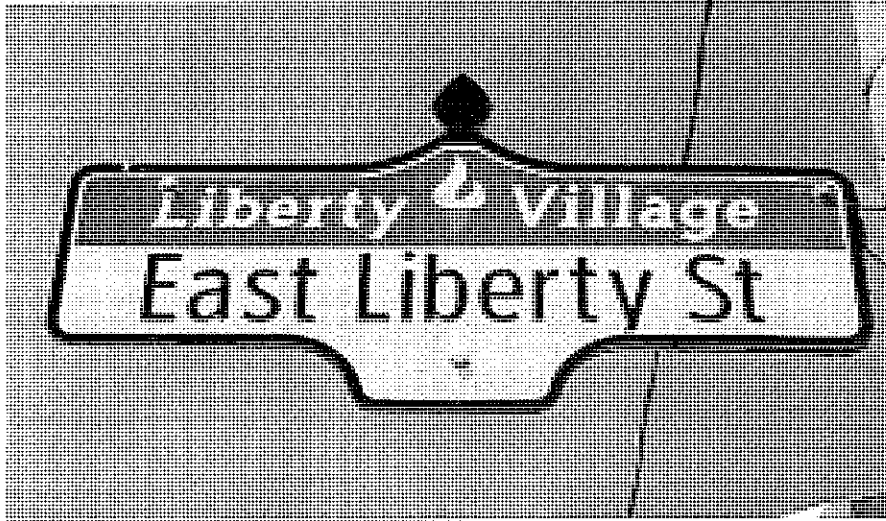


Rose and Thistle has secured an incredible property in Fraser Avenue. Built in 1908, the one and two storey properties have approximately 100,000 square feet of rentable area at this time. 15 Fraser is a true architectural gem, being one of the first properties in the city to use concrete and steel in its construction. Both 7 and 15 Fraser boast 18 foot ceilings on the first floor, providing a range of incredibly cool options when determining partial mezzanine space and interior design configurations. Both properties are historically listed and will be spectacular once cleaned up and renovated. Sitting on 3.23 acres, Rose and Thistle could build as of right 211,000 square feet of space and with the city's blessing, 422,000 square feet of space. The city has indicated in writing they would like to see these lands with 3 times either industrial or commercial density. 422,000 square feet would be in line with that desire.

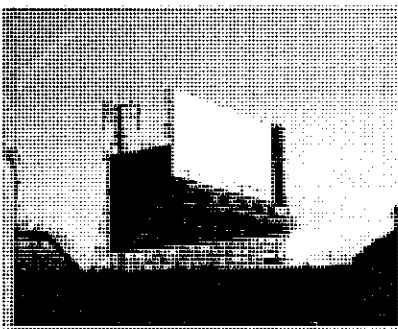
The picture to the right shows a mock-up of what adding a second floor onto 7 Fraser would look like.



30 Fraser provides another 1/3 acre for parking, fitting approximately 80 cars. There is the possibility of building a parkade on that property depending on the number of parking spaces required by tenants. Phase I and II Environmental reports confirm that the property is relatively clean, save and except for some heavy metals in surface soil which Rose and Thistle will remove, and subject to an underground storage tank that needs to be delineated and removed, with remediation of the soil surrounding that tank.



Liberty Village is a very vibrant neighbourhood. Over the past decade there has been hundreds of condominium units built and occupied primarily by a young, single crowd or young professional couples without children. They live in the area and want to work close by. The go-train is immediately accessible, as is the Gardiner Expressway. Rose and Thistle has enjoyed tremendous success with another property in Liberty Village, 32 Atlantic Avenue, which they purchased in a run-down condition similar to Fraser and which they are almost finished gut-renovating to accommodate Cossette Media who move in July 1, 2012.



During construction, there will be signage revenue from the three double billboards on the property totalling \$460,000 along with other rental income for 7 Fraser in the amount of \$150,000 per year.

The properties are perfect for Rose and Thistle, being currently shabby and neglected but with great bones in a fabulous location. The plan is to add approximately 50,000 square feet of space to the existing buildings through construction of second storeys on both, and to secure three to six commercial tenants to occupy these new properties. Rose and Thistle has already had significant interest from prospective tenants despite not yet marketing the property broadly. There is little space in Liberty Village, particularly large blocks of space all on one floor, hence Rose and Thistle anticipates the space will be leased before construction is completed.

2. THE PLAN

The plan is to close the purchase; delineate and remove the underground tank and remediate the soil surrounding it as required; remove all asbestos from 15 Fraser; renovate 15 Fraser while constructing the balance of the second floor onto 15 Fraser; tenant the property with three to four 20,000 to 30,000 square foot tenants; then turn our attention to 7 Fraser to add a second storey to it and renovate it for two commercial tenants to occupy. Once that is completed, we will refinance the property and pay out Preferred Shareholders.



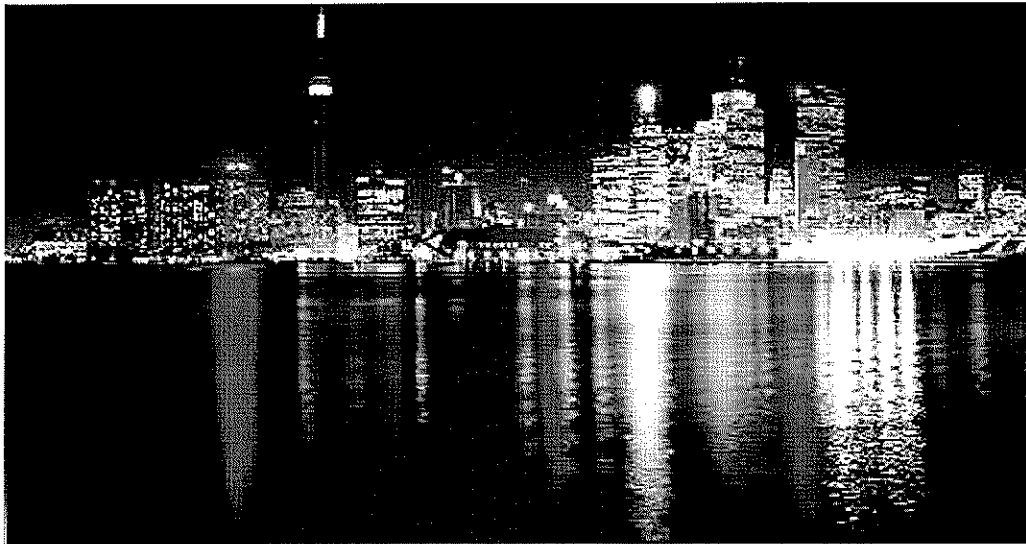
3. FINANCIAL PROJECTIONS

The property was purchased for \$25 million. With closing costs it will have a cost base of \$27 million. The remediation, renovation and construction costs will total approximately \$19 million. Professional fees will cost another \$2.8 million and the carrying costs \$2.9 million. Hence the total project cost will be about \$51.65 million.

Rose and Thistle anticipates that within 27 months, being July 15, 2014, the property will be fully renovated, tenanted and refinancing such that preferred shareholders will have been paid out their \$16.5 million in capital plus \$7.5 million of profits. Thus we project preferred shareholders will enjoy an 18% compounded annual return on their investment. We refer you to the Financial Projections section of this proposal for expenditure, revenue and profit details.

SECTION C: INVESTING IN THE GREATER TORONTO AREA

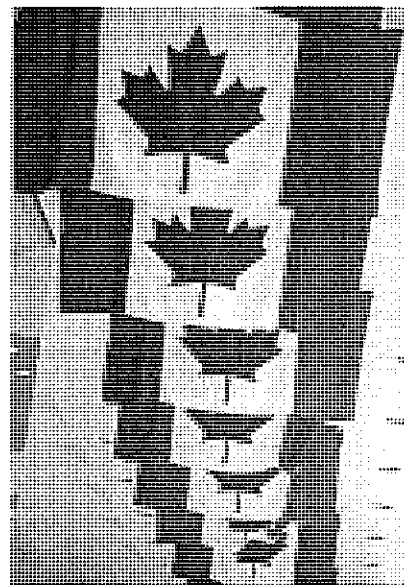
A continental gateway and a crossroads for the world, Toronto is Canada's business capital. It ranks alongside economic powerhouses such as New York, Boston and Chicago. Toronto is annually rated as the most multi-cultural city in the world by the United Nations. Canada accepts approximately 300,000 new immigrants every year, and 43% of all immigrants to Canada settle in the Greater Toronto Area. This results in an annual population increase of more than 100,000 people. As a result, the demand for both residential and commercial real estate is strong and demographic trends strongly suggest that such demand will remain robust.

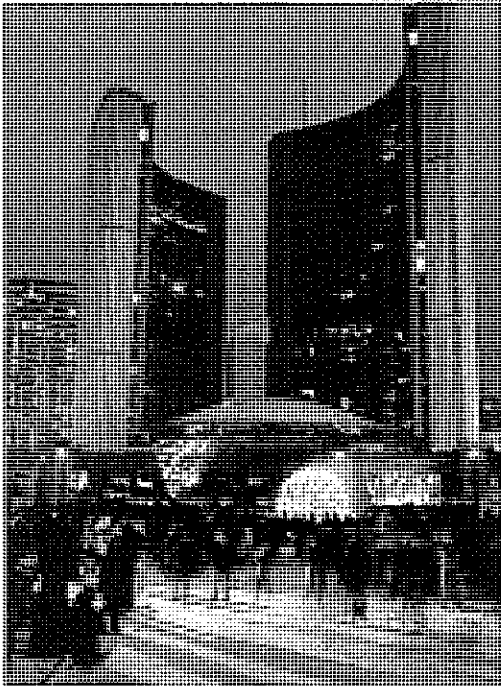


Toronto boasts a stable economic and political climate. Toronto commercial real estate has attracted worldwide investors, particularly from the United States, Great Britain, Israel and Germany. It has one of the five most diversified economies of any city-region in North America, and consistently ranks with Boston and Chicago as one of the best business cities in North America.

Population

With 2.7 million residents, Toronto is the 5th largest city in North America. One-quarter of Canada's population is located within 160 km (100 mi.) of the city and more than 60% of the population of the USA is within a 90-minute flight.





Economy

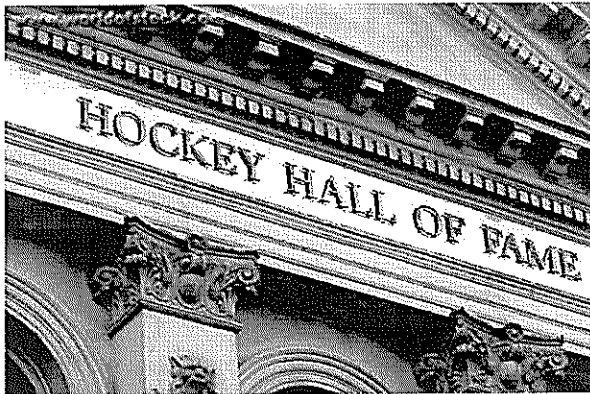
The City of Toronto's economy comprises 11% of Canada's GDP, with Toronto's GDP topping \$140 billion in 2009. Toronto-based businesses export over \$70 billion in goods and services to every corner of the globe. Toronto has retail sales of \$47 billion annually.

Capital

Five of Canada's six largest banks have their headquarters in Toronto, near the country's busiest stock exchange. Toronto is North America's third largest financial services centre and 75% of Canada's foreign banks and 65% of the country's pension fund companies are located here.

Competitive

Toronto has an excellent reputation as one of North America's leading economies while at the same time delivering overall business cost savings of 6.5% over large U.S. cities and 12.2% when compared to Asian and European centres.



Workforce

Toronto's more than 76,000 businesses choose from a large, highly skilled, multilingual workforce of 1.4 million people - one-sixth of the country's labour force. More than 800,000 workers have university or college training and 58% have earned a post-secondary degree, diploma or certificate. Residents speak more than 135 languages and dialects.

Education

Toronto's impressive range of post-secondary educational facilities includes three universities and five colleges offering training in virtually every discipline and skill. Toronto leads the country in the number of post-secondary schools and graduates, with more than 15,000 medical/biotech researchers, two top-ranked MBA schools and excellent programs in engineering, computer sciences and multi-media.



Location

Some 180 million customers and suppliers are within a one-day's drive from Toronto. Toronto's Pearson International Airport is within easy reach of the city's central business district and provides flights to over 300 destinations in 54 countries through 64 carriers.

Connections

Toronto boasts an expansive local network of consultants, professional firms and specialty suppliers. The business services cluster is among North America's largest and growing. Toronto is home to 9 of Canada's 10 largest law practices, 9 of the top 10 accounting firms and all 10 top human resources and benefits firms.

Transportation

With four major highways, multi-modal railway facilities, a Great Lakes port and an international airport handling over 30 million passengers and 350,000 tons of cargo annually, Toronto is a true North American gateway.

Transit

Toronto's public transit system is the second largest in North America and has the highest per capita ridership rate on the continent. More than 2,400 subway vehicles, buses and streetcars make it easy for more than 1.4 million business riders to travel throughout the city daily.



THE ROSE AND THISTLE GROUP LTD.

A. EXPERIENCE

Over the past ten years, The Rose and Thistle Group has owned, managed and developed a total of \$250 million worth of properties, of which \$195 million remain under management and development.

Rose and Thistle is seeking out properties similar to the properties with which it has had success in the past. Since 2001, Rose and Thistle has owned, managed and developed the following properties, over thirty of which it continues to own.

Our heritage commercial buildings:

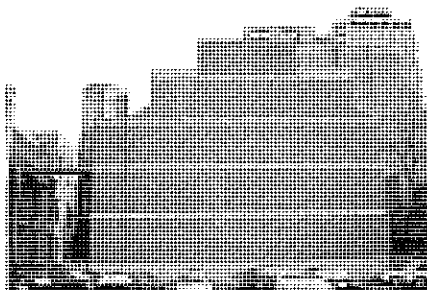


30 Hazelton Avenue

A heritage building in Yorkville with high-end luxury office and retail tenancies

Head office of The Rose and Thistle Group Ltd.

Severed one lot into two and renovated the heritage designated building into our offices and a retail suite



30A Hazelton Avenue

A commercial building in Yorkville with high-end luxury office tenancies

Severed one lot into two and renovated the building into four luxury suites



65 Front Street East

A heritage corner building in Old Town built in the mid-1800s that has loft commercial office space

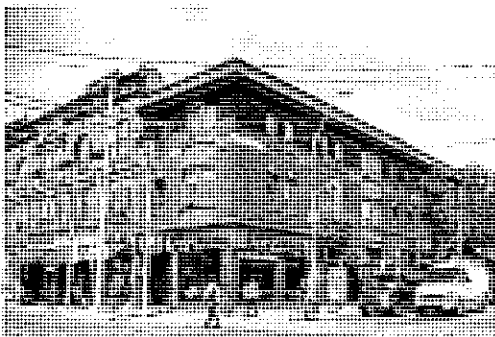
Renovated this heritage listed commercial loft building; improved the tenant mix, reduced costs, and increased profitability. Obtained approval to add a fourth storey to the building



86 Parliament Street: The Old Telegram Building

A heritage corner building built in 1887 that used to house The Toronto Telegram, located in Corktown, with retail and commercial space.

Gutted and renovated the property. Opened Urban Amish Interiors Furniture Gallery on floors one and two, and leased floors three and four to Sun Edison.



252 Carlton / 478 Parliament

A heritage corner building in Cabbagetown that has retail and commercial space.

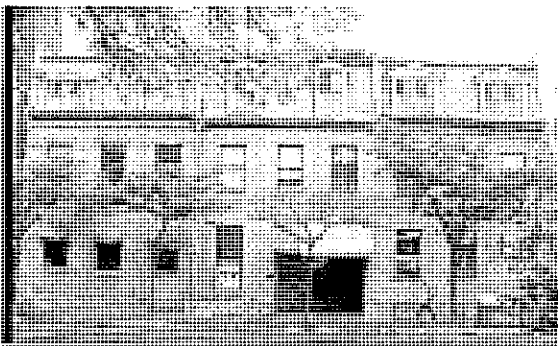
Home to Ginger and Johnny G's restaurants

Renovated the second and third floors to house the Salvation Army and Dance Umbrella of Ontario, each on a full floor



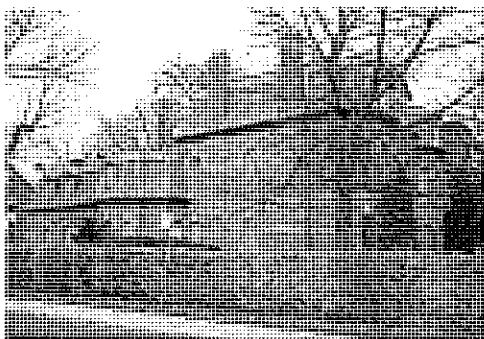
110 Lombard Street: The Old Firehall

Toronto's first fire hall, built in 1886. The former home of Second City which launched the careers of Dan Ackroyd, John Candy, Mike Myers, Gilda Radner, Martin Short, etc.



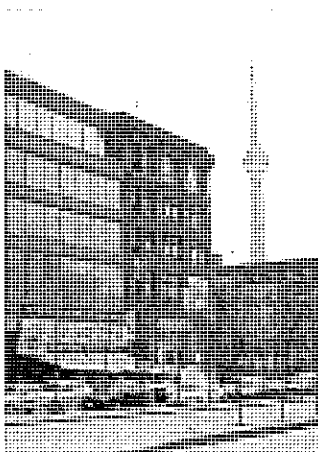
66 Gerrard Street East

This is Toronto's original apothecary, built in the 1880s. This beautiful building, kitty corner Ryerson, now houses a Starbucks as anchor corner retail tenant.



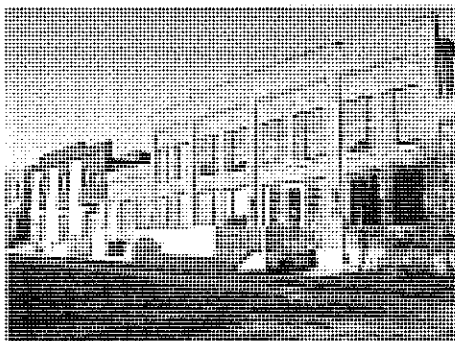
24 Cecil Street

A stunning corner property south of the University of Toronto that has been custom designed and fully renovated to house Gilda's Club



241 Spadina Avenue

This beautiful heritage building was originally built in 1910 for The Consolidated Plate Glass Company of Toronto. With renovations almost completed, a trendy new restaurant will soon open on the ground floor with beautiful commercial offices above



32 Atlantic Avenue

This brick and beam building sitting on over an acre of land has 30 foot ceilings and 65,000 square feet of space. It is being renovated to accommodate new tenants this spring



450 Pape Avenue

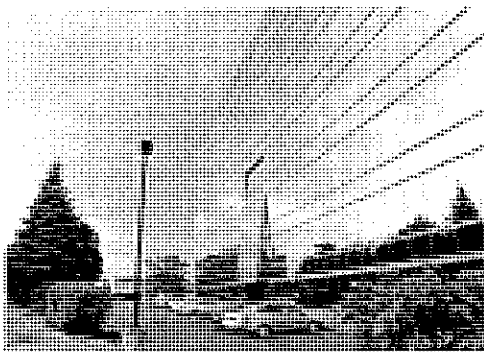
This half acre property on the corner of Pape and Riverdale contains a historically designated mansion and a newer back section that is being converted into six beautiful three-level townhouses



14 College Street

Purchased a spectacular 26,000 square foot heritage property originally built for the Toronto Bible Society. A medical centre will soon open occupying the entire building

Our commercial and industrial buildings:

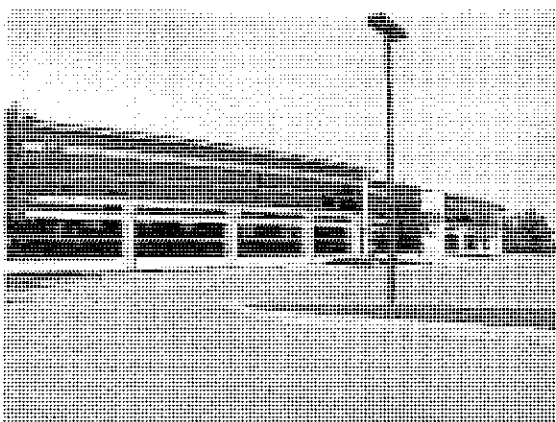


18 Wynford

This 145,000 square foot building on approximately two acres is currently being renovated with vacant space being tenanted as the renovations are completed

26 Gerrard Street East

This 25,000 SF building used to house Ronald McDonald House. It will be tenanted by a similar residential style user.

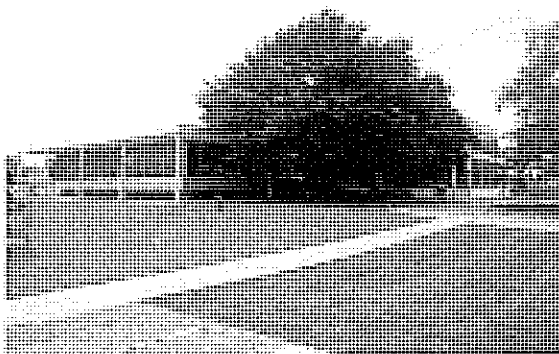


5770 and 5780 Highway 7 West

This 12 acre, two building industrial complex comprises 227,000 square feet of rentable area

1 William Morgan Drive

This 25,000 square foot commercial – industrial building is fully outfitted as a movie production studio



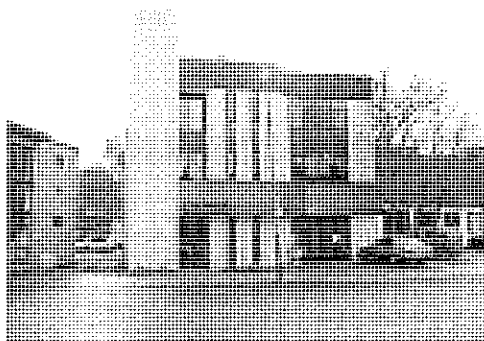
2454 Bayview Avenue

This 18,600 square foot custom-built private school facility is fully occupied by The Junior Academy



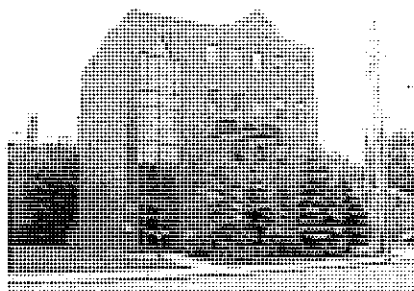
185 Davenport Road

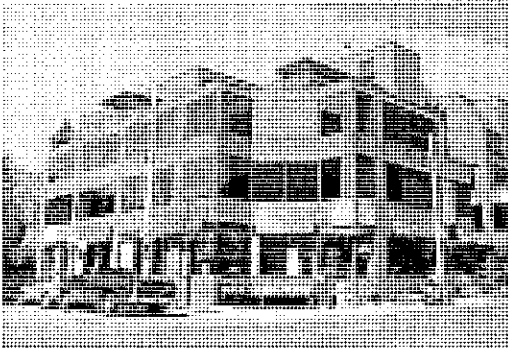
Converted an office building into five residential condominiums and then sold all five



355 Eglinton Avenue East

Renovated an office building for re-sale

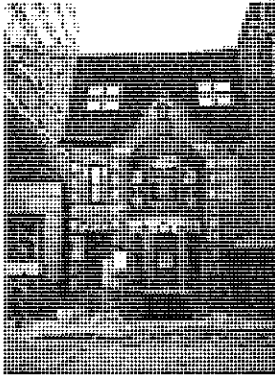




1246 Yonge Street

Commercial building converted to condominiums

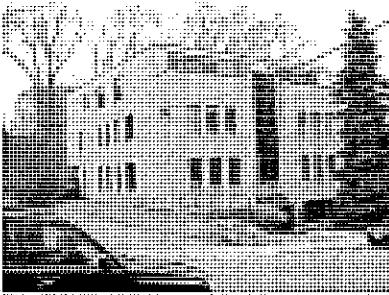
Converted this office building into 28 mixed use condominiums, plus expanded the underground parking garage and then sold all 28 units.



17 Yorkville Avenue

Commercial building converted to condominiums

Converted this office building into six mixed use luxury condominiums then sold all six units

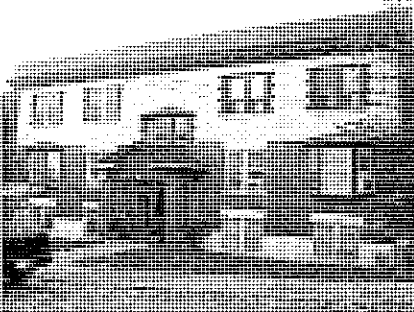


10-12 Bruce Park

Mixed-use building

Entered into an agreement to purchase this building then sold that right to another purchaser for a profit.

Our residential apartment buildings:



19 Tennis Crescent

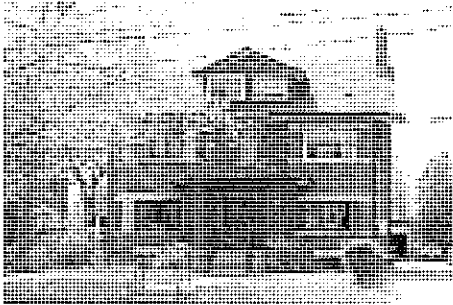
An 8-plex in Riverdale

Renovated five of the suites and significantly increased annual revenues when they were re-leased. Property was then sold for a profit.

646 Broadview Avenue

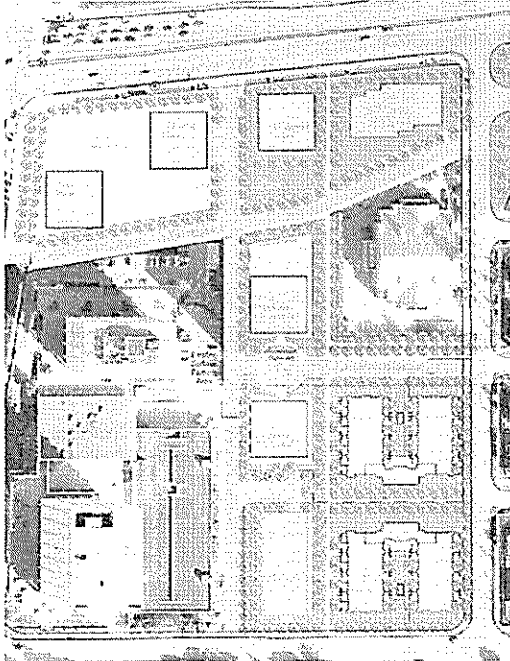
A 13-plex in Riverdale

Fully converted a
heritage-designated mansion into
thirteen residential rental units.

**648 Broadview Avenue:**

A 10-plex in Riverdale

Renovated five of the suites and significantly
increased annual revenues when they were re-
leased. Sold for a profit.

Our infill residential housing:**1185 Eglinton Avenue East**

Are rezoning and development-approving
this site for 620,000 square feet of
residential density, comprised of 64
stacked townhouses and 693 suites in two
condominium towers, one 31-storeys tall
and the second 34-storeys tall.

3765 St. Clair Avenue East

Are developing this 1 acre site into
23 townhouses

**875 Queen Street East**

Bought a former United church property
sitting on 28,000 square feet of land at
Queen and Booth

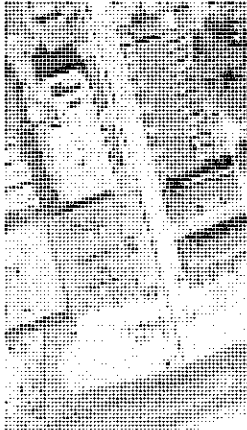
Are planning to redevelop it into a retail and
residential condominium complex with a
brand new home for The Red Door Shelter

78 Tisdale

Bought a vacant 1.5 acre parcel of land in North
York; are completing all steps required to permit
the construction of 38 townhouses

**232-234 Galloway Road: 16 townhouses**

Bought vacant land and built
sixteen townhouses for sale, all
now sold and closing



14 Trent Avenue

Are developing a 1.2 acre site into 220 residential condominiums units, just south of Danforth near Main Street

3771 St. Clair Ave. E..

17 luxury townhouses

Bought a vacant 2/3 acre lot and completed all development steps required then built and sold 17 townhouses

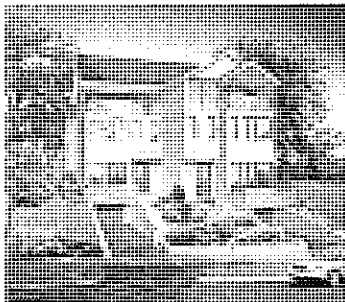


346 Jarvis: 6 luxury townhouses

Bought six partially completed townhouses and completed construction; all now sold

247 Rance Avenue: 7 townhouses

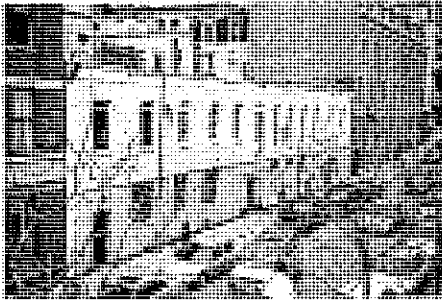
Bought a vacant 2/3 acre lot and obtained approval to build seven houses on the site. Sold to Toronto Community Housing Corporation



14 and 16 Montcrest Blvd.

2 luxury detached houses

Severed off two lots from our 646 Broadview property, and built two luxury detached houses and sold both. They have phenomenal views of the Toronto skyline, being just north of Riverdale park.

**10-12 Market Street**

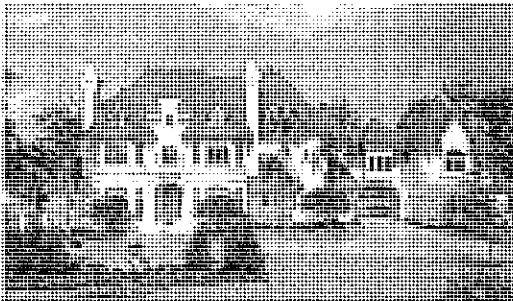
Redevelopment site

Obtained approval to build a 10-storey luxury residential and retail condominium building on the site of the original Toronto fish market, a heritage site, before selling this site to another developer

**9 Post Road**

Infill housing site

Severed one lot into two and obtained approval and a building permit to construct a luxury mansion in the Bridle Path neighbourhood in Toronto, before selling the site to a builder

**2 Park Lane**

Infill housing site

Severed one lot into two and renovated the house on the property before selling the site to a builder

**118 and 120 Isabella**

Mixed use houses

Renovated two houses for profitable resale

B. HISTORIC RETURN ON INVESTMENT

Since 2001, the Rose and Thistle Group Ltd. has achieved impressive compounded annual returns.

Average Return on Equity:

31 Properties

71.78%

The property projects are listed chronologically from date of completion. Of the 31 projects we've completed, we've only lost money on two of them.

Return on Investment						
Properties:	Initial purchase price:	Total cost base at end of period:	Total equity:	Profit:	Timeline:	Compounded annual return
30 Hazelton Avenue:	\$1,150,000	\$1,500,000	\$350,000	\$500,000	June 01 to June 02	42.86%
30A Hazelton Avenue	\$1,150,000	\$1,500,000	\$350,000	\$500,000	June 01 to June 02	42.86%
10-12 Bruce Park	\$50,000	\$50,000	\$50,000	\$150,000	May 04 to Aug 04	900.00%
118 and 120 Isabella	\$1,000,000	\$1,150,000	\$400,000	\$140,000	Dec 03 to Aug 04	50.00%
1245 Yonge Street	\$4,500,000	\$7,500,000	\$2,200,000	\$1,100,000	Jan 03 to June 05	17.50%
185 Davenport Road	\$1,300,000	\$1,900,000	\$600,000	\$400,000	July 03 to July 05	29.00%
17 Yorkville Avenue	\$1,900,000	\$4,000,000	\$1,100,000	\$700,000	Dec 04 to Aug 06	32.50%
10-12 Market Street	\$1,050,000	\$2,300,000	\$1,000,000	\$0	May 04 to Sept 06	0.00%
355 Eglinton Avenue East	\$1,600,000	\$1,900,000	\$450,000	-\$150,000	March 06 to Dec 06	-50.00%
65 Front Street East	\$5,500,000	\$5,750,000	\$1,000,000	\$1,000,000	Sept 06 to Sept 08	41.50%
646 Broadview Avenue	\$1,600,000	\$1,800,000	\$375,000	\$600,000	Dec 05 to Dec 08	37.50%
9 Post Road	\$1,200,000	\$2,000,000	\$600,000	\$265,000	May 05 to Dec 08	11.00%
2 Park Lane	\$1,200,000	\$2,000,000	\$600,000	\$265,000	May 05 to Dec 08	11.00%
247 Ranee Avenue	\$450,000	\$1,100,000	\$450,000	\$250,000	Dec 04 to June 09	10.25%
3771 St. Clair Avenue East	\$625,000	\$5,000,000	\$1,500,000	\$100,000	May 04 to Sept 09	1.25%
14 and 16 Montcrest	\$400,000	\$1,000,000	\$250,000	\$750,000	Dec 06 to Dec 09	59.00%
110 Lombard Street	\$2,600,000	\$2,800,000	\$800,000	\$600,000	Aug 09 to Sep 10	66.00%
86 Parliament Street	\$2,800,000	\$4,800,000	\$800,000	\$1,200,000	June 09 to Dec 10	84.25%
252 Carlton Street	\$1,525,000	\$2,000,000	\$425,000	\$500,000	April 09 to Dec 10	59.25%
66 Gerrard Street East	\$3,900,000	\$4,600,000	\$1,200,000	\$900,000	Dec 09 to Mar 11	52.50%
19 Tennis Crescent	\$850,000	\$950,000	\$200,000	\$300,000	Aug 08 to Aug 11	35.50%
346 Jarvis Avenue	\$1,400,000	\$4,200,000	\$700,000	-\$300,000	Nov 08 to Sept 11	-13.50%
648 Broadview Avenue	\$1,050,000	\$1,200,000	\$250,000	\$300,000	Dec 08 to Dec 11	30.00%

24 Cecil Street	\$2,475,000	\$3,150,000	\$800,000	\$350,000	June 11 to Dec 11	88.00%
18 Wynford Drive	\$8,500,000	\$10,800,000	\$2,000,000	\$3,200,000	Feb 11 to Feb 12	160.00%
1185 Eglinton Avenue East	\$8,500,000	\$12,400,000	\$4,000,000	\$5,600,000	Dec 10 to March 12	92.50%
78 Tisdale Avenue	\$1,476,000	\$2,500,000	\$1,000,000	\$2,500,000	March 10 to March 12	87.00%
232-234 Galloway Road	\$830,000	\$4,000,000	\$750,000	\$1,000,000	Aug 09 to March 12	40.50%
241 Spadina	\$4,500,000	\$8,500,000	\$2,200,000	\$1,300,000	Oct 10 to June 12	32.00%
14 College Street	\$5,800,000	\$6,300,000	\$700,000	\$700,000	July 11 to July 12	100.00%
32 Atlantic Avenue	\$8,500,000	\$15,000,000	\$4,000,000	\$3,000,000	Aug 11 to Aug 12	75.00%
26 Gerrard Street East	\$5,500,000	in progress				
5770 and 5780 Highway 7 West	\$14,500,000	in progress				
1 William Morgan Drive	\$4,100,000	in progress				
2454 Bayview Avenue	\$6,000,000	in progress				
47 Jefferson Avenue	\$0	in progress				
450 Pape Avenue	\$1,700,000	in progress				
3765 St. Clair Avenue East	\$1,600,000	in progress				
875 Queen Street East	\$6,650,000	in progress				
14 Trent Road	\$2,700,000	in progress				

Return on investment					Average compounded Annual Return
Properties:	Total purchase price	Total cost base at end of term	Total equity:	Total Profit:	
Total:	\$124,131,000	\$123,650,000	\$31,100,000	\$27,720,000	71.78%

C. MISSION STATEMENT

The mission of The Rose and Thistle Group is to identify, acquire, manage and develop under-utilized commercial, industrial and residential buildings and vacant land in the Greater Toronto Area that have the potential, when the requisite amount of time, skill and capital are applied, to achieve an above average return and provide our tenants and purchasers with homes or offices of which they are proud.

D. INVESTMENT CRITERIA AND STRATEGY

Rose and Thistle reviews potential acquisitions using investment criteria which focuses primarily on return on equity, security of cash flow, potential for capital appreciation and the potential to increase value by more efficient management, including accessing capital for expansion and development.

We are “sticking to our knitting” by seeking opportunities similar to the properties with which we have had success in the past, namely the following three types of investments:

1. Industrial, commercial and mixed-use buildings that are well-located and well built where there is the possibility to:
 - a. sever off a portion of the land for redevelopment or to create multiple parcels where there is currently one;
 - b. subdivide the building into condominiums;
 - c. add onto or renovate the existing building; and/or
 - d. change the tenant mix and create operating efficiencies;
2. Apartment buildings that are well-located and well-built where there is the potential to:
 - a. sever off a portion of the land for redevelopment;
 - b. add onto the existing building; and/or
 - c. update the suites, improve the building, and thus change the tenant mix and increase rents; and
3. Residential housing and development sites where the land is well-located.

We are prudent investors who apply rigorous criteria when evaluating each potential real estate opportunity.

E. ROSE AND THISTLE SERVICES**i. Real estate acquisition, disposition and financing**

- Acquisition and syndication of residential, commercial, and retail real estate
- Assistance with property ownership transition that capitalizes on value created
- Research, investment analysis, due diligence, market and value assessment
- Financing and re-financing
- Access to capital through our network of contacts

ii. Construction and development

- Project management of re-developments, renovations and new developments for residential, commercial, and retail properties in urban and suburban markets
- Expertise in planning, obtaining zoning approvals, construction management, and operation start-up
- Experience working with government and regulatory agencies, business community leaders and investors to enhance project success
- Tarion-registered new home builder

iii. Property management

- Operations and management of multi-unit small to medium commercial, residential and retail properties
- Short-term and long-term strategy to maximize return on investment
- Tenant relationship management through ongoing communications and reporting
- Tenant retention strategy and effectiveness measurement
- Administration of leases to optimize results
- Market research for competitive pricing and positioning
- Maintenance and management of the property
- Twenty four hour on-call emergency repair
- Rent collection and lease enforcement
- On-site staffing, if needed, according to owner approved budget
- Maintenance and capital improvement planning
- Regular property inspections

iv. Leasing Services

- Obtaining tenants
- In-house leasing team with extensive industry contacts
- Advertising vacancies
- Negotiating new and renewal leases
- Marketing strategy to promote properties to prospective tenants and brokers through our network of contacts, Web sites, printed media and other channels of communication

v. Legal and Accounting Support

- Drafting and filing legal documents
- Litigation
- The conversion of commercial rental units to commercial and/or residential condominium properties and the implementation of condominium sales programs
- Zoning, by-law and legislative compliance
- Severance and variance applications
- Representation at municipal zoning, fire, building and by-law hearings
- Insurance management and advice on appropriate coverage
- Centralized accounting and finance functions, including financial statements and audit, accounts receivable, accounts payable, payroll, cash and tax management
- Weekly, monthly or quarterly occupancy and collection reporting
- Weekly, monthly or quarterly financial reporting
- Annual budget preparation
- Unit turnover costs
- Capital expenditures
- Operating and labour costs
- Revenue
- Partnership distributions as directed

F. MANAGEMENT TEAM**Norma Walton, B.A., J.D., M.B.A.**

Norma is a co-founder of The Rose and Thistle Group Ltd. Rose and Thistle is a land and investment company that is a property manager, Tarion approved real estate developer and management holding company (www.RoseandThistleGroup.com). Norma is the CEO of our real estate group and has considerable experience in the field of land and commercial real estate acquisition, development and financing. Norma has a Bachelors Degree in French, her Juris Doctor law Degree and an executive Master of Business Administration Degree all from the University of Western Ontario. She is a member of the Law Society of Upper Canada.

Ronald G. Walton, CPIM, J.D., LL.M., M.B.A.

Ron is a co-founder of The Rose and Thistle Group Ltd. He is the COO of its real estate arm and the President of all its subsidiary corporations. Ron has a Juris Doctor law degree from the University of Western Ontario, a Master of Intellectual Property Laws Degree from York University, a Master of Business Administration Degree from the University of Liverpool, a Diploma in Marketing Management from Centennial College and is Certified in Production and Inventory Management by the American Production and Inventory Control Society. Ron is a member of the Law Society of Upper Canada, the Canadian Civil Liberties Association, Canada's History Society, Heritage Toronto and the Heritage Canada Foundation. He has been nominated for the Premiers Award given by Province of Ontario for social and economic contributions.

Mario R. Bucci, B.B.M., C.M.A., Chief Financial Officer

Mario provides leadership and co-ordination in the administrative, accounting and budgeting efforts of The Rose and Thistle Group. He creates and evaluates the financial programs and supporting information and control systems of the company in order to preserve company assets and report accurate and timely financial results. Mario has over 25 years experience in finance. He has a Bachelor of Business Management Degree from Ryerson University and is a member of the Certified Management Accountants of Ontario.

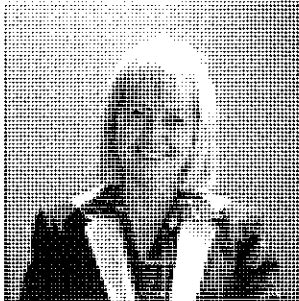
Mark Goldberg, Executive Vice President, Real Estate

Mark oversees all day-to-day activities of both our residential real estate development and our commercial/industrial landlord businesses. Mark has an extensive thirty year international background in real estate acquisitions and dispositions, portfolio management, property management, debt financing, leasing, and development of office buildings, shopping malls, industrial space, resorts and hotels. Prior to joining us he acquired commercial properties on behalf of private and public investment vehicles in excess of \$450 million (US) in the United Kingdom and Europe, managed a multi-million dollar real estate portfolio and was instrumental in the acquisition of several of Canada's premier destination resorts.



Steve Williams, Vice President of Operations

Steve has more than a decade of both project management and overall management experience. He is responsible for ensuring that cost effective operations and infrastructure are in place to support all of The Rose and Thistle's active real estate projects and oversees the operational budget for each project. He contracts and coordinates outside contractors to resolve operating difficulties and ensure project deadlines are met.



Trudy Haalmeyer, Director of Leasing

Trudy oversees all aspects of our leasing, property management and marketing objectives. She has an extensive background in commercial and industrial leasing, property management and construction and development. Her focus is to ensure seamless tenant transitions, expedite the documentation process and work closely with the brokerage and design communities to guide each property towards long term optimum profitability for all stakeholders.



Yvonne Liu, B.Sc., Director, Strategic Development

Yvonne is responsible for identifying businesses development needs and establishing and monitoring performance benchmarks. She has over fifteen year's management experience working in diverse business sectors such as information technology, healthcare and real estate. She has recently provided transitional support for the Luxembourg Consul in Toronto. Yvonne has a Bachelor of Science degree in Health Sciences from Ryerson University and a Diploma in Website Applications from the York College of Industry and Technology. She is currently working towards her Project Management Professional and Six Sigma certifications.



John Geikins, C.M.A., Senior Accounting Manager

John manages Rose and Thistle's finance staff and oversees the maintenance and accuracy of all financial records for The Rose and Thistle Group Ltd. and related companies. He has an Accounting and Finance Diploma from Seneca College and is a Certified Management Accountant with over twenty five years experience in accounting and income tax compliance. Prior to joining the Rose and Thistle Group, John was in upper management discharging considerable financial responsibility with one of Canada's largest corporations.



John Rawlings, Consultant

John, an engineer by training, had thirty years experience with the Ford Motor Company in a variety of management positions. He has been on contract to The Rose and Thistle Group Ltd. for ten years. John has supervised seventeen hundred individuals including architects, engineers, electricians, plumbers, contractors and maintenance and repair workers. While on contract to Ford, John was in charge of the construction of two twenty million dollar facilities and a one hundred and fifty million dollar plant expansion at the Ford facilities in Oakville and St. Thomas.



Samantha Slemko, B.GS, Property and Leasing Manager

Samantha joined us in 2006 as a project manager for our subsidiary company, CCI. In that capacity she managed some of CCI's largest technology projects and was responsible for meeting client goals, deadlines and budgets. She currently oversees the rental of all Rose and Thistle properties, tenant relations, lease negotiations, building repair and maintenance all with the goal of increasing asset value. Samantha comes from a project management background in health information. She has a diploma in Health Information Technology as well as a Bachelors Degree from University of North Dakota.



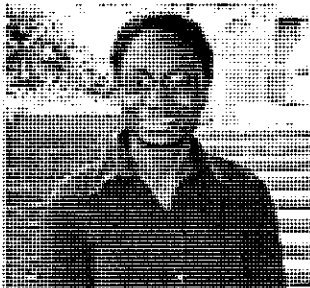
Jackie McKinlay, Associate

Jackie has over a decade of real estate law experience and is the hub through which all of our residential and commercial real estate deals flow. She co-ordinates condominium registration documents, real estate financings, interacts with lawyers, clients, architects, surveyors, conveyancers and City personnel, she co-ordinates the preparation and receipt of R plans, site plans, surveys and landscape surveys and all of the real estate acquisitions, sales and re-financings. Jackie is a graduate of The Ontario Law Clerks Association and is a registered mortgage agent.



Tom Trkdja, B.A. in Law, F.Inst.L.C.O., Associate

Tom obtained his Law Degree from the University of Belgrade in 1987 after which he practiced law in Belgrade for several years. Subsequently he graduated on the President's Honour List from the Legal Assistant Program at Seneca College of Applied Arts and Technology in 1999. Through his legal training and practical experience Tom has been in the legal field for more than twenty three years. He has played a key role in multi-million dollar mergers and acquisitions, a variety of complex contract negotiations and all aspects of corporate law. He is also skilled in real estate development law and real estate financing. He is a member of the Institute of Law Clerks of Ontario.



Kendra Henry-Curtis, Senior Accountant

Kendra studied accounting, information systems and computer programming and is an honours graduate of Centennial College with an Accountant/Programmer Analyst diploma. At present, she is completing the Certified General Accountant program and will soon have her CGA designation. She assists in the maintenance and preparation of financial records and statements.



David Good, Property Maintenance Manager

David has two decades of experience superintending a diverse array of property types. He is responsible for the preventative and remedial maintenance of The Rose and Thistle Group's portfolio of commercial buildings, including the oversight of the on-site repair personnel, systems utilization, the selection and oversight of third-party vendors and quality control. He strikes a balance between controlling operational and capital expenditures while maintaining a high level of tenant satisfaction.

SECTION E: THE FINANCIAL PROJECTIONS

A: ASSUMPTIONS

The financial assumptions used to generate the estimated costs and revenues were specifically designed to be conservative in their estimates to mitigate identified potential risks. The key assumptions are as follows:

Rental Rates	Rose and Thistle based the rental rates on the rates obtained for their property at 32 Atlantic Avenue, which is the best comparable, along with rental rates secured by 135 Liberty Street, 6 Pardee, 219 Dufferin Street, 720 King Street West, 901 King Street West, 72 Fraser Avenue, 190 Liberty Street, 109 Atlantic Avenue and 155 Liberty Street.
Hard Costs	Rose and Thistle renovates, constructs and builds to suit spaces for tenants in all of their buildings. Rose and Thistle is just completing a similar renovation at 32 Atlantic Avenue and the costs expended there have been used to estimate the costs for this project.
Soft Costs	Soft Costs have been estimated using the costs required at 32 Atlantic and other similar projects.
Capitalization Rate	Rose and Thistle is using a 6% capitalization rate to determine property value. Most quality commercial properties in Toronto in this neighbourhood trade for between 4 and 8% capitalization rates. Rose and Thistle has recently been offered a 6% capitalization rate for their 32 Atlantic property, which is the best comparable. Rose and Thistle rejected that offer.
Valuation of Property at end of 27 month term	We will use a 6% capitalization rate at the end of the 27 month term to value the property and thus calculate the increase in value and the payout to exiting Shareholders.

B: RISKS

Inherent with any investment there are associated risks. Rose and Thistle through their industry experience is aware of and has taken appropriate measures to mitigate the risk exposure to the investor. However, it is essential that preferred shareholders be aware of some of the key risks involved in the project and more importantly, how these risks have been considered by Rose and Thistle.

Risk	Discussion
Market condition for industrial and commercial leasing activity	- Rose and Thistle cannot control the economic environment in the Greater Toronto Area. We are encouraged by the net migration of approximately 100,000 people a year to the area, which historically has kept real estate vibrant over the past two decades. Also Liberty Village benefits from its location and desirability to a large contingent of Generation Y workers who want to both live and work in the neighbourhood. This in turn attracts businesses that need to hire these people. Nonetheless Rose and Thistle has no control over the overall state of the real estate market.
Interest Rate Increases	- Rose and Thistle cannot control interest rate fluctuations and expects over the course of the project that rates will rise from their historic lows. Rose and Thistle has locked in the first mortgage rate for a five year term and the second mortgage rate for a two year term to mitigate any increases in interest rate over the next 24 months of construction and renovation.
General Investment Risk	- All investments with the exception of sovereign bonds of major industrial nations (eg. US treasury bills, Canada savings bonds) carry with them inherent risk. There are no guarantees in life. The best one can do, as Rose and Thistle believes it has, is to acquire desirable assets, at a reasonable price at a favourable time. Investors must be aware that this investment is significantly riskier than acquiring savings bonds. Investors must be comfortable that the return is not guaranteed, unlike the return of such a bond. Rose and Thistle will do everything it can to mitigate the project risk.

SECTION F: TABLE 1: CAPITAL REQUIRED

7, 15 and 30 Fraser Avenue CAPITAL REQUIRED			
Purchase Costs			
Purchase Price	25,000,000		
Second Mortgage fee	90,000		
Lender's legal fee	25,000		
Ontario Land Transfer Tax	437,500		
Municipal Land Transfer Tax	437,500		
Profit for agent	875,000		
Other fees and disbursements for appraisal, cost of and reliance letters for environmental reports, municipal enquiries and fees, etc.	100,000		
Total Purchase Price			\$ 26,965,000
15 Fraser Avenue - existing 70,000 SF plus new 23,000 SF			
Renovate 70,000 SF @ \$90 PSF	\$ 6,300,000		
Construct new 23,000 SF @ \$140 PSF	\$ 3,220,000		
Project management fee	\$ 1,190,000		
15 Fraser remediation of underground diesel tank			
Delineate problem and remove tank	\$ 800,000		
Project management fee	\$ 100,000		
7 Fraser Avenue - existing 28,500 SF plus new 28,500 SF			
Renovate 28,500 SF @ \$90 PSF	\$ 2,565,000		
Construct 28,500 SF second floor @ \$140 PSF	\$ 3,990,000		
Project management fee	\$ 819,375		
Jefferson Avenue - existing 5,000 SF shed			
Leave status quo for now - redevelop once 7 and 15 Fraser completed	\$ -		
Total Renovation and New Construction Costs:			\$ 18,984,375
Professional Fees			
Architectural plans	\$ 150,000		
Engineering fees	\$ 100,000		
Environmental engineering fees for RSC	\$ 400,000		
Realty commission	\$ 1,800,000		
Interior design fees	\$ 40,000		
Surveyor's fees	\$ 50,000		
Permit and other city application fees	\$ 250,000		
Total Professional Fees:			\$ 2,790,000
Carrying Costs			
Property tax	\$ 525,000		
Interest on mortgage	\$ 2,091,250		
Utilities and maintenance	\$ 2,187,500		
Insurance	\$ 525,000		
Less income in place and projected	\$ (2,424,000)		
Total Carrying Costs:			\$ 2,904,750
Total Capital Required			\$ 51,644,125
Acquisition Mortgage:	24.20%	5.00%	\$ 12,500,000
Second Mortgage:	11.62%	9.50%	\$ 6,000,000
Dr. Bernstein:	32.09%		\$ 16,572,062
Ron and Norma Walton:	32.09%		\$ 16,572,063

TABLE 2: PROJECTED NET INCOME APRIL 1, 2014

Projected Net Income April 1, 2014	
Expected net revenues:	
15 Fraser revenues @ \$22 net plus \$8 additional plus utilities	\$2,046,000
7 Fraser Avenue revenues @ \$22 net plus \$8 additional plus utilities	\$1,254,000
Parking revenues @ \$100 per month per spot x 80 spots	\$96,000
Signage revenues	\$600,000
Projected net income:	\$3,996,000

TABLE 3: PROJECTED BUILDING VALUE APRIL 1, 2014

Projected Building Value April 1, 2014	
6.5% capitalization rate:	\$61,476,923
6.25% capitalization rate:	\$63,936,000
6% capitalization rate:	\$66,600,000
5.75% capitalization rate:	\$69,495,652
5.5% capitalization rate:	\$72,654,545

TABLE 4: PROJECTED INCOME AND EXPENSES APRIL 1, 2014

Projected Income and Expense Statement	
Revenues	
Total Revenues	\$1,111,111
Expenses (before interest payments)	
Property taxes:	\$100,000
Utilities:	\$100,000
Property insurance:	\$100,000
Repairs and maintenance:	\$100,000
Management and salaries:	\$100,000
Interest:	\$100,000
Total Expenses (before interest payments)	\$1,111,111
Net Income (before interest)	\$0.00
Net Income (after interest)	\$0.00
Net Income (after taxes)	\$0.00

TABLE 5: RENT COMPARABLES

Address & Location	Tenant	Transaction Date	Area (sq ft)	Term (Years)	Net Rental Price (per sq ft)	Gross Rental Price (per sq ft)	Allowance (\$/sq ft)	Notes/Comments on Building or Expansion	Comments	
72 Foster Avenue York Mills	Game Loch	Spring 2011	15,000	5	\$18.00	\$10.00	\$8.00	\$10.00 to \$15.00	New	Under brick and beam space - decent bones
150 Liberty Street Princes George	Unidocsed Tech Company	Spring 2011	15,000	5	\$20.00	\$8.65	\$11.35	None	Renewal	Renewal - built out - spacious. No brick and beam space - excellent deal for tenant
150 Liberty Street Princes George	Unidocsed Tech Company	November 2010	37,000	5	\$12.00	\$8.89	\$3.11	\$5.00	Renewal and Expansion	Excellent brick and beam space
129 Agincourt, Bayview Building East Capital	Teknane Ltd.	January 2010	8,500	10	\$15.00 - 5 yrs \$17.50 - 5 yrs	\$15.00	\$31.60 - \$33.60	\$25.00	New	Excellent building - 4 mtrs of gross free rent - good deal for tenant
155 Liberty Street York Mills	Feature One	January 2010	14,000	10	\$15.00 - 5 yrs \$22.00 - 5 yrs \$24.00 - 5 yrs	\$11.00	\$30.00 - \$35.00	None	New	Renewal - 2.5 mtrs of gross free rent
22 Foster Avenue Princes George	Unidocsed Tech Company	January 2010	14,000	5	\$11.00	\$8.04	\$2.96	None	New	Built out space - excellent deal for tenant - excellent deal for tenant

Address & Location	Tenant	Transaction Date	Area (sq ft)	Term (Years)	Net Rental Rate (\$/sq ft)	Adjusted Net Rate (\$/sq ft)	Gross Rental (\$/sq ft)	Allowance (\$/sq ft)	Notes/Tenant or Landlord or Expansion	Comments
155 Liberty Street Alec REIT	KOSO	February 2011	32,000	10	\$22.00	\$12.00	\$34.00	\$5.00	New	Small space may have been provided - space was not taken up to this point
155 Liberty Street Alec REIT	KOSO	January 2011	32,000	10	\$22.00	\$12.00	\$34.00	\$5.00	Expansion	Expanded RFR
6 Paces Avenue WFF Group	Strategic Coast	Mid 2011 Early 2012	35,000	5	\$15.00 - \$17.50	\$12.50	\$27.00 - \$30.00	None	Renewal	Long term tenant WFF - 5 yrs
155 Liberty Street Alec REIT	Unidocsed Tech Company	Summer 2011	13,000	7	\$21.00	\$12.00	\$33.00	\$15.00	Expansion	Expansion space - already provided 15,000 sq ft
215 Dufferin Street Ave Girls and New York Center	Draft FCB	Summer 2011	45,000	5	\$27.00	\$5.40	\$35.40	None	Extension of term	Extension of a further 5 yrs to coincide with new expansion of 15,000 sq ft
215 Dufferin Street Ave Girls and New York Center	Draft FCB	Summer 2011	18,000	10	\$22.00 - \$25.00	\$5.40	\$31.40 - \$35.40	\$5.00	Expansion	Landlord considered
720 King Street West DGP	Vega Gaming	Summer 2011	6,500	5	\$20.00	\$14.00	\$34.00	None	New	Ats deal
215 & 218 Dufferin Private Care Society	Unidocsed Marketing Company	Spring 2011	8,500	10	\$15.00 - 5 yrs \$22.00 - 5 yrs	\$7.50	\$28.50 - \$29.50	None	New	Rat space in the exception of 2,500 sq ft of b. to d. space. Landlord did not want
901 King St. West Credit Realty	Unidocsed Tech Company	Spring 2011	15,000	10	\$20.00 - 5 yrs \$22.00 - 5 yrs	\$16.24	\$35.24 - \$37.24	\$15.00	New	A building with lots of vacancy - perfect for the tenant

TABLE 6: ANTICIPATED PROFIT APRIL 1, 2014

Anticipated Profit

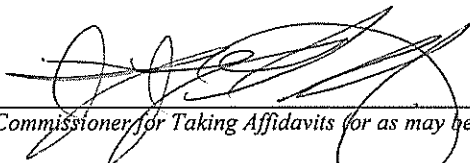
Building Value:	\$ 66,600,000
Less Project Cost:	\$ 51,644,125
Projected Profit:	\$ 14,955,875

TABLE 7: PROJECTED INVESTOR RETURN

Projected Investor Return Formula for Profit Division	
Dr. Bernstein equity contribution:	\$16,572,062.00
Ron and Norma Walton equity contribution:	\$16,572,063.00
Project timeline:	15 Fraser construction completed by Oct 31/13
27 months	7 Fraser construction completed by April 30/14
	Refinancing completed by June 30/14
Projected profits:	\$14,955,875.00
Projected profits per owner:	\$7,477,937.50
Refinance property after Tenants take occupancy:	
First mortgage of 70% of end value:	\$46,620,000.00
Less existing mortgage:	\$18,500,000.00
Total monies available:	\$28,120,000.00
If Dr. Bernstein wishes to exit:	
To reimburse Dr. Bernstein's equity:	\$16,572,062.00
To pay Dr. Bernstein his profits:	\$7,477,937.50
To partially reimburse Ron and Norma Walton's equity:	\$4,070,000.50
Capital remaining invested as equity in property after refinancing:	
Dr. Bernstein's equity:	\$0.00
Ron and Norma Walton equity:	\$19,980,000.00
If Dr. Bernstein wishes to remain invested as a 50% shareholder:	
Reimburse Dr. Bernstein part of his equity:	\$14,060,000.00
Reimburse Ron and Norma Walton part of their equity:	\$14,060,000.00
Capital remaining invested as equity in property after refinancing:	
Dr. Bernstein's equity invested in property:	\$2,512,062.00
Ron and Norma Walton's equity invested in property:	\$2,512,062.00
Percentage total return on investment from March 31, 2012 to June 30, 2014:	45.12%
Total investment period:	27 months
Compounded annual return:	18.00%
An investment of \$16,570,000 on March 31, 2012 is projected to be worth \$24,050,000 by June 30, 2014	

TAB 28

This is Exhibit "28" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Thursday, April 19, 2012 9:50 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: Spadina and Fraser
Attach: authorization and discharges.pdf

Dear Stan,

It is always a pleasure to chat with you! As discussed, the sum of \$6,690,453.66 will be wired to your 368230 Ontario Limited account mid-day tomorrow, representing the discharge amounts for your two mortgages on Spadina. Discharge statements attached for your records. Upon receipt, if you could re-wire back to Fraser Properties' account the sum of \$6.5 million that would be perfect. The \$6.5 million is a contribution towards your 50% equity in the project. You and I can settle up how we contribute the remaining equity once you are back in town but the \$6.5 million will permit us to close the transaction tomorrow. If a wire is a nuisance, then a certified cheque payable to Fraser Properties Corp. would also work and we'll arrange to pick up. Wiring instructions are below:

SWIFT CODE: CCDQCAMM

Institution number: 239

Transit number: 00482

Account number : 0421150

Name: Fraser Properties Corp.

Bank Address: Desjardins Credit Union, 56 Wellesley St. West Suite 103 Toronto, Ontario M5S 2S3
CANADA

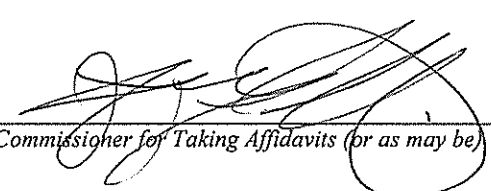
The trick is the timing. I will let you know the moment I believe the wire has been sent. The faster you can get the money back to me, the happier you will make the vendor's lawyer on Fraser, who has been great thus far at accommodating our two day delay.

Always fun, eh! Looking forward to having you back in town.

Cheers,
Norma

TAB 29

This is Exhibit "29" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Monday, April 23, 2012 10:23 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: Fraser
Attach: STATEMENT OF ADJUSTMENTS revised april 20, 2012.pdf; equity proposal apr 15, 12.xls

Dear Stan,

Congratulations! We now own Fraser together, the future site of Liberty Village Hospital...(I joke at this point)

I have attached the Statement of Adjustments and our equity spreadsheets. I owe you deal terms and we need to incorporate your companies to hold Fraser. I'll do that this week.

Of the \$8.465 million that was supposed to come from the sale of Spadina to be applied to Fraser, you have provided \$700,000 plus \$6.5 million for a total of \$7.2 million. In addition, once Spadina sorts itself out over the next three weeks you'll be entitled to another \$475,000 approximately from that property, which you can then turn around and put into Fraser. Hence the shortfall at this point totals \$790,000. Please prepare a cheque to Fraser Properties Corp. whenever you wish to provide those funds to the project.

Also if you look at the Statement of Adjustments it appears we are entitled to some monthly rent from Canada Bread to the tune of about \$23,000 per month, which seems exorbitant hence we'll see if they pay it and what rights we have to force them to pay it. In addition, we found out on Friday that the movie rental business provides approximately \$50,000 per month. Whether that is an accurate number or not we'll find out but the point is we should be able to generate some monies from 15 Fraser while we wait for our city approvals to renovate and construct new. If best case we actually receive that additional \$73,000 per month for the next eight months, it will reduce the equity required to carry the property. Hence the monthly amounts required will go down. All good news at this point...

We continue to receive almost daily petitions from people wishing to partner with us on the property. So far Minto, Canderel Stoneride, Adgar, Taurus, and on and on. We meet with all of them with a view to future opportunities we could do together, but at this point see no need to bring on a partner given how in demand we anticipate this property will ultimately be. Owning it just you and us is fabulous because it means we can hold out for the best opportunity, like that hospital!

Enjoy the rest of your evening. I'm hitting the hay really soon. See you in the morning.

Cheers,
Norma

P.S. You can now brag that in addition to being the landlord of a bingo hall, you are also the landlord of a bait shop ☺

STATEMENT OF ADJUSTMENTS

From: Emanuel Tannenbaum and Louis Tannenbaum.

To: Fraser Lands Ltd. and Fraser Properties Corp.

Re: Tannenbaum sale to Fraser Lands Ltd. and Fraser Properties Corp
PINS 21299-0090 LT AND 21299-0097 LT
7-15 Fraser Avenue & Fraser Ave Lot

Closing
Date: April 20, 2012

Description	Credit to Purchaser	Credit to Vendor
SALE PRICE		25,000,800.00
FIRST DEPOSIT	100,000.00	
SECOND DEPOSIT	100,000.00	
THIRD DEPOSIT	800,000.00	
FORTH DEPOSIT	250,800.00	
VTB MORTGAGE	12,500,000.00	
Interest 5% per annum Per diem = \$1,712.33 Credit Vendor 18 days to May 5, 2012 (adjusted from April 18 2012)		30,821.94
2012 REALTY TAXES 2011 Taxes = \$251,649.71 x 3% = \$259,199.20 Tax per diem = \$710.13 Vendor has paid \$76,497.47 Vendor's share for 110 days \$78,114.30 Credit Purchaser	1,616.83	
UTILITIES (gas, water and hydro) -final meter readings to be taken on closing date		
PREPAID SECURITY SERVICES February 1 2012 –April 30 (90 days) Vendor has paid \$470.25 Per diem = \$5.23 Vendor's share for 79 days = \$413.17 Credit Vendor		57.08
Davies Elevator April 2012 Vendor has paid \$141.25 \$4.71 per diem Vendor's share 19 days=\$89.49 Credit Vendor		51.76
RENT <u>30 Fraser</u> Canada Bread – Parking April Rent \$14,600 Per diem = \$486.67 Credit Purchaser 11 days	3,353.37	

<u>7-15 Fraser</u> Canada Bread – Parking April Rent \$8,980.00 Per diem = \$299.33 Credit Purchaser 11 days	3,292.63	
Rogers – Tower Dec 1 – Nov 30 \$12,000.00 Per diem = \$32.79 Credit Purchaser 225 days	7,377.75	
Tek Plastic - Sign Jan 1-Dec 31 \$270,000.00 Per diem = 737.70 Credit Purchaser 255 days	188,113.50	
Pattison - Sign #1 Dec 1 – May 31 \$22,500.00 Per diem = \$122.95 Credit Purchaser 42 days	5,163.90	
Hydro (Pattison - Sign #1) Feb 1 –July 31 \$1,440.00 Per diem = \$7.91 Credit Purchaser 102 days	806.82	
Pattison - Sign #2 April –March 31 \$180,000. Per diem = \$493.15 Credit Purchaser 346 days	170,629.90	
Hydro (Pattison – Sign #2) April 1 –Sept 30 \$1,440.00 Per diem = \$7.87 Credit Purchaser 164 days	1,290.68	
Fraser Studio \$9,600.00 Per diem = \$320.00 Credit Purchaser 11 days	3,520.00	
Fraser Studio Last month's rent	3,939.74	
KA Bait \$3,650.00 Per diem = \$121.67 Credit Purchaser 11 days	1,338.37	
BALANCE PAYBLE ON CLOSING	\$10,888,487.29	
TOTALS	\$25,031,730.78	\$25,031,730.78

E&OE


	A	B	C
1	Anticipated Profit		
2			
3	Building Value:		\$ 66,600,000
4			
5	Less Project Cost:		\$ 51,644,125
6			
7	Projected Profit:		\$ 14,955,875
8			

CASH FLOW			
A	B	C	D
Date	Source of funds	Amount required	Totals
11-Apr-12	Preferred shareholder	\$1,875,000	
11-Apr-12	Preferred shareholder	\$6,590,000	
	First mortgage	\$12,500,000	\$12,500,000
	Second mortgage	\$6,000,000	\$6,000,000
1-May-12	Preferred shareholder	\$987,165	
1-Jun-12	Preferred shareholder	\$987,165	
1-Jul-12	Preferred shareholder	\$987,165	
1-Aug-12	Preferred shareholder	\$987,165	
1-Sep-12	Preferred shareholder	\$987,165	
1-Oct-12	Preferred shareholder	\$987,165	
1-Nov-12	Preferred shareholder	\$987,165	
1-Dec-12	Preferred shareholder	\$987,165	
1-Jan-13	Preferred shareholder	\$137,680	\$16,500,000
	Rose and Thistle equity	\$849,486	
1-Feb-13	Rose and Thistle equity	\$987,165	
1-Mar-13	Rose and Thistle equity	\$987,165	
1-Apr-13	Rose and Thistle equity	\$987,165	
1-May-13	Rose and Thistle equity	\$987,165	
1-Jun-13	Rose and Thistle equity	\$987,165	
1-Jul-13	Rose and Thistle equity	\$987,165	
1-Aug-13	Rose and Thistle equity	\$987,165	
1-Sep-13	Rose and Thistle equity	\$987,165	
1-Oct-13	Rose and Thistle equity	\$987,165	
1-Nov-13	Rose and Thistle equity	\$987,165	
1-Dec-13	Rose and Thistle equity	\$987,165	
1-Jan-14	Rose and Thistle equity	\$987,165	
1-Feb-14	Rose and Thistle equity	\$987,165	
1-Mar-14	Rose and Thistle equity	\$987,165	
1-Apr-14	Rose and Thistle equity	\$987,165	
1-May-14	Rose and Thistle equity	\$987,165	\$16,644,126
	Refinance and arrange new first mortgage	-\$46,620,000	-\$46,620,000
	Discharge first mortgage	\$12,500,000	
	Discharge second mortgage	\$6,000,000	
	Partner's equity repayment	\$16,572,062	
	Partner's profit repayment	\$7,477,938	
	Rose and Thistle partial equity repayment	\$4,070,001	
	Rose and Thistle equity remaining in project	\$19,980,000	-\$5,024,125
	Reconciliation		\$0

	A	B	C	D
1	7, 15 and 30 Fraser Avenue			
2	CAPITAL REQUIRED			
3				
4	Purchase Costs			
5	Purchase Price	25,000,000		
6	Second Mortgage fee	90,000		
7	Lender's legal fee	25,000		
8	Ontario Land Transfer Tax	437,500		
9	Municipal Land Transfer Tax	437,500		
10	Profit for agent	875,000		
11	Other fees and disbursements	100,000		
12	for appraisal, cost of and reliance letters for			
13	environmental reports, municipal			
14	enquiries and fees, etc.			
15				
16	Total Purchase Price			\$ 26,965,000
17				
18	15 Fraser Avenue - existing 70,000 SF plus new 23,000 SF			
19	Renovate 70,000 SF @ \$90 PSF	\$ 6,300,000		
20	Construct new 23,000 SF @ \$140 PSF	\$ 3,220,000		
21	Project management fee	\$ 1,190,000		
22				
23	15 Fraser remediation of underground diesel tank			
24	Delineate problem and remove tank	\$ 800,000		
25	Project management fee	\$ 100,000		
26				
27	7 Fraser Avenue - existing 28,500 SF plus new 28,500 SF			
28	Renovate 28,500 SF @ \$90 PSF	\$ 2,565,000		
29	Construct 28,500 SF second floor @ \$140 PSF	\$ 3,990,000		
30	Project management fee	\$ 819,375		
31				
32	Jefferson Avenue - existing 5,000 SF shed			
33	Leave status quo for now - redevelop once 7 and 15 Fraser completed	\$ -		
34				
35	Total Renovation and New Construction Costs:			\$ 18,984,375
36				
37	Professional Fees			
38	Architectural plans	\$ 150,000		
39	Engineering fees	\$ 100,000		
40	Environmental engineering fees for RSC	\$ 400,000		
41	Really commission	\$ 1,800,000		
42	Interior design fees	\$ 40,000		
43	Surveyor's fees	\$ 50,000		
44	Permill and other city application fees	\$ 250,000		

	A	B	C	D
45	Total Professional Fees:			\$ 2,790,000
46				
47	Carrying Costs			
48	Property tax	\$ 525,000		
49	Interest on mortgage	\$ 2,091,250		
50	Utilities and maintenance	\$ 2,187,500		
51	Insurance	\$ 525,000		
52	Less income in place and projected	\$ (2,424,000)		
53				
54	Total Carrying Costs:			\$ 2,904,750
55				
56	Total Capital Required			\$ 51,644,125
57				
58	Acquisition Mortgage:	24.20%	5.00%	\$ 12,500,000
59	Second Mortgage:	11.62%	9.50%	\$ 6,000,000
60	Dr. Bernstein:	32.08%		\$ 16,572,062
61	Ron and Norma Walton:	32.09%		\$ 16,572,063

	A	B	C	D
1	Projected Net Income			
2	April 1, 2014			
3	Expected net revenues:			
4				
5	15 Fraser revenues @ \$22 net plus \$8 additional plus utilities		\$2,046,000	
6	7 Fraser Avenue revenues @ \$22 net plus \$8 additional plus utilities		\$1,254,000	
7	Parking revenues @ \$100 per month per spot x 80 spots		\$96,000	
8	Signage revenues		\$600,000	
9				
10				
11	Projected net income:			\$3,996,000
12				
13				
14	Projected Building Value			
15	April 1, 2014			
16				
17	6.5% capitalization rate:		\$61,476,923	
18	6.25% capitalization rate:		\$63,936,000	
19	6% capitalization rate:		\$66,600,000	
20	5.75% capitalization rate:		\$69,495,652	
21	5.5% capitalization rate:		\$72,654,545	

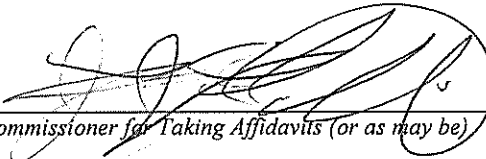


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	A	B	C
1	Projected Investor Return Formula for Profit Division		
2			
3			
4	Dr. Bernstein equity contribution:	\$16,572,062.00	
5	Ron and Norma Walton equity contribution:	\$16,572,063.00	
6			
7	Project timeline:		15 Fraser construction completed by Oct 31/13
8	27 months		7 Fraser construction completed by April 30/14
9			Refinancing completed by June 30/14
10			
11	Projected profits:	\$14,955,875.00	
12	Projected profits per owner:	\$7,477,937.50	
13			
14	Refinance property after Tenants take occupancy:		
15			
16	First mortgage of 70% of end value:	\$46,620,000.00	
17	Less existing mortgage:	\$18,500,000.00	
18			
19	Total monies available:	\$28,120,000.00	
20			
21	If Dr. Bernstein wishes to exit:		
22			
23	To reimburse Dr. Bernstein's equity:	\$16,572,062.00	
24	To pay Dr. Bernstein his profits:	\$7,477,937.50	
25	To partially reimburse Ron and Norma Walton's equity:	\$4,070,000.50	
26			
27	Capital remaining invested as equity in property after refinancing:		
28	Dr. Bernstein's equity:	\$0.00	
29	Ron and Norma Walton equity:	\$19,980,000.00	
30			
31	If Dr. Bernstein wishes to remain invested as a 50% shareholder:		
32			
33	Reimburse Dr. Bernstein part of his equity:	\$14,060,000.00	
34	Reimburse Ron and Norma Walton part of their equity:	\$14,060,000.00	
35			
36			
37	Capital remaining invested as equity in property after refinancing:		
38			
39	Dr. Bernstein's equity invested in property:	\$2,512,062.00	
40	Ron and Norma Walton's equity invested in property:	\$2,512,062.00	
41			
42	Percentage total return on investment from March 31, 2012 to June 30, 2014:	45.12%	
43			
44			
45			
46	Total investment period:	27 months	
47	Compounded annual return	18.00%	
48			
49	An investment of \$16,570,000 on March 31, 2012 is projected to be worth \$24,050,000 by June 30, 2014		

TAB 30

This is Exhibit "30" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Thursday, May 17, 2012 10:37 AM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 1003 Queen St. E.
Attach: bernstein proposal may 16, 12.xls; 1003 Queen East Plans.pdf

Dear Stan,

Thanks for calling back last night. We are excited to announce that we have secured 1003, Queen St. E. in your old hood. I had mentioned it to you before and you may have driven by already. It is a great corner in Leslieville, in an up and coming neighbourhood. We were able to secure the site for only \$2.7 million, being less than cost to date, because the existing owners are two partners who are feuding with each other. The property is up and looks good thus far. We have to finish it. It was sold out back in 2007/2008 when it was first launched, but all of those deals will have lapsed by the end of June. We don't want them as the purchase price per square foot is too low. We close July 4th.

Using conservative sales projections of \$525 PSF and ensuring we have sufficient capital to properly complete the project, we project a 31% compounded annual return on equity.

We would love to partner with you on the site. If you like the opportunity, please prepare a cheque for \$225,000 tomorrow payable to The Rose and Thistle Group Ltd. to cover your half of the deposit and your half of the initial soft costs we will expend between now and closing on July 4th to ensure we are up and running by closing to complete the build out as quickly as possible. Also if you wish to provide the first mortgage of \$4 million (66 Gerrard is tracking to cash out next week and the balance of Galloway is tracking to cash out by end of June) @ 8% with 2% fee, that would be super. If not, no worries and I'll have Carl arrange for another lender so that you and us are just the equity.

We anticipate the build out will take about 12 months such that our purchasers will occupy by next summer and condominium registration will follow before end of next year. We're delighted with the opportunity.

Pro forma and plans attached for your review. We'd love to partner with you on it.

Cheers,
Norma

	A	B	C	D	E
1	Revenues and Projected Profits				
2					
3		Usable square footage	Saleable square footage	Sale prices	
4		\$629 per usable SF	\$525 per saleable SF		
5	Retail A	750	899	\$ 471,870	
6	Retail B	883	1058	\$ 555,548	
7	Suite 201	817	979	\$ 514,024	
8	Suite 202	526	630	\$ 330,938	
9	Suite 203	570	683	\$ 358,621	
10	Suite 204	918	1100	\$ 577,569	
11	Suite 301	817	979	\$ 514,024	
12	Suite 302	526	630	\$ 330,938	
13	Suite 303	570	683	\$ 358,621	
14	Suite 304	837	1003	\$ 526,607	
15	Suite 401	844	1011	\$ 531,011	
16	Suite 402	897	1075	\$ 564,357	
17		8955	10732		
18	Lockers	12 @ \$1,500 each		\$ 18,000	
19	Parking spaces	8 @ \$35,000 each		\$ 280,000	
20					
21		Total Revenues:			\$ 5,932,128
22		Less realty commission (3%):			\$ (177,964)
23	Net Revenues:				\$ 5,754,164
24					
25	Less Project Cost:				\$ 5,171,650
26					
27	Projected Profit:				\$ 582,514

	A	B	C	D
1	1003 Queen Street East			
2	CAPITAL REQUIRED			
3	Purchase Costs			
4				
5	Purchase Price	2,700,000		
6	Mortgage and lender's legal fees	80,000		
7	Ontario Land Transfer Tax	40,500		
8	Municipal Land Transfer Tax	40,500		
9	Other fees and disbursements	30,000		
10	for due diligence material			
11				
12	Total Purchase Price			\$ 2,891,000
13				
14	Hard construction costs			
15	Complete construction of condominium building (10,732 SF @ \$125 PSF)	\$ 1,341,500		
16	Project management fees	\$ 134,150		
17				
18		\$ 1,475,650		
19				
20	Soft construction costs			
21	Architectural fees	\$ 40,000		
22	Surveyor's fees	\$ 50,000		
23	Engineering fees	\$ 40,000		
24	Interior design fees	\$ 20,000		
25	Marketing fees	\$ 20,000		
26	Condominium application and legal fees	\$ 200,000		
27	Miscellaneous other fees	\$ 15,000		
28				
29		\$ 385,000		
30				
31	Total Construction Costs:			\$ 1,860,650
32				
33	Carrying Costs			
34	Property tax	\$ 40,000		
35	Insurance costs	\$ 60,000		
36	Interest on mortgage	\$ 320,000		
37				
38	Total Carrying Costs:			\$ 420,000
39				
40	Total Capital Required			\$ 5,171,650
41				
42	Mortgage:	77.34%	8.00%	\$ 4,000,000
43	Dr. Bernstein:	11.33%		\$ 585,825
44	Ron and Norma Walton:	11.33%		\$ 585,825

	A	B	C
1		Investor Return	
2			
3	Equity:		\$1,171,650.00
4			
5	Cash out date:		By December 30, 2013
6			
7	Projected Profits:		\$582,513.97
8			
9	Total Return on Investment:		49.72%
10			
11	Compounded annual return:		31.00%
12			
13	Total investment period:		18 months
14			

TOPOGRAPHIC DETAILS ON
PART OF LOT 5
REGISTERED PLAN D-81
PART OF LOT 12
BROKEN FRONT CONCESSION
(ABSTRACTED UNDER LOT 5, REGISTERED PLAN D-81)
CITY OF TORONTO

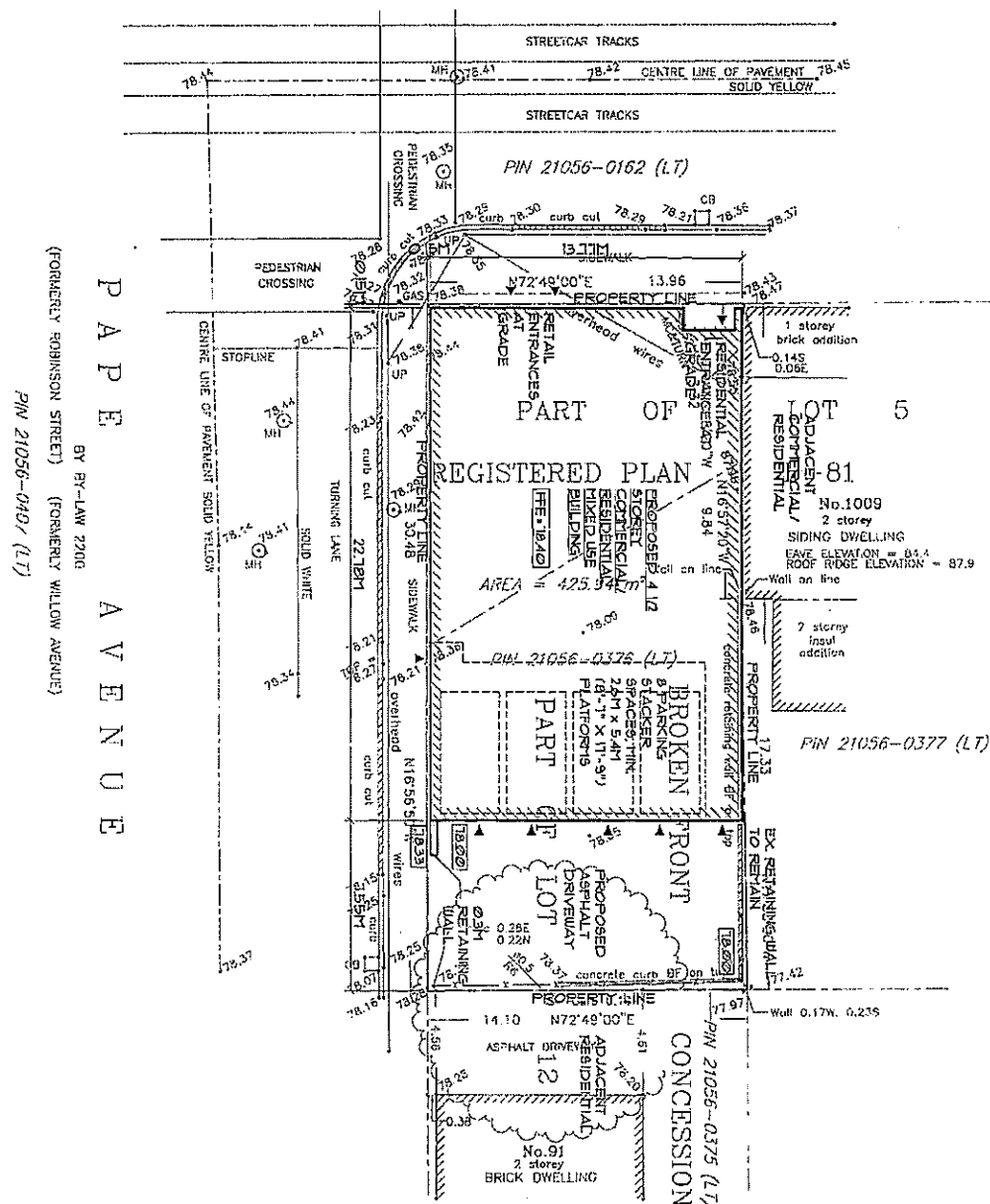
SCALE 1 : 200

H. PILLER CORPORATION LTD.

Q U E E N S T R E E

BY BY-LAW 1528
(FORMERLY KINGSTON ROAD)

(ROAD ALLOWANCE BETWEEN CONCESSION 1, FROM THE BAY & BROCKEN FRONT CONCESSION)



ELEVATIONS NOTE:

Elevations shown hereon are geodetic and are derived from the City of Toronto bench mark No. 3695 CT 936 elevation = 78.950 m.

LEGEND:

E	East
W	West
N	North
S	South
Fa	Fence
CLF	Chain link fence
BF	Board fence
MC	M. J. Clancy, OLS
CTS	City of Toronto Survey
UP	Utility Pole
MH	Mainhole
CB	Catchbasin

CERTIFIED CORRECT:

Helmet

METRIC:

Distances shown on this plan are in metres and can be converted to feet by dividing by 0.3048.

reference number: 05-24-7867-00



H. Piller Corporation

TORONTO 416 - 488 - 1174 CANAL

WHA Architects Inc.

 577 KENNEDY ROAD, 14TH FL., TORONTO, ON
 M4M 1B5 CAN. TEL: (416) 593-9711 FAX: (416) 593-9702

QUEEN AND PAPE
LOFTS
for
1003 Queen Street East Inc.
Toronto Ontario

Scale	Date	Drawn
1:200	MAY 25-05	JY

05108	Drawing No.	A-101	Revision No.
-------	-------------	-------	--------------

780

UNIT AREA SUMMARY				
NO	NAME	HEIGHT	AREA	
01	STORAGE / UTILITY	9'-0"	1944 SF	
02	GARAGE	18'-9"	768 SF	
03	COMMON	9'-0"	412 SF	
101	RETAIL A	11'-0"	750 SF	
102	RETAIL B	11'-0"	863 SF	
103	GARAGE	13'-0"	168 SF	
104	COMMON	11'-0"	792 SF	
201	1 BEDRM+DEN	10'-0"	817 SF	
202	1 BEDRM. UNIT	10'-0"	526 SF	
203	1 BEDRM. UNIT	10'-0"	570 SF	
204	2 BEDRM. UNIT	10'-0"	918 SF	
205	COMMON	10'-0"	501 SF	
301	1 BEDRM+DEN	10'-0"	817 SF	
302	1 BEDRM. UNIT	10'-0"	526 SF	
303	1 BEDRM. UNIT	10'-0"	570 SF	
304	2 BEDRM. UNIT	10'-0"	837 SF	
305	COMMON	10'-0"	501 SF	
401	1 BEDRM+DEN	10'-0"	844 SF	
402	2 BEDRM. UNIT	10'-0"	897 SF	
403	COMMON	10'-0"	518 SF	
501	COMMON	10'-0"	247 SF	

1003 QUEEN STREET EAST ZONING STATISTICS 25-May-05

EXISTING ZONING MCR 12.6.1.0 R20

SQUARE FEET	SQUARE METERS	% COVERAGE
4,580	426.42	

SITE INFORMATION

SITE AREA 4,580 426.42

PROPOSED BASEMENT AREAS

PARKING	760	71.35
STORAGE/UTILITY	1,938	179.30
COMMON	427	39.67
TOTAL	3,125	290.32

PROPOSED GFA

GROUND FLOOR:	0	0.00
RESIDENTIAL	1,633	151.71
COMMERCIAL	792	73.58
RESIDENTIAL COMMON	2,425	225.29
TOTAL GROUND FLOOR GFA		

SECOND FLOOR:

RESIDENTIAL	2,831	263.01
RESIDENTIAL COMMON	501	46.54
TOTAL SECOND FLOOR GFA	3,332	309.55

THIRD FLOOR:

RESIDENTIAL	2,750	255.48
RESIDENTIAL COMMON	501	46.54
TOTAL THIRD FLOOR GFA	3,251	302.03

FOURTH FLOOR:

RESIDENTIAL	1,751	162.67
RESIDENTIAL COMMON	518	48.12
TOTAL FOURTH FLOOR GFA	2,269	210.80

FIFTH FLOOR:

RESIDENTIAL COMMON	247	22.95
TOTAL FIFTH FLOOR GFA	247	22.95

SUMMARY OF PROPOSED GFA

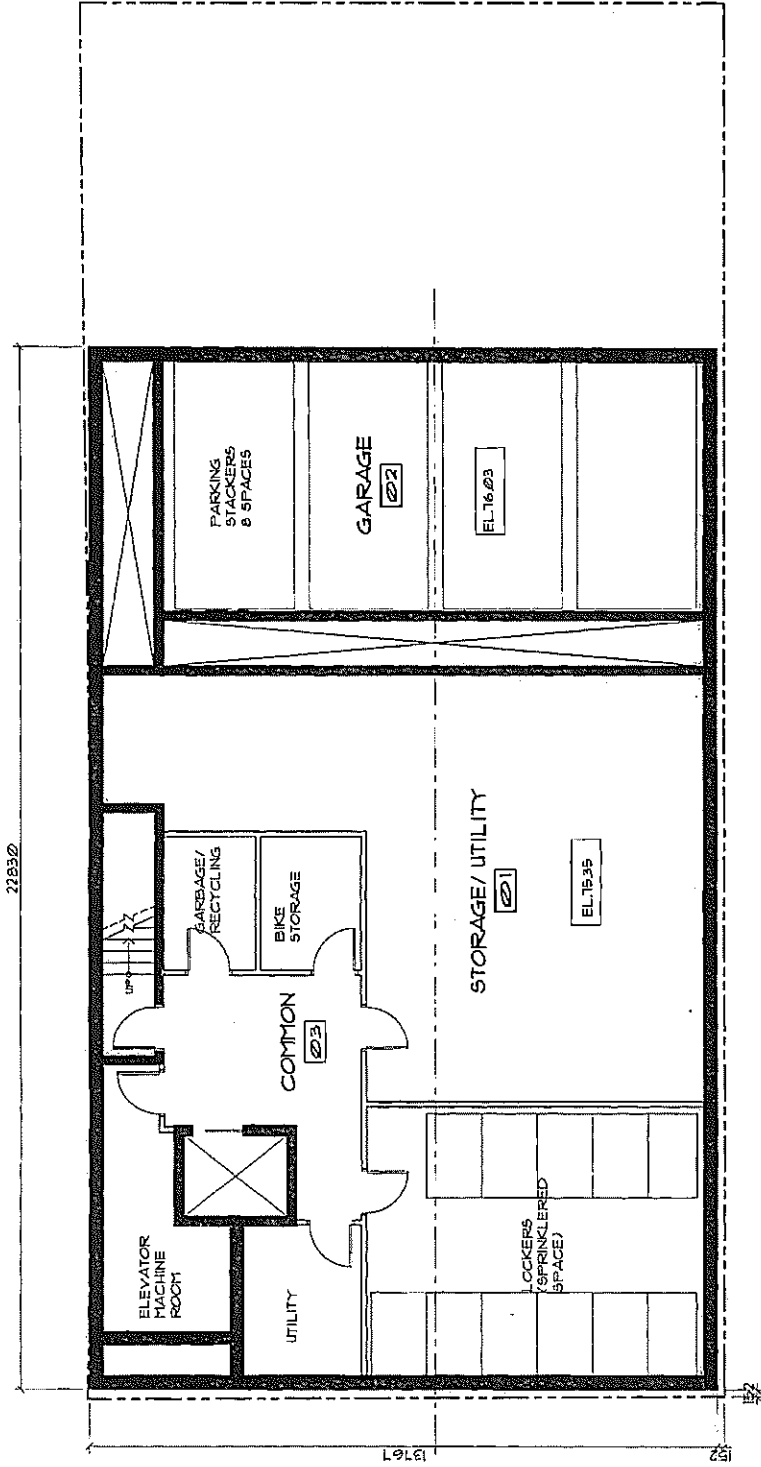
TOTAL RESIDENTIAL GFA	9,089	845.32	198.2%
TOTAL COMMERCIAL GFA	1,633	151.71	35.6%
TOTAL GFA	10,732	997.03	233.8%

PARKING

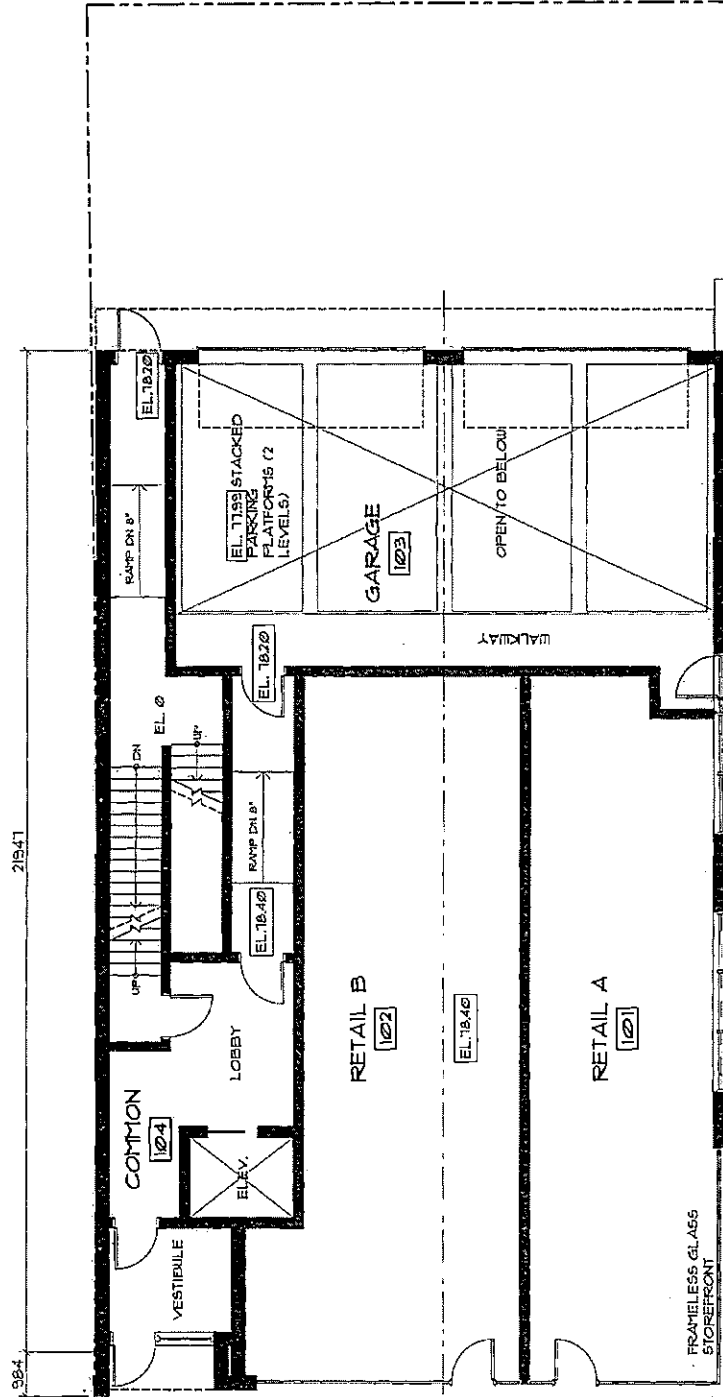
TOTAL # RESIDENTIAL UNITS	10	
THREE 2-BEDROOM UNITS	3 X 0.75 = 2.25 SPACES	2 SPACES
SEVEN 1-BEDROOM UNITS	7 X 0.5 = 3.5 SPACES	4 SPACES
VISITOR PARKING	0.06 X 10 = .6 SPACES	1 SPACE
TOTAL # RETAIL UNITS =	2	8 SPACES
PARKING PROVIDED		0 SPACES
LOADING PROVIDED		




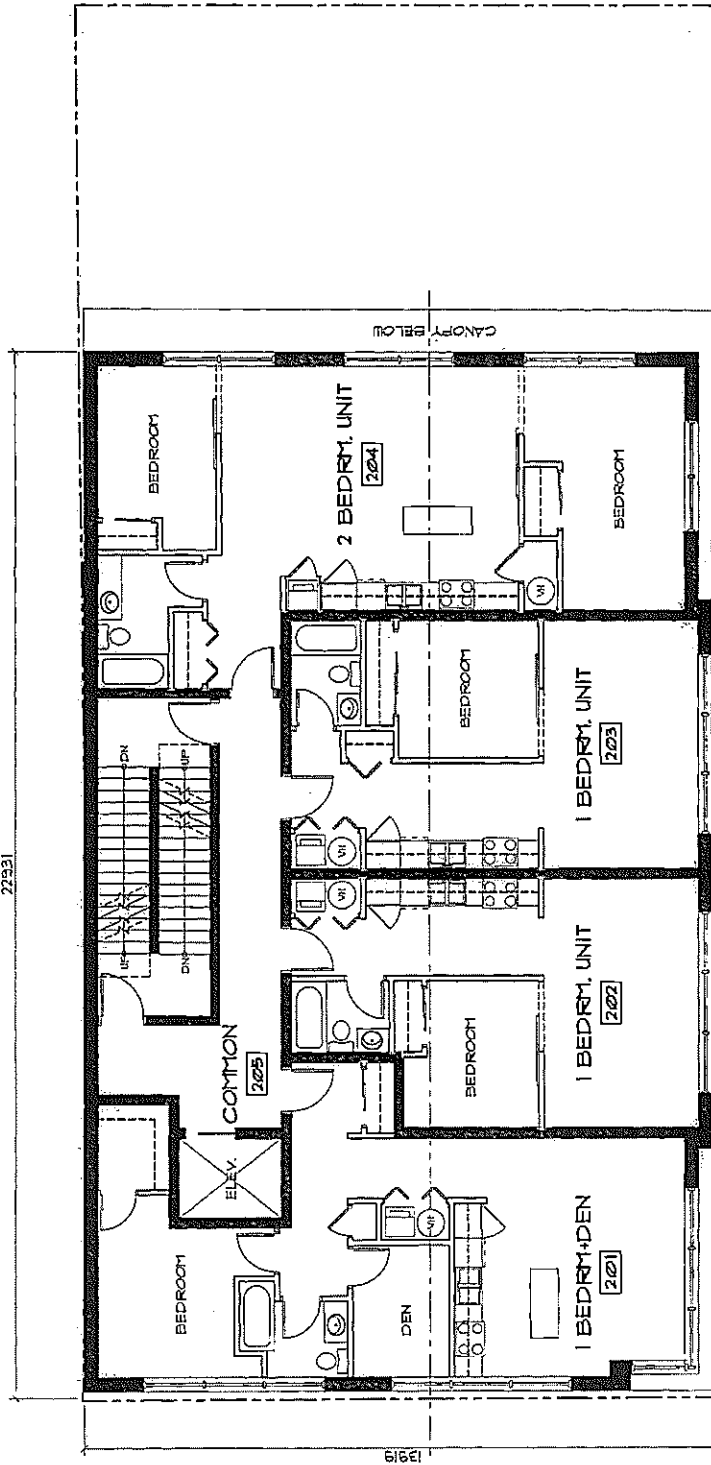
Project No. 05108 Drawing No. A-102 Revision No.		AREA STATISTICS	
QUEEN AND PAPE LOFTS for 1003 Queen Street East Inc. Toronto		Scale N.T.S.	Date May 25-05
WHA Architects Inc. 571 KINGSWAY ROAD, UNIT 30A, TORONTO, ON M4M 1B9 (416) 593-9171 FAX (416) 593-9122		Drawn JY	Checked



WHA Architects Inc.		QUEEN AND PAPE LOFTS		BASEMENT FLOOR PLAN		Project No.	05108
377 KINGSTON ROAD, UNIT 104, TORONTO, ONT. M5T 1K5 PH: (416) 593-9117 FAX: (416) 593-9122		1003 Queen Street East Inc.		Scale	1:100	Drawing No.	A-201
		Toronto		Date	May 25-05	Revision No.	
				Drawn	JY		



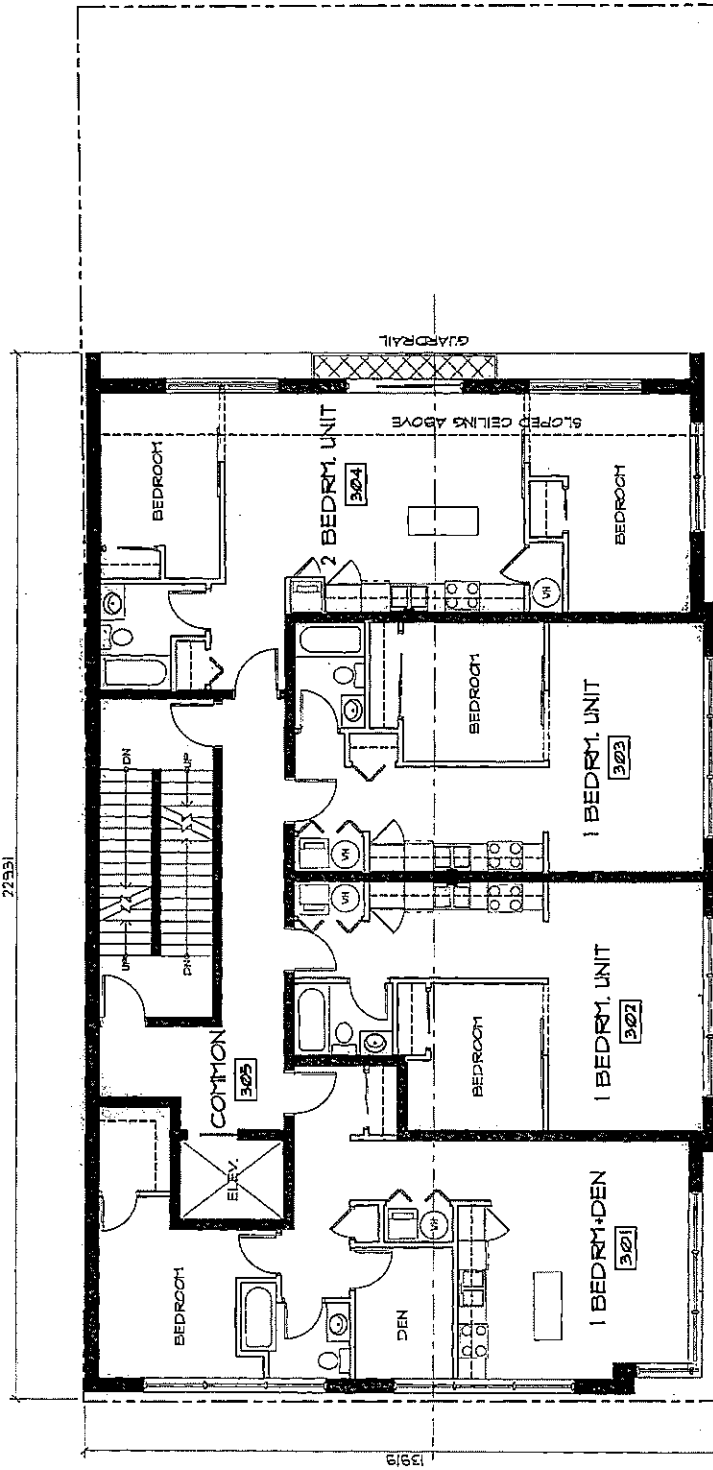
WHA Architects Inc.  <small>377 KINGSWAY ROAD, UNIT 301, TORONTO, ON M5T 1K5 TEL: (416) 593-5171 FAX: (416) 593-5172</small>	QUEEN AND PAPE LOFTS <small>for</small> 1003 Queen Street East Inc. <small>Toronto</small>	GROUND FLOOR PLAN	Project No. 05108 Drawing No. A-202 Revision No.
	Scale 1:100 Date May 25-05 Drawn JY	Date Drawn	Project No. Drawing No. Revision No.




WHA Architects Inc. 57 KINGSTON ROAD, UNIT 301, TORONTO, ON M5T 1K3 TEL: (416) 593-3732 FAX: (416) 593-3732	QUEEN AND PAPE LOFTS		SECOND FLOOR PLAN		Project No. 05108	
	for 1003 Queen Street East Inc. Toronto		Scale 1:100	Date May 25-05	Drawn JY	Drawing No. A-203

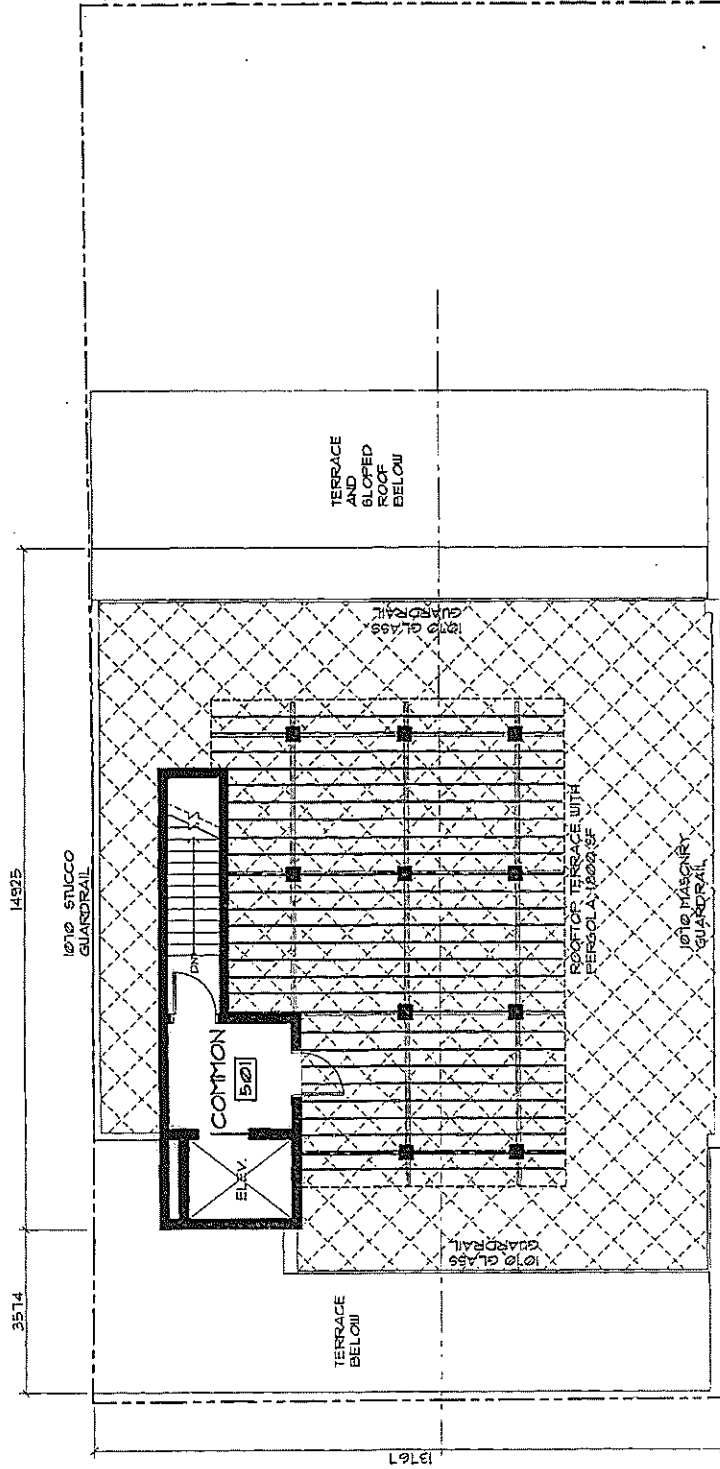
287


784



ONTARIO ASSOCIATION
OF
ARCHITECTS
WILLIAM H.D. MURPHY
LICENCE
2418

Project No. 05108 Drawing No. A-204 Revision No.	THIRD FLOOR PLAN	Scale 1:100 Date May 25-05 Drawn JY
WHA Architects Inc.  57 KINGSTON ROAD, UNIT 301, TORONTO, ON M5T 1H5 (416) 593-7777 FAX (416) 593-7772	QUEEN AND PAPE LOFTS for 1003 Queen Street East Inc. Toronto	Update

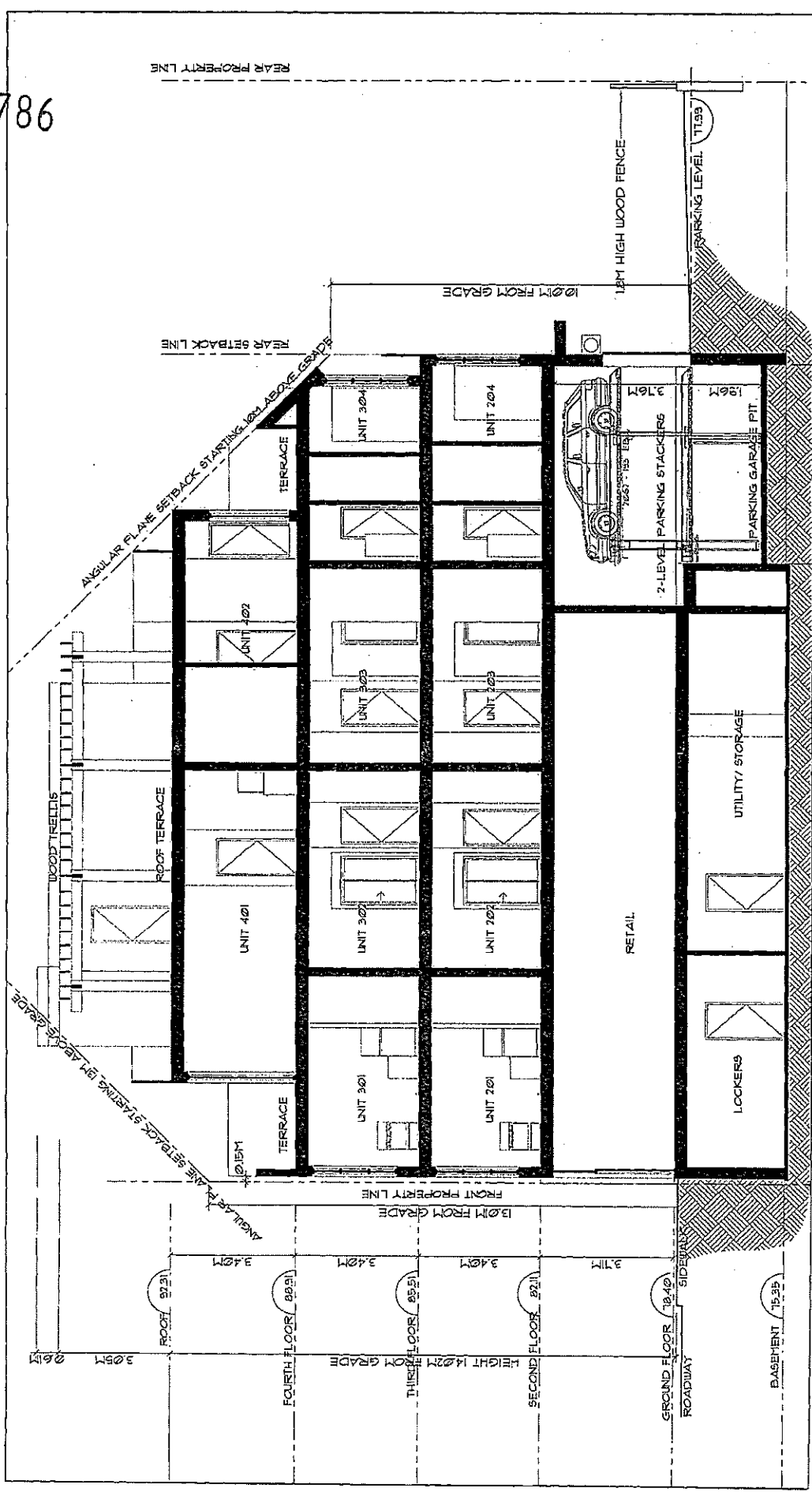



WHA Architects Inc  <small>57 MADISON ROAD, UNIT 304, TORONTO, ON M5T 1A1 TEL: (416) 593-5172</small>	QUEEN AND PAPE LOFTS or 1003 Queen Street East Inc. <small>Toronto</small>	ROOF PLAN (FIFTH) Scale: 1:100 Date: May 25-05 Drawn: JY	Project No. 05108 Drawing No. A-206 Revision No.
--	---	--	---



786

786



WHA Architects Inc  517 KESWICK ROAD, UNIT 304, LEBANON, ONT PH: (416) 593-8117 FAX: (416) 593-9127	QUEEN AND PAPE LOFTS for 1003 Queen Street East Inc. Toronto	BUILDING SECTION (NORTH-SOUTH)				Project No. 05108
		Scale 1:100	Date May 25-05	Drawn JY	Drawing No. A-401	

WHA Architects Inc.

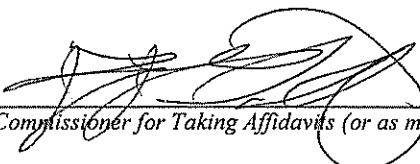


370 EASTERN AVE. SUITE 200, TORONTO, ON
M4M 1B7 CANADA TEL: (416) 593-2172 FAX: (416) 593-2173

ONARIO ASSOCIATION
of
ARCHITECTS
WILLIAM H.D. HURST
LICENCE
2416

TAB 31

This is Exhibit "31" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Wednesday, June 6, 2012 9:59 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: 1003 Queen Street East
Attach: bernstein proposal may 16, 12.xls; proposed deal terms.doc

Dear Stan,

Hope you are having an enjoyable evening.

I am attaching the proposed deal terms and excel spreadsheet for your review. Note your company name is in a somewhat different format for this one, namely Cabbage Queen Inc. You had suggested the name and I ran with it, then had second thoughts and wondered if you'd prefer that we change the name to DBDC Queen's Corner Corp. Inc. instead so that all your company names are standard. Whatever you wish is fine with us. It is easy to change, although Cabbage Queen is catchy. ☺

We are in the process of arranging financing and will advise very soon how much of the \$4 million we can raise. If there is a shortfall you can let me know what if anything you'd like to fund as a second mortgage and we'll split the balance in equity.

If you are content with the name and everything seems in order, could you please sign two originals and return to me at your convenience. Tom will then put together your Minute Book for your company and we'll send everything back to you in order.

It is always a pleasure!

Regards,
Norma

	A	B	C	D	E
1	Revenues and Projected Profits				
2					
3		Usable square footage	Saleable square footage	Sale prices	
4		\$629 per usable SF	\$525 per saleable SF		
5	Retail A	750	899	\$ 471,870	
6	Retail B	883	1058	\$ 555,548	
7	Suite 201	817	979	\$ 514,024	
8	Suite 202	526	630	\$ 330,938	
9	Suite 203	570	683	\$ 358,621	
10	Suite 204	918	1100	\$ 577,569	
11	Suite 301	817	979	\$ 514,024	
12	Suite 302	526	630	\$ 330,938	
13	Suite 303	570	683	\$ 358,621	
14	Suite 304	837	1003	\$ 526,607	
15	Suite 401	844	1011	\$ 531,011	
16	Suite 402	897	1075	\$ 564,357	
17		8955	10732		
18	Lockers	12 @ \$1,500 each		\$ 18,000	
19	Parking spaces	8 @ \$35,000 each		\$ 280,000	
20					
21		Total Revenues:			\$ 5,932,128
22		Less realty commission (3%):			\$ (177,964)
23	Net Revenues:				\$ 5,754,164
24					
25	Less Project Cost:				\$ 5,171,650
26					
27	Projected Profit:				\$ 582,514

	A	B	C	D
1	1003 Queen Street East			
2	CAPITAL REQUIRED			
3	Purchase Costs			
4				
5	Purchase Price	2,700,000		
6	Mortgage and lender's legal fees	80,000		
7	Ontario Land Transfer Tax	40,500		
8	Municipal Land Transfer Tax	40,500		
9	Other fees and disbursements	30,000		
10	for due diligence material			
11				
12	Total Purchase Price			\$ 2,891,000
13				
14	Hard construction costs			
15	Complete construction of condominium building (10,732 SF @ \$125 PSF)	\$ 1,341,500		
16	Project management fees	\$ 134,150		
17				
18		\$ 1,475,650		
19				
20	Soft construction costs			
21	Architectural fees	\$ 40,000		
22	Surveyor's fees	\$ 50,000		
23	Engineering fees	\$ 40,000		
24	Interior design fees	\$ 20,000		
25	Marketing fees	\$ 20,000		
26	Condominium application and legal fees	\$ 200,000		
27	Miscellaneous other fees	\$ 15,000		
28				
29		\$ 385,000		
30				
31	Total Construction Costs:			\$ 1,860,650
32				
33	Carrying Costs			
34	Property tax	\$ 40,000		
35	Insurance costs	\$ 60,000		
36	Interest on mortgage	\$ 320,000		
37				
38	Total Carrying Costs:			\$ 420,000
39				
40	Total Capital Required			\$ 5,171,650
41				
42	Mortgage:	77.34%	8.00%	\$ 4,000,000
43	Dr. Bernstein:	11.33%		\$ 585,825
44	Ron and Norma Walton:	11.33%		\$ 585,825

	A	B	C
1		Investor Return	
2			
3	Equity:		\$1,171,650.00
4			
5	Cash out date:		By December 30, 2013
6			
7	Projected Profits:		\$562,513.97
8			
9	Total Return on Investment:		49.72%
10			
11	Compounded annual return:		31.00%
12			
13	Total investment period:		18 months
14			

AGREEMENT

Between:

Cabbage Queen Inc.

"Bernstein"

- and -

Ron and Norma Walton

"Walton"

- and -

Queen's Corner Corp.

the "Company"

WHEREAS Bernstein and Walton intend to purchase 1003 Queen Street East, Toronto, Ontario (the "Property") on or about July 4, 2012 and put ownership of the Property in the Company's name;

AND WHEREAS Bernstein and Walton, or whomever Bernstein and Walton may direct in accordance with the provisions of paragraph 5 herein, will each hold 585,825 shares in the Company;

AND WHEREAS Bernstein and Walton will each provide the sum of \$585,825 to the Company for the purposes of purchasing, and redeveloping the property to construct ten residential and two retail condominiums (the "Project");

AND WHEREAS Walton will manage and supervise the Project and ensure it is completed according to the excel spreadsheet attached as Exhibit "A" to this Agreement;

THEREFORE the parties agree as follows:

1. Walton has contracted to purchase the Property and the purchase is scheduled to close on July 4, 2012.
2. Walton intends to complete construction of the condominiums between now and December 30, 2013 in accordance with Exhibit "A".
3. Bernstein wishes to own 50% of the shares in the Company in exchange for providing 50% of the equity required to complete the Project. The Company will issue sufficient shares such that Bernstein has 585,825 and Walton has 585,825 voting shares of the same class.

4. The ownership of the Company will be as follows:
 - a. 50% to Bernstein; and
 - b. 50% to Ron and Norma Walton as they may direct between each other or alternatively to be held by a completely Walton-owned and controlled company, provided that all covenants and agreements of Walton herein shall continue in full force and effect and such company executes an agreement to be bound by the provisions of the within Agreement.
5. Walton will be managing, supervising and completing the Project in accordance with the attached Exhibit "A".
6. Walton and Bernstein have each provided ½ of the \$450,000 to cover initial soft costs and deposits to purchase the Property
7. The balance of equity in the amount of \$360,825 each will be paid as follows:
 - a. Bernstein will provide to the Company the sum of \$360,825 on or before July 4, 2012; and
 - b. Walton will provide the sum of \$360,825 in a timely manner as required as the Project is completed
8. Walton and Bernstein will each provide 50% of whatever additional capital over and above the \$585,825 each that is required to complete the Project, if any, in a timely manner.
9. In addition to managing, supervising and completing the Project, Walton will be responsible for supervising the renovations of the building on the Property, hiring of all consultants, designers, architects and engineers to complete the Project, finance, bookkeeping, office administration, accounting, information technology provision, filing tax returns for the Company, and fulfilling all active roles required to complete the Project in accordance with Exhibit "A".
10. Bernstein will not be required to play an active role in completing the Project. Notwithstanding that, any decisions concerning the selling or the refinancing of the Property will require his approval; any decisions requiring an increase in the total amount of equity required to complete the Project will require his approval; and any significant decisions that vary from the Project plan described in Exhibit "A" will require his approval.
11. Walton will provide to Bernstein ongoing reports at minimum monthly detailing all items related to the Property including the progress in moving the plan forward.
12. Walton will provide a written report to Bernstein each month detailing the following:
 - a. copies of invoices for work completed;
 - b. the bank statement for that month; and

- c. if the bank statement does not have a copy of cancelled cheques, then Walton will also provide a complete listing of all cheques written, including payees, dates and amounts.

At Bernstein's request, Walton will provide whatever other back-up information he requests. Any cheque or transfer that is not in accordance with Exhibit "A" will require Bernstein's signature or written approval before being processed.

13. Once the Project is substantially completed to the point that all of the Property has been sold, both parties will be paid out their capital plus profits and Walton will retain the Company for potential future use.
14. The Board of Directors of the Company will be composed of two directors, being Bernstein and Norma Walton. The only shares to be issued in the Company will be as set out above, and neither party may transfer his or her shares to another party without the consent of all the other parties, which consent may be unreasonably withheld. Bernstein shall have the option of being paid out his share of capital and profits from the Project and once he has been paid out in full, he will surrender his share certificate, he will concurrently resign from the Board of Directors and Norma Walton and the Company will accept such resignation. At such time Bernstein shall be released of all obligations and liability related to the Company and shall be indemnified by Walton with respect to all liabilities, claims and obligations whatsoever of the Company up to the date at which Bernstein has been paid out his capital and profits from the Project.
15. The Company will only be used to purchase, complete and refinance the property at 1003 Queen Street East, Toronto, Ontario or such other matters solely relating to the Project and the Property.
16. If the parties disagree on how to manage, supervise and complete the Project in accordance with Exhibit "A" and cannot reach agreement amongst themselves, each of them undertakes to attend a minimum of four hours of mediation in pursuit of reaching an agreement. After mediation, if there are any remaining issues to be determined, those issues in dispute shall be determined by a single arbitrator in as cost-effective a manner as possible, with no right of appeal. All costs of such mediation and/or arbitration will be borne equally by Bernstein and Walton.

17. The above represents all deal terms between the parties.

Dated at Toronto, Ontario this day of JUNE 2012

Cabbage Queen Inc.
Per A.S.O.

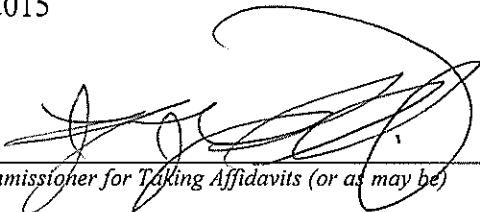
Queen's Corner Corp.
Per A.S.O.

Ron Walton

Norma Walton

TAB 32

This is Exhibit "32" referred to in the Affidavit of Stanley Bernstein
sworn August 4, 2015



Commissioner for Taking Affidavits (or as may be)

DANIELLE GLATT

From: Norma Walton <nwalton@roseandthistle.ca>
Sent: Tuesday, May 22, 2012 5:34 PM
To: Dr. Stanley Bernstein <drb@drbdiet.com>
Subject: Another investment opportunity
Attach: Brochure_Highway_27_and_Rexdale.pdf; capital required may 22, 12.xls

Dear Stan,

Hope you had a wonderful weekend...it was just gorgeous.

You and I have chatted about the 5.27 acre property we purchased on Friday at the corner of Rexdale and Highway 27. I am attaching the brochure. We agreed to purchase it on Friday for \$4.36 million and just found out today that another similar property just down the street at 85 Queen's Plate has four offers in on it with another two coming. Glad we secured ours on Friday!

The property is zoned industrial / commercial but in reality it is still pristine farmland, having never been developed. We saw a ground hog on the property when we toured – an auspicious omen.

MPS – Etobicoke is a private school that has been in business 40 plus years. They have been renting a school from the Toronto District School Board for the past 28 years and TDSB has advised them they need to vacate as of summer 2013. They've been under new management as of 2008. Hence we are building them a new school on the Queen's Plate property. They have 300 students now and plan to ramp up to 500 over the next five years.

I have attached the excel spreadsheet showing the opportunity. The plan is to purchase the land for \$4.36 million on August 3rd; design-build a 35,000 SF school for another \$5.5 million; and move the school in next summer. The school will be paying \$750,000 net rent in 2014, ramping up each year thereafter such that within the next 15 years (the lease term) the property should be worth around \$20 million with minimal mortgage left and generating net income of \$1.2 million. It should also be cash flow positive to you and us as of January 1, 2014. We plan to refinance the property once the school moves in and then plan to hold it long term. Within 18 months of purchase, we should have each made a 48% straight line return on our equity. Thereafter we should be making ongoing cash on equity each month while we also pay down mortgage principal. A good vector...

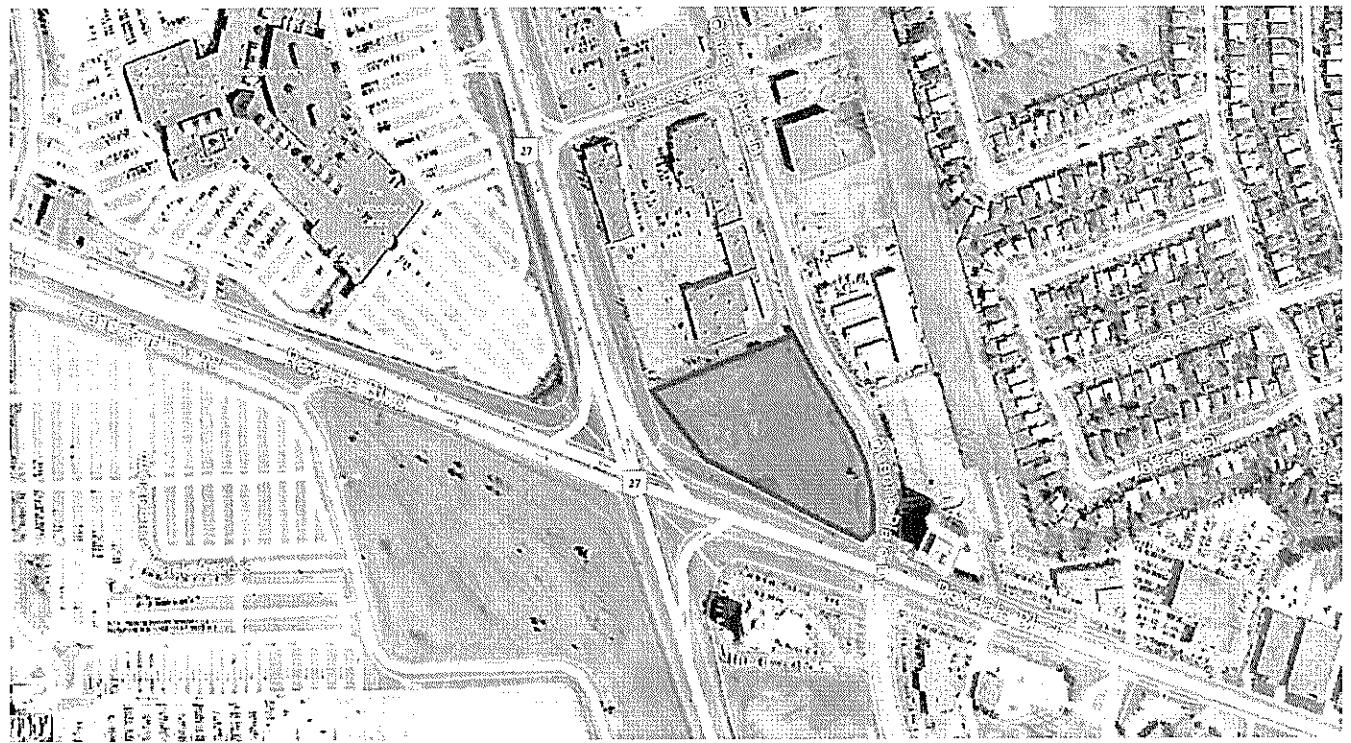
We'd love to partner with you on this property. We have asked Carl LaVoie to line up debt financing for acquisition and construction such that your and our investment is equity only of \$1.64 million each.

If the opportunity is of interest, please prepare a cheque for \$267,500 being ½ of the deposit costs, mortgage fees, and due diligence expenses we will spend between now and closing on August 3rd. Please make it payable to The Rose and Thistle Group Ltd. and reference Queen's Plate Drive. The property is not yet addressed having never been developed.

It should be another enjoyable and profitable project to add to our growing joint portfolio...☺

Cheers,
Norma

For Sale Serviced Development Land



Highway 27 & Rexdale Development Lands Toronto, Ontario, Canada

- Serviced vacant land - approximately 5.27 acres
- Zoned I.C1 with Official Plan "Employment" designation
- Permitted uses include retail, manufacturing, institutional and medical
- High profile property with three frontages
- Situated in growing commercial area with extensive development plans
- Directly adjacent Woodbine Racetrack

Brian J. Wilson*
416.673.4066
brian.wilson@avisonyoung.com

Kellin C. Enslev*
416.673.4016
kellin.enslev@avisonyoung.com

*Sales Representative

Partnership. Performance.



Intelligent
Real Estate Solutions

The Property

The Highway 27 & Rexdale Development Lands comprise a 5.27-acre vacant development site at the northeast corner of Rexdale Boulevard and Highway 27. The Property has three frontages including 642 feet along Queen's Plate Drive. It is fully serviced and ideally suited for a variety of development types including, but not limited to, retail, office, industrial, institutional and medical. The property is directly south of a major retail plaza featuring Staples, Winners and Mandarin Restaurant. An additional development, anchored by Fortinos is adjacent to the plaza to the north.

Location

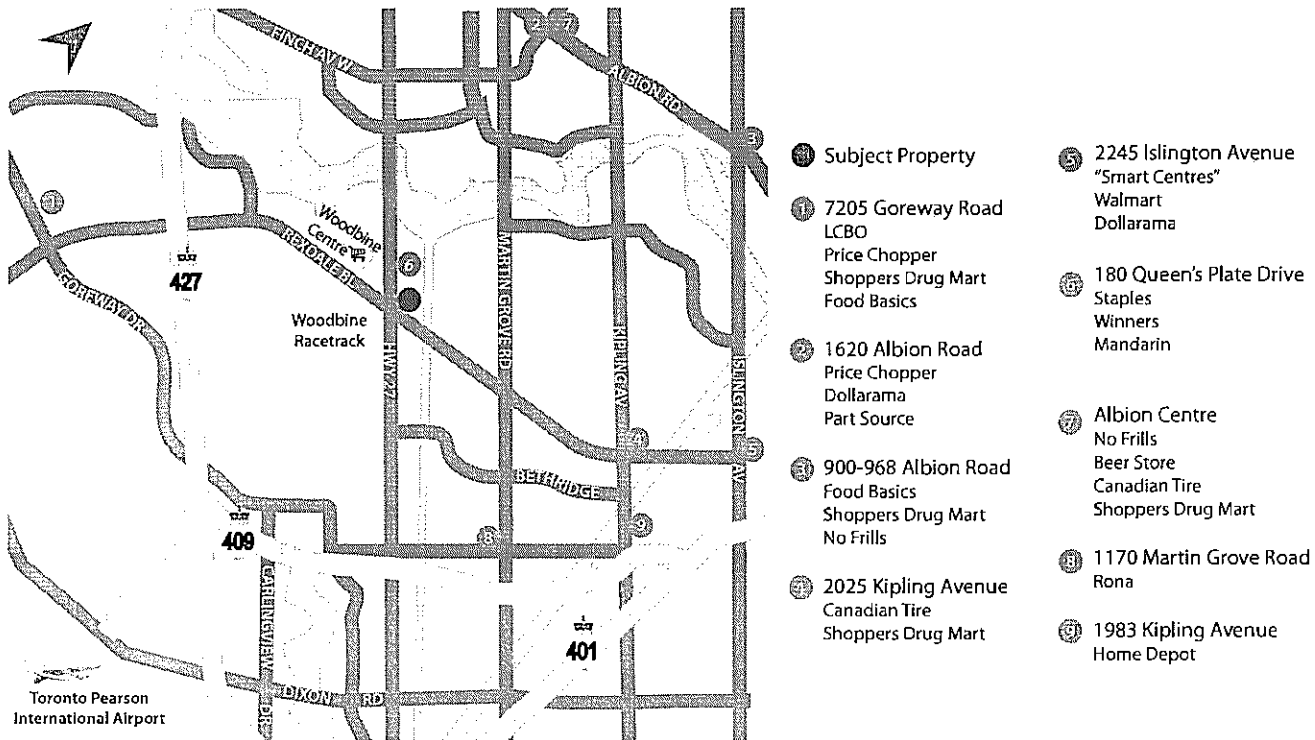
The site is located in the northwest quadrant of Etobicoke, City of Toronto, Ontario.

Toronto Pearson International Airport, the largest and busiest airport in Canada, is approximately 5 minutes away by car. Highways 401, 409 and 427 are just a few minutes away by car; downtown Toronto is approximately a half-hour's drive.

The immediate neighbourhood is a highly developed industrial/commercial area with two popular destinations: **Woodbine Racetrack**, Canada's premier thoroughbred horse racing establishment and home to

the Queen's Plate, the first leg of the Canadian Triple Crown; and **Woodbine Centre**, a major regional enclosed shopping mall with more than 200 tenants. (see map below).

In addition to the above-noted developments, plans are underway to construct significant additional developments to include commercial uses, lifestyle communities and residential dwellings. Woodbine Entertainment, owner of Woodbine Racetrack, has joint-ventured with New-York-based firm **The Cordish Company**, to develop the \$1 billion **Live**". More information is available on the following page.



Land Use

Zoning

The Property is currently zoned I.C1 (Employment), which permits a variety of uses including, but not limited to: manufacturing, medical offices or hospitals, community centres, athletic fields, libraries, commercial recreational facilities, retail sales, and places of worship.

Official Plan

The Property is designated General Industrial Class 1 within an Employment District of the Northwest District of the Toronto Plan.

Development

The Project Plan comprises two distinct development components: a multi-unit residential development and a commercial development. The residential development is located on the north side of the site, and the commercial development is located on the south side. The residential development is a multi-unit residential development, and the commercial development is a commercial development. The residential development is a multi-unit residential development, and the commercial development is a commercial development.

The Project Plan is a multi-unit residential development, and the commercial development is a commercial development. The residential development is a multi-unit residential development, and the commercial development is a commercial development.

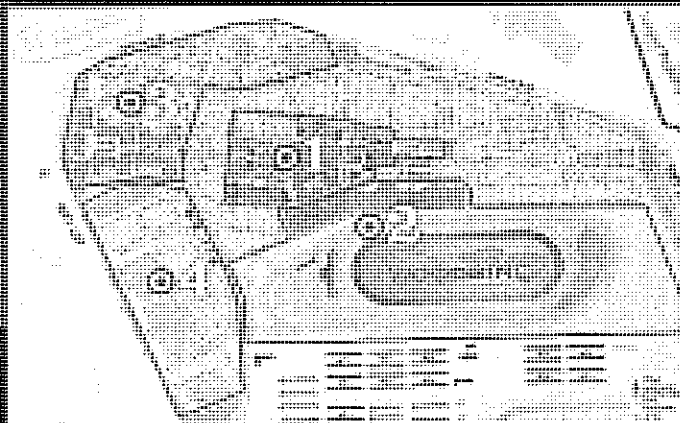
The Project Plan is a multi-unit residential development, and the commercial development is a commercial development. The residential development is a multi-unit residential development, and the commercial development is a commercial development. The residential development is a multi-unit residential development, and the commercial development is a commercial development.

The Project Plan is a multi-unit residential development, and the commercial development is a commercial development. The residential development is a multi-unit residential development, and the commercial development is a commercial development. The residential development is a multi-unit residential development, and the commercial development is a commercial development.

"Woodbine Live"

The Vision

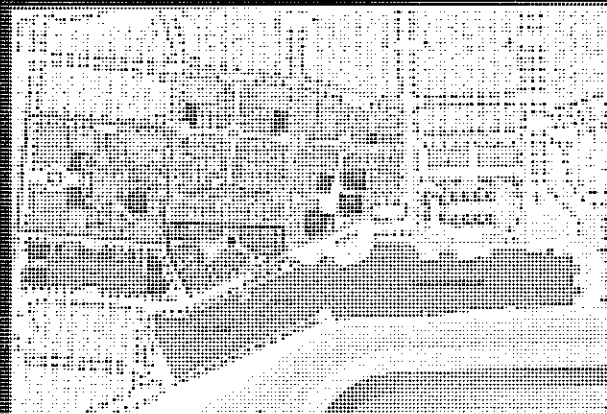
AN URBAN ENVIRONMENT WITH CITY COMPARISON



- 01
RESIDENTIAL DEVELOPMENT
- 02
COMMERCIAL DEVELOPMENT
- 03
PARKING LOT
- 04
ENTRANCE

The Districts

OF THE ENTERTAINMENT AND LIFESTYLE NEIGHBOURHOOD



- Broadway
- Live
- Leisure Plaza
- The Galleria
- Leisure Fashion
- The Market

Taxes (2011)

\$47,460

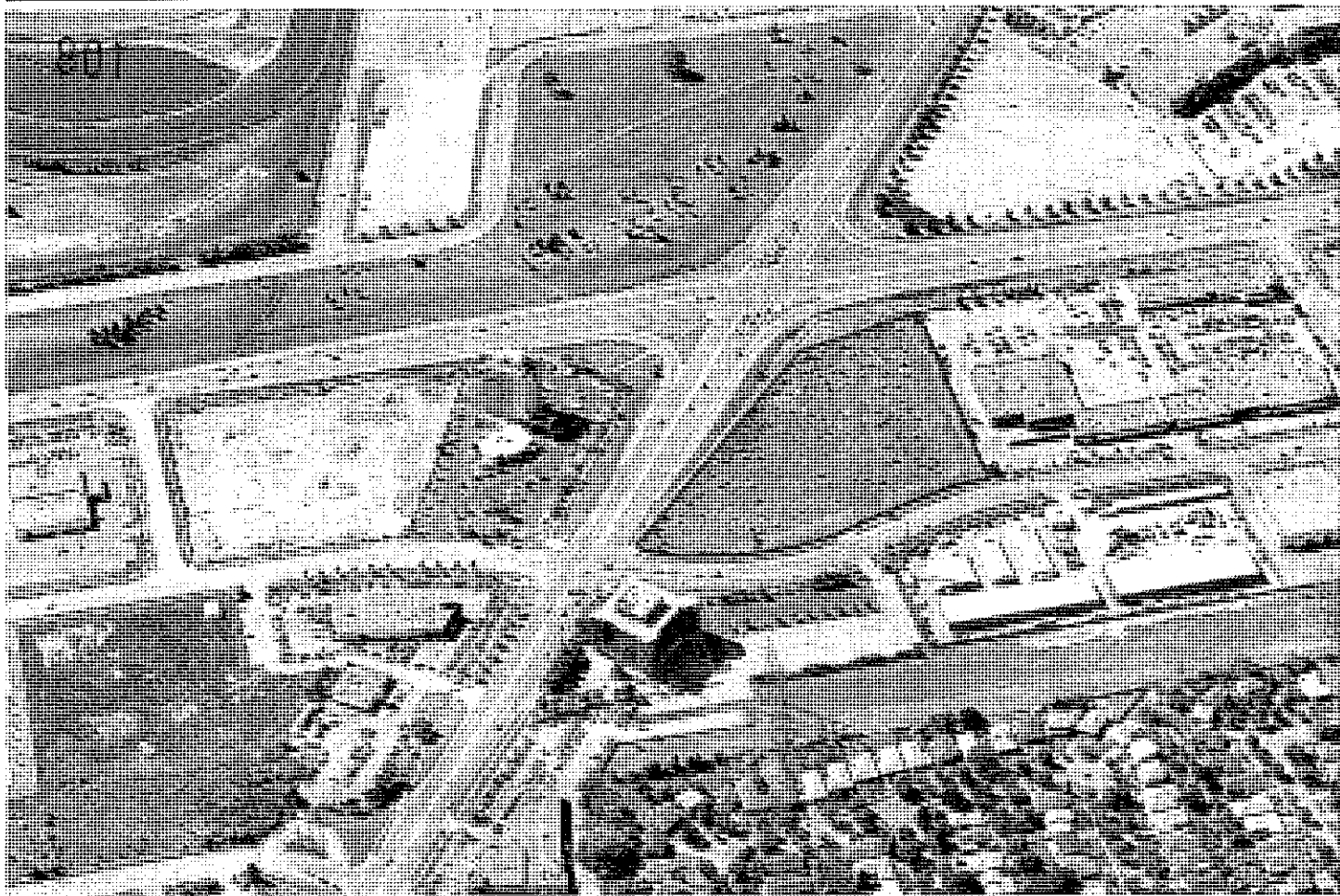
Legal Description

Con 2 Fth Pt Lot 29 30 RP 66R15341
Part 3 Except RP 66R15376 Part 1
(abbr.)

Owner

I.F. Propco Holdings (Ontario) 7 Ltd.





Financing

Treat as clear. Contact Listing Agents for indicative mortgage terms.

Pricing

\$ 4,500,000 (\$853,890 per acre)

Offers will be considered as they are received.

For more information, please contact:

Brian J. Wilson*
416.673.4066
brian.wilson@avisonyoung.com

Kellin C. Enslev*
416.673.4016
kellin.enslev@avisonyoung.com

*Sales Representative

Avison Young
Commercial Real Estate (Ontario) Inc., Brokerage
150 York Street, Suite 900, Toronto, ON M5H 3S5
Phone: 416.955.0000 Fax: 416.955.0724

We're Moving!
Our new address as of May 14, 2012 is:

Avison Young
Commercial Real Estate (Ontario) Inc., Brokerage
18 York Street, Suite 400, Toronto, ON M5J 2T8
Phone: 416.955.0000 Fax: 416.955.0724

The information contained herein was obtained from sources deemed reliable and is believed to be true; it has not been verified and as such, cannot be warranted nor form any part of any future contract.



Intelligent
Real Estate Solutions



	A	B	C
1	Anticipated Profit		
2			
3	Building Value:		\$ 12,500,000
4			
5	Less Project Cost:		\$ 10,896,560
6			
7	Projected Profit:		\$ 1,603,440
8			

	A	B	C	D
1	85 Queen's Plate Drive			
2	CAPITAL REQUIRED			
3				
4	Purchase Costs			
5	Purchase Price	4,360,000		
6	Mortgage fee	151,640		
7	Lender's legal fee	25,000		
8	Ontario Land Transfer Tax	76,300		
9	Municipal Land Transfer Tax	76,300		
10	Other fees and disbursements	85,000		
11	for appraisal, environmental investigation and testing,			
12	environmental reports, municipal			
13	enquiries and fees, etc.			
14				
15	Total Purchase Price			\$ 4,774,240
16				
17	Construction Costs			
18	Build 35,000 SF school facility	\$ 4,900,000		
19	Project management fee	\$ 490,000		
20	Total Renovation Costs:			\$ 5,390,000
21				
22	Professional Fees			
23	Architectural plans	\$ 75,000		
24	Engineering fees	\$ 30,000		
25	Interior design fees	\$ 20,000		
26	Cost Consultant	\$ 30,000		
27	Surveyor's fees	\$ 60,000		
28	Permit fees	\$ 60,000		
29	Total Professional Fees:			\$ 265,000
30				
31	Carrying Costs			
32	Property tax	\$ 50,000		
33	Interest on mortgage	\$ 368,320		
34	Utilities and maintenance	\$ 25,000		
35	Insurance	\$ 24,000		
36				
37	Total Carrying Costs:			\$ 467,320
38				
39	Total Capital Required			\$ 10,896,560
40				
41	Mortgage:	30.01%	5.00%	\$ 3,270,000
42	Construction mortgage:	39.57%	9.50%	\$ 4,312,000
43	Dr. Bernstein:	15.21%		\$ 1,657,280
44	Ron and Norma Walton:	15.21%		\$ 1,657,280

	A	B	C	D
1	Projected Net Income			
2				
3	Expected net revenues:			
4				
5	School rent		\$750,000	
6				
7	Projected net income:			\$750,000
8				
9				
10	Projected Building Value			
11				
12				
13	6% capitalization rate:			-\$12,500,000

805

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	A	B	C
1	Projected Investor Return		
2	Formula for Profit Division		
3			
4	Dr. Bernstein's investment:	\$1,657,280.00	
5	Ron and Norma Walton's Investment:	\$1,657,280.00	
6			
7	Cash out date:	On or before January 31, 2014	
8			
9	Projected profits:	\$1,603,440.00	
10			
11			
12	Refinance property once tenant moves in and begins paying rent:		
13			
14	First mortgage of 70% of end value:	\$8,750,000.00	
15	Less existing mortgages:	\$7,582,000.00	
16			
17	Total monies available:	\$1,168,000.00	
18			
19	To partially reimburse Bernstein capital:	\$584,000.00	
20	To partially reimburse Walton capital:	\$584,000.00	
21			
22	Capital remaining invested as equity in property after refinancing:		
23			
24	Bernstein:	\$1,073,280.00	
25	Waltons:	\$1,073,280.00	
26			
27	Percentage total return on investment from August 3, 2012 to January 31, 2014:		
28	Dr. Bernstein:	48.38%	
29	Ron and Norma Walton:	48.38%	
30			
31	Total investment period:	18 months	
32			
33	An investment of \$100,000 on August 3, 2012 is projected to be worth \$148,380 on January 31, 2014		

<div><div><div>ONTARIO</div><div>SUPERIOR COURT OF JUSTICE</div><div>COMMERCIAL LIST</div></div><div><div>PROCEEDING COMMENCED AT TORONTO</div></div></div>	
<div><div><div>MOTION RECORD OF THE APPLICANTS</div><div>(RETURNABLE SEPTEMBER 2 & 4, 2015)</div><div>VOLUME 3 OF 6</div></div></div>	
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