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Franchising Law A World of Opportunity

(From left to right):

Joseph Adler; *Hoffer Adler LLP*

Peter Dillon; *Siskinds LLP*

Frank Zaid; *Osler, Hoskin & Harcourt LLP*

Lawrence Weinberg; *Cassels Brock & Blackwell LLP*

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BIG REAL ESTATE

RioCan REIT Acquires Four Shopping Centres from Walmart and First Professional

On December 17, 2009, RioCan Real Estate Investment Trust completed the acquisition of Walmart Canada Realty Inc.'s and First Professional Realty Inc.'s interests in three shopping centres located in Alberta and one shopping centre located in British Columbia totalling approximately 1.2 million square feet.

Three of the four properties are anchored by Walmart, which represents 54 per cent of the occupied space by gross leasable area, and the remaining property will be anchored by Lowe's.

The purchase price for the four properties was approximately \$280 million.

RioCan acquired two of the properties on a joint venture basis. Grandview Corners in Surrey, British Columbia was acquired with CPP Investment Board Real Estate Holdings Inc. on a 50-50 basis, and Edmonton West Retail Centre in Edmonton, Alberta was acquired with Sun Life Insurance (Canada) Limited, with RioCan owning a 40 per cent interest.

RioCan, CPP and Sun Life were represented by **Fogler, Rubinoff LLP**, with a team that included Raymond Gelgoot, Leneo Sdao and William Berger; by **Bryan & Company LLP** in Alberta, with a team that included Bog Romanko, QC, and Philip du Heaume; and by **Kornfeld Mackoff Silber LLP** in British Columbia, with a team that included Donald Haslam. CPP was also advised by **Goodmans LLP**, with a team that included Juli Morrow and Ira Berg. Sun Life was also represented by in-house counsel Glen Copeland.

Walmart and First Professional were represented by Walmart in-house counsel Peter Prattas and First Professional in-house counsel

Joseph Amato and Jennie Yap; by **Davies Ward Phillips & Vineberg LLP**, with a team that included Gregory Howard, Steven Martin, Matthew Singerman and Daniel Remick; by **Kennedy Agrios LLP** in Alberta, with a team that included Richard Kennedy and Brian Futoransky; and by **McCarthy Tétrault LLP** in British Columbia, with a team that included Elizabeth Yip.

Entertainment Properties Trust Acquires Toronto Dundas Square Complex

On March 4, 2010, Entertainment Properties Trust (EPR) completed its acquisition of the 10 Dundas Street complex in downtown Toronto and its related financing. EPR acquired its interest in the complex, which was in receivership for nearly one year, from Ernst & Young Inc., in its capacity as the court-appointed interim receiver and receiver and manager of Penex Metropolis Ltd., in its capacity as general partner of and a nominee and trustee of and for Metropolis Limited Partnership (the receiver). EPR paid approximately \$120 million to the receiver, and extinguished its second mortgage, which secured in excess of that amount as part of completion of the transaction. EPR's \$100-million acquisition financing was provided by Royal Bank of Canada as administrative agent for a syndicate of lenders. The acquisition and court receivership involved a number of third parties and stakeholders including The City of Toronto and Ryerson University.

The complex is a 13-level mixed-use, multi-media entertain-

ment retail centre located in Toronto's primary urban retail node, consisting of approximately 330,000 sq. ft. of net rentable area and includes one of the highest-grossing theatre complexes

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in Canada, as well as 25,000 sq. ft. of digital and static signage. The complex has major tenants including AMC Theatres, Future Shop, Adidas and the head office of Google Canada.

EPR was represented by **Stikeman Elliott LLP** with a team led by Mario Paura (real estate) and Elizabeth Pillon (bankruptcy and insolvency) and included Melissa Schyven, Kristina Kaneff, Andy Gibbons (real estate and banking); John Lorito and Alan Kenigsberg (tax) and Vanessa Dimilta (banking).

The acquisition lenders were represented by **Osler, Hoskin & Harcourt LLP** with a team led by Michael Matheson (financial services) that included Rod Davidge and Maureen Rocchi (real estate) and Brodie Swartz and Todd Mandel (financial services).

The receiver was represented by **Minden Gross LLP** with a team led by Kenneth Kallish (insolvency) that included Raymond Slattery, Eleonore Morris, Melissa McCready; Carl Schwebel and Monica Bianchini (real estate); Stephen Posen, Robyn Kestenberg and Melodie Eng (leasing) and Geoffrey Brown (commercial).

Ryerson University was represented by **Aird & Berlis LLP** with a team that included Harry Fogul (insolvency) and Michael Brooks, Sandra Dos Santos and Steven Pavlides (real estate).

City of Toronto was represented by in-house solicitors Darrel Smith and Barbara Cappell.

Cadillac Fairview Sells Its Interests in Two Toronto Buildings to Morguard

The Cadillac Fairview Corporation Limited (CF) sold its 75 per cent interest in a 14-storey building at 60 Bloor Street West, Toronto to Morguard Investments Limited on behalf of two Canadian institutional investors. CF and Ontrea Inc. also sold their 100 per cent interest in a 21-storey building at 77 Bloor Street West, Toronto to Morguard Investments Limited on behalf of Morguard REIT and a Canadian institutional investor. Both deals closed on December 15, 2009. The total amount was

not disclosed.

Cadillac Fairview is one of North America's largest investors, owners and managers of commercial real estate. CF and its affiliates own and manage some of Canada's landmark developments, such as Toronto-Dominion Centre, Toronto Eaton Centre, Pacific Centre and Chinook Centre. CF is wholly owned by the Ontario Teachers' Pension Plan.

Morguard is one of Canada's largest, fully integrated, commercial real estate firms. With more than \$9 billion in assets owned and under management, Morguard provides real estate management services, from acquisitions and development to ongoing asset management, leasing, property management, research and valuation services.

CF and Ontrea were represented by Sandra Hardy, Executive Vice-President and General Counsel, and Rory Dyck, Director, Legal Services, and by **Torys LLP**. The Torys team was led by David Dell (real estate) and included Jay Holsten (competition). Amber Stewart and Daniel Steinberg of **Davies Howe Partners** assisted with municipal/planning matters.

Morguard was represented by Beverley Flynn, General Counsel at Morguard and by **Fraser Milner Casgrain LLP**. Fraser Milner Casgrain's team was led by Ronald Goldenberg and included Andrea Centa (real estate); Jason Park, Andrew Jeanrie and Mark Piel (municipal planning); Clayton Caverley (competition) and Don Macintosh and Emma Williamson (corporate).

Lowe's Acquires Walmart's Interest in Three Former Sam's Club Locations

On January 20, 2010, Lowe's Companies Canada, ULC completed its acquisition of Walmart Canada Corp.'s interest in its former Sam's Club locations in London, Vaughan and Pickering, Ontario, as contemplated by a purchase agreement entered into on July 30, 2009. Walmart discontinued its Ontario Sam's Club format in March 2009 to focus on its more popular and

... continued on page 49

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as a breach of the requirements of the *Municipal Government Act of Alberta*.

Pidruchney's first step was an application for an interim injunction, to halt the transaction before the public company made any distribution of shares. The application was made on July 3, 2009 and denied by Justice Ged Hawco on several grounds.

The application for an interim injunction was cited as the grounds for "*res judicata*."

The action was not appealed, nor was there an appeal of the summary dismissal ordered on December 23.

A separate action brought by three union groups and three individuals in the form of an application for judicial review was also dismissed.

EPCOR and Capital Power were represented by A. Webster Macdonald, Jr., QC, David Tupper and Carol Hales of **Blake, Cassels & Graydon LLP**.

The City of Edmonton, Mayor and Councillors were represented by Mark Young of the City Law Branch.

William Pidruchney represented himself throughout.

BIG REAL ESTATE

...continued from page 45

expanding supercentre format and discount-store business. The purchase price for the transaction was not disclosed.

The acquired stores are located at 1335 Fanshawe Park Road West in London, 100 Edgeley Boulevard in Vaughan and 1899 Brock Road in Pickering. Lowe's plans to open its stores at these locations by the end of the fourth quarter of fiscal 2010.

Lowe's was represented by in-house counsel James Potter, Vice President-Associate General Counsel and Assistant Secretary, Lowe's Companies, Inc., and by **Stikeman Elliott LLP**, with a team that included Mario Paura, John Dow, Andrew Elliott and Savvas Kotsopoulos.

Walmart was represented by in-house counsel Laurie Crocker and Peter Prattas, by **Davies Ward Phillips & Vineberg LLP**, with a team that included Gregory Howard, Steven Martin and Matthew Singerman, and by **WeirFoulds LLP**, with a team that included **John Pandell, Sylvia Adriano, Bruce Engell and David Willer**.

The landlords of the Pickering and Vaughan locations and the owner of certain lands surrounding the London property were represented by SmartCentres in-house counsel Joseph Amato, Doris Maida and Jeffrey Winick. ☐

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can be invented,
has been invented."**

Charles Duell
United States Commissioner
of Patents, 1899

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