

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*,  
R.S.O. 1990 c. C.43, as amended.

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**MOTION RECORD OF THE RECEIVER**

(Sale approval motion returnable November 15, 2011)

Date: November 3, 2011

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**SERVICE LIST**  
(motion returnable November 15, 2011)

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**AND TO: KIN CHUNG LAM**  
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Attention: Mr. J.E. Byerley

**AND TO: WORKPLACE SAFETY AND INSURANCE BOARD**  
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**AND TO:** **CITY OF TORONTO**  
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Attention: Ulli S. Watkiss, City Clerk

**AND TO:** **MINISTRY OF ENVIRONMENT (ONTARIO)**  
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**AND TO:** **MINISTRY OF THE ATTORNEY GENERAL (ONTARIO)**  
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**AND TO:** **CANADA REVENUE AGENCY**  
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Scarborough, ON M1P 4Y3

Attention: P. Davey, Collection Officer

# INDEX

## INDEX

TAB	DOCUMENT
1.	Notice of Motion dated November 3, 2011
Schedule "A"	Draft approval, Vesting and Interim Disbursement order
2.	Third Report of the Receiver dated November 3, 2011
Appendix "A"	Appointment Order of Campbell J. dated June 29, 2011
Appendix "B"	First Report of the Receiver dated July 15, 2011
Appendix "C"	Endorsement of Mesbur J., July 19, 2011
Appendix "D"	Second Report of the Receiver dated July 21, 2011
Appendix "E"	Order of Perell J. July 22, 2011
Appendix "F"	Supplementary Report to the Second Report of the Receiver dated July 29, 2011
Appendix "G"	Endorsement of Wilton-Siegel J. dated August 3, 2011
Appendix "H"	Endorsement of Wilton-Siegel J., August 5, 2011
Appendix "I"	Supplementary Motion Record of the Receiver dated August 9, 2011
Appendix "J"	Marketing Order of Morawetz J. dated August 10, 2011
Appendix "K"	Contempt Dismissal Order of Morawetz J. dated October 17, 2011
Appendix "L"	Partial survey of Lands
Appendix "M"	Parcel Registers dated October 26, 2011
Appendix "N"	Standard Unit Purchaser Agreement of Purchase and Sale
Appendix "O"	Standard Unit Purchaser Agreement of Purchase and Sale
Appendix "P"	PPSA Enquiry Response Certificate with a currency date of October 25, 2011
Appendix "Q"	Globe and Mail advertisement, September 1, 2011
Appendix "R"	Confidential Information Memorandum

<b>TAB</b>	<b>DOCUMENT</b>
Appendix "S"	Conditions of Sale and Form of Offer
Appendix "T"	Template Sale Agreement
Appendix "U"	Cushman Wakefield appraisal
Appendix "V"	Summary of offers received by Receiver
Appendix "W"	Unredacted Mady Development Corporation Sale Agreement
Appendix "X"	Redacted Mady Development Corporation Sale Agreement
Appendix "Y"	Tannenbaum Fee Affidavit sworn November 2, 2011
Appendix "Z"	Moffat Fee Affidavit sworn October 28, 2011
Appendix "AA"	Rappos Fee Affidavit sworn November 2, 2011
Appendix "BB"	Fried Fee Affidavit sworn November 2, 2011
3.	Blackline to Model Approval and Vesting Order

# TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*,  
R.S.O. 1990 c. C.43, as amended.

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**NOTICE OF MOTION**

**DELOITTE & TOUCHE INC.** in its capacity as receiver (the "**Receiver**") of all the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario (the "**Lands**") and all of the assets, undertakings and properties of the respondent 2811 Development Corporation (the "**Debtor**") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon, will make a motion before a Judge presiding over the Commercial List on Tuesday, the 15<sup>th</sup> day of November, 2011 at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR AN ORDER** substantially in the form of the draft attached as Schedule "A" hereto (the "**Draft Order**"):

- (a) if necessary, abridging the time for service of this motion so that it is properly returnable on Tuesday, November 15, 2011 and dispensing with further service thereof;
- (b) approving the sale to Mady Development Corporation (the "**Purchaser**") of the **Assets**, as defined in the Agreement of Purchase and Sale dated as of October 3, 2011 between the Receiver and the Purchaser (the "**Mady Agreement**") and attached in redacted form as Appendix "X" to the Third Report of the Receiver dated November 3, 2011 (the "**Third Report**");
- (c) vesting in the Purchaser or its designate the Assets as defined in the Mady Agreement , free and clear of all **Encumbrances** other than **Assumed Encumbrances**, each as defined in the Mady Agreement;
- (d) approving the Receiver's First Report, Second Report, Supplementary Report and Third Report, each as defined in the Third Report, and all of the activities of the Receiver as set forth therein;
- (e) approving the fees and disbursements of the Receiver and of its counsel, Thornton Grout Finnigan LLP, Meyer, Wassenaar & Banach LLP and Borden Ladner Gervais LLP, as described in the Third Report, the affidavit of Grant B. Moffat sworn October 28, 2011 and the affidavits of Bryan Tannebaum, Joseph Fried and Sam Philip Rappos, each sworn on November 2, 2011;



- (f) sealing the Confidential Information Memorandum, the Template Sale Agreement, the Cushman appraisal, the summary of offers and the unredacted version of the Mady Agreement provided to the Court as Confidential Appendices “R”, “T”, “U”, “V” and “W” respectively to the Third Report, until the filing with the Court of the Receiver’s Certificate referred to in the Draft Order or further order of the Court;
- (g) authorizing the Receiver to pay the following amounts from the proceeds of sale of the Assets following the closing of the Mady Agreement transaction: (i) the full amount of the Receiver’s fees and disbursements, including legal fees and disbursements, as approved by the Court; (ii) an amount sufficient to repay in full the indebtedness of the Debtor owing to the first mortgagee, Firm Capital Mortgage Fund Inc.; and (iii) an amount, in the Receiver’s sole and unfettered discretion, on account of the indebtedness of the Debtor owing to the subsequent mortgagees Key Pendragon Enterprises Inc. and White Bear Developments Inc.; and
- (h) such further and other relief as counsel may advise and this Honourable Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

- (a) the Receiver was appointed by Order of The Honourable Mr. Justice C. Campbell dated June 29, 2011;
- (b) the order of The Honourable Mr. Justice Morawetz dated August 10, 2011 (the “**Marketing Order**”) approved a marketing and sale process with respect to the Lands (the “**Marketing Process**”);

- (c) the Receiver has taken steps to implement the Marketing Process in accordance with the Marketing Order;
- (d) the deadline for submission of offers from prospective purchasers was October 3, 2011;
- (e) the Receiver has received and evaluated various offers received in response to the Marketing Process;
- (f) the Receiver has accepted the Mady Agreement, subject to the approval of the court, as it represents the best recovery for the stakeholders;
- (g) the sale of the Assets pursuant to the Mady Agreement is commercially reasonable and will generate the best recovery in the circumstances for all stakeholders;
- (h) the Receiver recommends the approval of the Mady Agreement;
- (k) section 100 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43;
- (l) section 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c.C-43; and
- (m) such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- (a) the Third Report of the Receiver dated November 3, 2011 and the appendices attached thereto;

(b) the affidavit of Grant Moffat sworn October 28, 2011, the affidavit of Bryan Tannenbaum sworn November 2, 2011, the affidavit of Joseph Fried sworn November 2, 2011 and the affidavit of Sam Philip Rappos sworn November 2, 2011; and

(c) such further and other material as counsel may advise and this Honourable Court may permit.

Date: November 3, 2011

**BORDEN LADNER GERVAIS LLP**

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Solicitors for Deloitte & Touche Inc., in  
its capacity as Receiver

SCHEDULE "A"

Court File No. CV-11-9242-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE \_\_\_\_\_ )

TUESDAY THE 15<sup>th</sup> DAY

JUSTICE \_\_\_\_\_ )

OF NOVEMBER, 2011

IN THE MATTER OF section 101 of  
the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**APPROVAL, VESTING and INTERIM DISBURSEMENT  
ORDER**

**THIS MOTION**, made by DELOITTE & TOUCHE INC. in its capacity as the Court-appointed receiver (the "**Receiver**") of certain of the assets, undertaking and property of 2811 Development Corporation (the "**Debtor**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Mady Agreement**") between the Receiver and Mady Development Corporation (the "**Purchaser**") dated as of October 3, 2011 and attached in redacted form as Appendix "X" to the Third Report of the Receiver dated November 3, 2011 (the "**Third Report**"), and vesting in the Purchaser the

Debtor's right, title and interest in and to the Assets, as such term is defined in the Mady Agreement (the "Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and the appendices attached thereto, including the affidavit of Bryan Tannenbaum sworn on November 2, 2011 (the "**Tannenbaum Fee Affidavit**"), the affidavit of Grant Moffat sworn on October 28, 2011 (the "**Moffat Fee Affidavit**"), the affidavit of Joseph Fried sworn on November 2, 2011 (the "**Fried Fee Affidavit**") and the affidavit of Sam P. Rappos sworn on November 2, 2011 (the "**Rappos Fee Affidavit**"), and on hearing the submissions of counsel for the Receiver, the Debtor, the Purchaser, Key Pendragon Enterprises Inc., White Bear Developments Inc., Lombard General Insurance Company of Canada, Con-Drain Company (1983) Limited, Mady Contract Division Ltd. and Terracap Investments Inc., no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Mady Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Assets described in the Mady Agreement and listed on Schedule "B" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of

the foregoing: (i) any encumbrances or charges created by the Order of The Honourable Justice C. Campbell dated June 29, 2011; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Land Titles Act* (Ontario) or any other personal or real property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the assumed encumbrances listed on Schedule "D" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

4. **THIS COURT ORDERS** that upon the registration in the Toronto Land Titles Office (No. 80) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule "C" hereto.

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

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

10. **THIS COURT ORDERS** that the First Report of the Receiver dated July 15, 2011, the Second Report of the Receiver dated July 21, 2011, the Supplement to the Second Report of the Receiver dated July 29, 2011, and the Third Report, and the activities of the Receiver described therein, be and are hereby approved.

11. **THIS COURT ORDERS** that the fees and the disbursements of the Receiver referred to in the Third Report, including its legal fees and disbursements, as set forth in the Tannenbaum Fee Affidavit, the Moffat Fee Affidavit, the Fried Fee Affidavit and the Rappos Fee Affidavit, are hereby approved.

12. **THIS COURT ORDERS** that upon completion of the Transaction the Receiver is hereby authorized to disburse the following amounts from the proceeds of sale of the Assets: (i) the full amount of the Receiver's fees and disbursements, including its legal fees and

disbursements, as approved herein; (ii) an amount sufficient to repay in full the indebtedness owing by the Debtor to the Applicant; and (iii) an amount, in the Receiver's sole and unfettered discretion, on account of the indebtedness owing by the Debtor to the subsequent mortgagees Key Pendragon Enterprises Inc. and White Bear Developments Inc. The Receiver shall continue to hold the balance of the sale proceeds pending further order of this court.

13. **THIS COURT ORDERS** that the Confidential Information Memorandum, the Template Sale Agreement, the Cushman appraisal, the summary of the offers received and the unredacted version of the Mady Agreement, delivered to the Court as Confidential Appendices "R", "T", "U", "V" and "W" respectively to the Third Report, be and are hereby sealed until the filing with the Court of the Receiver's Certificate, or upon further order of the Court.

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

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

Court File No. CV-11-9242-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF section 101 of the  
*Courts of Justice Act, R.S.O. 1990, c. C.43, as amended***

**BETWEEN:**

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of The Honourable Mr. Justice C. Campbell of the Ontario Superior Court of Justice (the "**Court**") dated June 29, 2011, Deloitte & Touche Inc. was appointed as the receiver (the "**Receiver**") of certain of the undertaking, property and assets of 2811 Development Corporation (the "**Debtor**") as described in the said order.

B. Pursuant to an Order of the Court dated November 15, 2011, the Court approved the agreement of purchase and sale made as of October 3, 2011 (the "**Mady Agreement**") between the Receiver and Mady Development Corporation (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Assets as defined in the Mady Agreement, which vesting is to be effective with respect to the Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the

Purchaser of the Purchase Price for the Assets; (ii) that the conditions to Closing as set out in section 4 of the Mady Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Assets payable on the Closing Date pursuant to the Mady Agreement;
2. The conditions to Closing as set out in section 4 of the Mady Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**DELOITTE & TOUCHE INC., in its capacity  
as Receiver of certain of the undertakings,  
property and assets of 2811 Development  
Corporation, and not in its personal capacity**

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

Name:

Title:

## Schedule B –Assets

### The Lands

- (a) The right, title and interest of the Debtor in the real property described as PIN No.06050-0199 (LT) being Part Lots 18 and 19, Con 5; Part Road Allowance between Lots 18 and 19, Concession 5, as closed by By-Law 406 being Part of Part 1, 66R12477 lying north of Plan 66M1996, Save and Except Part of Lots 18 and 19, Con 5, Part 1, 66R16987; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5789 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (b) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0266 (LT) being Part Lot 20, Conc 5 Scarborough designated as Part 1, Plan 66R23210; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5811 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (c) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0263 (LT) being Part Lot 19, Conc 5 Scarborough designated as Part 1, Plan 66R23217; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5933 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (d) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0264 (LT) being Part Lot 18, Conc 5 Scarborough; Part RDAL between Lots 18 and 19, Con 5, Scarborough (Closed by By-Law 406 as in SC608215), designated as Part 2 on Plan 66R23217; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5945 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (e) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0272 (LT) being Part Lot 18, Conc 5 Scarborough, Part 3 Plan 66R23217 Save and Except Part 32, Plan 66R23655; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5951 Steeles Avenue East, Toronto, Ontario M2M 3Y2

### The Plans

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

**(a) Instruments to be deleted from PIN No. 06050-0199 (LT)**

<b>Reg. Num.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
AT974288	2005/11/09	Charge	\$75,000,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1085822	2006/03/14	Charge	\$750,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1187188	2006/06/30	Charge	\$1,560,127	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1787210	2008/05/26	Postponement (AT974288 to AT1787207)		Lombard General Insurance Company of Canada	Markham Steeles Realty Inc.
AT1787211	2008/05/26	Postponement (AT1085822 to AT1787207)		Lombard General Insurance Company of Canada	Markham Steeles Realty Inc.
AT1787212	2008/05/26	Postponement (AT1187188 to AT1787207)		Lombard General Insurance Company of Canada	Markham Steeles Realty Inc.
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT1842143	2008/07/23	Postponement (AT974288 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1842144	2008/07/23	Postponement (AT1085822 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1842145	2008/07/23	Postponement (AT1187188 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT1904325	2008/09/23	Postponement (AT974288 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904326	2008/09/23	Postponement (AT1085822 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904327	2008/09/23	Postponement (AT1187188 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT2098876	2009/06/19	Apl. Court Order		Ontario Superior Court of Justice	Terracap Investments Inc.
AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
					Enterprises Inc.
AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2205105	2009/10/16	Postponement (AT974288 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2205106	2009/10/16	Postponement (AT1085822 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2205107	2009/10/16	Postponement (AT1187188 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited
AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259190	2009/12/16	Postponement (AT974288 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259191	2009/12/16	Postponement (AT974288 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259192	2009/12/16	Postponement (AT1085822 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited

<b>Reg. Num.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
AT2259193	2009/12/16	Postponement (AT1085822 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259194	2009/12/16	Postponement (AT1187188 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259195	2009/12/16	Postponement (AT1187188 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259133)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2457585	2010/07/26	Postponement (AT974288 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457586	2010/07/26	Postponement (AT1085822 to		Lombard General Insurance Company of	Key Pendragon Enterprises Inc.

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
		AT2357840)		Canada	
AT2457587	2010/07/26	Postponement (AT1187188 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457588	2010/07/26	Postponement (AT1187188 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457589	2010/07/26	Postponement (AT1085822 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457590	2010/07/26	Postponement (AT974288 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000.	2811 Development Corporation	Con-Drain Company (1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.
AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	
AT2742192	2011/07/05	Certificate (Re AT2665134)		Mady Contract Division Ltd.	The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd.



Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
					Con Drain Company (1983) Limited White Bear Developments Inc.
AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.

(b) Instruments to be deleted from PIN No. 06050-00266 (LT)

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT969273	2005/11/02	Apl. Change Name Owner		1610607 Ontario Inc.	2811 Development Corporation
AT974288	2005/11/09	Charge	\$75,000,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1085822	2006/03/14	Charge	\$750,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1187188	2006/06/30	Charge	\$1,560,127	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842143	2008/07/23	Postponement (AT974288 to AT1842029 &		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.

		AT1842030)			
AT1842144	2008/07/23	Postponement (AT1085822 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1842145	2008/07/23	Postponement (AT1187188 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT1904325	2008/09/23	Postponement (AT974288 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904326	2008/09/23	Postponement (AT1085822 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904327	2008/09/23	Postponement (AT1187188 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon Enterprises Inc.
AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2205105	2009/10/16	Postponement (AT974288 to		Lombard General Insurance Company of	Key Pendragon Enterprises Inc.

		AT2205083)		Canada	
AT2205106	2009/10/16	Postponement (AT1085822 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2205107	2009/10/16	Postponement (AT1187188 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited
AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259190	2009/12/16	Postponement (AT974288 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259191	2009/12/16	Postponement (AT974288 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259192	2009/12/16	Postponement (AT1085822 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259193	2009/12/16	Postponement (AT1085822 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259194	2009/12/16	Postponement (AT1187188 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited

AT2259195	2009/12/16	Postponement (AT1187188 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259133)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2457585	2010/07/26	Postponement (AT974288 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457586	2010/07/26	Postponement (AT1085822 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457587	2010/07/26	Postponement (AT1187188 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457588	2010/07/26	Postponement (AT1187188 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.

AT2457589	2010/07/26	Postponement (AT1085822 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457590	2010/07/26	Postponement (AT974288 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000	2811 Development Corporation	Con-Drain Company (1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.
AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	
AT2742192	2011/07/05	Certificate (Re AT2665134)		Mady Contract Division Ltd.	The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd. Con Drain Company (1983) Limited White Bear Developments Inc.
AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.

(c) **Instruments to be deleted from PIN No. 06050-00263 (LT)**

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT1187188	2006/06/30	Charge	\$1,560,127	2811 Development	Lombard General

				Corporation	Insurance Company of Canada
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842145	2008/07/23	Postponement (AT1187188 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT1904327	2008/09/23	Postponement (AT1187188 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon Enterprises Inc.
AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2205107	2009/10/16	Postponement (AT1187188 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited

AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259194	2009/12/16	Postponement (AT1187188 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259195	2009/12/16	Postponement (AT1187188 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259133)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2457587	2010/07/26	Postponement (AT1187188 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457588	2010/07/26	Postponement (AT1187188 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000	2811 Development	Con-Drain Company

				Corporation	(1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.
AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	
AT2742192	2011/07/05	Certificate (Re AT2665134)		Mady Contract Division Ltd.	The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd. Con Drain Company (1983) Limited White Bear Developments Inc.
AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.

(d) Instruments to be deleted from PIN No. 06050-0264 (LT)

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT1085822	2006/03/14	Charge	\$750,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1187188	2006/06/30	Charge	\$1,560,127	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1787211	2008/05/26	Postponement (AT1085822 to		Lombard General Insurance Company of	Markham Steeles Realty Inc.



		AT1787207)		Canada	
AT1787212	2008/05/26	Postponement (AT1187188 to AT1787207)		Lombard General Insurance Company of Canada	Markham Steeles Realty Inc.
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842144	2008/07/23	Postponement (AT1085822 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1842145	2008/07/23	Postponement (AT1187188 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT1904326	2008/09/23	Postponement (AT1085822 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904327	2008/09/23	Postponement (AT1187188 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon Enterprises Inc.

AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2205106	2009/10/16	Postponement (AT1085822 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2205107	2009/10/16	Postponement (AT1187188 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited
AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259192	2009/12/16	Postponement (AT1085822 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259193	2009/12/16	Postponement (AT1085822 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259194	2009/12/16	Postponement (AT1187188 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259195	2009/12/16	Postponement (AT1187188 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement		Key Pendragon	Vector Financial

		(AT1903983 & AT2205071 to AT2259133)		Enterprises Inc.	Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2457586	2010/07/26	Postponement (AT1085822 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457587	2010/07/26	Postponement (AT1187188 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457588	2010/07/26	Postponement (AT1187188 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457589	2010/07/26	Postponement (AT1085822 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000	2811 Development Corporation	Con-Drain Company (1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.

AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	
AT2742192	2011/07/05	Certificate (Re AT2665134)		Mady Contract Division Ltd.	The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd. Con Drain Company (1983) Limited White Bear Developments Inc.
AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.

(e) Instruments deleted from PIN No. 06050-0272 (LT)

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon Enterprises Inc.

AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited
AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259133)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000	2811 Development Corporation	Con-Drain Company (1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.
AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	

AT2742192	2011/07/05	Certificate (Re AT2665134)		Mady Contract Division Ltd.	The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd. Con Drain Company (1983) Limited White Bear Developments Inc.
AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.

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**Schedule D – Assumed Encumbrances related to the Real Property**

**(unaffected by the Vesting Order)**

1. Unregistered Subsection 37(1) of the *Planning Act*, R.S.O. 1990, c.P.13 Agreement between 2811 Development Corporation and the City of Toronto dated the 26<sup>th</sup> day of July 2007.
2. Unregistered Amending Agreement between 2811 Development Corporation and the City of Toronto dated the 18<sup>th</sup> day of September 2008 amending certain provisions of the Subsection 37(1) agreement dated July 26<sup>th</sup>, 2007.
3. The following instruments registered on title against the Lands:

**(a) Permitted Encumbrances for PIN No. 06050-0199 (LT)**

<b>Reg. Num.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Parties From</b>	<b>Parties To</b>
66R17070	1995/09/15	Plan Reference		
C981858	1995/12/12	Transfer Easement	The Treewood Development Corporation	The Municipality of Metropolitan Toronto
AT1371078	2007/02/05	Notice	City of Toronto	2811 Development Corporation Markham Steeles Realty Inc. Steeles Markham Developments Limited Bradgate Investments Limited Runnymede Development Corporation Limited Tapscott Industrial Landowners Group Inc.
66R23193	2007/07/18	Plan Reference		
66R23655	2008/04/10	Plan Reference		

Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT1787207	2008/05/26	Transfer Easement	2811 Development Corporation	Markham Steeles Realty Inc.
AT1787250	2008/05/26	Transfer Easement	Markham Steeles Realty Inc.	2811 Development Corporation
66R25114	2010/09/22	Plan Reference		
AT2616576	2011/02/07	Notice (Cost sharing Agreement re shared roadway)	Markham Steeles Realty Inc.	2811 Development Corporation

**(b) Permitted Encumbrances for PIN No. 06050-0266 (LT)**

Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT496819	2004/05/28	Notice (Easement relating to development of land)	Norstar Commercial Developments Inc. Gawler Holdings Limited	
66R23210	2007/07/25	Plan Reference		
AT1517543	2007/07/25	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation

**(c) Permitted Encumbrances for PIN No. 06050-0263 (LT)**

Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT1394850	2007/03/09	Bylaw	City of Toronto	
66R23217	2007/07/27	Plan Reference		



Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT1520329	2007/07/27	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation
AT2616576	2011/02/07	Notice (Cost sharing Agreement re shared roadway)	Markham Steeles Realty Inc.	2811 Development Corporation

(d) Permitted Encumbrances for PIN No. 06050-0264 (LT)

Reg. Num.	Date	Instrument Type	Parties From	Parties To
66R23217	2007/07/27	Plan Reference		
AT1520329	2007/07/27	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation
66R23655	2008/04/10	Plan Reference		
AT1787207	2008/05/26	Transfer Easement	2811 Development Corporation	Markham Steeles Realty Inc.
66R25114	2010/09/22	Plan Reference		
AT2616576	2011/02/07	Notice (Cost sharing Agreement re shared roadway)	Markham Steeles Realty Inc.	2811 Development Corporation

(e) Permitted Encumbrances for PIN No. 06050-0272 (LT)

Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT1309249	2006/11/17	Bylaw	City of Toronto	
66R23217	2007/07/27	Plan Reference		

<b>Reg. Num.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Parties From</b>	<b>Parties To</b>
AT1520329	2007/07/27	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation
66R23655	2008/04/10	Plan Reference		
AT1787207	2008/05/26	Transfer Easement	2811 Development Corporation	Markham Steeles Realty Inc.
AT1837423	2008/07/18	Land. Reg. Order (Correction of typographical error)	Land Registrar	
66R25114	2010/09/22	Plan Reference		

FIRM CAPITAL MORTGAGE FUND INC.

- and -

2811 DEVELOPMENT CORPORATION

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
PROCEEDINGS COMMENCED AT  
TORONTO

**NOTICE OF MOTION**

**BORDEN LADNER GERVAIS LLP**

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Scotia Plaza  
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Solicitors for Deloitte & Touche Inc. in its  
capacity as Receiver

# TAB 2

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

**IN THE MATTER OF SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990 C.C.43, AS AMENDED**

BETWEEN:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent

**THIRD REPORT OF THE RECEIVER  
DATED NOVEMBER 3, 2011**

**INTRODUCTION**

1. By Order of the Court dated June 29, 2011 (the "**Appointment Order**"), Deloitte & Touche Inc. was appointed as receiver (the "**Receiver**") of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule "A" to the Appointment Order (the "**Lands**") and all of the assets, undertakings and properties of 2811 Development Corporation (the "**Debtor**") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon, including all proceeds thereof (collectively, the "**Property**"). A copy of the Appointment Order is attached hereto as **Appendix "A"**.
2. The Appointment Order authorized the Receiver to, among other things, take possession of and exercise control over the Property and any and all proceeds, receipts and

disbursements arising out of or from the Property. In addition, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course of business:

- (a) without the approval of the Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
  - (b) with the approval of the Court in respect of any transaction exceeding \$100,000 or exceeding \$250,000 in the aggregate.
3. On July 15, 2011, the Receiver issued its First Report to the Court (the “**First Report**”) in support of its motion returnable July 19, 2011 (the “**Withheld Records Motion**”) for an order, *inter alia*, directing the Debtor to deliver to the Receiver all of the Debtor’s books and records, including contact information for the Debtor’s creditors. The Withheld Records Motion was adjourned until July 22, 2011 to permit the Debtor to file additional evidence in connection with that motion. A copy of the First Report, without attachments, is attached hereto as **Appendix “B”**. Copies of the handwritten and unofficial transcript of the endorsement of The Honourable Madam Justice Mesbur dated July 19, 2011 granting the adjournment is attached hereto as **Appendix “C”**.
  4. On July 21, 2011, the Receiver issued its Second Report to the Court (the “**Second Report**”) in support of its motion for an Order approving the Receiver’s activities since June 29, 2011 and approving the marketing plan proposed by the Receiver for the sale of the Property (the “**Sale Process Motion**”). This motion was returnable on August 3, 2011. A copy of the Second Report, without attachments, is attached hereto as **Appendix “D”**.
  5. On July 22, 2011 the Withheld Records Motion was heard by The Honourable Mr. Justice Perell, who, following the hearing of the motion, issued an order compelling the Debtor to comply with paragraph 30 of the Appointment Order and all other provisions of the Appointment Order, including the requirement to deliver all of the Debtor’s books and records to the Receiver. A copy of the order of Justice Perell dated July 22, 2011 (the “**Perell J. Order**”) is attached hereto as **Appendix “E”**.

6. On July 29, 2011, the Receiver filed with the Court a Supplement to the Second Report (the "**Supplementary Report**"). The purpose of the Supplementary Report was to provide the Court with a description of the Receiver's efforts to obtain the Debtor's books and records, including contact information for the Debtor's creditors in accordance with the Perell J. Order, and a description of the Debtor's failure to provide the Receiver with all of the Debtor's books and records in contravention of the Perell J. Order and the Appointment Order. A copy of the Supplementary Report is attached hereto as **Appendix "F"**.
7. As a result of the failure of the Debtor to comply with the Perell J. Order, the Receiver amended the relief it was seeking in the Sale Process Motion to include an order, *inter alia*, declaring the Debtor and the President of the Debtor, Mr. Charles Chan, to be in contempt of the Perell J. Order (the "**Contempt Motion**").
8. On August 3, 2011, the Sale Process Motion was adjourned by The Honourable Mr. Justice Wilton-Siegel until August 5, 2011. At the request of the Debtor, the Court directed the Receiver not to send any notices of the receivership to the approximately 400 persons who had purchased condominium units to be constructed in the Debtor's proposed development pending the hearing of the Sale Process Motion on August 5, 2011. In addition, Justice Wilton-Siegel compelled the Debtor to deliver all books and records to the Receiver prior to August 5, 2011 in accordance with the Perell J. Order. Copies of the handwritten and unofficial transcript of the endorsement of Justice Wilton-Siegel dated August 3, 2011 is attached hereto as **Appendix "G"**.
9. On August 5, 2011, the Sale Process Motion was adjourned again by Justice Wilton-Siegel to August 10, 2011 to permit stakeholders with an interest in the Property to meet with the Receiver to discuss various issues relating to the approach to the valuation of the Property and the proposed sale process. Copies of the handwritten and unofficial transcript of the endorsement of Justice Wilton-Siegel dated August 5, 2011 is attached hereto as **Appendix "H"**.
10. On August 9, 2011, the Receiver filed with the Court a Supplementary Motion Record in connection with the Sale Process Motion (the "**Supplementary Motion Record**"), which

contained a revised Marketing Flyer, a revised Form of Offer and Conditions of Sale and a revised form of the Notice of Receiver. A copy of the Supplementary Motion Record is attached hereto as **Appendix "I"**.

11. On August 10, 2011, the Sale Process Motion was heard by The Honourable Mr. Justice Morawetz, and following the hearing of the motion, Justice Morawetz granted an order (the "**Marketing Order**") approving the Receiver's plan for marketing the Property for sale (the "**Marketing Process**"). A copy of the Marketing Order is attached hereto as **Appendix "J"**.
12. In September, 2011, the Receiver and the Debtor, through their respective counsel, resolved the Contempt Motion, and the motion was subsequently dismissed without costs on consent by an order of Justice Morawetz dated October 17, 2011 (the "**Contempt Dismissal Order**"). A copy of the Contempt Dismissal Order is attached hereto as **Appendix "K"**.
13. The Appointment Order, together with related Court documents, additional Orders, the previous reports of the Receiver and the Notice to Creditors have been posted on the Receiver's website, which can be found at [www.deloitte.ca](http://www.deloitte.ca), and more specifically located under the related links title of Insolvency and Restructuring/current proceedings.

#### **PURPOSE OF THIS THIRD REPORT**

14. Upon completion of the Marketing Process, the Receiver received a number of offers to purchase the Property in accordance with the terms of the Marketing Order. The Receiver has now accepted one of those offers, subject to Court approval. The purpose of this third report of the Receiver (the "**Third Report**") is to:
  - (a) provide a summary of the Marketing Process and details of the marketing activities undertaken by the Receiver with respect to the Property since the granting of the Marketing Order on August 10, 2011; and
  - (b) recommend the granting of an order as follows:
    - (i) authorizing and directing the Receiver to enter into and carry out the terms of the agreement of purchase and sale between the Receiver and Mady



Development Corporation (“**Mady**”) dated October 3, 2011 (the “**Mady Agreement**”) together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Property in Mady, or as it may further direct in writing, upon closing of the Mady Agreement and the delivery of the Receiver’s Certificate to Mady;

- (ii) if the Mady Agreement is terminated in accordance with its terms, authorizing and directing the Receiver to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process;
- (iii) approving the activities of the Receiver to November 3, 2011 and the activities of the Receiver as described in this Third Report including, without limitation, the steps taken by the Receiver pursuant to the Marketing Process;
- (iv) approving an interim distribution of certain of the net proceeds of sale of the Property to the Applicant and other secured lenders, as more fully described herein, in the event that the sale transaction contemplated by the Mady Agreement is completed;
- (v) approving the professional fees and disbursements of the Receiver for the period May 25, 2011 to October 15, 2011, and its independent legal counsel, Borden Ladner Gervais LLP (“**BLG**”), for the period from August 4, 2011 to October 31, 2011;
- (vi) approving the professional fees and disbursements of the Receiver’s legal counsel, Thornton Grout Finnigan LLP (“**TGF**”), for the period from June 30, 2011 to August 4, 2011; and
- (vii) approving the professional fees and disbursements of the Receiver’s independent real estate counsel, Meyer Wassenaar & Banach LLP (“**MWB**”), for the period July 14, 2011 to October 31, 2011.

**TERMS OF REFERENCE**

15. In preparing the Third Report and making the comments contained herein, the Receiver has been provided with and has relied upon unaudited financial information, the Debtor's books and records, financial information prepared by the Debtor and its advisors, and discussions with management of the Debtor, among other things. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Receiver expresses no opinion or other form of assurance on the information contained in the Third Report.
16. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.
17. Unless otherwise provided, all other capitalized terms not otherwise defined in this Third Report are as defined in the First Report, the Second Report or the Appointment Order.

**BACKGROUND**The Property

18. The Debtor is a corporation governed by the laws of the Province of Ontario and is the registered owner of the Property, which is located in the City of Toronto and municipally known as:
  - (a) 5789 Steeles Avenue East (PIN 06050-199), acquired by the Debtor on or about December 15, 2004;
  - (b) 5811 Steeles Avenue East (PIN 06050-0266), acquired by the Debtor on or about September 20, 2004;
  - (c) 5933 Steeles Avenue East (PIN 06050-0263) acquired by the Debtor on or about June 30, 2006;
  - (d) 5945 Steeles Avenue East (PIN 06050-0264) acquired by the Debtor on or about March 14, 2006; and
  - (e) 5951 Steeles Avenue East (PIN 06050-0272) acquired by the Debtor on or about September 11, 2006.

19. Attached hereto as **Appendix "L"** is a partial copy of a survey of the Lands. Attached hereto as **Appendix "M"** are copies of Parcel Registers obtained on October 26, 2011 from Service Ontario with respect to the Lands (collectively, the "**Parcel Registers**").
20. The Lands are vacant serviced commercial/industrial land comprising approximately 39.01 acres located on the south side of Steeles Avenue East, just west of Markham Road, in the City of Toronto. The Lands are notionally divided into three sections as follows:
- |            |                                   |
|------------|-----------------------------------|
| Lands "A": | approximately 10.359 acres        |
| Lands "B": | approximately 20.775 acres        |
| Lands "C": | approximately <u>7.875 acres</u>  |
| Total:     | approximately <u>39.009 acres</u> |
21. Lands "B" comprise the bulk of the Property and were intended to be developed by the Debtor with a 1,090 unit two-storey retail condominium mall containing a gross floor area of 435,388 square feet and a saleable area of 228,907 square feet, known as "The Landmark". Lands "A" comprise parcels of land fronting Steeles Avenue East and were proposed to be improved by the Debtor with retail pads totalling approximately 89,000 square feet. Lands "C" were to be held for future development and are currently zoned as industrial.
22. As noted above, the Receiver was appointed over the Property on June 29, 2011. The Receiver understands that internal servicing of the Lands was completed by the Debtor prior to the granting of the Appointment Order, however no significant construction of The Landmark has commenced. Other than site plan approvals and building permits obtained in the normal course, together with payment of any applicable levies in connection with such building permits, the Receiver is not aware of any outstanding municipal approvals still required to commence construction of The Landmark.

#### Change of Solicitors

23. As noted in the Second Report, the Receiver retained the Applicant's solicitors, TGF, to act as its legal counsel. In late July 2011, it became clear to the Receiver that, due to anticipated contentious issues, it was necessary to retain independent legal counsel. As a

result, on August 4, 2011, the Receiver retained BLG to act as its independent legal counsel.

#### The Unit Purchasers

24. The Debtor's records indicate that prior to the date of the Appointment Order it entered into approximately 330 agreements of purchase and sale (individually, a "**Landmark Sale Agreement**", and collectively the "**Landmark Sale Agreements**") pursuant to which each purchaser (individually, a "**Unit Purchaser**", and collectively the "**Unit Purchasers**") agreed to purchase un-built condominium units in the Debtor's project at the Lands "B". Such purchases represented approximately 115,000 square feet of retail space. The Debtor has provided to the Receiver copies of the Landmark Sale Agreement for each of the 330 purchasers of condominium units. Copies of two forms of the standard sale agreements entered into by Unit Purchasers are respectively attached hereto as **Appendix "N"** and **Appendix "O"**.
25. The Receiver has been informed by the Debtor that all Unit Purchasers paid deposits to the Debtor upon execution of their respective Landmark Sale Agreement, and the deposits were paid to the Debtor's solicitors to be held in trust pursuant to the provisions of the *Condominium Act* (Ontario) (the "**Condominium Act**"). This arrangement is confirmed in article 58, Schedule "C" of the Landmark Sale Agreements.
26. Pursuant to article 58 of Schedule "C" to the Landmark Sale Agreements, the Debtor was entitled to withdraw from trust and use the deposits of the Unit Purchasers, so long as the Debtor obtained a condominium deposit insurance policy securing the deposits from an insurer authorized under the Condominium Act.
27. The Receiver understands that prior to the granting of the Appointment Order, Lombard General Insurance Company of Canada ("**Lombard**"), an insurer authorized under the Condominium Act, provided a deposit insurance facility for The Landmark to the Debtor in order to secure deposit monies that were released to the Debtor in accordance with the Condominium Act. Lombard has informed the Receiver that it provided insurance policies to Unit Purchasers to protect their right to a return of the deposit paid under the Landmark Sale Agreements in the event that the agreements were terminated.

28. Lombard has further informed the Receiver that approximately \$14.5 million of purchaser deposits was released and replaced by the Lombard's deposit insurance. Of the \$14.5 million, \$12.5 million was released directly to the Debtor and \$2 million was released to an escrow deposit agent pursuant to an escrow agreement dated November 25, 2010. Subsequently, approximately \$2 million was returned by the escrow deposit agent to Lombard's solicitor's trust account and used to fund Unit Purchasers' deposit refunds. The Receiver also understands that approximately \$167,500 remains in Lombard's solicitor's trust account.
29. The Receiver understands that upon the termination of any Landmark Sale Agreement, a Unit Purchaser is entitled to claim recovery of his or her deposit pursuant to the deposit insurance policy. Upon payment of any such claim by Lombard, Lombard would have a subrogated claim against the Debtor for the amount of the deposit. Lombard's subrogated claims against the Debtor are secured by mortgages registered in favour of Lombard against title to the Lands, which are referred to in more detail below.
30. Under the provisions of the Landmark Sale Agreements (see articles, 15 and 16 of Schedule "C" of the agreements), the Unit Purchasers have no interest in the Lands (see article 16), and their deposits are, in any event subordinated to the mortgages registered against title to the Lands (see article 15) and are insured by Lombard or remain held in trust.

#### **ATTEMPTS TO OBTAIN BOOKS AND RECORDS FROM THE DEBTOR**

31. As noted in the Receiver's First Report, Second Report and Supplement to the Second Report, the Receiver has expended an inordinate amount of time attempting to obtain the books and records from the Debtor. The Receiver was attempting to obtain, amongst other things, a listing, including the names and addresses of all purchasers of condominium units in order for the Receiver to be able to comply with its statutory obligations pursuant to sections 245 (1) and 246 (1) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). In addition, the Receiver also needed this information in order to include it in the Marketing Process. The failed attempts to obtain this information

resulted in the Receiver bringing the Contempt Motion, which motion, as noted above, was subsequently dismissed on consent.

32. As examples of its attempts to collect information from the Debtor, on July 29, 2011, the Receiver attended at the Debtor's premises to image the computers in an effort to retrieve any books and records of the Debtor that might be used by the Receiver in order to comply with its statutory obligations as noted above. A representative of the Debtor refused to allow the Receiver to image the computers on that day, since the representative claimed he needed to remove certain personal information from the computer server.
33. The representative also refused to provide specific information with respect to the existing active Landmark Sale Agreements claiming that the purchasers of condominium units are not creditors of the Debtor. As a result, the Receiver agreed to leave the premises temporarily and allowed the Debtor to remove personal information from the computer server, however the Receiver advised the Debtor that the Receiver would return the following business day to image the computers.
34. On August 2, 2011, representatives of the Receiver returned to the Debtor's premises and were able to image the Debtor's computer, however the Receiver was still not able to obtain current information with respect to the Landmark Sale Agreements.
35. It wasn't until August 10, 2011, the date the Sale Process Motion was heard that the Receiver was able to obtain the necessary information from the Debtor. This was as a result of the terms of the Marketing Order which provided that:  
  
*“with respect to Section 245 of the Act, such Notices shall be sent to all persons who, according to the books and records of the Debtor, have entered into agreements to purchase retail condominium units in the Property”*
36. As a result of the Marketing Order, the Debtor finally provided the Receiver with the information it needed in order to comply with its statutory obligations under the BIA as well as the information necessary to include in the Marketing Process.

## CLAIMS AGAINST THE PROPERTY

### Secured Creditors

37. The Receiver understands, based on its discussions with BLG, that the following chart represents a summary of the parties that have registered charges/mortgages against title to the Lands or against portions of the Lands as of October 26, 2011, and the order of registration against the Lands as a result of certain postponements granted amongst the parties:

<b>Creditor</b>	<b>Amount of Charge Against Property</b>	<b>Nature of Obligation</b>
Firm Capital Mortgage Fund Inc. (" <b>Firm Capital</b> ")	\$17,500,000	First Mortgage Loan
White Bear Developments Inc. (" <b>White Bear</b> ")	\$1,500,000	Conventional Mortgage
Key Pendragon Enterprises Inc. (" <b>Pendragon</b> ")	\$5,500,000	Conventional Mortgage
Pendragon	\$1,100,000	Conventional Mortgage
Pendragon	\$1,000,000	Conventional Mortgage
Lombard	\$75,000,000	Collateral Charge
Lombard	\$750,000	Collateral Charge
Lombard	\$1,560,127	Collateral Charge
Con-Drain Company (1983) Limited (" <b>Con-Drain</b> ")	\$1,500,000	Originally a construction lien, converted to a conventional mortgage.
Mady Contract Division Ltd. (" <b>MCD</b> ")	\$386,190	Construction lien

38. The Receiver further understands, based on its discussions with BLG, that the following chart represents a summary of the parties that have registered financing statements against the personal property of the Debtor under the *Personal Property Security Act* (Ontario) ("**PPSA**"), and the order of registration as a result of certain postponements granted amongst the parties, as of October 25, 2011:

<b>Creditor</b>	<b>Collateral Classifications</b>
Firm Capital	Inventory, Equipment, Accounts, Other
The Toronto-Dominion Bank (" <b>TD</b> ")	Accounts, Other
White Bear (Vector)	Inventory, Equipment, Accounts, Other
Pendragon	Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Lombard	Accounts, Other
Con-Drain	Inventory, Equipment, Accounts, Other
An Yuan Lin c.o.b. as An-Dak Trading Company	Inventory, Equipment, Accounts, Other

39. Attached hereto as **Appendix "P"** is a copy of a PPSA Enquiry Response Certificate obtained from the Ontario Ministry of Government Services with respect to the Debtor, with a currency date of October 25, 2011.
40. The Receiver requested BLG, as its independent legal counsel to, among other things, review the validity and enforceability of the security held by each of Firm Capital, White Bear and Pendragon, being the parties that hold the first (1st) through fifth (5th) charges/mortgages registered against title to the Lands.
41. Subject to the qualifications and assumptions contained in the opinions from BLG to the Receiver, which the Receiver understands are customary in security opinions granted in the context of a receivership proceeding, the Receiver understands that:
- (a) Firm Capital has a valid and enforceable charge/mortgage against the Lands;
  - (b) Pendragon has valid and enforceable charges/mortgages against the Lands; and
  - (c) BLG is not in a position at this time to provide a definitive opinion with respect to the White Bear charge/mortgage.
42. As noted above, it appears that TD has the second-in-time PPSA registration against the personal property of the Debtor. The Receiver understands that TD issued letters of credit to the Debtor in connection with matters relating to the development of the Lands, and that cash collateral was posted as security for the letters of credit. The Receiver further understands that the interests of TD in the personal property of the Debtor will likely not extend to any sale proceeds from the sale of the Lands under the Mady Agreement discussed herein.

#### **RECEIVER'S MARKETING ACTIVITIES**

43. In accordance with the Marketing Order, the Receiver has carried out the Marketing Process with respect to the Property. The Receiver, with the assistance of Deloitte Real



Estate (“DRE”), has taken the following steps in accordance with the Marketing Order, all with a view to generating interest in the Property:

- (a) It developed a list of potential purchasers based on discussions with DRE, expressions of interest received by the Receiver and the Receiver’s experience and contacts. The Receiver asked all the secured lenders to provide a list of potential purchasers that might be interested in the Property. Lombard provided the Receiver with a list of contacts who it thought might be interested in the Property (the “**Lombard List**”). It should be noted that prior to the commencement of the Marketing Process, it became apparent to the Receiver that Lombard might become a bidder in the process. The Receiver therefore ensured that Lombard did not have access to any confidential information that could taint the Marketing Process.
- (b) On August 24, 2011, September 1, 2011 and September 8, 2011, the Receiver sent an information overview document (the “**Marketing Flyer**”) providing a description and other basic information regarding the Property to over 120 potential purchasers, including those on the Lombard List, along with a confidentiality agreement to be executed in order to receive further information in respect of the Property.
- (c) The Marketing Flyer along with the confidentiality agreement was also sent to 48 individuals who had made unsolicited enquiries or were contacts of the Receiver.
- (d) On September 1, 2011, an advertisement, offering the Property for sale, appeared in the Globe and Mail newspaper, Toronto edition. A copy of the advertisement is attached hereto as **Appendix “Q”**.
- (e) The Receiver obtained signed confidentiality agreements from 25 of the parties contacted.
- (f) The Receiver prepared a confidential information memorandum (the “**CIM**”) in accordance with the terms of the Marketing Order providing detailed information in respect of the Property, which was sent to all potential purchasers who signed a

confidentiality agreement. A copy of the CIM is attached as **Confidential Appendix "R"**.

- (g) The Receiver provided access to a password protected electronic data room to individuals who requested access and provided the Receiver with an executed Confidentiality Agreement. The data room contained detailed information with respect to the Property, including the Conditions of Sale and Form of Offer. A copy of each of the Conditions of Sale and Form of Offer is attached as **Appendix "S"**.
- (h) The Receiver responded to numerous prospective purchasers who contacted the Receiver with questions regarding the Property.
- (i) The Receiver followed up with numerous parties to whom the Marketing Flyer was sent to determine whether those parties had any interest in the Property.
- (j) Representatives of the Receiver met internally on a regular basis to discuss the status of the Marketing Process and to follow up on any potential leads with regard to prospective purchasers.
- (k) The Receiver prepared and posted to the electronic data room the Template Sale Agreement in respect of the Property. A copy of the Template Sale Agreement is attached as **Confidential Appendix "T"**.
- (l) The Receiver obtained from Cushman Wakefield ("**Cushman**") an appraisal valuation of the Property, a copy of which is attached hereto as **Confidential Appendix "U"**.
- (m) In accordance with the Marketing Order, the Receiver set 12:00 pm, October 3, 2011 as the deadline for submission of binding offers to purchase the Property (the "**Offer Date**").

#### **BINDING OFFERS RECEIVED**

- 44. Pursuant to the Marketing Process, prospective purchasers were required to submit bids by the Offer Date. A summary of the offers received is attached hereto as **Confidential**

**Appendix "V"**. The Receiver is requesting that this document, as well as other documents identified as a Confidential Appendix herein, be sealed pending completion of the Mady sale transaction, as the release of the information contained therein may jeopardize the ability to maximize realizations if the Mady transaction being proposed by the Receiver is not completed.

45. The Receiver met with three of the parties that had submitted binding offers on October 5, 6, and 7, 2011 respectively in order to obtain clarification with respect to those binding offers and to determine whether improvements to those offers could be negotiated.
46. After meeting with the three prospective purchasers and discussing the binding offers received, and after careful review and consideration, the Receiver determined that the offer from Mady was the highest and best offer submitted and, for the reasons noted below, the Receiver recommends that this offer be accepted and approved by the Court.
47. Northbridge Financial Corporation, the parent company of Lombard, has provided partial financing for the Mady offer.

#### **SALE OF THE PROPERTY**

48. The Mady offer contains no material amendments from the Template Agreement prepared by the Receiver. For the reasons set forth below, the Receiver accepted the Mady Agreement, subject to Court approval. An unredacted copy of the Mady Agreement is attached hereto as **Confidential Appendix "W"**, and a redacted copy of the Mady Agreement is attached hereto as **Appendix "X"**. The only information that has been redacted is the purchase price.
49. As noted above, the Receiver is proposing that the unredacted copy of the Mady Agreement be kept sealed and not form part of the public record until the transaction is completed so that the stakeholders are not prejudiced in the event that for any reason the transaction does not close and the Property must be re-marketed .
50. The Receiver recommends that this Honourable Court approve the Mady Agreement and authorize and direct the Receiver to complete the transaction for the following reasons:

- (a) The Marketing Process conducted by the Receiver resulted in a broad range and thorough exposure of the Property to the marketplace.
- (b) The Mady Agreement contains no conditions that would permit Mady to unilaterally terminate the Mady Agreement and also provides for a relatively quick closing date.
- (c) The Mady Agreement represents the highest and best offer, in terms of both price and conditions, received by the Receiver. The purchase price exceeds the purchase price of all other offers received by the Receiver and exceeds the appraised value contained in the Cushman appraisal (see Confidential Appendix "U"). The Receiver is reasonably confident that Mady has the financing necessary to close the transaction.
- (d) The next highest offer contained conditions that allowed the offeror to unilaterally terminate the agreement which was not acceptable to the Receiver, and although the third highest offer contained no conditions, the Mady purchase price was the highest offer.
- (e) Mady has familiarity with the Property since, according to Mady, it has been involved with the internal servicing of the Lands from the beginning of the development of the project. As noted above, MCD, a company related to Mady, has a construction lien against title to the Lands in the amount of \$386,190 for internal services provided.

#### **PROPOSED INTERIM DISTRIBUTION**

51. As described above in greater detail, the Receiver has obtained independent legal opinions on the validity and enforceability of the security held by Firm Capital, White Bear and Pendragon, being the mortgagees with the 1st through 5th registered mortgages on the Lands.

52. Upon the closing of the Mady Agreement, the Receiver will be in possession of sufficient funds to make payments to Firm Capital and Pendragon to satisfy their mortgages/charges against the Lands, and to maintain a reserve of funds to address additional claims against the Property in the future. At this time, the Receiver has requested that the purchase price under the Mady Agreement be sealed. As a result, the Receiver is not in a position to disclose the amount of proceeds it anticipates it will receive from Mady on closing. The Receiver proposes that the Court grant the Receiver the authority to, in its discretion, make distributions to Firm Capital and Pendragon on account of their claims against the Property, upon receiving written documentation satisfactory to the Receiver as to the amounts of principal, interest and costs owing to such creditors. The Receiver will publicly report to this Honourable Court following the closing of the Mady Agreement as to the amounts distributed to such creditors.
53. At this time, the Receiver continues to collect information from parties that potentially may have a claim to the proceeds of the Property (collectively, the “Claims”), including CRA for unpaid source deductions and unremitted HST (as defined below), former employees of the Debtor for unpaid wages under section 81.4 of the BIA, the City of Toronto for any unpaid municipal taxes, and the Government of Canada and the Province of Ontario for potential costs of remedying any environmental condition or environmental damage affecting the Lands.
54. The Receiver is of the view that, upon the completion of the Mady Agreement and the proposed distribution to secured creditors set out above, it will have sufficient funds in its possession to address and make payment of any potential Claims to the extent such claims are valid and have priority.

#### **PROFESSIONAL FEES**

55. The Receiver, BLG, TGF and MWB have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court.

56. The total fees of the Receiver during the period from May 25, 2011 to October 15, 2011 amount to \$371,714.00, together with expenses and disbursements in the sum of \$1,060.89 and harmonized sales tax (“HST”) in the amount of \$48,460.74, totalling \$421,235.63 (the “**Receiver’s Fees**”). The time spent by the Receiver is more particularly described in the Affidavit of Bryan A. Tannenbaum of Deloitte & Touche Inc., sworn November 2, 2011 (the “**Tannenbaum Affidavit**”) in support hereof and attached hereto as **Appendix “Y”**.
57. The total legal fees incurred by the Receiver during the period June 30, 2011 to August 4, 2011, for services provided by TGF as the Receiver’s legal counsel amount to \$46,145.00, together with disbursements in the sum of \$1,905.02 and HST in the amount of \$6,207.00, totalling \$54,257.02. The time spent by TGF personnel is more particularly described in the Affidavit of Grant B. Moffat, a partner of TGF, sworn October 28, 2011 (the “**Moffat Affidavit**”) in support hereof and attached hereto as **Appendix “ZZ”**.
58. The total legal fees incurred by the Receiver during the period August 4, 2011 to October 31, 2011, for services provided by BLG as the Receiver’s independent legal counsel amount to \$105,237.50, together with disbursements in the sum of \$1,071.10 and HST in the amount of \$13,805.43 totalling \$120,114.03. The time spent by BLG personnel is more particularly described in the Affidavit of Sam Philip Rappos, an associate of BLG, sworn November 2, 2011 (the “**Rappos Affidavit**”) in support hereof and attached hereto as **Appendix “AA”**.
59. The total legal fees incurred by the Receiver during the period July 14, 2011 to October 31, 2011, for services provided by MWB as the Receiver’s independent real estate legal counsel amount to \$20,609.00, together with disbursements in the sum of \$809.66 and HST in the amount of \$2,776.63, totalling \$24,195.29. The time spent by MWB is more particularly described in the Affidavit of Joseph Fried, a Partner at MWB sworn November 2, 2011 (the “**Fried Affidavit**”) in support hereof and attached hereto as **Appendix “BB”**.
60. The Receiver to date has not taken any interim draws on account of its fees or on account of the fees of its legal counsel BLG, TGF and MWB since, according to paragraph 17 of

the Appointment Order, the Receiver's charge ranks subsequent in priority to the Applicant.

### **RECEIVER'S RECOMMENDATIONS**

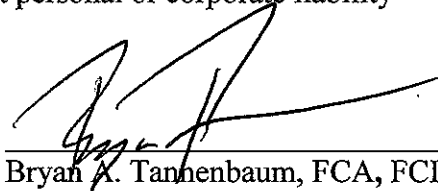
61. For the reasons set out above, the Receiver recommends that the Court make an Order:
- (a) authorizing and directing the Receiver to enter into and carry out the terms of the Mady Agreement, together with any amendments thereto deemed necessary by the Receiver in its sole opinion and vesting title to the Property to Mady, or to such party as Mady directs in writing, upon the closing of the Mady Agreement;
  - (b) if the Mady Agreement is terminated in accordance with its terms, authorizing and directing the Receiver to commence negotiations with any other party or parties identified by the Receiver through the Marketing Process, subject to Court approval;
  - (c) approving the activities of the Receiver to date and the activities of the Receiver as described in the Third Report including, without limitation, the steps taken by the Receiver pursuant to the Marketing Process;
  - (d) approving the interim distribution of certain of the net proceeds of the Mady Agreement to the Applicant and other secured lenders, as more fully described herein, in the even the Mady Agreement is completed; and
  - (e) approving the professional fees and disbursements of the Receiver and its legal counsel set out herein and in the Tannenbaum Affidavit, the Moffat Affidavit, the Rappos Affidavit and the Fried Affidavit and authorizing the Receiver to pay all such fees and disbursements.

All of which is respectfully submitted at Toronto, Ontario this 3rd day of November, 2011.

**Deloitte & Touche Inc.**

solely in its capacity as the Court-appointed  
receiver of the Property (as defined herein)  
of 2811 Development Corporation and  
without personal or corporate liability

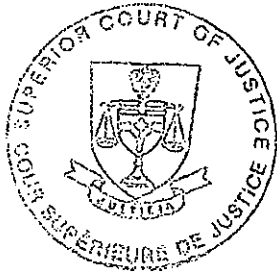
Per:



\_\_\_\_\_  
Bryan A. Tannenbaum, FCA, FCIRP  
Senior Vice-President



# **APPENDIX "A"**



Court File No.: CV11-9242-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended**

THE HONOURABLE MR. ) WEDNESDAY, THE 29<sup>th</sup>  
)  
JUSTICE CAMPBELL ) DAY OF JUNE, 2011

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

**FIRM CAPITAL MORTGAGE FUND INC.**

**Applicant**

**- and -**

**2811 DEVELOPMENT CORPORATION**

**Respondent**

**ORDER**

**THIS APPLICATION** made by the Applicant for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Deloitte & Touche Inc. as receiver (in such capacity, the "Receiver") without security, of certain of the assets, undertakings and properties of 2811 Development Corporation (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Michael Warner sworn May 30, 2011 (the "Warner Affidavit"), the supplementary affidavit of Michael Warner sworn June 28, 2011 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for the Debtor, no one else appearing and on reading the consent of Deloitte & Touche Inc. to act as the Receiver,

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

## **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 101 of the CJA, Deloitte & Touche Inc. is hereby appointed Receiver, without security, of all of the lands and premises legally described in Schedule "A" hereto (the "**Lands**") and all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to, the development of the Lands and construction of improvements thereon, including all proceeds thereof (collectively, the "**Property**"). For greater certainty, Property includes Insurance Policies, Material Contracts, Permits, Personal Property, Plans and Specifications and Securities, as each such term is defined in Schedule "B" hereto.

## **RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, in a manner approved by the Court, including advertising and soliciting offers in respect of the Property or any part or parts

thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (t) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to

make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply to the Applicant or in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. Nothing contained in this paragraph shall prevent the registration of a Certificate of Action, service of a Statement of Claim by a lien claimant or delivery of a demand pursuant to section 39 of the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended ("CLA").

### **NO INTERFERENCE WITH THE RECEIVER**

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this



Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

#### **PIPEDA**

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not

complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## **RECEIVER'S ACCOUNTS**

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a charge on the Property ranking subsequent in priority to the security held by the Applicant with respect to the Property (including, without limitation, the Mortgage as defined in and as attached to the Warner Affidavit) and in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **THIS COURT ORDERS** that prior to the passing of its accounts and upon first obtaining the consent of the Applicant, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## **FUNDING OF THE RECEIVERSHIP**

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow from the Applicant by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings

**Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, ranking subsequent in priority to: i) the security held by the Applicant with respect to the Property (including, without limitation, the Mortgage as defined in and as attached to the Warner Affidavit); and ii) the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, but in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any other Person.

21. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "C" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

24. **THIS COURT ORDERS** that notwithstanding paragraphs 20 to 23 inclusive above, and as alternative thereto, the Receiver is hereby authorized to borrow money to fund the exercise of its powers and duties hereunder by way of advances from the Applicant, which advances shall be secured by the Applicant's security on the Property (including, without limitation, the Mortgage as defined in and as attached as an exhibit to the Warner Affidavit), with the same priority that may attach to such security.

#### **GENERAL**

25. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

26. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

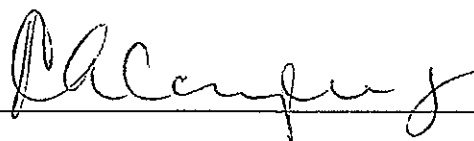
28. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. **THIS COURT ORDERS** that the Applicant and the Receiver and any party who has served a Notice of Appearance, may serve any materials in this proceeding by e-mailing a pdf or other electronic copy of such materials to counsels' e-mail addresses as recorded on the Service List from time to time, in accordance with the e-filing protocol of the Commercial List to the extent practicable and the Receiver may post a copy of any or all such material on its website at [www.deloitte.ca](http://www.deloitte.ca) (the "Website").

30. **THIS COURT ORDERS** that the Receiver shall, within five (5) business days of receipt of the Debtor's books and records with respect to the Property, send notice of this Order to any trade creditors of the Debtor in respect of the Property as disclosed in such books and records, other than employees and trade creditors to which the Debtor owes less than \$500, at their addresses as they appear in the Debtor's books and records, by prepaid ordinary mail, courier, personal delivery or electronic transmission, advising that such creditor may obtain a copy of this Order on the Website and if such creditor is unable to obtain it by that means, such creditor may request a copy from the Receiver, who shall promptly send a copy of this Order to any interested person so requesting.

31. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

JUN 29 2011

PER/PAR: 

**SCHEDULE "A"**

**LEGAL DESCRIPTION OF THE LANDS**

The Lands comprising the Property are legally described as follows:

**PIN No. 06050-0199 (LT)**

Part Lots 18 and 19, Con 5; Part Road Allowance between Lots 18 and 19, Concession 5, as closed by By-Law 406 being Part of Part 1, 66R12477 lying north of Plan 66M1996, Save and Except Part of Lots 18 and 19, Con 5, Part 1, 66R16987

City of Toronto

Toronto Land Titles Office (No. 80)

Municipal Address: 5789 Steeles Avenue East, Toronto, Ontario M2M 3Y2

**PIN No. 06050-0266 (LT)**

Part Lot 20, Conc 5 Scarborough designated as Part 1, Plan 66R23210;

City of Toronto

Toronto Land Titles Office (No. 80)

Municipal Address: 5811 Steeles Avenue East, Toronto, Ontario M2M 3Y2

**PIN No. 06050-0263 (LT)**

Part Lot 19, Conc 5 Scarborough designated as Part 1, Plan 66R23217;

City of Toronto

Toronto Land Titles Office (No. 80)

Municipal Address: 5933 Steeles Avenue East, Toronto, Ontario M2M 3Y2

**PIN No. 06050-0264 (LT)**

Part Lot 18, Conc 5 Scarborough; Part RDAL between Lots 18 and 19, Con 5, Scarborough (Closed by By-Law 406 as in SC608215), designated as Part 2 on Plan 66R23217

City of Toronto

Toronto Land Titles Office (No. 80)

Municipal Address: 5945 Steeles Avenue East, Toronto, Ontario M2M 3Y2

**PIN No. 06050-0272 (LT)**

Part Lot 18, Conc 5 Scarborough, Part 3 Plan 66R23217 Save and Except Part 32, Plan 66R23655

City of Toronto

Toronto Land Titles Office (No. 80)

Municipal Address: 5951 Steeles Avenue East, Toronto, Ontario M2M 3Y2

## **SCHEDULE "B"**

### **DEFINED TERMS**

In the Order to which this Schedule "B" is attached, the following terms have the following meanings:

**"Construction Agreements"** means all construction contracts and subcontracts entered into by or on behalf of the Debtor for the supply of construction services or materials to all improvements constructed on or made to the Lands including, without limitation, all agreements, invoices and other documents related thereto, together with all bonds, guarantees, letters of credit and/or other securities issued with respect to the performance of such Construction Agreements and the supply of all work, labour and materials thereunder.

**"Insurance Policies"** means all policies of insurance insuring the Lands and the building improvements, fixtures and other properties situate in, on or under the Lands or arising out of the interest of the Debtor in the Lands including, without limitation, policies of insurance for property damage, loss of rental income, business interruptions, theft of property, professional liability, general liability, fire and extended perils and boiler and machinery.

**"Landmark Sale Agreements"** means any and all agreements of purchase and sale entered into between the Debtor and a purchaser of a condominium unit in the two-storey retail mall known as The Landmark to be constructed by the Debtor upon the Lands.

**"Material Contracts"** means all of the right, title and interest, but not the liabilities, obligations or burdens, of the Debtor in all contracts entered into by or on behalf of the Debtor for the development, servicing and management of any improvements constructed on or made to the Lands including, without limitation, any cost sharing agreements (except Construction Agreements which are expressly excluded herefrom), insurance, Permits and Plans and Specifications and Landmark Sale Agreements including, without limitation, any amendments, extensions, renewals and replacement which have been made to any of them, all proceeds therefrom, all benefits and advantages which now or hereafter may be derived therefrom, all debts, demands, choses in action and claims due, owing, or accruing due to or on behalf of the Debtor therefrom and all books, accounts, invoices, letters, papers, drawings, blueprints,



documents, records and data (including hard and soft copies thereof and all forms of magnetic, electronic and other means of data storage) in any way evidencing or relating thereto.

**"Permits"** means all present and future approvals, licenses, demolition permits, excavation permits, foundation permits, building permits, construction permits and other permits now or hereafter issued or required to be issued by any public or governmental authority in order to permit the construction of improvements to the Lands.

**"Personal Property"** means all personal property (including, without limitation, each account, chattel paper, document of title, equipment, instrument, intangible, inventory, money, security and goods) owned or acquired by or on behalf of the Debtor or in respect of which the Debtor has any rights and which is now located on, affixed or attached to, placed upon, situate in or on, or which may arise out of, from or in connection with the ownership, use or disposition of, the Lands or any part thereof, including, without limitation, all increases, additions, substitutions, repairs, renewals, replacements, accessions, accretions and any improvements to any such Personal Property and all proceeds and other amounts derived directly or indirectly from any dealings with any such Personal Property.

**"Plans and Specifications"** means all plans, specifications and drawings for the improvements constructed upon the Lands.

**"Securities"** means all monies evidenced or represented by certificates of deposit, guaranteed investment certificates or other interest bearing instruments or accounts issued to or registered in the name of the Debtor or its nominee and all renewals thereof and/or substitutions, replacements, additions of alterations thereto.

**SCHEDULE "C"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. **THIS IS TO CERTIFY** that Deloitte & Touche Inc., the receiver (the "**Receiver**") without security, of all of certain of the assets, undertakings and properties of 2811 Development Corporation (the "**Debtor**") acquired for, or used in relation to the development of the Lands and construction of improvements thereon, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the \_\_\_ day of \_\_\_\_\_, 2011 (the "**Order**") made in an action having Court file number \_\_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person other than the Applicant, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses upon first obtaining the prior consent of the Applicant.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Deloitte & Touche Inc., solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

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

Name:

Title:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

and

**2811 DEVELOPMENT CORPORATION**

Respondent

Court File No.: CV11-9242-00CL

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

Proceedings commenced at Toronto

**ORDER**

**Thornton Groat Finnigan LLP**  
Barristers and Solicitors  
Suite 3200, P. O. Box 329  
Canadian Pacific Tower  
Toronto-Dominion Centre  
Toronto, Ontario  
MSK 1K7

**Grant B. Moffat (LSUC# 32380L)**  
Tel: 416-304-0599  
**Danny M. Nunes (LSUC# 53802D)**  
Tel: 416-304-0592  
Fax: 416-304-1313

Lawyers for the Applicant

# APPENDIX "B"

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**FIRST REPORT OF THE RECEIVER  
DATED JULY 15, 2011**

**INTRODUCTION**

1. By Order of the Court dated June 29, 2011 (the "**Appointment Order**"), Deloitte & Touche Inc. ("**Deloitte**") was appointed as the receiver (the "**Receiver**") of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule "A" to the Appointment Order (the "**Lands**") and all of the assets, undertakings and properties of 2811 Development Corporation (the "**Debtor**") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon (collectively, the "**Property**"). A copy of the Appointment Order is attached hereto as Exhibit "A".

2. The purpose of this report (“**First Report**”) is to provide the Court with a description of the Receiver’s activities to date in securing the Debtor’s Records, including the Receiver’s efforts in obtaining contact information for the Debtor’s creditors, and the Debtor’s refusal to provide the Receiver with certain of the Debtor’s Records in addition to the contact information necessary for the Receiver to comply with the notice requirements in the Appointment Order and the *Bankruptcy and Insolvency Act (Canada)* (the “**BIA**”).
3. A copy of the Appointment Order, together with related Court documents, have been posted on the Receiver’s website at <http://www.deloitte.com/ca/insolvency>.
4. Unless otherwise provided, capitalized terms not otherwise defined in this First Report are as defined in the Appointment Order.

#### **TERMS OF REFERENCE**

5. In preparing the First Report and making the comments contained herein, Deloitte has been provided with and has relied upon unaudited financial information, books and records of the Debtor, the financial information prepared by the Debtor and its advisors, and discussions with management of the Debtor. Deloitte has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, Deloitte expresses no opinion or other form of assurance on the information contained in the First Report.
6. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

## BACKGROUND

7. The Receiver has only been appointed over the Property, which is all located in the Province of Ontario. The Lands are vacant serviced commercial/industrial land comprising 39.01 acres located on the south side of Steeles Avenue East, just west of Markham Road, in the City of Toronto. The Lands are notionally divided into three sections as follows:

Lands "A":	10.359 acres
Lands "B":	20.775 acres
Lands "C":	<u>7.875 acres</u>
Total:	<u>39.009 acres</u>

8. Lands "B" comprise the bulk of the Property and were to be developed by the Debtor with a 1,090 unit two-storey retail mall containing a gross floor area of 435,388 square feet and a saleable area of 228,907 square feet, known as The Landmark. Lands "A" comprise parcels of land fronting Steeles Avenue East and were proposed to be improved by the Debtor with retail pads totalling approximately 89,000 square feet. Lands "C" are held for future development and are currently zoned as industrial.
9. Internal servicing of the Lands has been completed by the Debtor, but no significant construction of The Landmark has commenced. Other than the normal course site plan approval and building permits, together with payment of any applicable levies in connection with such building permits, the Receiver is not aware of any outstanding municipal approvals still required to be received before construction of the Landmark can be commenced.



10. The Debtor has entered into approximately 400 agreements of purchase and sale ("**Landmark Sale Agreements**") with respect to retail condominium units to be located in the Landmark.
11. The Receiver has retained the Applicant's solicitors Thornton Grout Finnigan LLP and Meyer Wassenaar & Banach LLP as its legal counsel. The Receiver will retain independent legal counsel to, among other things, review the security granted by the Debtor to the Applicant.

#### **RECEIVER'S ACTIVITIES IN RESPECT OF THE BOOKS AND RECORDS**

12. In accordance with the terms of the Appointment Order, on July 7, 2011, the Receiver attended at the Debtor's office at 7100 Woodbine Avenue, Suite 111, Markham, Ontario to review the Debtor's books and records (the "Records") and to ensure that the Records were properly secured.
13. Paragraph 30 of the Appointment Order requires the Receiver, within five (5) business days of receipt of the Debtor's books and records, to give notice of the Appointment Order to all employees and trade creditors of the Debtor with claims greater than \$500.00. Pursuant to section 245 of the BIA, the Receiver is required as soon as possible, and not later than ten (10) days after the date of the Appointment Order, to send notice of its appointment to, among others, all creditors of the Debtor that the Receiver, after making reasonable efforts, has ascertained.
14. Pursuant to section 245(3) of the BIA, the Debtor is required to provide the Receiver with the names and addresses of all of its creditors.

15. On Thursday, July 7, 2011, the Receiver met with a representative of the Debtor to obtain copies of the Debtor's Records for this purpose. At this meeting, the Receiver requested that the Debtor provide all of the contact information for each of the Debtor's creditors (the "**Withheld Records**"). At that meeting, the Receiver was advised by the Debtor that the Debtor would provide the Withheld Records on the morning of July 8, 2011. The Debtor did not do so.
16. By letter dated July 11, 2011, the Receiver requested that the Withheld Records be delivered to the Receiver by no later than 2:00pm July 12, 2011, failing which it advised the Debtor it would seek the necessary relief from the Court to compel delivery to the Receiver of the Withheld Records. A true copy of the Receiver's letter to the Debtor dated July 11, 2011, is attached hereto as Exhibit "**B**".
17. By letter to the Receiver dated July 12, 2011, the Debtor advised that notification to its creditors of the Receiver's appointment would adversely impact a joint venture arrangement being finalized by the Debtor and that the Debtor would seek an Order from the Court directing the Receiver to delay notification to the Debtor's creditors of the fact of its appointment for a period of 14 days. A true copy of the Debtor's letter dated July 12, 2011 is attached hereto as Exhibit "**C**".
18. By letter from the Receiver's solicitors to the Debtor dated July 12, 2011, the Receiver's solicitors confirmed that the Receiver required immediate delivery of the Withheld Records, failing which the Receiver would seek an Order of the Court compelling delivery to the Receiver of the Withheld Records. A true copy of the letter from the Receiver's solicitors dated July 12, 2011 is attached hereto as Exhibit "**D**".

19. The Debtor has also failed to provide the Receiver with other Records of the Debtor and has, in certain instances, failed to provide complete information regarding the Property, all of which are required by the Receiver, including:
- (i) all of the Landmark Sale Agreements;
  - (ii) contact information for the purchasers under the Landmark Sale Agreements;
  - (iii) information on the latest payroll assessment by Canada Revenue Agency, as well as information on outstanding payroll deductions, wages and vacation pay owed to the Debtor's employees;
  - (iv) complete information on the Debtor's various asset accounts; and
  - (v) a back up of the Debtor's accounting system.
20. Without the contact information for the Debtor's creditors, the Receiver is unable to send the notices required pursuant to the terms of the Appointment Order and the BIA advising the Debtor's creditors of the Debtor's receivership proceeding.
21. The Debtor's failure to provide the Receiver with complete and unfettered access to the Records and to provide the Receiver with the complete information requested by the Receiver in respect of the Property is impeding the Receiver's ability to fulfill its mandate set out in, and is in direct contravention of, the Appointment Order.

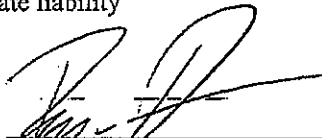
**RECEIVER'S RECOMMENDATION**

22. For the reasons set out above, the Receiver recommends that the Court grant an Order requiring the Debtor and Mr. Charles Chan, the Debtor's President, to immediately provide the Receiver with all information requested by the Receiver in respect of the Debtor's creditors that is required by the Receiver to comply with the notice to creditor requirements of the Appointment Order and the BIA, and requiring the Debtor to immediately comply with the terms of the Appointment Order, including the immediate delivery of the Debtor's Records.

All of which is respectfully submitted at Toronto, Ontario this 15<sup>th</sup> day of July, 2011.

**Deloitte & Touche Inc.**  
solely in its capacity as the Court-  
appointed receiver of 2811 Development  
Corporation and without personal or  
corporate liability

Per:



\_\_\_\_\_  
Bryan Tammenbaum  
Senior Vice-President

# APPENDIX "C"

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

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended.

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**UNOFFICIAL TRANSCRIPT  
OF THE ENDORSEMENT OF MADAM JUSTICE MESBUR  
DATED JULY 19, 2011**

D. Nunes for The Receiver  
D. Lee for 2811 Development Corp.

The Respondent is apparently in a position to finance and fully pay the mortgage in question. It has not, however, provided the court with sufficient information re terms and closing date to give sufficient comfort.

Motion is adjourned to July 22/11 ½ hour to permit the respondent to file further & better material.

Pending the return of the motion all time lines for The Receiver to obtain and disseminate information to creditors and employees are extended pending further order.

Mesbur J.

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
PROCEEDINGS COMMENCED AT  
TORONTO

**UNOFFICIAL TRANSCRIPT  
OF THE ENDORSEMENT OF  
MADAM JUSTICE MESBUR  
DATED JULY 19, 2011**

**BORDEN LADNER GERVAIS LLP**

Barristers and Solicitors  
Scotia Plaza  
40 King Street West  
Toronto, ON M5H 3Y4

**John D. Marshall**  
Tel: (416) 367-6024  
Fax: (416) 361-2763  
(LSUC #: 16960Q)

**Sam P. Rappos**  
Tel. (416) 367-6033  
Fax: (416) 361-7306  
(LSUC#51399S)

Solicitors for Deloitte & Touche Inc. in its  
capacity as Receiver

Applicant

and

Respondent

July 19/11  
Court File No.: CV11-9242-00CL

July 19/11

D. Nunes for the Receiver  
D. Lee for 2811 Development Corp.

The Respondent is apparently in a position to finance & fully pay the mortgage in question. It has not, however provided the Court with sufficient information re terms, closing date to give sufficient comfort.

Motion is adjourned to July 22/11 - 12 hour to present

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

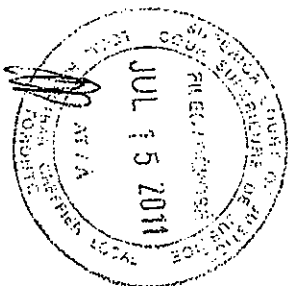
Proceedings commenced at Toronto

MOTION RECORD  
Returnable July 19, 2011

Thornton Groat Finnigan LLP  
Barristers and Solicitors  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 1K7

Grant B. Moffat (LSUC# 32380L)  
Tel: 416-304-0599  
Danny M. Nunes (LSUC# 53802D)  
Tel: 416-304-0592  
Fax: 416-304-1313

Lawyers for the Receiver, Deloitte & Touche Inc.





The respondent to file further & better material..

Pending the return of the motion, all time lines for the Receiver to obtain & disseminate information to creditors & employees are extended pending further order.

Muslung.

# **APPENDIX “D”**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**SECOND REPORT OF THE RECEIVER  
DATED JULY 20, 2011**

**INTRODUCTION**

1. By Order of the Court dated June 29, 2011 (the "Appointment Order"), Deloitte & Touche Inc. ("Deloitte") was appointed as the receiver (the "Receiver") of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule "A" to the Appointment Order (the "Lands") and all of the assets, undertakings and properties of 2811 Development Corporation (the "Debtor") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon (collectively, the "Property"). A copy of the Appointment Order is attached hereto as Exhibit "A".

2. The Appointment Order authorized the Receiver to, among other things, take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements, arising out of, or from, the Property. In addition, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course:
  - (a) without the approval of the Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
  - (b) with the approval of the Court in respect of any transaction exceeding \$100,000 or exceeding \$250,000 in the aggregate.
  
3. On July 15, 2011, the Receiver issued its first report to the Court (the "**First Report**") in support of its motion returnable July 19, 2011 (the "**Withheld Records Motion**") for an order, *inter alia*, directing the Debtor to deliver to the Receiver all of the Debtor's books and records, including contact information for the Debtor's creditors. The Withheld Records Motion was adjourned until Friday, July 22, 2011 to permit the Debtor to file additional evidence in connection with that motion. A copy of the Endorsement of the Honourable Justice Mesbur granting the foregoing adjournment is attached hereto as Exhibit "**B**".
  
4. The purpose of this report ("**Second Report**") is to provide to the Court:
  - (a) a description of the Lands and the Debtor's development plans prior to the appointment of the Receiver;
  - (b) a summary of the Debtor's various secured creditors;

- (c) a description of the Receiver's activities to date; and
  - (d) the evidentiary basis to make an Order:
    - i. approving the activities of the Receiver as described in this Second Report; and
    - ii. approving the marketing plan proposed by the Receiver for the sale of the Property.
5. A copy of the Appointment Order, together with related Court documents have been posted on the Receiver's website at <http://www.deloitte.com/ca/insolvency>. Since, as of the date of the Second Report, the Receiver is not yet in possession of all of the Debtor's books and records, the Receiver has not yet issued the notice to creditors or filed the Report of the Receiver as required by Sections 245 and 246, respectively of the *Bankruptcy and Insolvency Act* (Canada).
6. Unless otherwise provided, capitalized terms not otherwise defined in this Second Report are as defined in the Appointment Order.

#### **TERMS OF REFERENCE**

7. In preparing the Second Report and making the comments contained herein, Deloitte has been provided with and has relied upon unaudited financial information, the Debtor's books and records, the financial information prepared by the Debtor and its advisors, and discussions with management of the Debtor. Deloitte has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and,

accordingly, Deloitte expresses no opinion or other form of assurance on the information contained in the Second Report.

8. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

## BACKGROUND

9. The Receiver has only been appointed over the Property, which is all located in the Province of Ontario. Attached hereto as Exhibit "C" is a partial copy of a survey of the Lands. The Lands are vacant serviced commercial/industrial land comprising 39.01 acres located on the south side of Steeles Avenue East, just west of Markham Road, in the City of Toronto. The Lands are notionally divided into three sections as follows:

Lands "A":	10.359 acres
Lands "B":	20.775 acres
Lands "C":	<u>7.875 acres</u>
Total:	<u>39.009 acres</u>

10. Lands "B" comprise the bulk of the Property and were to be developed by the Debtor with a 1,090 unit two-storey retail mall containing a gross floor area of 435,388 square feet and a saleable area of 228,907 square feet, known as The Landmark. Lands "A" comprise parcels of land fronting Steeles Avenue East and were proposed to be improved by the Debtor with retail pads totalling approximately 89,000 square feet. Lands "C" are held for future development and are currently zoned as industrial.
11. Internal servicing of the Lands has been completed by the Debtor, but no significant construction of The Landmark has commenced. Other than the normal course site plan approval and building permits, together with payment of any applicable levies in

connection with such building permits, the Receiver is not aware of any outstanding municipal approvals still required to commence construction of the Landmark.

12. Prior to the advance of a first mortgage loan by the Applicant, Firm Capital Mortgage Fund Inc. ("**Firm Capital**"), to the Debtor, the Debtor advised Firm Capital that it had entered into approximately 400 agreements of purchase and sale ("**Landmark Sale Agreements**") with respect to retail condominium units to be located in the Landmark, representing approximately 115,000 square feet of retail space. Pursuant to the Withheld Records Motion, the Receiver is seeking an Order directing the Debtor to deliver all Landmark Sale Agreements to the Receiver. As of the date of this Second Report, the Receiver has not yet received all such agreements. Accordingly, the Receiver will advise in a subsequent report to the Court the number and status of the Landmark Sale Agreements following the Receiver's receipt and review of those agreements.
  
13. Lombard General Insurance Company of Canada ("**Lombard**") has provided a deposit insurance facility for The Landmark to the Debtor. Lombard has provided purchasers under the Landmark Sale Agreements with insurance policies to protect their rights to a return of the deposits paid under the Landmark Sale Agreements. Lombard has agreed pursuant to the terms of that facility to release certain purchaser deposits to 2811 that otherwise would be required to be held in trust pursuant to the provisions of the *Condominium Act* (Ontario) and the terms of the Landmark Sale Agreements. The Debtor currently owes Lombard approximately \$14.5 million pursuant to the foregoing deposit insurance facility.

**SECURED CREDITORS**

14. Attached hereto as Exhibit "D" is a detailed description of the various charges registered against the Lands. Set out below is a summary of the charges registered against the Lands and the amounts outstanding thereunder:

<b>Creditor</b>	<b>Amount of Charge Against Property</b>	<b>Outstanding Indebtedness (Rounded)</b>	<b>Nature of Obligation</b>
Firm Capital Mortgage Fund Inc.	\$17,500,000	\$16,431,745 as at May 10/11	First Mortgage Loan
White Bear Developments Inc.	\$1,500,000	\$1,808,116 as at Feb. 28/11	Conventional Mortgage
Key Pendragon Enterprises Inc.	\$5,500,000	\$6,901,112 as at Mar. 1/11	Conventional Mortgage
Key Pendragon Enterprises Inc.	\$1,100,000	\$1,262,168 as at Mar. 1/11	Conventional Mortgage
Key Pendragon Enterprises Inc.	\$1,000,000	\$1,119,515 as at Mar. 1/11	Conventional Mortgage
Lombard General Insurance Company of Canada	\$75,000,000	\$14,500,000	Collateral Charge
Lombard General Insurance Company of Canada	\$750,000	Unknown	Collateral Charge
Lombard General Insurance Company of Canada	\$1,560,127	Unknown	Collateral Charge
Con-Drain Company (1983) Limited	\$1,500,000	\$1,500,000	Originally a construction lien, converted to a conventional charge.
Mady Contract Division Ltd.	\$386,190	\$386,190 as at Apr. 13/11	Construction lien
<b>TOTALS</b>	<b>\$105,796,317</b>	<b>\$43,908,846</b>	



15. Attached hereto as Exhibit "E" is a copy of a PPSA Enquiry Response Certificate from the Ontario Ministry of Government Services with respect to the Debtor certified as at July 11, 2011.
16. The Receiver has retained the Applicant's solicitors Thornton Grout Finnigan LLP and Meyer Wassenaar & Banach LLP as its legal counsel. The Receiver will retain independent legal counsel to, among other things, review the security granted by the Debtor to its creditors.

#### RECEIVER'S ACTIVITIES

17. The Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
  - (a) advised the Debtor of the Receiver's appointment;
  - (b) attended at the Debtor's office at 7100 Woodbine Avenue, Suite 111, Markham, Ontario to review the Debtor's books and records;
  - (c) taken possession of all three of the Debtor's bank accounts associated with the Property (the "Accounts") by notification to the financial institutions with whom the Accounts are domiciled;
  - (d) advised the Debtor's three banks that no further disbursements are to be made from the Accounts without the prior written consent of the Receiver;
  - (e) met with and delivered to the Debtor's two employees a letter ("**Employee Letter**") confirming that, in accordance with the provisions of the Appointment Order, the Debtor will continue to employ each of its employees on the existing

terms and conditions of such employment and that the Receiver will not pay nor be liable for any wages or other amounts which are due or which may in the future become due to such employees;

- (f) provided notice of the Receiver's appointment to the Debtor's insurance company with respect to the Lands and arranged to have the Receiver added as a named insured and as an additional insured and reviewed the insurance policy to ensure that the coverage was sufficient;
- (g) placed property insurance coverage over the Debtor's personal property located at the Leased Premises (defined below);
- (h) prepared a marketing plan for the sale of the Property, which is described in more detail below;
- (i) commenced the process of ordering two updated appraisals of the Lands in connection with the Receiver's plan to market and sell the Property; and
- (j) conducted a physical count of the furniture and computer equipment owned by the Debtor and located at the Leased Premises (the "Equipment").

18. Given that the Receiver is not yet in possession of all of the books and records of the Debtor, the Receiver is not yet in a position to ensure that the books and records of the Debtor have been properly secured.

19. Prior to the appointment of the Receiver, the Debtor carried on business from leased premises at 7100 Woodbine Avenue, Suite 111, Markham, Ontario (the "Leased Premises"). According to a lease provided by the Debtor to the Receiver, The Landmark (Canada) Inc. and not the Debtor is the tenant of the Leased Premises. The

Receiver has not reviewed any documentation setting out the basis upon which the Debtor has a right to occupy the Leased Premises. However, the Receiver understands that the Debtor has guaranteed the obligations of The Landmark (Canada) Inc. under its lease of the Leased Premises.

20. The Equipment located at the Leased Premises forms part of the Property and, pursuant to the terms of the Appointment Order, the Receiver is authorized to sell the Equipment without approval of the Court in respect of any transaction not exceeding \$100,000 provided that the aggregate consideration for all such transactions does not exceed \$250,000. The Receiver has conducted a physical count of the Equipment and requested two auctioneers to provide to the Receiver a proposal to either auction or purchase the Equipment.
21. The Receiver does not intend to occupy the Leased Premises or utilize the Equipment in connection with the discharge of its duties. Given the relatively low value of the Equipment, the Receiver does not intend to take possession of or incur any storage costs in respect of the Equipment at this time. The Receiver has therefore elected to leave the Equipment at the Leased Premises until further notice to the Debtor.

#### **THE RECEIVER'S PROPOSED MARKETING PROCESS**

22. Rather than retain an independent listing agent for the Lands, the Receiver proposes to directly market the Property through a focused target marketing process through Deloitte Real Estate ("Deloitte Real Estate"). The Receiver has determined that it will be able to fully expose the Property to the market through Deloitte Real Estate's contacts and list of

potential purchasers. This will also result in a significant cost savings to the estate since Deloitte Real Estate's consulting services will be billed on an hourly basis as opposed to a traditional commission basis if the Lands were listed with an agent. In addition to the appraisals of the Lands referred to above, the Receiver has obtained an analysis of recent sales of comparable vacant development properties to permit the Receiver to properly evaluate all offers to purchase the Property received as part of the Receiver's marketing process.

23. The Receiver believes that a documentation preparation and marketing period of approximately 6 to 7 weeks will be sufficient to expose the Property and permit qualified parties to conduct due diligence and to determine if they will make an offer, while at the same time minimizing the uncertainty and costs of a prolonged receivership period.
24. The Receiver proposes to sell the Property utilizing the following process (the "Marketing Process"):
  - (a) retain Deloitte Real Estate to assist the Receiver in conducting the Marketing Process;
  - (b) by August 4, 2011, send an information overview document ("Flyer") outlining the Property to potential purchasers along with a confidentiality agreement to be executed in order to receive further information in respect of the Property. The list of potential purchasers will be developed from a database maintained by Deloitte Real Estate, expressions of interest received by the Receiver from interested parties and the Receiver's experience and contacts. Copies of the draft Flyer and Confidentiality Agreement are attached hereto as Exhibits "F" and "G";

- (c) place an advertisement in the Toronto edition of The Globe and Mail newspaper the week of August 15, 2011;
- (d) prepare and place in a password protected electronic data room copies of all documentation relating to the development of The Landmark by the Debtor, including architectural drawings, site plan agreements with the municipality, relevant municipal approvals, any subsisting construction contracts and copies of all Landmark Sale Agreements, or a summary of same to be provided to potential purchasers who sign a confidentiality agreement;
- (e) prepare a confidential information memorandum (“CIM”) providing detailed information in respect of the Property, to be sent to all potential purchasers who have executed the confidentiality agreement. The CIM will also include the terms and conditions of any sale by the Receiver and a form of offer. A copy of the form of offer and the Conditions of Sale are attached hereto as Exhibit “H”;
- (f) follow up with interested prospective purchasers to identify the opportunity and provide access to the data room, the Property and additional information as required;
- (g) set 12 o'clock noon on September 23, 2011 as the deadline for the submission of binding offers (the “Offer Date”). Following the Receiver’s review of all submitted offers, the Receiver may, at its option, seek clarification from any of the offerors regarding the terms of a submitted offer, reject any of the offers submitted or request any of the offerors to submit revised and/or improved offers to purchase any of the Property or to otherwise address any issues or concerns raised by the Receiver. There shall be no obligation on the part of the Receiver to

provide any offeror with the opportunity to amend or otherwise improve the terms of its offer following the Offer Date;

- (h) Each offeror shall, with its offer, deliver to the Receiver the following:
- i. an amount equal to 10% of the purchase price specified in the offer. If the offer is accepted said cheque or bank draft will be deemed to be a cash deposit (the "**Deposit**") against the aggregate offered purchase price (the "**Purchase Price**") and the successful offeror (hereinafter called the "**Purchaser**") will pay the balance of the Purchase Price to the Receiver, in cash or by certified cheque on the Closing Date of the subject transaction without interest;
  - ii. an executed copy of the template agreement of purchase and sale ("**Template Agreement**"), amended to reflect that part of the Property subject to the offer (the Template Agreement as amended, the "**Offeror Sale Agreement**") and any other matters specific to the offer, which shall be binding and irrevocable until October 7, 2011;
  - iii. a comparison of the Template Agreement to the executed Offeror Sale Agreement;
  - iv. a representation of the offeror and written evidence of available cash and/or a commitment for financing to evidence the offeror's ability to close the proposed transaction as the Receiver may reasonably request;

- v. a copy of a board resolution or similar document demonstrating authority to make an irrevocable offer and to execute the transaction contemplated by the Offeror Sale Agreement; and
  - vi. a disclosure of the identity of each entity (including its ultimate shareholders) that have submitted the offer.
25. The Receiver shall not be bound to sell any of the Property until it has entered into a binding agreement of purchase and sale and received approval to complete such transaction from the Court. The Receiver reserves the right to enter into one or more agreements to sell any or all of the Property at any time and to withdraw any or all of the Property from the sale.

#### **PROCEDURES FOR SALE**

26. All sales will be on an "as is, where is" basis. Each offeror will be solely responsible for inspecting the Property and satisfying itself as to title to any of the Property it is offering to purchase. The Receiver will not provide any representations or warranties with regard to title, merchantability, condition, description, fitness for purpose, quality, quantity or any other matter or thing regarding the Property.
27. The Receiver's solicitors will prepare any required closing documentation.

#### **RECEIVER'S REQUESTS OF THE COURT**

28. For the reasons set out above, the Receiver requests that the Court make an Order:
- (a) approving the activities of the Receiver as described in the Second Report;

- (b) approving the Marketing Process; and
- (c) authorizing the Receiver to carry out the sale of the Property pursuant to the Marketing Process, including, without limitation, the Conditions of Sale attached as Exhibit "H".

All of which is respectfully submitted at Toronto, Ontario this 20th day of July, 2011.

**Deloitte & Touche Inc.**  
solely in its capacity as the Court-  
appointed receiver of 2811 Development  
Corporation and without personal or  
corporate liability

Per: 

\_\_\_\_\_  
Bryan A. Tannenbaum  
Senior Vice-President



# **APPENDIX “E”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF Section 101 of the  
*Courts of Justice Act, R.S.O. 1990 c.C.43, as amended***

THE HONOURABLE MR. ) FRIDAY, THE 22<sup>nd</sup>  
 )  
JUSTICE PERELL ) DAY OF JULY, 2011

**BETWEEN:**

**FIRM CAPITAL MORTGAGE FUND INC.**

**Applicant**

**- and -**

**2811 DEVELOPMENT CORPORATION**

**Respondent**

**ORDER**

**THIS MOTION** made by Deloitte & Touche Inc., in its capacity as the receiver (the "Receiver") of certain of the assets, undertakings and properties of 2811 Development Corporation (the "Debtor"), for the relief set out in its Notice of Motion herein dated July 14, 2011, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the First Report of the Receiver dated July 15, 2011 and the Exhibits thereto and on hearing the submissions of counsel for the Receiver and counsel for the Debtor, no one else appearing although served as evidenced by the Affidavit of Maria Magni sworn July 15, 2011, filed.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged such that this Motion is properly returnable today, that all parties entitled to notice of the Motion have been duly served with notice, that no other parties are affected by this Order, and that any requirement for service of the Notice of Motion and the Motion Record upon any party other than the parties served is unnecessary and is hereby dispensed with and that the service of the Notice of Motion and the Motion Record is hereby validated in all respects.

2. **THIS COURT ORDERS** that the Debtor and Mr. Charles Chan, the Debtor's President, are required to provide the Receiver with all of the contact information for the Debtor's creditors that is required by the Receiver to comply with the notice to creditor requirements set out in paragraph 30 of the Order of the Honourable Mr. Justice Campbell dated June 29, 2011 and the *Bankruptcy and Insolvency Act* (Canada) by no later than 5:00 p.m. on July 22, 2011.

3. **THIS COURT ORDERS** that the Debtor shall immediately comply with the provisions of the Order of the Honourable Mr. Justice Campbell dated June 29, 2011 appointing the Receiver (the "Appointment Order"), including but not limited to those provisions of the Appointment Order requiring the delivery of the Debtor's Records to the Receiver, which shall be delivered to the Receiver by no later than 5:00 p.m. on July 22, 2011.

4. **THIS COURT ORDERS** that the Receiver shall have its costs of this motion on a substantial indemnity basis payable <sup>in any event of the cause from the estate in</sup> ~~forthwith.~~ <sub>recovership.</sub>

Panel, J

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

and

**2811 DEVELOPMENT CORPORATION**

Respondent

Court File No.: CV11-9242-00CL

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

Proceedings commenced at Toronto

**ORDER**

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Lawyers for the Receiver, Deloitte & Touche Inc.

# APPENDIX "F"

Court File No.: CV11-9242-00CL

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**SUPPLEMENT TO THE SECOND REPORT OF THE RECEIVER  
DATED JULY 29, 2011**

**INTRODUCTION**

1. By Order of the Court dated June 29, 2011 (the "Appointment Order"), Deloitte & Touche Inc. ("Deloitte") was appointed as the receiver (the "Receiver") of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule "A" to the Appointment Order (the "Lands") and all of the assets, undertakings and properties of 2811 Development Corporation (the "Debtor") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon (collectively, the "Property"). A copy of the Appointment Order is attached hereto as Exhibit "A".

2. On July 15, 2011, the Receiver issued its first report to the Court (the "First Report") in support of its motion returnable July 19, 2011 (the "Withheld Records Motion") for an order, *inter alia*, directing the Debtor to deliver to the Receiver all of the Debtor's books and records, including contact information for the Debtor's creditors. The Withheld Records Motion was adjourned until Friday, July 22, 2011 to permit the Debtor to file additional evidence in connection with that motion. A copy of the Endorsement of the Honourable Justice Mesbur granting the foregoing adjournment is attached hereto as Exhibit "B".
3. Pursuant to the Order of the Honourable Justice Perell dated July 22, 2011 (the "Withheld Records Order"), the Debtor was directed to deliver to the Receiver, by 5:00 p.m. on July 22, 2011, all of the Debtor's books and records and, along with the Debtor's President, Mr. Charles Chan, was directed to provide the Receiver with the contact information for the Debtor's creditors. A copy of the Withheld Records Order and the Endorsement of the Honourable Justice Perell are attached hereto as Exhibits "C" and "D", respectively.
4. The purpose of this supplement to the Receiver's second report (the "Supplemental Report") is to provide the Court with a description of the Receiver's efforts to obtain the Debtor's books and records, including the contact information for the Debtor's creditors, in accordance with the terms of the Withheld Records Order and the Debtor's refusal to provide the Receiver with all of the Debtor's books and records in contravention of the Withheld Records Order and the Appointment Order.

5. A copy of the Appointment Order and the Withheld Records Order, together with related Court documents, have been posted on the Receiver's website at <http://www.deloitte.com/ca/insolvency>.
6. Unless otherwise provided, capitalized terms not otherwise defined in this Supplemental Report are as defined in the Appointment Order and the Withheld Records Order.

#### **TERMS OF REFERENCE**

7. In preparing the Supplemental Report and making the comments contained herein, Deloitte has been provided with and has relied upon unaudited financial information, certain of the books and records of the Debtor, the financial information prepared by the Debtor and its advisors, and discussions with management of the Debtor. Deloitte has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, Deloitte expresses no opinion or other form of assurance on the information contained in the Supplemental Report.
8. Unless otherwise stated, all dollar amounts contained in the Supplemental Report are expressed in Canadian dollars.

#### **BACKGROUND**

9. Immediately following the issuance of the Withheld Records Order on July 22, 2011, the Receiver and its solicitor contacted the Debtor and its solicitor by email to confirm the delivery of the Debtor's books and records as required by the Withheld Records Order. The Receiver did not receive a response to its request of July 22, 2011 and on July 25,



2011, a second email was sent by the Receiver to the Debtor requesting the books and records. Mr. Chander Shekhar, an employee of the Debtor, advised on July 25, 2011 that the information requested by the Receiver would not be delivered until he had consulted with the Debtor's counsel and legal counsel Terracap. It is the Receiver's understanding that the Debtor is engaged in discussions with Terracap, amongst other parties, in negotiating a joint venture agreement. A copy of the email correspondence between the Receiver and its solicitors, Thornton Grout Finnigan LLP ("TGF"), and the Debtor and its solicitor is attached hereto as Exhibit "E".

10. The Receiver has received certain of the Debtor's books and records including an out-dated listing of amounts owed to creditors as at January 31, 2011, a balance sheet as at January 31, 2011, various unaudited financial statements from previous fiscal years, four bankers boxes containing Landmark Sale Agreements (as defined herein) and other miscellaneous documents. The Receiver has requested further books and records which have not yet been delivered by the Debtor including, but not limited to, additional boxes containing current Landmark Sale Agreements, a listing of deposits related to the Landmark Sale Agreements, a listing of creditors with detailed contact information and a backup disk of the Debtor's accounting data. A copy of further email correspondence from the Receiver and TGF to the Debtor and its counsel is attached hereto as Exhibit "F".
  
11. Since, as of the date of the Supplemental Report, the Receiver is not yet in possession of all of the Debtor's books and records, the Receiver has not yet issued the notice to all of the Debtor's creditors required by Section 245 of the *Bankruptcy and Insolvency Act* (Canada).

12. Part of the Lands were to be developed by the Debtor with a 1,090 unit two-storey retail mall known as The Landmark. The Debtor has entered into approximately 400 agreements of purchase and sale ("Landmark Sale Agreements") with respect to retail condominium units to be located in The Landmark.
13. The Debtor has delivered those Landmark Sale Agreements that have already expired but has advised the Receiver that it will not deliver the remaining Landmark Sale Agreements on the basis that the notice requirement set out in paragraph 30 of the Appointment Order references trade creditors and the purchasers under the Landmark Sale Agreements are not trade creditors. A copy of email correspondence from the Debtor to the Receiver is attached here to as Exhibit "G".
14. Further, the Debtor maintains that the delivery of notices to the remaining purchasers under the Landmark Sale Agreements would be devastating to the Debtor's refinancing efforts. The Debtor asserted the same position at the Withheld Records Motion and Justice Perell determined that the Debtor's refinancing efforts were not sufficient reason to justify the Debtor's refusal to deliver all of its books and records, including the contract information for all of its creditors, to the Receiver.
15. The purchasers under the Landmark Sale Agreements have provided significant monetary deposits in respect of their purchases of condominium units and, as such, are also creditors of the Debtor.
16. The Debtor's refusal to deliver all of its books and records, including the remaining Landmark Sale Agreements, will impede the Receiver's efforts to properly market the Property through the sale process recommended by the Receiver in its Second Report

and, thus, will prejudice the Debtor's creditors. More specifically, it will impede the Receiver from being able to comply with its statutory requirements and will delay the Receiver from fully implementing a complete electronic information data room so that prospective purchasers of the Property can examine all information necessary to formulate and submit their offers on a timely basis.


**RECEIVER'S RECOMMENDATIONS**

17. For the reasons set out above, the Receiver recommends that the Court grant an Order holding the Debtor and Mr. Chan in contempt of the Withheld Records Order.

All of which is respectfully submitted at Toronto, Ontario this 29<sup>th</sup> day of July, 2011.

**Deloitte & Touche Inc.**  
solely in its capacity as the Court-  
appointed receiver of 2811 Development  
Corporation and without personal or  
corporate liability

Per:

  
Bryan A. Tannenbaum  
Senior Vice-President

# APPENDIX "G"

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

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended.

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**UNOFFICIAL TRANSCRIPT  
OF THE ENDORSEMENT OF MR. JUSTICE WILTON-SIEGEL  
DATED AUGUST 3, 2011**

Aug 3/11

Motion adj. to August 5/11. Pending the hearing on that day, the Receiver will not make any notices of default to the 400 purchasers of condominium units in the proposed development.

The respondent is to deliver all books and records to the Receiver prior to that day in accordance with the order of Perell J. dated July 22/11.

Wilton-Siegel J.

FIRM CAPITAL CORPORATION

- and -

2811 DEVELOPMENT CORPORATION

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

PROCEEDINGS COMMENCED AT  
TORONTO

**UNOFFICIAL TRANSCRIPT**  
**OF THE ENDORSEMENT OF**  
**MR. JUSTICE WILTON-SIEGEL**  
**DATED AUGUST 3, 2011**

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Solicitors for Deloitte & Touche Inc. in its  
capacity as Receiver

TOR01:4765054: v1

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AMENDED MOTION RECORD  
RETURNABLE AUGUST 3, 2011

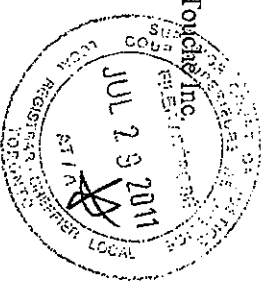
Aug 3/11

When adj. to August 5/11. Pending the  
coming on that day, the Receiver will not  
move any motion of default to the 100 purchasers  
of condominium units until the proposed developments.  
The respondent is to obtain all books & records  
to the Receiver prior to that day in accordance  
with the order of Panel 5. Dated July 22/11.  
C. Khan-Khaji.

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Lawyers for the Receiver, Deloitte & Touche Inc.



# APPENDIX "H"



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

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended.

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**UNOFFICIAL TRANSCRIPT  
OF THE ENDORSEMENT OF MR. JUSTICE WILTON-SIEGEL  
DATED AUGUST 3 and AUGUST 5, 2011**

Aug 3/11

Adj. to Aug. 5.

August 5/11

This matter is further adjourned to August 10/11 to permit the parties to meet with the appraisers of the property. The purpose of that meeting is to understand the current approach of the appraisers to valuation in order that any related issues regarding the sales process can be addressed at the hearing on that date. It is important that the parties, including the appraisers, respond to any information requests and conduct that meeting in a timely fashion in order that the hearing can proceed on that date. It is also understood that the receiver will not send any notices to creditors pending that hearing.

Wilton-Siegel J.

FIRM CAPITAL CORPORATION

- and -

2811 DEVELOPMENT CORPORATION

Court File No.: CV11-9242-00CL

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

PROCEEDINGS COMMENCED AT  
TORONTO

**UNOFFICIAL TRANSCRIPT  
OF THE ENDORSEMENT OF  
MR. JUSTICE WILTON-SEGEL  
DATED AUGUST 3 and AUGUST 5, 2011**

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Solicitors for Deloitte & Touche Inc. in its  
capacity as Receiver

TOR01:4765075: v1

FIRM CAPITAL MORTGAGE FUND INC.

Applicant(s)

and

2811 DEVELOPMENT CORPORATION

Respondent

Court File No.: CV11-9242-00CL

Aug 3/11

Aug 3/11  
Adj. to Aug. 5.

W/ Ken - NJ

August 5/11

The matter is further adjourned to August 10/11 to permit the parties to meet with the attorneys of the property. The purpose of that meeting is to understand the current approach of the attorneys to collaboration in order that any redacted issues regarding the call names can be addressed at that hearing on that date. It is important that the parties, including the attorneys, respond to any information requests and conduct that meeting or timely further on order that the hearing can proceed on that date. It is also understood that the receiver will not send any notices to creditors pending that hearing.

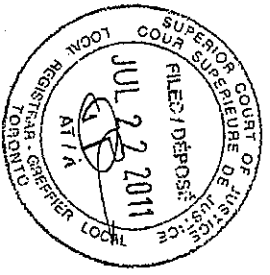
W/ Ken - NJ T.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceedings commenced at Toronto

MOTION RECORD

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# APPENDIX "I"

Court File No. CV -11-9242-00CL

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

**IN THE MATTER OF Section 101 of**  
**the Courts of Justice Act, R.S.O. 1990 c. C. 43, as amended**

**BETWEEN:**

**FIRM CAPITAL MORTGAGE FUND INC.**

**Applicant**

**-and-**

**2811 DEVELOPMENT CORPORATION**

**Respondent**

**SUPPLEMENTARY MOTION RECORD OF THE RECEIVER**  
**(Returnable August 10, 2011)**

Date: August 9, 2011

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Lawyers for Con-Drain Company (1983)  
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Office of the Public Guardian and Trustee  
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**AN YUAN LIN**  
**C.O.B. AN-DAK TRADING COMPANY**  
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Markham, ON L3S 2J6

**THE TORONTO-DOMINION BANK**  
55 King Street West, 3<sup>rd</sup> Floor  
Toronto, ON M5K 1A2

**WORKPLACE SAFETY AND  
INSURANCE BOARD**  
120 King Street West  
Hamilton, ON L8P 4V2

**RELMI FINANCIAL CORP.**  
44 Upjohn Road  
Toronto, ON M3B 2W1



**INDEX**

<b>TAB</b>	<b>DOCUMENT</b>
1.	Revised Marketing flyer
2.	Revised Form of Offer and Conditions of Sale
3.	Revised Receiver's Notice

**Tab 1**

# Deloitte.

## Prime commercial development opportunity For Sale – 39 Acres

5789, 5811, 5933, 5945 & 5951 Steeles Ave. E., Toronto, ON



### >> Highlights

- Approximately 39-acre development opportunity near established residential areas of Markham
- Strategically positioned among National Retailers
- Extensive frontage along Steeles Avenue East
- Only one kilometer away from Markham Road
- Designated for Employment uses, including large-scale retail

Financial Advisory

FOR REVIEW

**>> Location**

The subject property is located in the northern GTA in the area of Steeles Avenue East and Markham Road. A number of established retail and industrial developments are to the east, west and south of the property.

The surrounding residential area is comprised mostly of medium density dwellings with over 50,000 people within local shopping distance.

The average population age in the area is 37 to 39.4 years old. The Dominant Market Group is known as "Young & Yearning". This group consists of married couples and singles under 40 with children. These individuals are educated and employed with incomes between \$90,000 - \$100,000

**>> Site description**

The subject property is largely cleared and rectangular in shape measuring approximately 39 acres (comprised of parcel "A": 10.359 acres, parcel "B": 20.775 acres and parcel "C": 7.875 acres). The property fronts on Steeles Avenue East and to the north of it is the Town of Markham. Industrial properties about the land to the south. Baif Development lies to the east where large retailers and smaller commercial retail units are located (Walmart, Lowes and Esso Gas Station). On the west side of the property lies Norstar Development which offers a food market, retail and service outlets.

**>> Official plan**

The lands are designated Employment Areas (Map 22 - Land Use), providing for business and economic activity, and Employment Districts (Map 2 - Urban Structure) in the Official Plan. Steeles Avenue East is a major street.

The commercial development of the property will contribute to the creation of competitive, attractive and highly functional Employment Areas. Large Scale, stand-alone retail stores and power centres are only permitted in Employment Areas.

**>> Zoning (see diagram on right "Subject Property Zoning")**

The subject property is zoned Special District Commercial (SDC) in the northwest portion of the site, and Industrial (M) in the southeast area of the site, according to the City of Toronto By-law No. 157-2007 (OMB). This zoning allows for retail, office and industrial use.

The Special District Commercial (SDC) designation is intended to provide commercial facilities to the employee and resident population of northern area of the former City of Scarborough and surrounding areas.

Plans exist for the construction of a 1,090 condominium unit 2 storey retail mall.

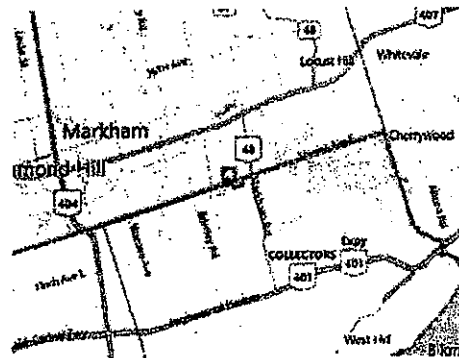
Details of the development to date are contained in the Confidential Information Memorandum ("CIM") and the data room referred to below.

**>> Local marketplace**

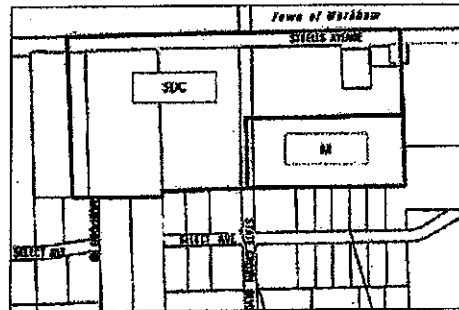
The Town of Markham is located in the central Greater Toronto Area, and is one of the fastest growing municipalities in Ontario. Markham has a population of more than 300,000, which is projected to grow beyond 400,000 by 2031. The median household income in Markham is approximately \$113,000, which is 28% higher than the Ontario average.

Over 400 corporate head offices and nearly 900 high technology and life sciences companies are located in Markham, generating employment of over 37,000, or almost a quarter of the total employment of 135,000. High quality facilities, a highly educated and diverse workforce and a pro-business environment signify the many attributes that continue to attract corporations to Markham, including IBM Canada, AMD, American Express, Honda Canada, Motorola, Honeywell, Sun Microsystems, Johnson & Johnson and many others.

The subject property is largely cleared and rectangular in shape measuring approximately 39 acres. The property fronts on Steeles Avenue East and to the north of it is the Town of Markham.



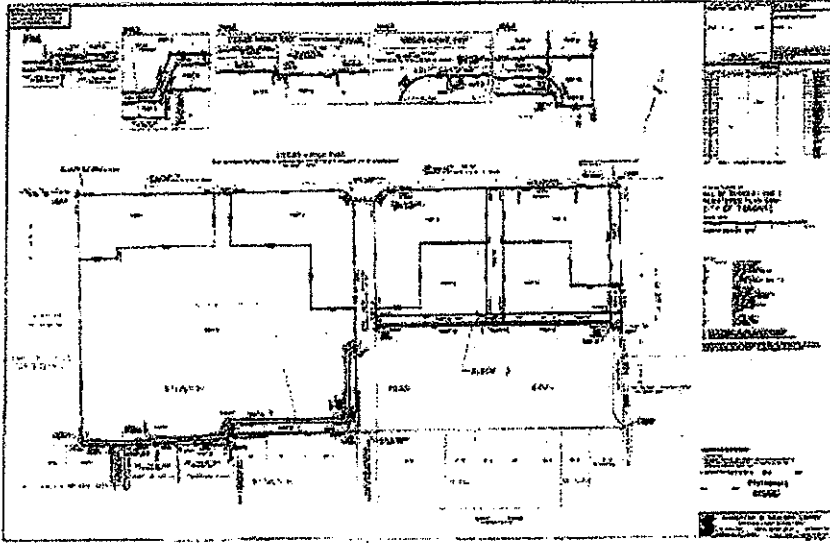
5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario



Subject Property Zoning



FOR REVIEW



Survey - 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario

**Contact**

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Vice President  
Tel. 416-775-7276  
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iragerstein@deloitte.ca

Bryan A. Tannenbaum  
FCA, FCIRP  
Senior Vice President  
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btannenbaum@deloitte.ca

**>> Legal description**

All of Block 1 and 2 Registered Plan 65M - City of Toronto

**>>> Transaction and competitive bids process**

Deloitte & Touche Inc., in its capacity as Court-appointed Receiver of certain assets, undertakings and properties of 2811 Development Corporation ("2811"), and not in its personal capacity (the "Receiver") offers for sale, through Deloitte Real Estate Group certain property of 2811 including the lands known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, just west of Highway 48, Toronto, Ontario.

The Receiver will be conducting a Request for Offers, with the deadline for submissions set for September 28th, 2011, at 12:00 p.m. Offers must be submitted using the pre-approved form of offer available with the "CIM". The Receiver reserves the right to extend the above deadline at its sole discretion.

To receive additional information, including the CIM and access to the data room, prospects must execute the enclosed Confidentiality Agreement and return a copy via e-mail or facsimile to the Receiver, attention Mr. Ira Gerstein.

All information contained herein was gathered from sources deemed to be reliable, however Deloitte & Touche Inc., does not warrant or guarantee the accuracy of the information. The Buyer, or its agent shall verify and satisfy themselves as to the accuracy of all information contained herein or any additional information provided.

The information set out herein (the "Information") is intended for informational purposes only. The Receiver has not verified the Information and does not represent, warrant or guarantee the accuracy, correctness and completeness of the Information. The Receiver does not accept or assume any responsibility or liability of any kind in connection with the Information and the recipient's reliance upon the Information. The recipient of the Information should take such steps as the recipient may deem necessary to verify the Information prior to placing any reliance upon the Information. The Information may change and any property described in the Information may be withdrawn from the market at any time without notice or obligation to the recipient from the Receiver.

© Deloitte & Touche LLP and affiliated entities. 11-1036G

FOR REVIEW

**Tab 2**

# EXHIBIT "H"

## FORM OF OFFER

To: **Deloitte & Touche Inc., solely in its capacity as the Receiver of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule "A" attached hereto (the "Lands"), and all of the assets, undertakings and properties of 2811 Development Corporation acquired for, or used in relation to, the development of the Lands and construction of improvements thereon (collectively, the "Property"), and without personal or corporate liability.**

1. \_\_\_\_\_  
(Name of Offeror)
  
2. \_\_\_\_\_  
(Address of Offeror)
  
3. \_\_\_\_\_  
(Telephone Number) (Facsimile Number) (email address)
  
4. a. EN BLOC – I/We hereby submit this en bloc offer for the purchase of the Property for the purchase price of CAD\$ \_\_\_\_\_  
(\_\_\_\_\_ dollars),  
excluding applicable taxes; or  
  
b. Parcel(s) – I/We hereby submit this offer for the purchase of the following(s) parcel(s) for the purchase price set forth below:  
  
(i) Lands A – CAD\$ \_\_\_\_\_  
(\_\_\_\_\_ dollars),  
excluding applicable taxes  
  
(ii) Lands B – CAD\$ \_\_\_\_\_  
(\_\_\_\_\_ dollars),  
excluding applicable taxes  
  
(iii) Lands C – CAD\$ \_\_\_\_\_  
(\_\_\_\_\_ dollars),  
excluding applicable taxes.
  
5. We/I agree that in the event this offer is accepted, to be bound by the Conditions of Sale as approved by the Court, which shall form part of this offer.
  
6. This Offer is irrevocable and shall remain open for the consideration of the Vendor until 12:00 o'clock Noon Eastern Time on the 12th day of October, 2011.
  
7. Warranty – We/I represent and warrant to Deloitte & Touche Inc. that we/I am/are not a non-eligible person as defined by the *Investment Canada Act*.

8. Enclosed is our/my certified cheque payable to Deloitte & Touche Inc., as a deposit in the amount of \$ \_\_\_\_\_, representing 10% of the total amount of my/our Offer submitted herein.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_

By: \_\_\_\_\_  
Name: •  
Title: •

By: \_\_\_\_\_  
Name: •  
Title: •  
I/We have authority to bind the Corporation.



## CONDITIONS OF SALE

1. The vendor is Deloitte & Touche Inc., solely in its capacity as the receiver (the "Vendor") appointed pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated June 29, 2011 of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule "A" to the Appointment Order (the "Lands") and all of the assets, undertakings and properties of 2811 Development Corporation (the "Debtor") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon (collectively, the "Property").  
*✓  
As described in  
Schedule "B" to the  
Appointment Order.*
2. Pursuant to these Conditions of Sale, the Vendor is offering for sale the Vendor's and the Debtor's right, title and interest, if any, in the Property as described in the Confidential Information Memorandum (the "CIM") dated August, \_\_\_ 2011.
3. A listing of the various items comprising the Property is contained in the CIM. All information contained in the CIM, including without limitation, the lists and descriptions of the Property (including, without limitation, the legal description of the Lands), has been prepared solely for the convenience of the party submitting an offer to purchase some or all of the Property ( an "Offeror") and are not warranted to be complete or accurate and do not form part of these Conditions of Sale.
4. The Vendor will consider both en bloc offers for ~~the Lands comprising~~ the Property and offers for any or all of the three individual parcels that comprise the Lands . The Receiver has been advised that the sale of individual parcels may require consent to severance from the appropriate government authorities.  
*✓*

5. Sealed offer marked "Offer – 2811 Development Corporation" shall be delivered or mailed postage prepaid to Deloitte & Touche Inc., 181 Bay Street, Brookfield Place, Suite 1400, Toronto, Ontario, M5J 2V1, to the attention of Ira Gerstein. All offers must be received by the Vendor by 12:00 p.m. Eastern Standard Time on ~~September 28~~ <sup>October 3</sup>, 2011 (the "Offer Date"). The Vendor reserves the right to extend the Offer Date at any time for any reason. ✓

6. Every offer submitted should be in the form of offer attached hereto. Offers received by the Vendor which are not in such form may be rejected. No Offeror shall be entitled to be present for the opening of offers.

7. The Vendor shall have no obligation, at law or in equity or otherwise, to any Offeror or any other person or party, to:

(a) consider any offer which:

- (i) specifies a purchase price as an amount or percentage in excess of any other offer or otherwise as a function of the purchase price offered by any other Offeror;
- (ii) has not been fully completed and duly executed;
- (iii) is not accompanied by the Deposit (as defined below) required hereunder;
- (iv) has not been delivered to and received at the offices of the Vendor as required hereunder; or

(b) negotiate with any Offeror after the Offer Date with respect to any provision of the offer or request or agree to any changes therein,

but nothing in these Conditions of Sale shall preclude the Vendor from taking any of the foregoing steps if, in its sole and unfettered discretion, it decides to do so; however the taking of any such step shall not constitute a waiver by the Vendor of the provisions of this paragraph or an obligation on the part of the Vendor to take any further or other steps referred to above with the

same or any other Offeror. The Vendor will be under no obligation to negotiate identical terms with, or extend identical terms to, each Offeror.

8. The Offeror shall, with its offer, deliver to the Vendor the following:
- (a) an amount equal to 10% of the purchase price specified in the Offer by certified cheque or bank draft drawn on or issued by a Schedule 1 Canadian chartered bank or trust company, which shall be held in a non-interest bearing account by the Vendor. If the Offer is accepted by the Vendor said cheque shall be deemed to be a cash deposit (the "Deposit") against the aggregate offered purchase price (the "Purchase Price") and, subject to Court approval of the Offer, the Offeror (hereinafter called the "Purchaser") under an Approved Sale Agreement (as defined below) shall pay the balance of the Purchase Price to the Vendor, by certified cheque or bank draft drawn on or issued by a Schedule 1 Canadian chartered bank or trust company on the Closing Date of the transaction under the Approved Sale Agreement;
  - (b) an executed copy of the template agreement of purchase and sale prepared by the Vendor ("Template Sale Agreement"), amended to reflect that part of the Property subject to the Offer (the Template Sale Agreement as amended, the "Offeror Sale Agreement") and any other matters specific to the Offer, which shall be binding and irrevocable until October <sup>14</sup>~~12~~, 2011;
  - (c) a comparison of the Template Sale Agreement to the executed and amended Offeror Sale Agreement;
  - (d) a representation of the Offeror that the Offeror has, and written evidence of, available cash and/or a commitment for financing to evidence the Offeror's ability to close the proposed transaction as the Vendor may reasonably request;

- (e) a copy of a resolution of the Offeror's board of directors or similar document demonstrating the Offeror's authority to make an irrevocable Offer and to execute the transaction contemplated by the Offeror Sale Agreement; and
  - (f) disclosure of the identity of each entity (including its ultimate shareholders) that has submitted the Offer.
9. Following the Offer Date, the Vendor specifically reserves its right to negotiate with any Offeror with respect to any provision of the offer or to request or agree to any changes in any such Offer. The Vendor may choose to take such steps with respect to one or more Offers but the Vendor shall have no obligation to negotiate identical terms with, or extend identical terms to each Offeror. The Vendor reserves its right to request some, but not all, Offerors to submit a revised offer reflecting improved terms or other amendments requested by the Vendor. The Vendor will be under no obligation to provide to each Offeror the opportunity to improve the terms of any offer submitted to the Vendor following the Offer Date.
10. If the Vendor accepts an offer and the subject Offeror Sale Agreement, the Vendor shall seek Court approval of such Offeror Sale Agreement as soon as reasonably possible. Any Offeror Sale Agreement accepted by the Vendor and approved by the Court is referred to herein as an "Approved Sale Agreement".
11. If the Vendor accepts an offer but the terms of that offer or the Offeror Sale Agreement are not approved by the Court then the Vendor may, in its sole and unfettered discretion, terminate the proposed transaction and any Offeror Sale Agreement accepted by the Vendor, whereupon the Deposit shall forthwith be returned to the Offeror without credit for any accrued interest thereon and the Vendor may then accept any other offer to purchase that part of the Property subject to the terminated Offeror Sale Agreement.

12. Notwithstanding any other provision contained in these Conditions of Sale, nothing herein shall constitute an assignment or attempted assignment of any of the Property subject to an Approved Sale Agreement ("Purchased Assets") which is not assignable without the consent of any person if such consent is not obtained by the Purchaser. It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consents, approvals or any further documentation or assurances which may be required to carry out the terms of the sale of the Purchased Assets, including, without limitation, any approvals with respect to the assignment of any of the Purchased Assets not assignable without the consent or action of a third party or parties. Specifically, and without limiting the generality of the foregoing, by submitting an Offer, an Offeror acknowledges that it has conducted its own investigations with respect to any licences, approvals or third party consents which are necessary to purchase any of the Property, to develop or construct improvements upon the Lands or any other activity utilizing or in connection with any of the Property.
13. The Offeror acknowledges that it is purchasing the Purchased Assets on an "as is where is basis" and the Receiver cannot and will not provide any representations or warranties whatsoever in any manner with respect to the Purchased Assets.
14. Cheques accompanying Offers that are not accepted will be returned to the Offeror by registered mail addressed to the Offeror at the address set out in its Offer or made available for pick up not later than eighteen (18) days following the opening of Offers unless otherwise arranged with the Offeror.
15. The closing of each Approved Sale Agreement shall take place at the office of the Vendor, 181 Bay Street, Brookfield Place, Suite 1400, Toronto, Ontario or at the option of the Vendor, at the offices of the Vendor's solicitors at 11:00 a.m. on the 31<sup>st</sup> day after approval by the Court of the

Approved Sale Agreement accepted by the Vendor (the "Closing Date") or such other date as the Vendor and the Purchaser may agree.

16. Upon closing of the sale of the Purchased Assets contemplated by the Approved Sale Agreement (the "Closing"), the Purchaser shall be entitled, upon receipt by the Vendor of the Purchase Price, to possession of the Purchased Assets and to such bills of sale or assignments as may be considered necessary by the Vendor to convey the Purchased Assets to the Purchaser provided that the Purchaser shall remain liable under the Approved Sale Agreement. Any such deeds, bills of sale or assignments shall contain only a release of the Vendor's interest in the Purchased Assets and shall not contain any covenants.
17. The Purchaser shall pay on closing in addition to the Purchase Price:
  - (a) all applicable federal, provincial and municipal taxes;
  - (b) costs, if any, of dismantling or removing the Purchased Assets from their present location and restoring such location to a neat and clean condition; and
  - (c) the cost of repairing any damage caused by dismantling or removal of the Purchased Assets from their present location.
18. The Purchaser shall assume at the Purchaser's cost complete responsibility for compliance with all laws, municipal, provincial or federal in so far as same apply to the Purchased Assets and the use thereof by the Purchaser.
19. The Vendor shall not be required to produce any abstract of title, title deed, or documents or copies thereof or any evidence as to title, other than those in its possession.
20. Prior to the Closing, the Purchased Assets shall be and remain in the possession of and at the risk of the Vendor and the Vendor will hold all policies of insurance effected thereon and the proceeds thereof in trust for the Vendor and the Purchaser as their respective interests may appear. After

Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event of substantial damage to the Purchased Assets occurring on or before Closing, the Purchaser may either have the proceeds of the insurance and complete the Approved Sale Agreement or may cancel such Approved Sale Agreement and have the Deposit paid thereunder, returned without interest, costs or compensation of any kind whatsoever. Where any damage is not substantial, the Purchaser shall be obliged to complete the purchase and shall be entitled to the proceeds of insurance referable to such damage, but not to any other costs or compensation whatsoever.

21. All adjustments of such taxes and other items as are specified herein will be made as of Closing under the Approved Sale Agreement. The Purchaser shall arrange its own insurance and there shall be no adjustment with respect to insurance.
22. No adjustments will be allowed by either the Vendor or the Purchaser for changes in the condition or quantity of any of the Property comprising the Purchased Assets. The Vendor shall remain in possession of the Purchased Assets until the Purchase Price therefor has been paid in full. The Purchaser will take possession of the Purchased Assets at Closing.
23. If the Purchaser fails to comply with the Approved Sale Agreement, the Purchaser's deposit shall be forfeited to the Vendor and the Purchased Assets may be resold by the Vendor, and the Purchaser shall pay to the Vendor (i) an amount equal to the amount, if any, by which the Purchase Price under the Approved Sale Agreement exceeds the net purchase price received by the Vendor pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of or occasioned by the Purchaser's failure to comply with the Approved Sale Agreement.
24. By submitting an Offer, a Purchaser acknowledges that it has inspected the Purchased Assets and that the Purchased Assets are sold on an "as is, where is" basis at the time of Closing and that no representation, warranty or condition is expressed or implied as to title, description, fitness for

purpose, merchantability, quantity, conditions or quality thereof or in respect of any other matter or thing whatsoever. Each Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting, of the Purchased Assets or any part thereof and each Purchaser shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consents to the transfer of the Purchased Assets and any further documents or assurances which are necessary or desirable in the circumstances. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) do not apply to the sale of the Purchased Assets and have been waived by the Purchaser.

25. Deloitte & Touche Inc. acts solely in its capacity as Court-appointed receiver of the Property and shall have no personal or corporate liability in connection with the Vendor offering the Property for sale, pursuant to the Conditions of Sale, the CIM or under any Offer, Offeror Sale Agreement or Approved Sale Agreement.
26. The highest or any offer will not necessarily be accepted.
27. The acceptance of any offer and any Offeror Sale Agreement entered into by the Vendor shall be subject to the condition that the sale and the terms thereof be approved by the Court.
28. No Offeror shall be at liberty to withdraw, vary or countermand an Offer once received by the Vendor. Each Offer shall be irrevocable until 12:00 O'clock noon Eastern Time on October 12, 2011.
29. The Vendor, at its sole discretion, may waive or vary any or all of the terms and conditions hereof. The terms and conditions contained herein shall not merge on the Closing of the



transaction contemplated by any Approved Sale Agreement but shall survive such closing and remain in full force and effect and be binding on the Purchaser thereafter.

30. These Conditions of Sale and the validity and interpretation of any offer, Offeror Sale Agreement or Approved Sale Agreement shall be governed by the laws of Ontario, and such agreement shall enure to the benefit of and be binding upon the parties thereto, and their respective heirs, executors, administrators, successors or assigns as the case may be.
31. The submission of an offer by a resident of the province of Quebec shall be deemed to constitute the declaration and acknowledgement by the Offeror that it has requested the Conditions of Sale, the form of the offer referred to herein, any Offeror Sale Agreement and all other documentation relating to its offer and to the acceptance thereof to be drawn up in the English language only.
32. All stipulations as to time are strictly of the essence.
33. Any offer of documents or money hereunder may be made upon the Vendor or the Purchaser, or their respective solicitors. Money may be paid by certified cheque or bank draft drawn on or issued by a Schedule 1 Canadian chartered bank or trust company.
34. The obligations of the Vendor to complete an Approved Sale Agreement shall be relieved if, on or before the Closing of such sale, the Order of the Court approving the subject Approved Sale Agreement is subject to appeal, any of the Purchased Assets subject to the sale have been removed from the control of the Vendor by any means or process, or if any of the Purchased Assets subject to the sale is redeemed, whereupon the only obligation of the Vendor shall be to return the applicable Deposit, without interest, costs or compensation.
35. The Vendor shall not be bound to sell any of the Property until it is authorized by the Court to accept and enter into an Approved Sale Agreement. The Vendor reserves the right to enter into

one or more agreements to sell any or all of the Property at any time and to withdraw any or all of the Property from the sale.

TOR01: 4702071; v2

**Tab 3**

**NOTICE AND STATEMENT OF RECEIVER  
(SECTION 245(1) AND 246(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT)**

**In the matter of the receivership of certain assets,  
undertakings and properties of 2811 Development Corporation (the "Debtor")**

The receiver gives notice and declares that:

1. On the 29<sup>th</sup> day of June, 2011, the undersigned Deloitte & Touche Inc. was appointed Receiver of the Debtor in respect of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and legally described in Schedule "A" to the order appointing the Receiver (the "Appointment Order") (the "Lands") and all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to, the development of the Lands and construction of improvements thereon, including all proceeds thereof (collectively the "Project" or "Property") described below.

	<b>Net Book Values as at January 31, 2011 (unaudited)*</b>
Cash	\$ 958
Land	19,076,013
Land and building development costs	46,594,414
Deposits held in trust*	15,005,330
Prepaid expenses	4,400,705
Fixed assets (net book value)	<u>92,562</u>
<b>Total Assets</b>	<b><u>\$ 85,169,982</u></b>

*\* The above book values were taken from the most recent unaudited balance sheet provided to the Receiver by 2811 Development Corporation and may not be accurate or representative of the market or realizable values of the assets. In particular, the Receiver understands that the majority of the "deposits held in trust" were released from trust as a result of the issuance of a deposit insurance facility by Lombard General Insurance Company of Canada.*

A copy of the Appointment Order and related Court documents have been posted on the Receiver's website at <http://www.deloitte.com/ca/insolvency>.

3. The undersigned became Receiver pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) pursuant to an application to the Court made by Firm Capital Mortgage Fund Inc.
4. The undersigned commenced the exercise of its powers as Receiver on the 29<sup>th</sup> day of June, 2011.

5. The following information relates to the receivership:

a) Address of the Debtor's location:

7100 Woodbine Ave., Suite 111, Markham, Ontario, L3R 5J2

b) Principal line of business: commercial property development

c) Location of business: As above

d) Amounts (approximate) owed by the Debtor to the creditors who appear to hold a security interest on the property described above ("Creditors Having Security Interests") include:

Firm Capital Mortgage Fund Inc. (as at May 10, 2011)	\$16,431,745
White Bear Developments Inc. (as at February 28, 2011)	1,808,116
Key Pendragon Enterprises Inc. (as at March 1, 2011)	9,282,795
Lombard General Insurance Company of Canada ("Lombard")	14,500,000
Con-Drain Company (1983) Limited	1,500,000
Mady Contract Division Ltd.	<u>386,190</u>
<b>Total Creditors Having Security Interests</b>	<b><u>\$43,908,846</u></b>

The accuracy or completeness of the above list of Creditors Having Security Interests has not been determined.

e) The lists of known creditors and amounts owing to each creditor, other than Creditors Having Security Interests, of 2811 Development Corporation is set out below and is based on unaudited information provided by 2811 Development Corporation.

Accounts Payable (detailed listing attached as Appendix "A")	\$ 2,666,995
LC - Standby	174,585
Canada Revenue Agency	Unknown
Ministry of Finance	Unknown
Royal Bank	875,162
Purchaser deposits (details are unknown to the Receiver)	27,686,850
Accrued interest on sales deposits	1,392,823
Accrued liabilities (details are unknown to the Receiver)	1,597,384
Loan Payable - Ivy Chan	200
Loan Payable - Key Pendragon	228,913
Loan Payable - 2254010 Ontario Ltd.	1,442,024
Loan Payable - Sandi Chan	13,500
Loan Payable - Qin	40,000
Loan Payable - Lam Co	53,546
Loan Payable - Perry Bing	868,761
Loan Payable - Tang Co	162,714
Loan Payable - Yiu Co	1,398,223
Loan Payable - Irene Lam	21,282
Loan Payable - Charles Chan	300

Loan Payable – Terry Yiu

100

Total

\$38,623,362\*

\* Excludes "Unknown" amounts

f) The current intended plan of the Receiver is to preserve and protect the Property and to market the Property under the Supervision of the Court. Details of the Receiver's proposed marketing plan as approved by the Court are contained in the Receiver's Second Report to the Court posted on the Receiver's website referred to above.

Contact person for the Receiver:

Deloitte & Touche Inc.  
181 Bay Street, Suite 1400  
Toronto, Ontario M5J 2V1  
Telephone: (416) 601-6150  
Facsimile: (416) 601-6690

Attention: Mr. Ira Gerstein CA, CA-CIRP

Dated at Toronto this \_\_\_ day of August, 2011

**Deloitte & Touche Inc.**

In its capacity as Court-appointed Receiver of the  
Property (as defined herein) of 2811 Development  
Corporation and not in its personal capacity

---

Ira Gerstein, CA, CA-CIRP  
Vice President

Court File No. CV-11-9242-00CL

**FIRM CAPITAL MORTGAGE FUND INC.**

- and -

**2811 DEVELOPMENT CORPORATION**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

**PROCEEDINGS COMMENCED AT TORONTO**

**SUPPLEMENTARY MOTION RECORD OF THE  
RECEIVER**

**BORDEN LADNER GERVAIS LLP**

**Barristers and Solicitors**  
Scotia Plaza  
40 King Street West  
Toronto, Ontario  
M5H 3Y4

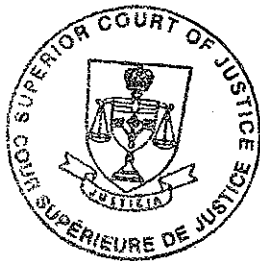
**John Marshall**  
Tel: (416) 367-6024  
Fax: (416) 361-2763  
(LSUC #169600)

**Lawyers for the Receiver, Deloitte & Touche Inc.**

TOR01: 4701832: v1

# **APPENDIX “J”**





Court File No.: CV11-9242-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE MR. ) WEDNESDAY, THE 10th  
MORAWETZ )  
JUSTICE ~~NEUBOLD~~ ) DAY OF AUGUST, 2011

IN THE MATTER OF Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**ORDER**

**THIS MOTION**, made by Deloitte & Touche Inc., in its capacity as the receiver (the "**Receiver**") of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario (the "**Lands**") and all of the assets, undertakings and properties of 2811 Development Corporation (the "**Debtor**") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon (collectively, the "**Property**") for relief with respect to the matters set out in the Notice of Motion dated July 21, 2011, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report of the Receiver dated July 20, 2011 (the "**Second Report**"), the Supplementary Motion Record of the Receiver dated August 9, 2011 (the "**Receiver's Supplementary Record**"), the affidavits of Charles Chan sworn July 18, 2011 and August 2, 2011, the affidavit of Anthony O'Brien sworn August 3, 2011 and the Exhibits thereto, and on hearing submissions of counsel for the Receiver, the Applicant, the Respondent, Key Pendragon Enterprises Inc., White Bear Developments Inc., Markham Steeles Realty Inc., Mady Contract Division Ltd., Lombard General Insurance Company of Canada and Terracap Investments Inc.,

1. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the Second Report.
2. **THIS COURT ORDERS** that the Second Report and the activities and conduct of the Receiver described in the Second Report are hereby ratified and approved.
3. **THIS COURT ORDERS** that the Receiver's marketing plan for the Property as described in the Second Report, as amended by the revised marketing flyer and Form of Offer and Conditions of Sale contained in the Receiver's Supplementary Record, together with any amendments thereto deemed necessary and appropriate by the Receiver (hereinafter, the "**Marketing Process**") be and it is hereby approved and the Receiver is hereby authorized and directed to carry out the Marketing Process.
4. **THIS COURT ORDERS** that the revised form of offer and conditions of sale (the "**Form of Offer**" and **Conditions of Sale**" respectively) contained in the Receiver's Supplementary Record be and the same are hereby approved, together with any amendments thereto deemed necessary and appropriate by the Receiver.

5. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized to:
- (a) proceed to market and offer for sale the Receiver's right, title and interest in the Property in the manner more particularly described in the Second Report and in accordance with and on the terms of the Marketing Process and the Form of Offer and Conditions of Sale contained in the Receiver's Supplementary Record;
  - (b) enter into discussions with any and all offerors in respect of the Property;
  - (c) if considered by the Receiver to be necessary or appropriate, to disclose to and review with any secured creditor of the Debtor, any of their advisors and Deloitte Real Estate any and all offers received by the Receiver to purchase some or all of the Property;
  - (d) accept an offer to purchase some or all of the Property, the terms of which, in the Receiver's sole opinion, are in the best interests of the estate herein, subject to approval of this Court if required in accordance with the Appointment Order; and
  - (e) enter into agreements of purchase and sale in respect of some or all of the Property on the terms of the Template Agreement (as defined in the Conditions of Sale), together with any amendments or additions thereto deemed necessary by the Receiver in its sole opinion, subject to approval of this Court if required in accordance with the Appointment Order.
6. **THIS COURT ORDERS** that, in accordance with the Conditions of Sale, the Receiver is not obligated to accept any offer or offers to purchase some or all of the Property.

7. **THIS COURT ORDERS** that the Receiver shall have no personal or corporate liability in connection with offering the Receiver's right, title and interest in the Property for sale, including, without limitation:

- (a) by advertising the Property and/or the Marketing Process;
- (b) by exposing the Property to any and all parties, including, but not limited to, those who have made their interest known to the Receiver;
- (c) by carrying out the Marketing Process;
- (d) by responding to any and all requests or inquiries in regards to due diligence conducted in respect of the Property;
- (e) through the disclosure of any and all information presented by the Receiver and its solicitors or agents (including, without limitation, Deloitte Real Estate), arising from, incidental to, or in connection with the Marketing Process;
- (f) pursuant to any and all offers received by the Receiver in accordance with the Marketing Process; and
- (g) pursuant to any agreement of purchase and sale entered into by the Receiver in respect of the sale of any of the Property.

8. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to directly market the Property through Deloitte Real Estate as set out in the Second Report.

9. **THIS COURT ORDERS** that any notice required to be sent or provided by the Receiver pursuant to sections 245 and 246 of the *Bankruptcy and Insolvency Act* (the "Act") shall be substantially in the form of the draft notice contained in the Receiver's Supplementary Record

and, with respect to section 245 of the Act, such notices shall be sent to all persons who, according to the records of the Debtor, have entered into agreements to purchase retail condominium units in the Property.

10. **THIS COURT ORDERS** that the costs of the Receiver in preparation of this motion and of these proceedings, up to and including the hearing of this motion and the entry of this order (including applicable Harmonized Sales Tax) be paid to the Receiver from the estate herein.




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

AUG 11 2011

PER/PAR:



**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

and

**2811 DEVELOPMENT CORPORATION**

Respondent

Court File No.: CV11-9242-00CL

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

Proceedings commenced at Toronto

**ORDER**

(Approving Marketing Plan)

**Borden Ladner Gervais LLP**  
Barristers and Solicitors  
Scotia Plaza  
40 King Street West  
Toronto ON  
M5H 3Y4

**John D. Marshall (LSUC#16960Q)**  
Tel: 416-367-6024  
Fax: 416-361-2763

Lawyers for the Receiver.

# **APPENDIX “K”**



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR

)

MON DAY, THE 17<sup>th</sup> DAY

JUSTICE MARWETZ

)

OF OCTOBER, 2011

IN THE MATTER OF section 101 of  
the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

BETWEEN:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent

ORDER

**THIS MOTION**, made by DELOITTE & TOUCHE INC. in its capacity as the Court-appointed receiver (the "**Receiver**") of certain of the assets, undertaking and property of 2811 Development Corporation (the "**Debtor**") for, among other relief, the following orders referred to in paragraphs 5, 6, 7 and 8 of the Receiver's amended notice of motion herein dated July 29, 2011 (the "**Amended Notice of Motion**"):

"5. An order declaring that the Debtor and its President, Mr. Charles Chan, are in contempt of the Order of the Court dated July 22, 2011 (the "**Withheld Records Order**") that: (i) orders that the Debtor and Mr. Chan are required to provide the Receiver with all of the contact information for the Debtor's creditors that is required by the Receiver to comply with the notice to creditor requirements set out in paragraph 30 of the Order of



the Court dated June 29, 2011 (the "Appointment Order") and the *Bankruptcy and Insolvency Act* (Canada) by no later than 5:00 p.m. on July 22, 2011; and (ii) orders that the Debtor shall immediately comply with the provisions of the Appointment Order, including but not limited to those provisions of the Appointment Order requiring delivery of the Debtor's Records to the Receiver by no later than 5:00 on July 22, 2011.

6. An order that the Debtor and Mr. Charles Chan are required to (i) provide the Receiver with all of the contact information for the Debtor's creditors that is required by the Receiver to comply with the notice to creditor requirements set out in paragraph 30 of the Appointment Order and the *Bankruptcy and Insolvency Act* (Canada) by no later than 5:00 p.m. on August 3, 2011; and (ii) immediately comply with the provisions of the Appointment Order, including but not limited to those provisions of the Appointment Order requiring the delivery of the Debtor's books and records to the Receiver by no later than 5:00 p.m. on August 3, 2011.

7. An order that the Debtor and Mr. Chan pay a fine in the amount of \$10,000 to the Receiver on behalf of the estate within five (5) days of the date of the order.

8. An order that the Debtor and Mr. Chan pay the Receiver's costs of this motion, as they relate to the relief sought as against the Debtor and Mr. Chan, on a substantial indemnity basis,

was heard this day at 330 University Avenue, Toronto.

ON READING the consent of the Receiver, and the Debtor and Charles Chan, by their lawyers, filed,

1. **THIS COURT ORDERS** that paragraphs 5, 6, 7 and 8 of the Amended Notice of Motion be and the same are hereby dismissed without costs.

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

OCT 18 2011

REMPAR:

MS

**FIRM CAPITAL MORTGAGE FUND INC.**

- and -

**2811 DEVELOPMENT CORPORATION**

Court File No. CV-11-9242-00CL

Applicant

Respondent

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

**PROCEEDINGS COMMENCED AT TORONTO**

**ORDER**

**BORDEN LADNER GERVAIS LLP**

Barristers and Solicitors

Scotia Plaza

40 King Street West

Toronto, Ontario

MSH 3Y4

**John Marshall**

Tel: (416) 367-6024

Fax: (416) 361-2763

(LSUC #169600)

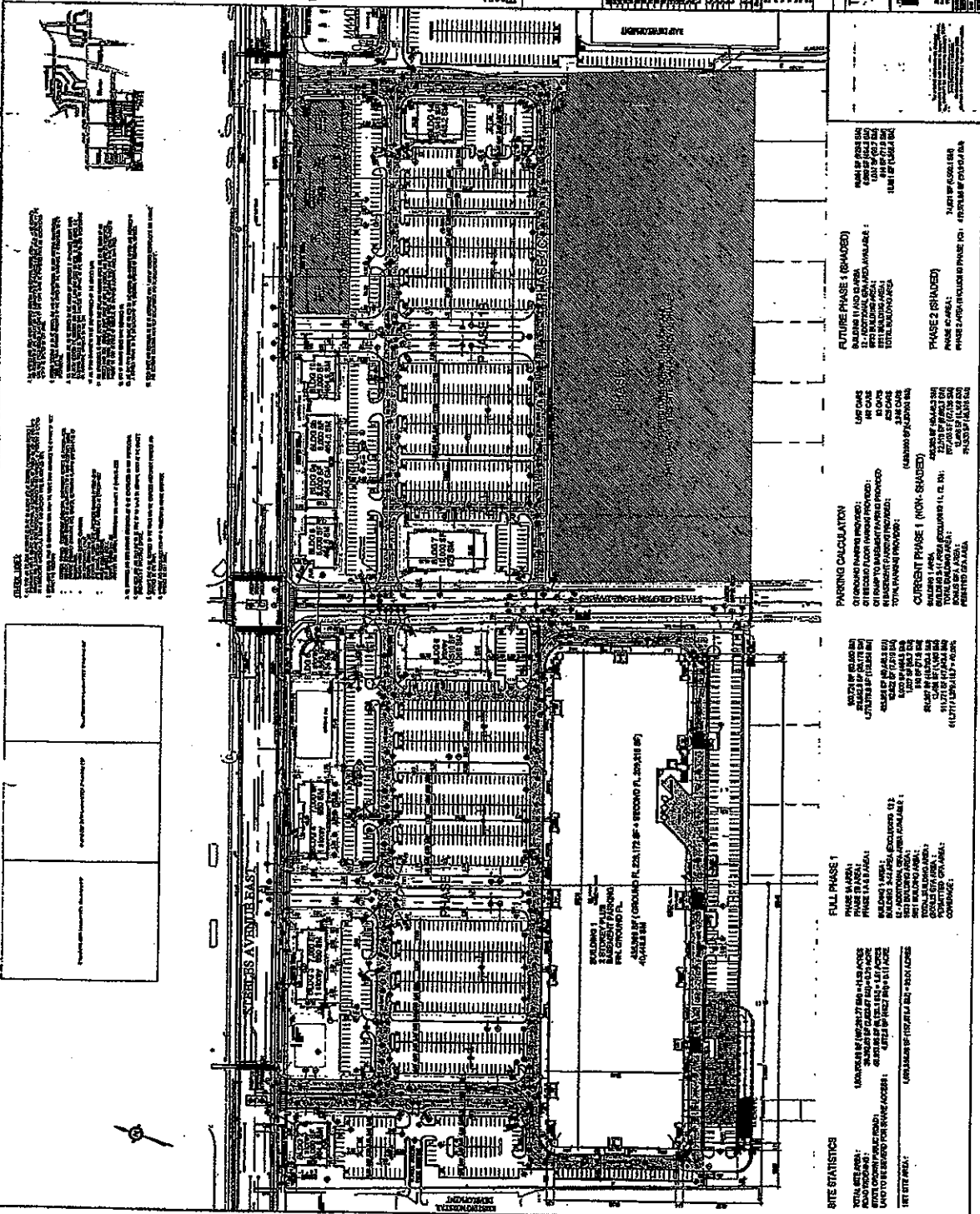
Lawyers for the Receiver, Deloitte & Touche Inc.

TOR01: 4739087: v2

# APPENDIX "L"

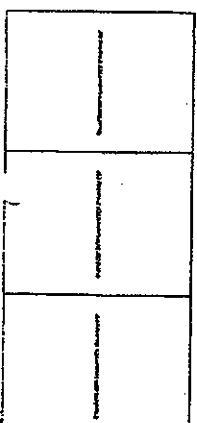
**GENERAL NOTES:**

1. ALL DIMENSIONS ARE IN FEET AND INCHES.
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
3. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
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**GENERAL NOTES:**

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29. ALL DIMENSIONS ARE TO INTERIOR UNLESS OTHERWISE NOTED.
30. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.



**PHASE 1**

**THE LANDMARK**

**PETROLET**

06090

SK-001

**PHASE 1 (SHADED)**

BLDG 1 (100,000 SQ FT)

BLDG 2 (100,000 SQ FT)

BLDG 3 (100,000 SQ FT)

TOTAL BUILDING AREA

**PHASE 2 (SHADED)**

BLDG 4 (100,000 SQ FT)

BLDG 5 (100,000 SQ FT)

TOTAL BUILDING AREA

**PARKING CALCULATION**

ON-SITE PARKING PROVIDED:

100 SPACES

OFF-SITE PARKING PROVIDED:

100 SPACES

TOTAL PARKING PROVIDED:

200 SPACES

**CURRENT PHASE 1 (HIGH-SHADED)**

BLDG 1 (100,000 SQ FT)

BLDG 2 (100,000 SQ FT)

BLDG 3 (100,000 SQ FT)

TOTAL BUILDING AREA

**FUTURE PHASE 1 (SHADED)**

BLDG 4 (100,000 SQ FT)

BLDG 5 (100,000 SQ FT)

TOTAL BUILDING AREA

**PHASE 1**

BLDG 1 (100,000 SQ FT)

BLDG 2 (100,000 SQ FT)

BLDG 3 (100,000 SQ FT)

TOTAL BUILDING AREA

**PHASE 2**

BLDG 4 (100,000 SQ FT)

BLDG 5 (100,000 SQ FT)

TOTAL BUILDING AREA

**PHASE 3**

BLDG 6 (100,000 SQ FT)

BLDG 7 (100,000 SQ FT)

TOTAL BUILDING AREA

**PHASE 4**

BLDG 8 (100,000 SQ FT)

BLDG 9 (100,000 SQ FT)

TOTAL BUILDING AREA

# APPENDIX "M"



ServiceOntario

LAND  
REGISTRY  
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 8  
PREPARED FOR E01sh101  
ON 2011/10/26 AT 12:47:39

06050-0199 (LIT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

**PROPERTY DESCRIPTION:** PT LOTS 18 & 19, CON 5; PT ROAD ALLOWANCE BETWEEN LOTS 18 & 19 CON 5, AS CLOSED BY BY-LAW 406 BEING PT OF PT 1 66R12477 LYING NORTH OF PLAN 66M1996; SAVE & EXCEPT PT OF LOTS 18 & 19 CON 5 FT 1 66R16987...SUBJ. TO EASE. OVER PTS 1 & 2 66R17070 AS IN C981858. SCARBOROUGH, CITY OF TORONTO; S/T EASEMENT OVER PART 37 PL 66R23655 AS IN A11787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN A11787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN A11787250

**PROPERTY REMARKS:**  
ESTRATGE/OVALIERE  
FEE SIMPLE  
ABSOLUTE

RECENTLY  
DIVISION FROM 06050-0004

CAPACITY SHARE  
BENO

PIN CREATION DATE  
1995/12/19

**OWNERS' NAMES**  
2811 DEVELOPMENT CORPORATION

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1991/11/12 ON THIS PIN**						
**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1995/12/19**						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 1995/12/19 **						
C948379	1995/05/25	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** DONLEE HOLDINGS LIMITED DONLEE HOLDINGS LIMITED IF APPLICABLE EXECUTION NO. 95/738 AGAINST DONLEE HOLDINGS LIMITED IS NOW DELETED BY APPL.	THE TREEMOOD DEVELOPMENT CORPORATION LIMITED IS NOW DELETED BY APPL.	
REMARKS: S/T EXECUTION NO. 95/748 DONLEE HOLDINGS LIMITED IF APPLICABLE EXECUTION NO. 95/738 AGAINST DONLEE HOLDINGS LIMITED IS NOW DELETED BY APPL. NO. E313727. // DELETED ON 2009/12/03 BY R. WARNER CORRECTIONS: THIS INSTRUMENT WAS DELETED FROM PROPERTY 06050-0004 IN ERROR AND WAS RE-INSTATED ON 1995/12/19 BY KAY MASSAROTTO.						
66R17070	1995/09/15	PLAN REFERENCE	\$200	THE TREEMOOD DEVELOPMENT CORPORATION	THE MUNICIPALITY OF METROPOLITAN TORONTO	C
C981858	1995/12/12	TRANSFER EASEMENT				C
E313727	2000/03/03	APL (GENERAL)		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE		
REMARKS: EXECUTION 95/748 DELETED, C948379						
AT686280	2004/12/15	TRANSFER	\$8,622,765	THE TREEMOOD DEVELOPMENT CORPORATION	2811 DEVELOPMENT CORPORATION	C
REMARKS: PLANNING ACT STATEMENTS						
AT686281	2004/12/15	CHARGE		*** COMPLETELY DELETED *** 2811 DEVELOPMENT CORPORATION	THE TREEMOOD DEVELOPMENT CORPORATION	
AT686282	2004/12/15	CHARGE		*** COMPLETELY DELETED *** 2811 DEVELOPMENT CORPORATION	BIRENZWEIG HOLDINGS LTD. COMFORT CAPITAL INC. MAPLE TRUST COMPANY MILLBANK CAPITAL INC.	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



Ontario ServiceOntario

LAND  
REGISTRY  
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 8  
PREPARED FOR E01sh101  
ON 2011/10/26 AT 12:47:39

06050-0199 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT686283	2004/12/15	CHARGE		*** COMPLETELY DELETED *** 2811 DEVELOPMENT CORPORATION	RELMI FINANCIAL CORPORATION	
AT717169	2005/01/27	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** COMFORT CAPITAL INC. MILLBANK CAPITAL INC	MAPLE TRUST CO.	
		REMARKS: AT686282 DELETED BY AT985208 ON 2006 08 08 BY MW				
AT374288	2005/11/09	CHARGE	\$75,000,000	2811 DEVELOPMENT CORPORATION	LOMBARD GENERAL INSURANCE COMPANY OF CANADA	C
AT985208	2005/11/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** BIRENZWEIG HOLDINGS LTD. COMFORT CAPITAL INC. MAPLE TRUST COMPANY MILLBANK CAPITAL INC.		
		REMARKS: RE: AT686282				
AT1009937	2005/12/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** RELMI FINANCIAL CORPORATION		
		REMARKS: RE: AT686283				
AT1085822	2006/03/14	CHARGE	\$750,000	2811 DEVELOPMENT CORPORATION	LOMBARD GENERAL INSURANCE COMPANY OF CANADA	C
AT1085823	2006/03/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TREEMOOD DEVELOPMENT CORPORATION		
		REMARKS: RE: AT686281				
AT1187188	2006/06/30	CHARGE	\$1,560,127	2811 DEVELOPMENT CORPORATION	LOMBARD GENERAL INSURANCE COMPANY OF CANADA	C
AT1237204	2006/08/25	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2811 DEVELOPMENT CORPORATION	BANK OF MONTREAL	
AT1238025	2006/08/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** LOMBARD GENERAL INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
		REMARKS: AT974286 TO AT1237204				
AT1238026	2006/08/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** LOMBARD GENERAL INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
		REMARKS: AT1085822 TO AT1237204				
AT1238027	2006/08/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY ***	BANK OF MONTREAL	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

06050-0199 (LFP)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
		REMARKS: AT1187188 TO AT1237204		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
AT1323365	2006/12/04	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2811 DEVELOPMENT CORPORATION	BANK OF MONTREAL	
AT1371078	2007/02/05	NOTICE	\$2	CITY OF TORONTO	2811 DEVELOPMENT CORPORATION MARKHAM STEELES REALTY INC. STEELES MARKHAM DEVELOPMENTS LIMITED BRADGATE INVESTMENTS LIMITED RUNNYMEDE DEVELOPMENT CORPORATION LIMITED TAPSCOTT INDUSTRIAL LANDOWNERS GROUP INC.	C
66R23193	2007/07/18	PLAN REFERENCE				C
66R23655	2008/04/10	PLAN REFERENCE				C
AT1787207	2008/05/26	TRANSFER EASEMENT	\$2	2811 DEVELOPMENT CORPORATION	MARKHAM STEELES REALTY INC.	C
AT1787208	2008/05/26	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BANK OF MONTREAL	MARKHAM STEELES REALTY INC.	
		REMARKS: AT1323365 TO AT1787207				
AT1787209	2008/05/26	POSTPONEMENT		*** COMPLETELY DELETED *** BANK OF MONTREAL	MARKHAM STEELES REALTY INC.	
		REMARKS: AT1237204 TO AT1787207				
AT1787210	2008/05/26	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	MARKHAM STEELES REALTY INC.	C
		REMARKS: AT974288 TO AT1787207				
AT1787211	2008/05/26	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	MARKHAM STEELES REALTY INC.	C
		REMARKS: AT1085822 TO AT1787207				
AT1787212	2008/05/26	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	MARKHAM STEELES REALTY INC.	C
		REMARKS: AT1187188 TO AT1787207				
AT1842029	2008/07/23	CHARGE	\$17,500,000	2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842030	2008/07/23	NO ASSIGN RENT GEN		2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C
		REMARKS: RENTS, RE: CHARGE NO. AT1842029				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

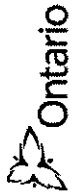


06050-0199 (LF)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CRET/ CHRD
AT1842143	2008/07/23 REMARKS: AT974288 POSTPONED TO AT1842029 & AT1842030	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842144	2008/07/23 REMARKS: AT1085822 POSTPONED TO AT1842029 & AT1842030	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842145	2008/07/23 REMARKS: AT1187188 POSTPONED TO AT1842029 AND AT1842030	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1847481	2008/08/25 REMARKS: RE: AT1237204	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
AT1847482	2008/08/25 REMARKS: RE: AT1323365	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
AT1885613	2008/09/15 NOTICE			*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		
AT1903983	2008/09/23 CHARGE		\$5,500,000	2811 DEVELOPMENT CORPORATION	RELM1 FINANCIAL CORP.	C
AT1904325	2008/09/23 REMARKS: AT974288 TO AT1903983	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	RELM1 FINANCIAL CORP.	C
AT1904326	2008/09/23 REMARKS: AT1085822 TO AT1903983	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	RELM1 FINANCIAL CORP.	C
AT1904327	2008/09/23 REMARKS: AT1187188 TO AT1903983	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	RELM1 FINANCIAL CORP.	C
AT1981029	2008/12/22 REMARKS: DELETES AT1895613 AND AT1888195	APL (GENERAL)		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		
AT2098876	2009/06/19 APL COURT ORDER			ONTARIO SUPERIOR COURT OF JUSTICE	TERRACAP INVESTMENTS INC.	C
AT2098923	2009/06/19 REMARKS: CERTIFICATE OF PENDING LITIGATION	CERTIFICATE		*** COMPLETELY DELETED *** TERRACAP INVESTMENTS INC.	2811 DEVELOPMENT CORPORATION	C

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PAGE 5 OF 8  
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06050-0199 (LTF)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
AT2205071 REMARKS: AT1903983.	2009/10/16	TRANSFER OF CHARGE		RELMI FINANCIAL CORP.	KEY PENDRAGON ENTERPRISES INC.	C
AT2205083 REMARKS: AT1903983	2009/10/16	NOTICE		KEY PENDRAGON ENTERPRISES INC.	2611 DEVELOPMENT CORPORATION	C
AT2205105 REMARKS: AT974288 TO AT2205083	2009/10/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2205106 REMARKS: AT1085822 TO AT2205083	2009/10/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2205107 REMARKS: AT1187188 TO AT2205083	2009/10/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2246367 2009/12/03	2009/12/03	LR'S ORDER		*** COMPLETELY DELETED *** LAND REGISTRAR, L.R.O. #66	KEY PENDRAGON ENTERPRISES INC.	C
AT2259133 2009/12/16	2009/12/16	CHARGE	\$1,500,000	2611 DEVELOPMENT CORPORATION	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259134 REMARKS: AT2259133 - RENTS	2009/12/16	NO ASSIGN RENT GEN		2611 DEVELOPMENT CORPORATION	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259190 REMARKS: AT974288 TO AT2259133	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259191 REMARKS: AT974288 TO AT2259134	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259192 REMARKS: AT1085822 TO AT2259133	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259193 REMARKS: AT1085822 TO AT2259134	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259194 REMARKS: AT1187188 TO AT2259133	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259195 REMARKS: AT1187188 TO AT2259134	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C

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PAGE 6 OF 8  
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06050-0199 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2259196	2009/12/16	POSTPONEMENT REMARKS: AT1903983 & AT2205071 TO AT2259133		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259197	2009/12/16	POSTPONEMENT REMARKS: AT1903983 & AT2205071 TO AT2259134		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C
AT2357840	2010/04/22	CHARGE	\$1,100,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
AT2421909	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2421926	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2421940	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2421952	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2421983	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2449883	2010/07/19	CHARGE	\$1,000,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
AT2457585	2010/07/26	POSTPONEMENT REMARKS: AT1974288 POSTP TO AT2357840		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457586	2010/07/26	POSTPONEMENT REMARKS: AT1085822 POSTP TO AT2357840		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457587	2010/07/26	POSTPONEMENT REMARKS: AT1187188 POSTP TO AT2357840		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457588	2010/07/26	POSTPONEMENT REMARKS: AT1187188 POSTP TO AT2449883		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457589	2010/07/26	POSTPONEMENT REMARKS: AT1085822 POSTP TO AT2449883		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457590	2010/07/26	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C

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SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: AT974288 POSTP TO AT2449883						
AT2463285	2010/07/29	CERTIFICATE		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED AT2421952, AT2421952, AT2421952, AT2421952		
AT2509087	2010/09/21	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	TERRACAP INVESTMENTS INC.	C
REMARKS: AT2098923						
66R25114	2010/09/22	PLAN REFERENCE				
AT2553799	2010/11/17	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
AT259351	2010/11/24	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
REMARKS: AT2553799.						
AT2561535	2010/11/26	CHARGE	\$1,500,000	2811 DEVELOPMENT CORPORATION	CON-DRAIN COMPANY (1983) LIMITED	C
AT2562043	2010/11/26	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
REMARKS: AT2421909. DELETE AT2463285						
AT2562046	2010/11/26	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
REMARKS: AT2421983. DELETE AT2463285						
AT2562053	2010/11/26	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
REMARKS: AT2421926. DELETE AT2463285						
AT2562054	2010/11/26	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
REMARKS: AT2421940. AT2463285						
AT2562056	2010/11/26	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
REMARKS: AT2421952. AT2463285						
AT2565586	2010/11/30	TRANSFER OF CHARGE		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C

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06050-0199 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2565587	2010/11/30	NO ASSGN RENT GEN		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C
		REMARKS: AT2259133.				
AT2616576	2011/02/07	NOTICE		MARKHAM STEELES REALTY INC.		C
AT2622612	2011/02/16	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		
AT2665134	2011/04/13	CONSTRUCTION LIEN	\$386,190	MADY CONTRACT DIVISION LTD.		C
AT2667084	2011/04/15	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		
		REMARKS: AT2622612.				
AT2742192	2011/07/05	CERTIFICATE		MADY CONTRACT DIVISION LTD.	THE LANDMARK (CANADA) INC. 2811 DEVELOPMENT CORPORATION LOMBARD GENERAL INSURANCE COMPANY OF CANADA FIRM CAPITAL MORTGAGE FUND INC. KEY PENDING ENTERPRISES LTD. CON DRAIN COMPANY (1983) LIMITED WHITE BEAR DEVELOPMENTS INC.	C
		REMARKS: AT2665134				
AT2755074	2011/07/15	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	FIRM CAPITAL MORTGAGE FUND INC.	C

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PAGE 1 OF 6  
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06050-0266 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

PROPERTY DESCRIPTION: PT LT 20 CON 5 SCARBOROUGH DESIGNATED AS PT 1 PL 66R23210; SCARBOROUGH; CITY OF TORONTO

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2007/07/25.

ESTATE/JOURNALIFIER:  
FEE SIMPLE  
LT ABSOLUTE PLUS

PIN CREATION DATE:  
2007/07/30

OWNERS' NAMES  
2811 DEVELOPMENT CORPORATION

CAPACITY SHARE  
ROBN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2007/07/30 **				
		**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *				
**		PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **				
**		TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **				
AT496819	2004/05/28	NOTICE	\$2	NORSTAR COMMERCIAL DEVELOPMENTS INC. GAWLER HOLDINGS LIMITED		C
		REMARKS: FOR AN INDETERMINATE PERIOD				
AT608726	2004/09/20	TRANSFER	\$4,177,777	GAWLER HOLDINGS LIMITED	1610607 ONTARIO INC.	C
		REMARKS: PLANNING ACT STATEMENTS				
AT969273	2005/11/02	APL CH NAME OWNER		1610607 ONTARIO INC.		C
AT974288	2005/11/09	CHARGE	\$75,000,000	2811 DEVELOPMENT CORPORATION	2811 DEVELOPMENT CORPORATION	C
AT1085822	2006/03/14	CHARGE	\$750,000	2811 DEVELOPMENT CORPORATION	LOWEARD GENERAL INSURANCE COMPANY OF CANADA	C
AT1187188	2006/06/30	CHARGE	\$1,560,127	2811 DEVELOPMENT CORPORATION	LOWEARD GENERAL INSURANCE COMPANY OF CANADA	C
AT1237204	2006/08/25	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2811 DEVELOPMENT CORPORATION	LOWEARD GENERAL INSURANCE COMPANY OF CANADA	C
AT1238025	2006/08/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** LOWEARD GENERAL INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
		REMARKS: AT974288 TO AT1237204				
AT1238026	2006/08/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** LOWEARD GENERAL INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
		REMARKS: AT1085822 TO AT1237204				
					BANK OF MONTREAL	

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PAGE 2 OF 6  
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06050-0266 (LFP)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CRET/ CHRD
AT1238027	2006/08/25	POSTPONEMENT REMARKS: AT1187068 TO AT1237204		*** DELETED AGAINST THIS PROPERTY *** LOMBARD GENERAL INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
AT1323365	2006/12/04	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2811 DEVELOPMENT CORPORATION	BANK OF MONTREAL	C
66R23210	2007/07/25	PLAN REFERENCE				
AT1517543	2007/07/25	APL ABSOLUTE TITLE		2811 DEVELOPMENT CORPORATION	2811 DEVELOPMENT CORPORATION	C
AT1842029	2008/07/23	CHARGE	\$17,500,000	2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842030	2008/07/23	NO ASSGN RENT GEN REMARKS: REVTS, RE: CHARGE NO. AT1842029		2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842143	2008/07/23	POSTPONEMENT REMARKS: AT974288 POSTPONED TO AT1842029 & AT1842030		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842144	2008/07/23	POSTPONEMENT REMARKS: AT1085822 POSTPONED TO AT1842029 & AT1842030		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842145	2008/07/23	POSTPONEMENT REMARKS: AT1187068 POSTPONED TO AT1842029 AND AT1842030		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1874781	2008/08/25	DISCH OF CHARGE REMARKS: RE: AT1237204		*** COMPLETELY DELETED *** BANK OF MONTREAL		
AT1874782	2008/08/25	DISCH OF CHARGE REMARKS: RE: AT1323365		*** COMPLETELY DELETED *** BANK OF MONTREAL		
AT1898195	2008/09/17	NOTICE		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		
AT1903983	2008/09/23	CHARGE	\$5,500,000	2811 DEVELOPMENT CORPORATION	RSLMI FINANCIAL CORP.	C
AT1904325	2008/09/23	POSTPONEMENT REMARKS: AT974288 TO AT1903983		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	RSLMI FINANCIAL CORP.	C

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PAGE 3 OF 6  
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06050-0266 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1904326	2008/09/23	POSTPONEMENT REMARKS: AT1085822 TO AT1903983		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	RELMI FINANCIAL CORP.	C
AT1904327	2008/09/23	POSTPONEMENT REMARKS: AT1187188 TO AT1903983		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	RELMI FINANCIAL CORP.	C
AT1981029	2008/12/22	APL (GENERAL) REMARKS: DELETES AT1895613 AND AT1898195		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		
AT2205071	2009/10/16	TRANSFER OF CHARGE REMARKS: AT1903983		RELMI FINANCIAL CORP.	KEY PENDRAGON ENTERPRISES INC.	C
AT2205083	2009/10/16	NOTICE REMARKS: AT1903983		KEY PENDRAGON ENTERPRISES INC.	2811 DEVELOPMENT CORPORATION	C
AT2205105	2009/10/16	POSTPONEMENT REMARKS: AT974288 TO AT2205083		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2205106	2009/10/16	POSTPONEMENT REMARKS: AT1085822 TO AT2205083		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2205107	2009/10/16	POSTPONEMENT REMARKS: AT1187188 TO AT2205083		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2259133	2009/12/16	CHARGE	\$1,500,000	2811 DEVELOPMENT CORPORATION	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259134	2009/12/16	NO ASSGN RENT GEN REMARKS: AT2259133 - RENTS		2811 DEVELOPMENT CORPORATION	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259190	2009/12/16	POSTPONEMENT REMARKS: AT974288 TO AT2259133		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259191	2009/12/16	POSTPONEMENT REMARKS: AT974288 TO AT2259134		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259192	2009/12/16	POSTPONEMENT REMARKS: AT1085822 TO AT2259133		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259193	2009/12/16	POSTPONEMENT REMARKS: AT1085822 TO AT2259134		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C

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PAGE 4 OF 6  
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06050-0266 (IT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NDX.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2259194	2009/12/16 REMARKS: AT1167488 TO AT2259133	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259195	2009/12/16 REMARKS: AT1167488 TO AT2259134	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259196	2009/12/16 REMARKS: AT1903983 & AT2205071 TO AT2259133	POSTPONEMENT		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259197	2009/12/16 REMARKS: AT1903983 & AT2205071 TO AT2259134	POSTPONEMENT		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C
AT2357840	2010/04/22	CHARGE	\$1,100,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
AT2421909	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2421926	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2421940	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2421952	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2421983	2010/06/23	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2443883	2010/07/19	CHARGE	\$1,000,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
AT2457585	2010/07/26 REMARKS: AT974288 POSTP TO AT2357840	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457586	2010/07/26 REMARKS: AT1085922 POSTP TO AT2357840	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457587	2010/07/26 REMARKS: AT1167488 POSTP TO AT2357840	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C

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PAGE 5 OF 6  
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06050-0266 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2457588	2010/07/26	POSTPONEMENT REMARKS: AT1187188 POSTP TO AT2449893		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457589	2010/07/26	POSTPONEMENT REMARKS: AT1085822 POSTP TO AT2449893		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457590	2010/07/26	POSTPONEMENT REMARKS: AT974288 POSTP TO AT2449893		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2463285	2010/07/29	CERTIFICATE REMARKS: AT2421909, AT2421926, AT2421940, AT2421952, AT2421983		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2553799	2010/11/17	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
AT2559351	2010/11/24	DIS CONSTRUCT LIEN REMARKS: AT2553799.		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
AT2561525	2010/11/26	CHARGE	\$1,500,000	2811 DEVELOPMENT CORPORATION	CON-DRAIN COMPANY (1983) LIMITED	C
AT2562043	2010/11/26	DIS CONSTRUCT LIEN REMARKS: AT2421909. DELETE AT2463285		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2562046	2010/11/26	DIS CONSTRUCT LIEN REMARKS: AT2421983. DELETE AT2463285		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2562053	2010/11/26	DIS CONSTRUCT LIEN REMARKS: AT2421926. DELETE AT2463285		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2562054	2010/11/26	DIS CONSTRUCT LIEN REMARKS: AT2421940. AT2463285		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		
AT2562055	2010/11/26	DIS CONSTRUCT LIEN REMARKS: AT2421952. AT2463285		*** COMPLETELY DELETED *** CON-DRAIN COMPANY (1983) LIMITED		

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 6 OF 6  
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06050-0266 (LIT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2565586	2010/11/30 REMARKS: AT2259433.	TRANSFER OF CHARGE		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C
AT2565587	2010/11/30 REMARKS: AT2259434	NO ASSGN RENT GEN		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C
AT2622612	2011/02/16	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		
AT2665134	2011/04/13	CONSTRUCTION LIEN	\$386,190	MADY CONTRACT DIVISION LTD.		C
AT2667084	2011/04/15 REMARKS: AT2622612.	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		
AT2742192	2011/07/05	CERTIFICATE		MADY CONTRACT DIVISION LTD.	THE LANDMARK (CANADA) INC. 2811 DEVELOPMENT CORPORATION LOMBARD GENERAL INSURANCE COMPANY OF CANADA FIRM CAPITAL MORTGAGE FUND INC. KEY PENDERAGON ENTERPRISES LTD. CON DRAIN COMPANY (1983) LIMITED WHITE BEAR DEVELOPMENTS INC.	C
AT2755074	2011/07/15	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	FIRM CAPITAL MORTGAGE FUND INC.	C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 4  
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06050-0263 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

PROPERTY DESCRIPTION: PART OF LOT 19 CON 5, SCARBOROUGH, DESIGNATED AS PART 1 ON PLAN 66R-23217, CITY OF TORONTO, T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1187250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1187250

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2007/07/27.

ESTATE/QUALIFIER:  
PSE SINGLE  
LT ABSOLUTE PLUS  
OWNERS' NAMES  
2811 DEVELOPMENT CORPORATION  
RECENTLY:  
RE-ENTRY FROM 06050-0005  
CAPACITY SHARE  
PIN CREATION DATE:  
2007/07/27

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2007/07/27 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
**		PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **				
**		TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **				
AT1187187	2006/06/30	TRANSFER	\$1,600,000	YEUNG, KUNG MING YEUNG, LYDIA SUK TAK YEUNG, YVONNE YUEN KI	2811 DEVELOPMENT CORPORATION	C
REMARKS: PLANNING ACT STATEMENT						
AT1187188	2006/06/30	CHARGE	\$1,560,127	2811 DEVELOPMENT CORPORATION	LOMBARD GENERAL INSURANCE COMPANY OF CANADA	C
AT1237204	2006/08/25	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2811 DEVELOPMENT CORPORATION	BANK OF MONTREAL	
AT1238027	2006/08/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** LOMBARD GENERAL INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
REMARKS: AT1187188 TO AT1237204						
AT1233365	2006/12/04	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2811 DEVELOPMENT CORPORATION	BANK OF MONTREAL	
AT1394850	2007/03/09	BYLAW		CITY OF TORONTO		C
REMARKS: BY-LAW NO. 107-2007; TO DESIGNATE THE PROPERTY AT 5933 STEELES AVENUE EAST (UNDERWOOD HOUSE) AS BEING OF CULTURAL HERITAGE VALUE OR INTEREST						
66R23217	2007/07/27	PLAN REFERENCE				C
AT1520329	2007/07/27	APL ABSOLUTE TITLE		2811 DEVELOPMENT CORPORATION	2811 DEVELOPMENT CORPORATION	C
REMARKS: AT1453822						
AT1842029	2008/07/23	CHARGE	\$17,500,000	2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C

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06050-0263 (LIT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
AT1842030	2008/07/23 REMARKS: RENTS, RE: CHARGE NO. AT1842029	NO ASSGN RENT GEN		2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842145	2008/07/23 REMARKS: AT1187188 POSTPONED TO AT1842029 AND AT1842010	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1874781	2008/08/25 REMARKS: RE: AT1237204	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
AT1874782	2008/08/25 REMARKS: RE: AT1237204	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
AT1895613	2008/09/15 REMARKS: RE: AT1237204	NOTICE		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		
AT1903983	2008/09/23	CHARGE	\$5,500,000	2811 DEVELOPMENT CORPORATION	RELM FINANCIAL CORP.	C
AT1904327	2008/09/23 REMARKS: AT1187188 TO AT1903983	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	RELM FINANCIAL CORP.	C
AT1981029	2008/12/22 REMARKS: DELETES AT1895613 AND AT1898195	APL (GENERAL)		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		
AT2205071	2009/10/16 REMARKS: AT1903983	TRANSFER OF CHARGE		RELM FINANCIAL CORP.	KEY PENDRAGON ENTERPRISES INC.	C
AT2205083	2009/10/16 REMARKS: AT1903983	NOTICE		KEY PENDRAGON ENTERPRISES INC.	2811 DEVELOPMENT CORPORATION	C
AT2205107	2009/10/16 REMARKS: AT1187188 TO AT2205083	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2259133	2009/12/16	CHARGE	\$1,500,000	2811 DEVELOPMENT CORPORATION	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259134	2009/12/16 REMARKS: AT2259133 - RENTS	NO ASSGN RENT GEN		2811 DEVELOPMENT CORPORATION	VECTOR FINANCIAL SERVICES LIMITED	C

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PAGE 3 OF 4

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05050-0263 (LF)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2259194	2009/12/16	POSTPONEMENT REMARKS: AT1187188 TO AT2259133		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259195	2009/12/16	POSTPONEMENT REMARKS: AT1187188 TO AT2259134		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259196	2009/12/16	POSTPONEMENT REMARKS: AT1903983 & AT2205071 TO AT2259133		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259197	2009/12/16	POSTPONEMENT REMARKS: AT1903983 & AT2205071 TO AT2259134		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C
AT2357840	2010/04/22	CHARGE	\$1,100,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
AT2449883	2010/07/19	CHARGE	\$1,000,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
AT2457587	2010/07/26	POSTPONEMENT REMARKS: AT1187188 POSTP TO AT2357840		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2457588	2010/07/26	POSTPONEMENT REMARKS: AT1187188 POSTP TO AT2449883		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2553799	2010/11/17	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
AT2559351	2010/11/24	DIS CONSTRUCT LIEN REMARKS: AT2553799.		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
AT2561525	2010/11/26	CHARGE	\$1,500,000	2811 DEVELOPMENT CORPORATION	CON-DRAIN COMPANY (1983) LIMITED	C
AT2565586	2010/11/30	TRANSFER OF CHARGE REMARKS: AT2259133.		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C
AT2565587	2010/11/30	NO ASSIGN RENT GEN REMARKS: AT2259134		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C
AT2616576	2011/02/07	NOTICE		MARKHAM STEELERS REALTY INC.		
AT2622612	2011/02/16	LIEN		*** COMPLETELY DELETED ***		

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PAGE 4 OF 4

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06050-0263 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2665134	2011/04/13	CONSTRUCTION LIEN	\$386,190	HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		
AT2667084	2011/04/15	DISCHARGE INTEREST		MADY CONTRACT DIVISION LTD.  *** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		C
AT2742192	2011/07/05	CERTIFICATE		MADY CONTRACT DIVISION LTD.	THE LANDMARK (CANADA) INC. 2811 DEVELOPMENT CORPORATION LOMBARD GENERAL INSURANCE COMPANY OF CANADA FIRM CAPITAL MORTGAGE FUND INC. KEY PENDRAGON ENTERPRISES LTD. CON DEAIN COMPANY (1983) LIMITED WHITE BEAR DEVELOPMENTS INC.	C
AT2755074	2011/07/15	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	FIRM CAPITAL MORTGAGE FUND INC.	C

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PAGE 1 OF 5  
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06050-0264 (IPT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

**PROPERTY DESCRIPTION:** PART LOT 18 CON 5, SCARBOROUGH; PT RDAL BWN LOTS 18 AND 19, CON 5, SCARBOROUGH (CLOSED BY BY-LAW NO. 406 AS IN SC608215), CITY OF TORONTO, DESIGNATED AS PART 2 ON PLAN 66R-23217; S/T EASEMENT OVER 38 PT 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655

**PROPERTY REMARKS:** FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2007/07/27.

**ESTATE/QUALIFIER:** RECENTLY  
RE-ENTRY FROM 06050-0005

**OWNERS' NAMES:** CAPACITY SHARE

**FIN CREATION DATE:** 2007/07/27

2811 DEVELOPMENT CORPORATION

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
<b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2007/07/27 **</b>						
<b>**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND * PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE ** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **</b>						
AT1085820	2006/03/14	TRANSFER REMARKS: PLANNING ACT STATEMENTS	\$320,000	CHAHL, UPDESHZ SINGH	2811 DEVELOPMENT CORPORATION	C
AT1085821	2006/03/14	TRANSFER REMARKS: PLANNING ACT STATEMENTS	\$400,000	SINGH, AVTAR KAUR SINGH, HARCHARAN	2811 DEVELOPMENT CORPORATION	C
AT1085822	2006/03/14	CHARGE	\$750,000	2811 DEVELOPMENT CORPORATION	LOMBARD GENERAL INSURANCE COMPANY OF CANADA	C
AT1086031	2006/03/14	APL DEL EXECUTION REMARKS: DELETING EXECUTIONS 95-008748, 95-020724 & 95-003138 FROM THUMBAIL /EXPIRED INTEREST AS PER BULLETTIN 89004		*** DELETED AGAINST THIS PROPERTY *** SINGH, AVTAR KAUR	DELETED JULY 17 2008 PB	
AT1187188	2006/06/30	CHARGE	\$1,560,127	2811 DEVELOPMENT CORPORATION	LOMBARD GENERAL INSURANCE COMPANY OF CANADA	C
AT1237204	2006/08/25	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2811 DEVELOPMENT CORPORATION	BANK OF MONTREAL	
AT1238026	2006/08/25	POSTPONEMENT REMARKS: AT1085822 TO AT1237204		*** DELETED AGAINST THIS PROPERTY *** LOMBARD GENERAL INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	
AT1238027	2006/08/25	POSTPONEMENT REMARKS: AT1187188 TO AT1237204		*** DELETED AGAINST THIS PROPERTY *** LOMBARD GENERAL INSURANCE COMPANY OF CANADA	BANK OF MONTREAL	

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06050-0264 (17)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1323365	2006/12/04	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2811 DEVELOPMENT CORPORATION	BANK OF MONTREAL	C
66R23217	2007/07/27	PLAN REFERENCE				
AT1520329	2007/07/27	APL ABSOLUTE TITLE REMARKS: AT1453822		2811 DEVELOPMENT CORPORATION	2811 DEVELOPMENT CORPORATION	C
66R23655	2008/04/10	PLAN REFERENCE				
AT1787207	2008/05/26	TRANSFER EASEMENT	\$2	2811 DEVELOPMENT CORPORATION	MARKHAM STEELES REALTY INC.	C
AT1787208	2008/05/26	POSTPONEMENT REMARKS: AT1323365 TO AT1787207		*** DELETED AGAINST THIS PROPERTY *** BANK OF MONTREAL	MARKHAM STEELES REALTY INC.	C
AT1787209	2008/05/26	POSTPONEMENT REMARKS: AT1237204 TO AT1787207		*** COMPLETELY DELETED *** BANK OF MONTREAL	MARKHAM STEELES REALTY INC.	C
AT1787211	2008/05/26	POSTPONEMENT REMARKS: AT1085822 TO AT1787207		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	MARKHAM STEELES REALTY INC.	C
AT1787212	2008/05/26	POSTPONEMENT REMARKS: AT1187188 TO AT1787207		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	MARKHAM STEELES REALTY INC.	C
AT1842029	2008/07/23	CHARGE	\$17,500,000	2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842030	2008/07/23	NO ASSGN RENT GEN REMARKS: RENTS, RE: CHARGE NO. AT1842029		2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842144	2008/07/23	POSTPONEMENT REMARKS: AT1085822 POSTPONED TO AT1842029 & AT1842030		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842145	2008/07/23	POSTPONEMENT REMARKS: AT1187188 POSTPONED TO AT1842029 AND AT1842030		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1874781	2008/08/25	DASCH OF CHARGE REMARKS: RE: AT1237204		*** COMPLETELY DELETED *** BANK OF MONTREAL	FIRM CAPITAL MORTGAGE FUND INC.	C

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PAGE 3 OF 5  
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06050-0264 (LP)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1874782 REMARKS: RE: AT1323365	2008/08/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
AT1895613	2008/09/15	NOTICE		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		
AT1903983	2008/09/23	CHARGE	\$5,500,000	2811 DEVELOPMENT CORPORATION	REIMI FINANCIAL CORP.	C
AT1904326 REMARKS: AT1085822 TO AT1903983	2008/09/23	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	REIMI FINANCIAL CORP.	C
AT1904327 REMARKS: AT1187188 TO AT1903983	2008/09/23	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	REIMI FINANCIAL CORP.	C
AT1981029 REMARKS: DELETES AT1895613 AND AT1898195	2008/12/22	APL (GENERAL)		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		
AT2205071 REMARKS: AT1903983	2009/10/16	TRANSFER OF CHARGE		REIMI FINANCIAL CORP.	KEY PENDRAGON ENTERPRISES INC.	C
AT2205083 REMARKS: AT1903983	2009/10/16	NOTICE		KEY PENDRAGON ENTERPRISES INC.	2811 DEVELOPMENT CORPORATION	C
AT2205106 REMARKS: AT1085822 TO AT2205083	2009/10/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2205107 REMARKS: AT1187188 TO AT2205083	2009/10/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
AT2259133	2009/12/16	CHARGE	\$1,500,000	2811 DEVELOPMENT CORPORATION	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259134 REMARKS: AT2259133 - RENTS	2009/12/16	NO ASSGN RENT GEN		2811 DEVELOPMENT CORPORATION	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259192 REMARKS: AT1085822 TO AT2259133	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259193	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C

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06050-0264 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: AT1085822 TO AT2259134				
AT2259194	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
		REMARKS: AT1187188 TO AT2259133				
AT2259195	2009/12/16	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	VECTOR FINANCIAL SERVICES LIMITED	C
		REMARKS: AT1187188 TO AT2259134				
AT2259196	2009/12/16	POSTPONEMENT		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C
		REMARKS: AT1903983 & AT2205071 TO AT2259133				
AT2259197	2009/12/16	POSTPONEMENT		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C
		REMARKS: AT1903983 & AT2205071 TO AT2259134				
AT2357840	2010/04/22	CHARGE	\$1,100,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
AT2449883	2010/07/19	CHARGE	\$1,000,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
AT2457586	2010/07/26	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
		REMARKS: AT1085822 POSTP TO AT2357840				
AT2457587	2010/07/26	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
		REMARKS: AT1187188 POSTP TO AT2357840				
AT2457588	2010/07/26	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
		REMARKS: AT1187188 POSTP TO AT2449883				
AT2457589	2010/07/26	POSTPONEMENT		LOMBARD GENERAL INSURANCE COMPANY OF CANADA	KEY PENDRAGON ENTERPRISES INC.	C
		REMARKS: AT1085822 POSTP TO AT2449883				
66R25114	2010/09/22	PLAN REFERENCE				
AT2553799	2010/11/17	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
AT2559351	2010/11/24	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
		REMARKS: AT2553799.				
AT2561525	2010/11/26	CHARGE	\$1,500,000	2811 DEVELOPMENT CORPORATION	CON-DRAIN COMPANY (1983) LIMITED	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 5 OF 5  
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ON 2011/10/26 AT 12:50:43

06050-0264 (L1)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
AT2565586 REMARKS: AT2259133.	2010/11/30	TRANSFER OF CHARGE		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C
AT2565587 REMARKS: AT2259134	2010/11/30	NO ASSGN RENT GEN		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C
AT2616576	2011/02/07	NOTICE		MARSHAM STEELES REALTY INC.		C
AT2622612	2011/02/16	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		C
AT2665134	2011/04/13	CONSTRUCTION LIEN	\$386,190	MADY CONTRACT DIVISION LTD.		C
AT2667084 REMARKS: AT2622612.	2011/04/15	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		C
AT2742192	2011/07/05	CERTIFICATE		MADY CONTRACT DIVISION LTD.	THE LANDMARK (CANADA) INC. 2811 DEVELOPMENT CORPORATION LONBARD GENERAL INSURANCE COMPANY OF CANADA FIRM CAPITAL MORTGAGE FUND INC. KEY PENDRAGON ENTERPRISES LTD. CON DRAIN COMPANY (1983) LIMITED WHITE BEAR DEVELOPMENTS INC.	C
AT2755074 REMARKS: AT2665134	2011/07/15	REL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	FIRM CAPITAL MORTGAGE FUND INC.	C

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06050-0272 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

PROPERTY DESCRIPTION: PT LOT 18 CON. 5 SCARBOROUGH, PT 3 PL 66R23217 SAVE AND EXCEPT PT 32 PL 66R23655; CITY OF TORONTO; S/T EASEMENT OVER PT 36 66R23655 AS IN AT1787207; T/W ROW OVER PT 32 66R23655 AS IN AT1787644; T/W EASEMENT OVER PT 35 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2007/07/27.

ESTATE/QUALIFIER: RECENTLY DIVISION FROM 06050-0269 PIN CREATION DATE: 2008/06/04

OWNERS' NAMES: 2811 DEVELOPMENT CORPORATION CAPACITY SHARE ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2008/06/04 **</b>						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
**		PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **				
**		TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **				
AT1252175	2006/09/11	TRANSFER	\$680,000	KAUR, HARWANT SINGH, PRITAM	2811 DEVELOPMENT CORPORATION	C
REMARKS: PLANNING ACT STATEMENT						
AT1309249	2006/11/17	BYLAW		CITY OF TORONTO		C
REMARKS: BY-LAW TO DESIGNATE THE PROPERTY AS BEING OF CULTURAL HERITAGE VALUE OR INTEREST						
AT1323365	2006/12/04	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2811 DEVELOPMENT CORPORATION	BANK OF MONTREAL	C
66R23217	2007/07/27	PLAN REFERENCE				
AT1520329	2007/07/27	APL ABSOLUTE TITLE		2811 DEVELOPMENT CORPORATION	2811 DEVELOPMENT CORPORATION	C
REMARKS: AT1453822						
AT1731275	2008/03/12	NOTICE		*** DELETED AGAINST THIS PROPERTY *** CITY OF TORONTO	MARKHAM STEELES REALTY INC.	C
66R23655	2008/04/10	PLAN REFERENCE				
AT1787207	2008/05/26	TRANSFER EASEMENT	\$2	2811 DEVELOPMENT CORPORATION	MARKHAM STEELES REALTY INC.	C
AT1787208	2008/05/26	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BANK OF MONTREAL	MARKHAM STEELES REALTY INC.	C
REMARKS: AT1323365 TO AT1787207						

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06050-0272 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
AT1837423 REMARKS: AT1787644	2008/07/18	LR'S ORDER		LAND REGISTRAR		C
AT1842029	2008/07/23	CHARGE	\$17,500,000	2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1842030 REMARKS: REMTS, RE: CHARGE NO. AT1842029	2008/07/23	NO ASSGN RENT GEN		2811 DEVELOPMENT CORPORATION	FIRM CAPITAL MORTGAGE FUND INC.	C
AT1867266 REMARKS: AT1731275	2008/08/15	APL (GENERAL)		*** COMPLETELY DELETED *** CITY OF TORONTO		C
AT1874782 REMARKS: RE: AT132365	2008/08/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		C
AT1895613	2008/09/15	NOTICE		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		C
AT1903983	2008/09/23	CHARGE	\$5,500,000	2811 DEVELOPMENT CORPORATION	RELM FINANCIAL CORP.	C
AT1981029 REMARKS: DELETES AT1895613 AND AT1898195	2008/12/22	APL (GENERAL)		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		C
AT2205071 REMARKS: AT1903983.	2009/10/16	TRANSFER OF CHARGE		RELM FINANCIAL CORP.	KEY PENDRAGON ENTERPRISES INC.	C
AT2205083 REMARKS: AT1903983	2009/10/16	NOTICE		KEY PENDRAGON ENTERPRISES INC.	2811 DEVELOPMENT CORPORATION	C
AT2259133	2009/12/16	CHARGE	\$1,500,000	2811 DEVELOPMENT CORPORATION	VECTOR FINANCIAL. SERVICES LIMITED	C
AT2259134 REMARKS: AT2259133 - REMTS	2009/12/16	NO ASSGN RENT GEN		2811 DEVELOPMENT CORPORATION	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259196 REMARKS: AT1903983 & AT2205071 TO AT2259133	2009/12/16	POSTPONEMENT		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C
AT2259197	2009/12/16	POSTPONEMENT		KEY PENDRAGON ENTERPRISES INC.	VECTOR FINANCIAL SERVICES LIMITED	C

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PAGE 3 OF 4

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05050-0272 (LFP)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: AT1903983 & AT2205071 TO AT2255134						
AT2357840	2010/04/22	CHARGE	\$1,100,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
AT2449883	2010/07/19	CHARGE	\$1,000,000	2811 DEVELOPMENT CORPORATION	KEY PENDRAGON ENTERPRISES INC.	C
66R25114	2010/09/22	PLAN REFERENCE				C
AT2553799	2010/11/17	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
AT2559351	2010/11/24	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** PELICAN WOODCLIFF INC.		
REMARKS: AT2553799.						
AT2561525	2010/11/26	CHARGE	\$1,500,000	2811 DEVELOPMENT CORPORATION	CON-DRAIN COMPANY (1983) LIMITED	C
AT2565586	2010/11/30	TRANSFER OF CHARGE		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C
REMARKS: AT2259133.						
AT2565587	2010/11/30	NO ASSGN RENT GEN		VECTOR FINANCIAL SERVICES LIMITED	WHITE BEAR DEVELOPMENTS INC.	C
REMARKS: AT2259134						
AT2622612	2011/02/16	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		
AT2665134	2011/04/13	CONSTRUCTION LIEN	\$386,190	MADY CONTRACT DIVISION LTD.		
AT2667084	2011/04/15	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF REVENUE		
REMARKS: AT2622612.						
AT2742192	2011/07/05	CERTIFICATE		MADY CONTRACT DIVISION LTD.	THE LANDMARK (CANADA) INC. 2811 DEVELOPMENT CORPORATION LOMBARD GENERAL INSURANCE COMPANY OF CANADA FIRM CAPITAL MORTGAGE FUND INC. KEY PENDRAGON ENTERPRISES LTD. CON DRAIN COMPANY (1983) LIMITED WHITE BEAR DEVELOPMENTS INC.	C
REMARKS: AT2665134						

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06050-0272 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
AT275074	2011/07/15	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	FIRM CAPITAL MORTGAGE FUND INC.	C

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# APPENDIX "N"

**THE LANDMARK - COMMERCIAL RETAIL CONDOMINIUM  
AGREEMENT OF PURCHASE AND SALE**

1. The undersigned Amanda Yiu (collectively, the "Purchaser"), hereby offers to purchase from 2811 DEVELOPMENT CORPORATION (the "Vendor") Suite number 4052, 5789 - 5951 Steeles Avenue East, Toronto, Ontario, being proposed Condo Unit 388 on Level 1, a proposed floor plan of which is attached as Schedule "A" hereto, having a Net Floor Area of 188 sq. ft. (collectively, the "Unit"), together with an undivided interest in the common elements appurtenant thereto, including any common element areas designated for the exclusive use of the Unit (all of which is hereinafter collectively referred to as the "Property"), in accordance with condominium plan documentation designed for a commercial/retail condominium project (hereinafter referred to as the "Condominium") proposed to be registered against those lands and premises located on the south side of Steeles Avenue East, in the City of Toronto (formerly the City of Scarborough), and comprising Part of Lots 18, 19 and 20, Concession 5, registered in the Land Registry Office for the Land Titles Division of the Toronto Registry Office (No. 66), and being a part of the property which has property identification numbers 06050-0199 and 06050-0203, (with such lands and premises being hereinafter referred to as the ("Lands")), in accordance with the terms and provisions hereinafter set forth, and pursuant to the terms and provisions set out in the schedules annexed hereto.
2. The purchase price of the Unit (the "Purchase Price") is Two Hundred Twenty Nine Thousand One Hundred Nineteen (\$ 228,119.00 ) DOLLARS in lawful money of Canada, payable as follows:
  - (a) to Harris, Sheaffer LLP, in Trust, (the "Vendor's Solicitors") the sum of Fifty Six Thousand Nine Hundred Seventy Five (\$ 56,975.00 ), as deposits pending completion or other termination of this Agreement and to be credited on account of the Purchase Price on the Closing Date. The Vendor acknowledges that this deposit has already been received from the Purchaser.
  - (b) the sum of Twenty Three Thousand Two Hundred Seventeen (\$ 23,217.00 ) Dollars as an additional deposit by certified cheque or bank draft made payable to the Vendor's solicitors in trust, and delivered to the Vendor's solicitors on the Possession Date.
  - (c) the balance of the Purchase Price by certified cheque or bank draft made payable to the Vendor (or to whomsoever the Vendor may in writing direct), and delivered to the Vendor's solicitors on the Closing Date, subject to the adjustments set out in paragraph 20 of Schedule "C" annexed hereto, with all adjustments as hereinafter provided or contemplated to be drawn and calculated as of the Closing Date (and to be correspondingly reflected in the statement of adjustments prepared by the Vendor and delivered to the Purchaser's solicitor on or before Closing).
3. The Purchaser shall be required to take occupancy of the Property on the 28th day of November, 2012 (or any extension or acceleration thereof pursuant to the provisions of paragraphs 3 and 4 of Schedule "C" annexed hereto), and shall pay a monthly occupancy fee (the "Occupancy Fee") calculated and subject to adjustment in accordance with the provisions of paragraph 7 of Schedule "C", on the express understanding that the Purchaser's occupancy of the Unit, and the final closing of this transaction, shall be governed by (and be subject to) the terms and provisions set forth in the schedules annexed hereto.
4. The Purchaser hereby acknowledges and agrees that the Schedules "A", "B", "C", "D" and "E" annexed hereto forms an integral part of this agreement, and the Purchaser hereby confirms having read and understood all of the terms and provisions set forth in said schedules.
5. The capitalized terms used on this first page of this agreement (and in any schedules annexed hereto) shall have the meanings ascribed to them in paragraph 1 of Schedule "C" annexed hereto, or as otherwise defined elsewhere in this agreement.
6. Notwithstanding anything contained in this Agreement (or in any schedules annexed hereto) to the contrary, it is expressly understood and agreed that if the Purchaser has not executed and delivered to the Vendor or its sales representative an acknowledgment of receipt of both the Vendor's disclosure statement and a copy of this Agreement duly executed by both parties hereto, within 15 days (including Saturdays, Sundays and statutory holidays) from the date of the Purchaser's execution of this Agreement as set out below, then the Vendor shall have the unilateral right to terminate this Agreement at any time thereafter (but only before the Vendor or its sales representative has received such written acknowledgment from the Purchaser) upon delivering written notice confirming such termination to the Purchaser, whereupon the Purchaser's initial deposit cheque shall be forthwith returned to the Purchaser by or on behalf of the Vendor. It is acknowledged and agreed that the Purchaser's initial deposit cheque shall be forthwith returned to Purchaser by or on behalf of the Vendor.

DATED at Markham, this 28 day of Sept, 2010

SIGNED, SEALED AND DELIVERED

in the presence of

WITNESS:

(as to all Purchaser's) Signatures, if more than one purchaser

PURCHASER: Amanda Yiu D.O.B. \_\_\_\_\_ S.I.N. \_\_\_\_\_

PURCHASER: \_\_\_\_\_ D.O.B. \_\_\_\_\_ S.I.N. \_\_\_\_\_

PURCHASER'S ADDRESS: 521 Davenport Road Toronto

PURCHASER'S ADDRESS: Ontario M5R 3R5

Telephone: (H)416-921-2671 (B) \_\_\_\_\_ (Facsimile) \_\_\_\_\_ (F) \_\_\_\_\_

PURCHASER'S SOLICITOR: \_\_\_\_\_

Address: \_\_\_\_\_

The undersigned accepts the above offer and agrees to complete this transaction in accordance with the terms thereof.

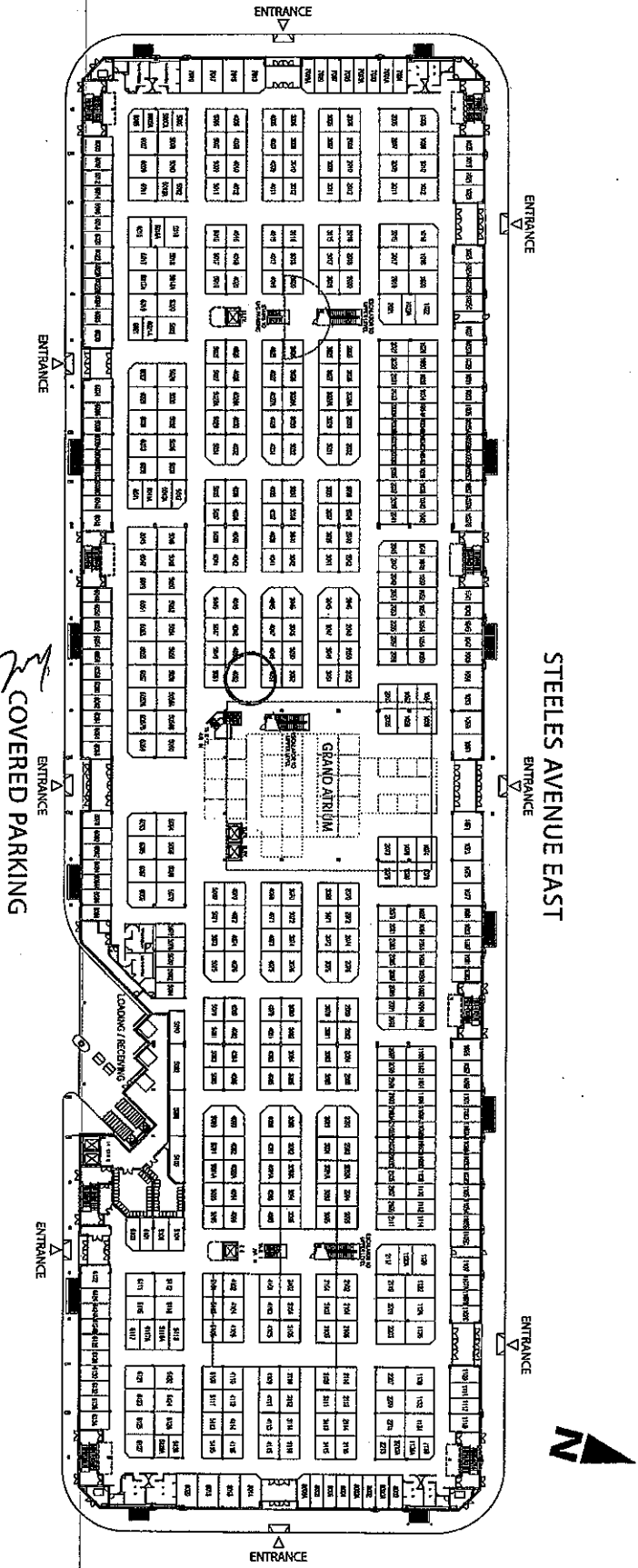
DATED at HK, this 28 day of Sept, 2010

Vendor's Solicitors:  
HARRIS, SHEAFFER LLP  
Suite 610 - 4100 Yonge Street  
Toronto, Ontario, M2P 2B5  
Attn: Mark L. Karoly  
Telephone: (416) 250-5800 Fax: (416) 250-5300

2811 DEVELOPMENT CORPORATION

Per: [Signature]  
Authorized Signing Officer  
I/We have the authority to bind the Corporation.

SCHEDULE "A"  
 PROPOSED FLOOR PLAN OF LEVEL 1  
 Page A-1



Dimensions, specifications and architectural detailing are subject to modifications without notice. Orientation of suite may be revised and Purchaser agrees to accept same. Actual usable floor area may vary from the stated floor area. All details should be confirmed with your sales representative. E. & O.E

Suite No. 4052 Purchaser Acknowledgement [Signature] Date 28 Sept 2010

SCHEDULE "B"

THE LANDMARK - COMMERCIAL/RETAIL CONDOMINIUM  
UNIT FINISHES, UNIT USES AND UNIT RESTRICTIONS

INSTALLATION OF THE VENDOR'S FINISHES

1. It is understood and agreed by the parties hereto that the Unit shall be completed by the Vendor only to the state of those finishing more particularly described in paragraph 2 below (hereinafter collectively referred to as the "Vendor's Finishes"), and the Vendor's Finishes (except as otherwise hereafter specifically provided to the contrary) shall be supplied and installed by or on behalf of the Vendor at its sole cost and expense. The Vendor hereby specifically reserves the right to select and determine all materials, colors, specifications and models with respect to the items comprising the Vendor's Finishes.
2. The Vendor's Finishes shall comprise the following:
  - (a) FLOOR - Concrete slab, exposed concrete surface, ready for the Purchaser's Finishes;
  - (b) DEMISING WALLS - Demising walls separating the Unit from the remaining units shall be constructed of taped and sanded drywall on metal studs, complete with acoustic insulation, ready for Purchaser's intended wall coverings or other decorating materials;
  - (c) CEILING - The overhead covering of the unit to be installed in accordance with the Vendor's architectural designs and/or plans for same by the Purchaser at his sole cost, risk and expense;
  - (d) STOREFRONT: Doors and door frames up to a height of 8 ft. including any glass panels contained therein, together with an illuminated sign-box, constructed or installed in accordance with the Vendor's architectural designs and/or plans for same, and ready for the Purchaser to install or affix the Purchaser's retail name and/or logo at the Purchaser's sole cost, risk and expense;
  - (e) ELECTRICAL - service terminating at an unfused disconnect point in the Unit, and installed in accordance with the Vendor's electrical designs and/or plans for same with standard capacity, as determined by the Vendor;
  - (f) TELEPHONE - One empty conduit for telephone will be provided to a point within the Unit from the Condominium's telephone room, in accordance with Bell Telephone's standard requirements and equipment;
  - (g) DATA LINE - One empty conduit for data line will be provided to a point within the Unit from the Condominium's data line room, in accordance with standard requirements and equipment;
  - (h) PLUMBING - Capped 20mm cold water shall be available for connection by the Purchaser, at the Purchaser's expense, and any domestic hot water required shall be provided by way of a domestic hot water heater acquired or rented by the Purchaser at its sole cost and expense;
  - (i) SAFETY SYSTEMS - In accordance with the applicable provisions of the Ontario Building Code.
3. It is expressly understood and agreed that Restaurant Units and Food Court Units will be separately metered or check metered for hydro-electric, gas and water service and the consumption of hydro-electric, gas and water services shall not comprise part of the common expenses, but rather shall be borne and paid for by the Purchasers of these Units from and after the Possession Date. The cost of supplying, installing and maintaining the electric, gas and water meters or check meters servicing these Units shall be paid for by the Purchaser on the Closing Date.
4. The Purchaser acknowledges that where the Unit comprises more than one unit on the Vendor's floor plan, then the Vendor's Finishes shall be supplied and installed by the Vendor as if the Unit comprises only one such space. The Purchaser further acknowledges and agrees that it shall be responsible for supplying, installing and completing all of the Purchaser's Finishes, and all other betterments or improvements to the Unit, in accordance with the drawings, plans and specifications prepared by qualified designers, architects and/or engineers engaged by or on behalf of the Purchaser, all at the Purchaser's sole cost and expense.
5. The Purchaser shall be allowed to install only its trade or store name and logo (hereinafter referred to as the "Purchaser's Store Signage") within the sign-box supplied by the Vendor, for the purpose of advertising the Purchaser's business operations, but only after first obtaining the prior written approval of the Vendor thereto, which approval shall not be unreasonably withheld or unduly delayed, provided that the drawings, plans and specifications of the Purchaser's Store Signage clearly indicating the size, finishes, colors, graphics and manner of affixation of same shall be submitted to the Vendor, and provided further that the Purchaser's Store Signage complies with the Vendor's standard sign criteria policy and the bylaws, rules and regulations of the Governmental Authorities and the Condominium. The Purchaser's Store Signage shall be maintained and operated by the Purchaser at its sole cost, risk and expense, and if at any time hereafter the Purchaser wishes to remove or alter the Purchaser's Store Signage, it shall do so at its sole cost, risk and expense, and shall repair any damage caused to the Property (or to the common elements and/or other property of the Condominium) as a result of such installation, maintenance, alteration or removal.

INSTALLATION OF THE PURCHASER'S FINISHES

6. Prior to commencing the installation of the Purchaser's Finishes, the Purchaser shall:
  - (a) ensure that the Purchaser's Finishes are designed by a qualified architect or engineer, with all plans and specifications depicting the Purchaser's Finishes to reflect a first-class professional retail image, (which plans and specifications shall be delivered to the Vendor for its prior approval, such approval not to be unreasonably withheld);
  - (b) obtain all approvals, licenses, certificates, building permits and any other authorizations required to be procured from the Governmental Authorities in order to lawfully permit the installation and completion of the Purchaser's Finishes, all at the Purchaser's sole cost and expense;
  - (c) deliver to the Vendor a complete set of the plans and specifications illustrating the Purchaser's Finishes as approved by the Governmental Authorities, together with photocopies of all requisite approvals, licenses, certificates, building permits and any other authorizations required to lawfully permit the installation of the Purchaser's Finishes;
  - (d) only permit trades or contractors designated by the Vendor to supply and/or install the Purchaser's Finishes;
  - (e) deliver to the Vendor a written confirmation from each trade or contractor hired to supply and/or install all or any portion of the Purchaser's Finishes, specifically acknowledging or confirming that the Vendor is not an "owner" as such term is defined in the *Construction Lien Act*, R.S.O. 1990, as amended; and
  - (f) deliver to the Vendor a current-dated certified copy of the Purchaser's insurance policy or insurance binder confirming the Purchaser's procurement of insurance coverage for the Property as hereinafter provided or specified.
  - (g) the Purchaser shall deliver to the Vendor a letter of credit in a form and in an amount required by the Vendor acting reasonably in order to secure the Purchaser's obligations with respect to installation of the Purchaser's Finishes.



7. The Purchaser agrees to obtain property damage and public liability insurance coverage (with a minimum coverage of not less than \$2,000,000.00 per occurrence) to insure the Purchaser, the Vendor and any development lender/mortgagee of the Vendor financing the construction of the Condominium (with the Vendor and its mortgagee being specifically shown as the loss payees) against any damage to persons and/or property occasioned during the course of the installation and completion of the Purchaser's Finishes, and throughout the duration of the Occupancy Agreement, and the Purchaser agrees to provide the Vendor with a current-dated certified copy of said insurance policy or insurance binder upon the Vendor's request for same from time to time, together with evidence satisfactory to the Vendor that all premiums for such insurance have been duly paid by the Purchaser.
8. The Purchaser shall be responsible for all damage to the Property and to the proposed Condominium building, and to the common elements of the Condominium, occurring at any time after the Possession Date which is caused by the Purchaser or the Purchaser's employees, agents, workmen, invitees or licensees. The Purchaser shall reimburse the Vendor for the cost of repairs in respect of any such damage, and shall indemnify and save the Vendor harmless from and against all costs, claims, damages and liabilities suffered or incurred by the Vendor in restoring the Property or the Condominium building or the common elements of the Condominium to the condition existing before the occurrence of any such damage.
9. The Purchaser shall in no event make any alterations to any part or parts of the proposed Condominium building outside of the Property, or directly affecting the common elements of the Condominium, including the systems servicing such common elements or other units within the Condominium. In the event that the Purchaser wishes to cut into the floor slab, roof or perimeter walls of the Unit for the installation of the Purchaser's Finishes, any such activity shall be subject to the Purchaser's receipt of the Vendor's prior written approval, which approval may be denied or withheld in the Vendor's sole and unfettered discretion.
10. The Vendor shall be entitled to enter the Property at all reasonable times after the Possession Date, in order to inspect the Property and/or the state of completion of the Purchaser's Finishes. Any of the Purchaser's Finishes which have been performed or completed in contravention of any of the terms or provisions of this agreement, or which have not been performed or completed in accordance with the Purchaser's plans and specifications therefore and approved by the Governmental Authorities shall be rectified by the Purchaser immediately, at the Purchaser's sole cost and expense, failing which the Purchaser shall be automatically deemed to be in default hereunder.
11. The Purchaser acknowledges and agrees that once the installation or construction of the Purchaser's Finishes has commenced, the Purchaser shall use all due diligence to complete same in a timely fashion, and in such a manner as to facilitate the registration of the Condominium, and to permit the Vendor to receive any and all approvals and permits which it may require from the Governmental Authorities, and to minimize any interference with other unit owners and their customers, and other construction activities on the Lands.
12. In the event that the Purchaser fails to complete the Purchaser's Finishes (in the manner hereinbefore described) and is not open for business within sixty (60) days of the Possession Date, then the Purchaser shall affix or install decorative screening of paper or other similar material (hereinafter referred to as the "Storefront Screening") throughout the entire exposed storefront area, so as to maintain a first-class retail image within a first-class retail shopping centre, failing which the Vendor shall have the right (but not the corresponding obligation) to affix or install the Storefront Screening on its own, and to charge all costs and expenses incurred in doing so to the Purchaser, and all such costs and expenses shall be payable by the Purchaser forthwith upon the demand of the Vendor, and in any event may be charged to the Purchaser by the Vendor in the statement of adjustments and collected on Closing.
13. Throughout the installation and completion of the Purchaser's Finishes, the Purchaser shall maintain the Property in a clean and orderly condition, and shall remove all trash and debris from the Unit and the Lands at the Purchaser's sole cost and expense, and the Purchaser acknowledges and agrees that the garbage containers in the common element areas of the proposed Condominium shall not be used for any construction waste or debris whatsoever.
14. The Purchaser covenants and agrees to provide full supervision of all of the trades and/or contractors installing or completing the Purchaser's Finishes on the Property and on the Lands, and hereby agrees to fully reimburse, indemnify and save the Vendor harmless from and against all losses, costs, claims, damages and/or liabilities arising from (or pertaining in any way to) the Purchaser and/or its agents, employees, invitees or contractors supplying, installing or constructing the Purchaser's Finishes.
15. The Purchaser shall promptly pay all outstanding accounts of any trades people, contractors or suppliers of materials, and of any other parties who have furnished work or materials in connection with the Purchaser's Finishes and/or who may be able to place a construction lien on the Property, the Lands and/or any part of the common elements of the Condominium. In the event that any such lien is registered on title, the Purchaser shall forthwith discharge and vacate same, and in the event that any such lien remains registered on title later than two (2) days after notice thereof is delivered to the Purchaser or the Purchaser's solicitor by the Vendor or the Vendor's solicitor, then the Vendor shall have the unilateral right (but not the obligation) to discharge the lien by paying the amount claimed to be due (or such other amount, as the Vendor sees fit) into court, and the amount so paid into court shall be due and payable by the Purchaser to the Vendor forthwith upon the Vendor's demand for same, all without prejudice to (and in addition to) any other rights and remedies available to the Vendor, at law or in equity, as a result of the aforementioned default by the Purchaser. Any legal costs or other damages incurred by the Vendor or the Vendor's mortgagee(s) as a result of the registration of any such lien by anyone claiming by, through or against the Purchaser, shall likewise be payable by the Purchaser to the Vendor forthwith on demand.
16. The Purchaser agrees to forthwith pay all reasonable fees and disbursements charged by the Vendor's architect and/or surveyor in revising the description (and ancillary plans) of the Condominium, and updating the as-built architectural plans of the Condominium, to properly reflect the Purchaser's Finishes.

#### PERMITTED USES AND RESTRICTED USES OF THE UNIT

17. The Unit may only be used for those uses lawfully permitted by the applicable zoning by-law(s) of the City of Toronto and/or any other relevant Governmental Authorities, (the "Zoning By-laws"), but such permitted uses shall nevertheless be further limited and restricted by the specific prohibitions, restrictions or limitations hereinafter set forth or provided in the Condominium Documents or contained in the transfer/deed of the Property, and such prohibitions, restrictions or limitations shall be strictly adhered to by the Purchaser, and shall not be considered or construed to merge on the closing of this transaction.
18. Notwithstanding anything hereinbefore or hereinafter provided to the contrary, it is the Vendor's intention that all retail Units in the Condominium shall conform to the uses earmarked for the different theme zones described in "Theme Zones By-Law" in which his or her unit is situated, and it is expressly understood and agreed that under no circumstances shall the Purchaser be permitted to use (or allow any other party to use) the Unit or any portion of the Property (whether before or after the closing of this transaction) for any of the following uses or purposes, namely:
  - (a) any use involving or requiring the consumption, storage, manufacture or utilization of any toxic waste or contaminant;
  - (b) any purpose (or in any manner) which would likely constitute a nuisance to (or otherwise interfere with) the other unit owners or occupants in the Condominium, or the owners or occupants of any building(s) adjacent to the Lands, by reason of the creation or emission of vibrations, odors, gases, smoke, noise, extremely bright lights, fumes, cinders, soot, waste or otherwise;
  - (c) the administration of any treatment, procedure and/or use determined to be obnoxious or offensive by the Vendor or the board of directors of the Condominium in their sole and unfettered discretion (acting reasonably), or which may be in violation of any applicable by-laws, rules or regulations of the Governmental Authorities or of the Condominium;
  - (d) an adult entertainment or X-rated video store or parlor, at which is offered services, entertainment or items appealing to (or designed to appeal to) erotic or sexual appetites or inclinations, or for any other type of use similar or analogous thereto, regardless of whether same is otherwise lawfully permitted by the Zoning By-Law; and
19. The Purchaser shall, at its sole cost and expense, be solely responsible for:

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- (a) determining and satisfying itself as to whether the Unit may be lawfully or properly used for the Purchaser's intended use(s) of same; and
- (b) obtaining the Purchaser's own occupancy permit (or such other occupancy authorization issued by the Governmental Authorities), and any other consents or permissions to any use proposed to be made of the Unit, as required by the Governmental Authorities pursuant to any applicable legislation, by-law, rule or regulation.

20. The Purchaser hereby expressly acknowledges, confirms and agrees that the Vendor, its representatives and sales agents (including the Agent) have made no warranty or representation whatsoever with respect to the permitted use(s) of the Unit or the availability of any permits, authorizations, consents or permissions as aforesaid, and the Vendor and its representatives and sales agents (including the Agent) shall incur no claim and suffer no cost, loss, damage and/or liability whatsoever in the event that the use(s) intended to be made of the Unit by the Purchaser is not permitted or the Purchaser is unable to obtain the required permits, authorizations, consents or permissions as aforesaid.

*Carney*

SCHEDULE "C"

THE LANDMARK - COMMERCIAL/RETAIL CONDOMINIUM

GENERAL TERMS AND CONDITIONS

DEFINITIONS

1. In addition to any other defined words or terms used throughout this agreement, the defined terms set out below shall have the meanings ascribed to them as follows, namely:

- (a) the "Act" means the Condominium Act, 1998, S.O. 1998, as amended;
- (b) the "Agent" means any sales representative(s) or sales agent acting on behalf of the Vendor in connection with the sale of any units in the Condominium;
- (c) the "Closing Date" or "Date of Closing" or "Closing" means that date designated by the Vendor's solicitor as the final closing date on which a registrable transfer of title to the Property will be delivered to the Purchaser, which date shall be at least 20 days after written notice is given by the Vendor's solicitor to the Purchaser or the Purchaser's solicitor that the Creating Documents (as hereinafter defined) have been registered on title to the Lands, provided however, that in no event shall such date be later than 12 months from the Possession Date (as hereinafter defined);
- (d) the "Condominium" means the condominium which will be registered against the Lands pursuant to the provisions of the Act, and the condominium corporation created thereby;
- (e) the "Condominium Documents" means the Creating Documents (as hereinafter defined) and the by-laws and rules of the Condominium together with the budget statement and all other documents and agreements which the Vendor and/or the Declarant of the Condominium wishes to have the Condominium enter into subsequent to its registration as a condominium but prior to the registration of the first transfer of title to any unit therein, as may be amended from time to time;
- (f) the "Creating Documents" means the declaration and description (as such terms are defined in the Act), which are intended to be registered against the Lands and will serve to create the Condominium, as may be amended from time to time;
- (g) the "Governmental Authorities" means the local municipality in which the Lands are situate, together with any regional, provincial or other governmental authority or agency having jurisdiction over the development of the Lands;
- (h) the "HST" means the Federal Goods and Services Tax pursuant to the Excise Tax Act, R.S.C. 1985 and the Ontario Value Added Tax pursuant to any other applicable legislation or any other tax replacing or supplementing such tax (whether categorized as a business services tax, modified retail sales tax or value-added tax) levied or charged in connection with this transaction;
- (i) the "Lands" means the lands as defined in paragraph 1 on page 1 of this agreement, on which the Condominium will be constructed and against which it shall be registered;
- (j) the "Occupancy Agreement" means the agreement described in paragraph 8 of this schedule, which is required to be executed by the Purchaser prior to taking possession of the Property;
- (k) the "Occupancy Fee" means the monthly fee referred to in paragraph 3 on page 1 of this agreement, payable by the Purchaser to the Vendor, calculated and subject to adjustment in accordance with the provisions of paragraph 7 of this schedule;
- (l) the "Possession Date" means the date set out in paragraph 3 on page 1 of this agreement, or any extension or acceleration thereof pursuant to the provisions of paragraphs 3 and 4 of this schedule, on which date the Purchaser is required to take occupancy of the Property; provided however that if the Condominium Documents (exclusive of the budget statement) have been registered on title to the Lands for at least 30 days prior to the Possession Date, then the Possession Date shall also constitute and be construed as the "Closing Date" under this agreement, and the provisions of this agreement shall then accordingly be amended mutatis mutandis to give effect to same;
- (m) the "Property" means the proposed unit(s) described in paragraph 1 on page 1 of this agreement being purchased by the Purchaser hereunder (and defined collectively as the Unit), together with the undivided interest in the common elements appurtenant thereto, and in any common elements designated in the Creating Documents as being for the exclusive use of the owner of the Unit;
- (n) the "Purchaser" means the purchaser(s) defined or described in paragraph 1 on page 1 of this agreement;
- (o) the "Purchaser's Finishes" means all equipment, fixtures, materials and finishes required to be installed, constructed or otherwise completed within the Unit (or adjacent or appurtenant thereto) in order to render the Unit ready for the Purchaser's operations intended to be conducted therefrom, except for those fixtures, materials and/or finishes comprising the Vendor's Finishes (as more particularly described and delineated in paragraph 2 of Schedule "B");
- (p) the "Purchase Price" means the purchase price of the Property as defined in paragraph 2 on page 1 of this agreement;
- (q) the "Vendor" means 2811 DEVELOPMENT CORPORATION, as defined in paragraph 1 of this agreement; and
- (r) the "Unit" means the commercial/retail unit(s) described in paragraph 1 on page 1 of this agreement which comprises part of the Property, and for purposes of clarity, if more than one unit is described in said paragraph 1, then the term "Unit" shall mean all such units so described.

PROVISIONS CONFIRMING THE PURCHASER'S FINANCIAL RESOURCES

2. The Purchaser hereby warrants and represents that it has (or will have, on or before the Closing Date) the financial resources to complete the purchase and sale transaction contemplated herein on an all-cash basis to the Vendor, either wholly from the Purchaser's own resources or from third party financing that will ultimately be secured by one or more mortgages given by the Purchaser and registered against the Property on or shortly after the Closing Date. All deposit monies due or payable by the Purchaser prior to the Possession Date shall be made or tendered by way of a bank draft or cheque drawn on (or issued by) a Canadian chartered bank or trust company, on the express understanding that if a cheque or bank draft is delivered to the Vendor by a third party on behalf of the Purchaser (i.e. drawn on the bank account of such third party, rather than on the bank account of the Purchaser), then such bank draft or cheque shall be deemed to be a payment made by such third party as agent for and on behalf of the Purchaser, in which case it is agreed that the certificate confirming that such deposit monies are being held in a designated trust account by the Vendor's solicitors pending the completion or termination of this transaction or the provision of prescribed security in respect of same (being Form 4, prescribed by Section 39 of O.Reg. 49/01 to the Act) shall be issued and delivered directly to the Purchaser only, and not to such third party.

- (a) In order to evidence and confirm the Purchaser's financial ability to complete this transaction on an all-cash basis to the Vendor on the Closing Date as aforesaid, the Purchaser hereby agrees to submit to the Vendor each of the following documents and items from time to time, within 15 days after the Vendor's written request for same, namely:



- (i) an irrevocable direction to the Vendor indicating and confirming how the Purchaser wishes to take title to the Property, with such direction nevertheless being subject to the overriding approval of the Vendor and the Vendor's construction lender (the "First Mortgagee");
- (ii) evidence of the source of the Purchaser's down payment satisfactory to the Vendor and the First Mortgagee, accompanied by written confirmation of the Purchaser's annual income, and any other financial and personal information, documents, instruments or verifications which may be required or desired by the Vendor, the First Mortgagee and any mortgage insurer (if applicable), for the purpose of facilitating the mortgage approval of the Purchaser by the First Mortgagee in connection with any financing that may be required by the Purchaser to enable the Purchaser to complete this transaction on an all-cash basis to the Vendor on the Closing Date as hereinbefore provided, or for the purpose of determining and establishing the financial ability of the Purchaser to pay the cash balance of the Purchase Price due on the Possession Date and/or the Closing Date; and
- (iii) In those circumstances where the Purchaser is obtaining third party financing to assist the Purchaser in completing this transaction on an all-cash basis to the Vendor, a copy of a binding mortgage commitment, financial term sheet or loan agreement (together with any and all amendments made thereto from time to time) issued by the First Mortgagee, or by a third party financial institution or other lender which is satisfactory to the Vendor in its sole and unchallenged discretion, and which evidences and confirms the Purchaser's approval for a mortgage loan in such amount or amounts as may be necessary to enable the Purchaser to complete this transaction on an all-cash basis to the Vendor on the Closing Date, on the express understanding that even if the Purchaser ultimately intends to obtain such financing from a lender other than the First Mortgagee, the Vendor shall nevertheless be entitled to compel the Purchaser to obtain (and the Purchaser shall correspondingly be obliged to procure) mortgage approval for a first mortgage loan directly from the First Mortgagee, in such amounts as will enable the Purchaser to complete this transaction on an all-cash basis to the Vendor on the Closing Date.
- (b) The Purchaser is hereby notified that a consumer report containing credit and/or personal information may be referred to at any time in connection with this transaction, and the Purchaser hereby consents to such report being obtained by the Vendor, the Agent and/or the First Mortgagee.
- (c) In the event that the Purchaser fails to submit the information, evidence and/or documents contemplated in subparagraph 2(a) above within the time period(s) hereinbefore stipulated, and as often as the Vendor, the Vendor's solicitors or the First Mortgagee shall require, or if the information, evidence and/or documentation submitted pursuant to the foregoing provisions hereof [or provided to the Vendor, the Vendor's solicitors or the First Mortgagee pursuant to any other provision(s) of this Agreement, or any amendment or addendum with respect to same] is, in whole or in part, false or misleading, or if the Purchaser fails to disclose any relevant facts pertaining to the Purchaser's mortgage approval and/or the Purchaser's financial circumstances or abilities, then the Purchaser shall be deemed to be in default under this Agreement, and the Vendor shall then have the unilateral right in any of the foregoing circumstances noted in this subparagraph to unilaterally declare this Agreement terminated, by and upon giving written notice thereof to the Purchaser or the Purchaser's solicitor, whereupon:
- (i) the Purchaser shall forthwith vacate the Property (or cause same to be forthwith vacated) if same has therefore been occupied, and shall leave the Property in a clean condition, without any physical or cosmetic damages thereto, and clean of all garbage, debris and any furnishings and/or belongings of the Purchaser; and
- (ii) all terms and provisions herein contained shall thereupon be null and void, and of no further force or effect, and all deposit monies theretofore paid (together with any monies paid for any extras or upgrades which have theretofore been ordered, implemented and/or paid for by the Vendor) shall be immediately forfeited to (and retained by) the Vendor as its liquidated damages and not as a penalty (in addition to, and without prejudice to, any other rights or remedies available to the Vendor, either at law or in equity, as a result of the Purchaser's breach or default as aforesaid), and the Vendor and the Agent shall not be liable for any costs or damages incurred by the Purchaser as a result of this Agreement or the termination thereof pursuant to the foregoing provisions hereof."

POSSESSION DATE/TERMS OF OCCUPANCY

3. If the Vendor's Finishes are not substantially completed by the Possession Date specified in paragraph 3 on page 1 of this agreement, or by the accelerated Possession Date established pursuant to paragraph 4 below, for any reason whatsoever (including without limitation, due to strikes, fires, water damages, and/or any other factors or circumstances either within or beyond the Vendor's control), or otherwise, then the Vendor, at its sole option, shall be entitled to unilaterally extend the Possession Date on one or more occasions, for one or more periods of time, not exceeding twenty-four (24) months in the aggregate from the Possession Date specified in paragraph 3 on page 1 of this agreement, without any prior written notice to be given by the Vendor to the Purchaser whatsoever, or alternatively, in such event the Vendor may at its sole option declare this agreement to be null and void, whereupon all deposit monies shall be returned to the Purchaser without interest or deduction, and the Vendor (including any agent of the Vendor) shall not be liable for any costs or damages suffered or incurred by the Purchaser as a result of this agreement or the termination thereof in accordance with the foregoing provisions.
4. The Vendor shall have the unilateral right to accelerate the Possession Date (for one or more periods of time, not exceeding six (6) months in total) to any other particular date, upon giving the Purchaser written notice thereof not less than 90 days prior to the proposed accelerated Possession Date.
5. If the Vendor's Finishes are substantially completed by the original Possession Date set forth in paragraph 3 on page 1 of this agreement, or by the Possession Date so extended or accelerated in accordance with the foregoing provisions hereof, as certified in a written certificate (hereinafter referred to as the "Vendor's Finishing Certificate") issued by the Vendor's architect or project manager, then in such event, the Purchaser shall pay to the Vendor as a further deposit the sum set forth in subparagraph 2(b) on page 1 of this agreement, shall take occupancy of the Property thereon as a monthly occupant or licensee, and shall pay the Occupancy Fee referred to in paragraph 3 on page 1 of this agreement, on a monthly basis until the Closing Date. The Occupancy Fee shall be payable in advance on the first day of each month throughout the period between the Possession Date and the Closing Date, on the express understanding that on or before the Purchaser takes possession of the Unit, the Purchaser shall deliver to the Vendor a series of six (6) post-dated cheques (or such greater number as the Vendor may require), each in the amount of the said monthly occupancy fee, for the next six (6) months (or more) immediately following the Stub Period (as hereinafter defined), together with a certified cheque for the Occupancy Fee with respect to the period of time between the Possession Date and the last day of the month following the month in which the Possession Date occurs (the "Stub Period"). No portion of the monthly occupancy fees shall be credited as a payment towards the Purchase Price, and HST shall be applicable on each payment of the monthly occupancy fees. The Vendor's Finishing Certificate shall be deemed to comprise conclusive evidence of its contents.
6. In the event that the Vendor is unable to register the Creating Documents within twelve (12) months of the Possession Date, then the Purchaser shall have the right after such time, to terminate this agreement by notice in writing given to the Vendor or its solicitors, and which notice shall terminate the Occupancy Agreement effective the last day in the month following the month in which said notice is given, provided that no such notice or right can be given or exercised by the Purchaser after the Condominium has been registered under the Act. Upon the Purchaser vacating the Property, the Purchaser shall be entitled to the return of the deposit monies together with interest as prescribed in the Act.
7. The monthly occupancy fee to be charged by the Vendor for the Purchaser's occupancy of the Property, from and after the Possession Date to the Closing Date, shall be the maximum amount allowed under Section 80(4) of the Act (equivalent to the aggregate of the following three components, namely: interest at the rate prescribed by the Act, calculated on a monthly basis on the unpaid balance of the Purchase Price (if any) as at the Possession Date; an amount reasonably estimated by the Vendor on a monthly basis for municipal realty taxes attributable to the Property; and the projected monthly common expense contributions in respect of the Property). Section 19(1) of O.Reg. 48/01 confirms that for the purpose of computing the interest component of the aforementioned occupancy fee, the prescribed rate of interest under the Act shall be the rate of interest

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that the Bank of Canada has most recently reported as the chartered bank administered interest rate for a conventional one year mortgage, established or determined as of the first of the month in which the Purchaser assumes (or is required to assume) interim occupancy of the Property. However, for ease of administration purposes, it is understood and agreed that with respect to calculating the interest component of the occupancy fee payable by the Purchaser, the Vendor shall be entitled to utilize the Bank of Canada's reported chartered bank administered interest rate for a conventional one year mortgage on commercial properties, established as of the first of the month immediately preceding the month in which the first interim occupancy closing occurs in this Condominium, and which interest rate figure shall be utilized for calculating the interest component of the occupancy fee for all unit purchasers completing an interim occupancy closing with the Vendor, on the express understanding and agreement that all occupancy fees so paid by the Purchaser shall be re-adjusted between the parties hereto on the Closing Date, if necessary, in order to take into account any variance or discrepancy between the prescribed rate of interest and the rate of interest utilized by the Vendor as aforesaid. It is also expressly agreed that the "deemed re-investment" principle, and its corresponding requirement of an "interest factor", shall not apply to the calculation of the monthly interest component of the occupancy fee. It is further acknowledged and agreed that the common expense component of the occupancy fee shall likewise be re-adjusted between the parties hereto on the Closing Date, if necessary, in order to take into account any variance between the projected monthly common expense contributions in respect of the Property, and the final monthly common expense contributions attributable to the Property as set out in (or as confirmed by) the final first year budget statement in respect of the Condominium. Finally, in accordance with the provisions of subsections 80(8) and (9) of the Act, the realty tax component of the occupancy fee shall be re-adjusted between the parties hereto after the Closing Date, once the final realty taxes (incorporating or reflecting both a land and building value assessment) assessed against the Property (together with all supplementary taxes in connection therewith, if any, which may be assessed and applicable for the balance of the calendar year in which the Closing Date has occurred) have been finally determined or established by the tax department of the local municipality in which the Lands are situate, in order to take into account any variance between the estimated realty taxes attributable to the Property, and the final assessed realty taxes in respect of same. Such re-adjustment with respect to the realty tax component of the occupancy fee shall occur within 60 days following the Vendor's receipt of the final realty tax bill issued in respect of the Property (together with all applicable supplementary tax bills issued in respect of same, for the balance of the calendar year in which the Closing Date has occurred). To facilitate such last-mentioned re-adjustment, the Purchaser shall be obliged to forthwith deliver to the Vendor a copy of the final realty tax bill issued in respect of the Property (including all supplementary tax bills issued in respect of same for the balance of the calendar year in which the Closing Date has occurred) so received by the Purchaser from the tax department of the local municipality, forthwith following the Purchaser's receipt of same.

8. The Purchaser's occupancy as a monthly occupant shall be based on the terms and conditions of the Vendor's standard form of occupancy agreement (hereinafter and hereinafter referred to as the "Occupancy Agreement"). The Purchaser shall execute that Occupancy Agreement prior to possession of the Property being given to the Purchaser, and same shall provide, *inter alia*, that:

The Property shall be used only for such uses as are permitted by the local municipality's zoning by-laws or restricted area by-laws, and in accordance with the proposed Condominium Documents, and subject to such other restrictions as are set forth in this agreement;

- (a) The Purchaser shall maintain the Property in a clean and proper condition, and shall make no alterations of any nature or kind whatsoever to the Property without complying with the provisions of this agreement, and the Purchaser shall conform with all other obligations set forth in the Occupancy Agreement;
  - (b) The Purchaser shall not have the right to assign or sublet the Purchaser's rights of occupancy without obtaining the prior written consent of the Vendor (which consent may be unilaterally and arbitrarily withheld);
  - (c) The Purchaser shall, from and after the Possession Date, pay all business taxes, telephone, utility and other charges and expenses billed (or intended to be billed) directly to the Purchaser as owner of the Property by the supplier of such services, or by the Condominium, unless same are included as a proposed common expense;
  - (d) The Purchaser shall be responsible for all damages to the Property and to the common elements of the Condominium, caused by the Purchaser or the Purchaser's agents, employees, workmen, invitees and/or licensees. The Purchaser shall reimburse the Vendor for the cost of repairs in respect of any such damage, and shall indemnify and save the Vendor harmless from and against all costs, damages and liabilities suffered or incurred by the Vendor in having to restore the damaged Property and/or common elements to the condition existing before the possession of the Property was granted to the Purchaser; and
  - (e) In the event of damage to the Property by fire or any insurable peril during the period of occupancy, and provided the Property can be repaired within one hundred and twenty (120) days (as determined by the Vendor in its sole and unfettered discretion), then the Property shall be repaired by the Vendor, and the monthly Occupancy Fee shall abate during the making of such repairs. If such damage cannot be repaired within one hundred and twenty (120) days from the date of such damage (as determined by the Vendor in its sole and unfettered discretion), then the Purchaser's occupancy of the Property shall be terminated, and the Purchaser shall forthwith deliver up vacant possession of the Property to the Vendor, and all monies paid by the Purchaser on account of the Purchase Price shall be returned to the Purchaser without interest or deduction, and the Vendor shall not be liable for any costs or damages incurred by the Purchaser as a result of this agreement or the termination thereof pursuant to the foregoing provisions.
9. In an effort to ensure that there are no outstanding executions against the Purchaser (or against a person with a name similar to, or identical to, that of the Purchaser) which might impede any third party financing sought or obtained by the Purchaser in order to facilitate the Purchaser's completion of this transaction on an all-cash basis to the Vendor on the Closing Date, it is expressly understood and agreed that on the Possession Date, the Purchaser shall deliver to the Vendor's solicitors a clear and up-to-date execution certificate in respect of the Purchaser's name from the Land Titles Office in which the Lands are registered, and if a clear execution certificate cannot be obtained from the said Land Titles Office because of any outstanding execution(s) filed against a person or persons with a name similar or identical to that of the Purchaser, then in lieu thereof the Purchaser shall be obliged to deliver to the Vendor's solicitors the execution certificate showing the outstanding execution(s) together with an unequivocal and unqualified statutory declaration duly sworn by the Purchaser's solicitor, confirming that the Purchaser is not one and the same person as the judgment debtor named in the said execution(s) and shall also provide such other information and documentation as the Vendor's solicitors may reasonably require in order to be satisfied, in the Vendor's solicitor's sole, absolute, and subjective discretion, that the Purchaser is not one and the same person as the particular execution debtor named in the outstanding execution, including without limitation, the delivery to the Vendor's solicitors of an execution abstract or summary providing details of all such outstanding executions, as issued and certified by the Sheriff at the Land Titles Office in which the Lands are registered.
10. The Purchaser acknowledges and agrees that in the event this agreement is terminated, other than by way of the final closing of the purchase and sale transaction contemplated hereunder, then the Purchaser shall be obliged to vacate the Property in the shortest period of time required, at law or in equity, by a licensor to terminate a licensee at will.
11. On the Possession Date, the Purchaser shall deliver to the Vendor:
- (a) a certified cheque or bank draft for the deposit payable under paragraph 2(b) of this Agreement;
  - (b) the requisite number of post-dated cheques made payable to the Vendor, each in the amount of the monthly Occupancy Fee for the period following the Possession Date as determined by the Vendor as described above;
  - (c) a certified cheque or bank draft for the occupancy fee with respect to the Stub Period;
  - (d) an insurance certificate (or a certified copy of the Purchaser's insurance policy) in respect of the Property, as is required to be obtained by the Purchaser in accordance with the provisions of this agreement;
  - (e) three (3) copies of the Occupancy Agreement engrossed or drawn in the name of the Purchaser set forth on page 1 hereof, and duly executed by the Purchaser;

- (f) an irrevocable direction to the Vendor confirming the manner in which the Purchaser wishes to take title to the Property, accompanied by the date of birth and social insurance number of each person taking title to the Property, and supported by a copy of their respective birth certificates (issued by the Department of Vital Statistics) or other photo identification document issued by the Canadian Government or the Government of Ontario if so requested by the Vendor, or in the event that the Purchaser is a corporation, a Notarial copy of the Articles of Incorporation. It is further understood and agreed that if the Purchaser fails to deliver the irrevocable direction at such time, then the Purchaser shall be deemed to have agreed to accept title to the Property in the name(s) that the Purchaser is identified or described in this Agreement (or in any amending agreement or addendum thereto), and thereafter the Purchaser shall not be entitled to request any further changes to the name(s) or manner in which title is to be taken; and
- (g) any other documents required by the Vendor or its solicitor acting reasonably.

TITLE

12. Provided that the title to the Property is good and free from all encumbrances, save as otherwise provided or contemplated in this Agreement. The Purchaser specifically agrees to accept title to the Property (and the Lands) on the Closing Date subject to any and all:

- (a) registered restrictions or covenants that run with the land, including any encroachment agreement(s) with any Governmental Authorities or adjacent land owner(s), provided that same are complied with as at the Closing Date;
- (b) easements, rights-of-way and/or licences now registered (or to be registered hereafter) for the supply and installation of utility services, drainage, telephone services, electricity, gas, storm and/or sanitary sewers, water, cable television and/or any other service(s) to or for the benefit of the Condominium (or to any adjacent or neighbouring properties), including any easement(s) which may be required by the Vendor (or by the owner of the Lands, if not one and the same as the Vendor), or by any owner(s) of adjacent or neighbouring properties, for servicing and/or access to (or entry from) such properties, together with any easement and cost-sharing agreement(s) or reciprocal agreement(s) confirming (or pertaining to) any easement or right-of-way for access, egress, support and/or servicing purposes, and/or pertaining to the sharing of any services, facilities and/or amenities with adjacent or neighbouring property owners, provided that any such easement and cost-sharing agreements or reciprocal agreements are (insofar as the obligations thereunder pertaining to the Lands, or any portion thereof, are concerned, including the rights, covenants and restrictions imposed by the Common Element Condominium Corporation with respect to lands which are adjacent to the Lands) complied with as at the Closing Date;
- (c) registered municipal agreements and registered agreements with publicly regulated utilities and/or with local ratepayer associations, including without limitation, any development, site plan, subdivision, engineering and/or other municipal agreement (or similar agreements entered into with any of the Governmental Authorities), and expressly including those agreements more specifically described in paragraph 14 hereof (with all of such agreements being hereinafter collectively referred to as the "Development Agreements"), provided that same are complied with as at the Closing Date, or security has been posted by the Vendor (or its predecessor(s) in title) in such amounts and on such terms as may be required by the Governmental Authorities to ensure compliance therewith and/or the completion of any outstanding obligations thereunder;
- (d) unregistered or inchoate liens for unpaid utilities in respect of which no formal bill, account or invoice has been issued by the relevant utility authority (or if issued, the time for payment of same has not yet expired), without any claim or request by the Purchaser for any utility holdback(s) or reduction/abatement in the Purchase Price, provided that the Vendor delivers to the Purchaser the Vendor's written undertaking to pay all outstanding utility accounts owing with respect to the Property (including any amounts owing in connection with any final meter reading(s) taken on or immediately prior to the Closing Date, if applicable), as soon as reasonably possible after the completion of this transaction;
- (e) outstanding mortgages (and any other security collateral thereto, including any general assignment of rents and leases) registered against the Property and not intended to be assumed by the Purchaser, provided that the Vendor delivers to the Purchaser, on or before the Closing Date:
  - (i) a letter from each of the outstanding mortgagees (or from their respective solicitors) confirming that within a reasonable time after the Closing Date and the Purchaser's payment to the Vendor's solicitor (or to one or more of the outstanding mortgagees, if so directed by the Vendor's solicitor) of all monies owing to the Vendor on account of the Purchase Price (including the balance due on Closing as per the statement of adjustments prepared by or on behalf of the Vendor), a partial discharge of the said outstanding mortgage security in respect of the Property shall be delivered to the Vendor's solicitor for registration on title; and
  - (ii) the Vendor's solicitor's personal written undertaking to obtain and register a partial discharge of the said outstanding mortgage security in respect of the Property, within a reasonable time after the later of the Closing Date, or the date that all monies owing to the Vendor on account of the Purchase Price (including the balance due on Closing as per the statement of adjustments prepared by or on behalf of the Vendor) have been paid in full by the Purchaser.
- (f) the terms, provisions, restrictions and conditions contained in the registered Condominium Documents, or any documentation restricting and regulating the use of any lands adjacent to the Lands.

IT IS UNDERSTOOD AND AGREED THAT THE VENDOR SHALL NOT BE OBLIGED TO OBTAIN OR REGISTER ON TITLE TO THE PROPERTY A RELEASE OF (OR AN AMENDMENT TO) ANY OF THE FOREMENTIONED EASEMENTS, DEVELOPMENT AGREEMENTS, RECIPROCAL AGREEMENTS OR RESTRICTIVE COVENANTS, NOR SHALL THE VENDOR BE OBLIGED TO HAVE ANY OF SAME DELETED FROM THE TITLE TO THE PROPERTY, AND THE PURCHASER HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE PURCHASER SHALL SATISFY HIMSELF OR HERSELF AS TO COMPLIANCE THEREWITH. The Purchaser agrees to observe and comply with the terms and provisions of the Development Agreements, and all restrictive covenants registered on title. The Purchaser further acknowledges and agrees that the retention by the local municipality within which the Lands are situate (the "Municipality"), or by any of the other Governmental Authorities, of security (eg. in the form of cash, letters of credit, a performance bond, etc., satisfactory to the Municipality and/or any of the other Governmental Authorities) intended to guarantee the fulfillment of any outstanding obligations under the Development Agreements shall, for the purposes of the purchase and sale transaction contemplated hereunder, be deemed to be satisfactory compliance with the terms and provisions of the Development Agreements. The Purchaser also acknowledges that the wires, cables and fittings comprising the cable television system serving the Property are (or may be) owned by the local cable television supplier, or by the owner of the communication control unit in this Condominium, or by a company associated, affiliated with or related to the Vendor and that the wire, cables, kiosks, LCD screens and fittings comprising the Digital Information System will be owned by the owner of the Digital Information Unit.

13. Subject to (and without limiting the generality of) the preceding paragraph 12, the Purchaser acknowledges and agrees that title to the Property and/or the Lands is (or may on Closing be) subject to the following instruments, agreements, restrictive covenants, easements and/or interests, and agrees to comply with (and abide by) all of the terms and provisions of said instruments, agreements, covenants and easements (as the case may be), AND THE PURCHASER SHALL NOT REQUIRE (NOR REQUISITION) ANY RELEASES OR DISCHARGES OF SAME WITH RESPECT TO THE PROPERTY OR THE LANDS, NOR ANY AMENDMENTS WITH RESPECT THERETO, NOR ANY CONFIRMATION OR EVIDENCE OF COMPLIANCE THEREWITH, namely:

- (a) one or more agreements entered into with the Municipality governing, regulating or otherwise pertaining to various easements over lands owned by the Municipality and serving and benefiting the Lands, as well as any agreements with the Municipality with respect to the maintenance and/or implementation of limiting distance and spatial separation requirements;

- (b) a right of re-entry or licence in favour of the Vendor and/or the City to enter upon the Lands at any time or times following the closing of this transaction for the purposes of inspecting, maintaining and/or repairing any municipal works, services and/or facilities installed upon the Lands;
- (c) an easement in perpetuity in favour of the Toronto Hydro-Electric Commission or its successors and assigns (the "Hydro Commission") over, under, upon, across and through the common elements of the Condominium, for the purposes of facilitating the installation, operation, maintenance and/or repair of the Hydro Commission's electrical plant and hydro lines (and all necessary appurtenances thereto) in order to facilitate the supply of hydro-electric service to the Condominium, and if so requested by the Hydro Commission, title may also be subject to an agreement between the Condominium and the Hydro Commission pertaining to the provision of hydro-electric service to the Condominium (hereinafter referred to as the "Hydro Agreement");
- (d) an easement in perpetuity in favour of Enbridge Consumers' Gas Company Ltd. or its successors and assigns (the "Gas Company") over, under, upon, across and through the common elements of the Condominium for the purposes of facilitating the installation, operation, maintenance and/or repair of the Gas Company's gas lines (and all necessary appurtenances thereto) in order to facilitate the supply of gas service to the Condominium, and if so requested by the Gas Company, title may also be subject to an agreement between the Condominium and the Gas Company pertaining to the provision of gas service to the Condominium (hereinafter referred to as the "Gas Agreement"), and possibly subject to a notice of security interest in favour of the Gas Company with respect to any fixtures or equipment installed by the Gas Company within any portion of the lands and premises encompassed within the Condominium's description plan;
- (e) an easement in perpetuity in favour of Rogers Cable T.V. Limited or an affiliate thereof or its successors and assigns (the "Cable Company") over, under, upon, across and through the common elements of the Condominium for the purposes of facilitating the installation, operation, maintenance and/or repair of the Cable Company's cable television lines (and all necessary appurtenances thereto) in order to facilitate the supply of cable television service to each of the units in the Condominium, with each unit owner being separately billed or invoiced directly by the Cable Company for all cable television services so consumed, and if so requested by the Cable Company, title may also be subject to an agreement between the Condominium and the Cable Company pertaining to the provision of cable television service to the Condominium (hereinafter referred to as the "Cable Agreement");
- (f) an easement in perpetuity in favour of Bell Canada or an affiliate thereof or its successors and assigns (the "Phone Company") over, under, upon, across and through the common elements of the Condominium for the purposes of facilitating the installation, operation, maintenance and/or repair of the Phone Company's telephone and/or telecommunication lines (and all necessary appurtenances thereto) in order to facilitate the supply of telephone and telecommunication service to each of the units in the Condominium, with each unit owner being separately billed or invoiced directly by the Phone Company for all telephone and telecommunication services so consumed, and if so requested by the Phone Company, title may also be subject to an agreement between the Condominium and the Phone Company pertaining to the provision of telephone and/or telecommunication services to the Condominium (hereinafter referred to as the "Phone Agreement");
- (g) a condominium development agreement between the Vendor and the City pertaining to the maintenance of grading and drainage patterns, emergency fire/access routes, landscaping and other site completion matters, and/or other outstanding municipal concerns involving the ongoing operation and maintenance of the Condominium and any lands adjacent to the Lands (hereinafter referred to as the "Condominium Development Agreement"); and
- (h) an assumption agreement or agreements entered into by the Condominium with the Vendor and/or the City, pursuant to which the condominium corporation formally assumes all obligations and liabilities of the Vendor arising under any outstanding municipal site plan agreement and/or condominium development agreement to maintain the works, services and/or facilities constructed or installed within the lands and premises encompassed within the condominium description plan of the Condominium (hereinafter referred to as the "Condominium Assumption Agreement").
14. The Purchaser further agrees to accept title to the Property subject to the Condominium Documents being registered on title, notwithstanding that same may be amended and varied from the proposed Condominium Documents which were given to the Purchaser when entering into this Agreement. The Purchaser further acknowledges and agrees that the registered Condominium Documents and final budget statement for the one year period immediately following registration of the Condominium may vary from the proposed Condominium Documents and budget statement given to the Purchaser when entering into this Agreement, and the Purchaser hereby acknowledges and agrees that in the event there is a material amendment to any of the documentation or information comprising the Condominium Documents (whether or not registered on title), then the Purchaser's only remedy shall be rescission of this agreement within ten (10) days of the Purchaser or the Purchaser's solicitor receiving notice of (or otherwise becoming aware of) such material amendment, and under no circumstances shall the Purchaser be entitled to claim specific performance and/or damages (either legal or equitable) against the Vendor or the Agent as a result thereof, notwithstanding any rule of law or equity to the contrary. Without limiting the generality of the foregoing, it is expressly understood and agreed that the Vendor shall be entitled to unilaterally make changes to the proposed first year budget statement from time to time, on one or more occasions prior to the final closing of this transaction, as and when deemed necessary or appropriate by the Vendor to accurately reflect projected costs and/or any increases with respect to same, and in the event that any such change or series of changes (either individually or collectively) is (or would be) considered or construed by a court of competent jurisdiction to be material, then the Purchaser's only right, remedy and recourse in such circumstances is to rescind this agreement, in writing, within ten (10) days of the Purchaser or the Purchaser's solicitor receiving notice of any such revision(s) to the budget statement, failing which this transaction shall proceed to completion and the Purchaser shall not be entitled to thereafter claim specific performance and/or damages (either legal or equitable) against the Vendor or the Agent as a result of any such change or series of changes to the budget, nor shall the Purchaser be entitled to claim any abatement or set-off against the Purchase Price therefore, nor institute or pursue any other legal or equitable claim or relief whatsoever in connection therewith.
15. The Purchaser agrees that this agreement shall be subordinated to and postponed to the mortgage(s) arranged by the Vendor (and presently registered or to be registered on title to the Lands) and any advances made thereunder from time to time, and to any easements or agreements referred to herein to which title may be subject, and to all of the Condominium Documents. The Purchaser agrees to execute all necessary documents and assurances to give effect to the foregoing as required by the Vendor.
16. The Purchaser shall not register, or cause to be registered, this agreement on title to the Property and/or the Lands, nor any notice thereof, nor any caution or certificate of pending litigation with respect thereto, nor any other similar court process, until after the Closing Date, it being expressly understood and agreed by the parties hereto that in no event shall the Purchaser be deemed or construed to have any interest whatsoever in the Property and/or the Lands prior to Closing, and that the Purchaser's only remedy against the Vendor for breach of this agreement shall be rescission and a claim for the return of the Purchaser's deposit monies, and not a claim for specific performance or damages. Any registration by the Purchaser in contravention of this subparagraph shall constitute a fundamental breach of this agreement, entitling the Vendor to the rights, remedies and powers hereinafter set out.
17. The Purchaser further covenants and agrees to accept title to the Property subject to the covenants and restrictions hereinbefore and hereinafter described, and to accept a transfer/deed containing such covenants and restrictions (or any form similar thereto), and the Purchaser hereby undertakes and agrees to abide by such covenants and restrictions after the Closing Date, and to exact similar covenants and restrictions from the Purchaser's immediate successors in title to the Property, all of which shall be assigned to and for the benefit of the Vendor. The dominant lands to which the foregoing covenants and restrictions are intended to be annexed, and which are being benefited thereby, comprise all or any portion of the Lands, and any lands adjacent thereto or in the neighbouring vicinity thereof which are owned or retained by the Vendor.
18. The Purchaser further agrees to accept title from the registered owner of the Property and to accept such owner's title covenants in lieu of the Vendor's, in the event that the Vendor is not the registered owner of the Property on Closing. The Vendor shall be entitled to insert in the transfer specific covenants by the Purchaser pertaining to any or all of the restrictions, easements, covenants and agreements referred to in this agreement, and in such case, the Purchaser may be required to execute the transfer prior to Closing, or the Vendor may require that the Purchaser deliver separate written covenants on Closing.

REQUISITIONS

19. The Purchaser shall examine the title to the Property at his or her own expense, and shall not call for the production of any surveys, title deeds, abstracts of title, grading certificates, occupancy permits or certificates, nor any other proof or evidence of the title or occupiability of the Property, except such copies thereof as are in the Vendor's possession. The Purchaser shall be allowed to submit his or her requisitions as to title and with respect to any other matters, up until fifteen (15) days prior to the Closing Date set forth in (or established by) this Agreement, and if within that time the Purchaser shall furnish the Vendor in writing with any valid objection to title or to any outstanding work order which the Vendor shall be unable or unwilling to remove, remedy or satisfy, or obtain title insurance in respect thereof in favour of the Purchaser and any mortgagee(s) financing the Purchaser's acquisition of the Property (with all related premiums for such insurance to be borne by the Vendor at its sole cost and expense) [excluding, however, any objections to title and/or work orders caused by or on behalf of the Purchaser in connection with the installation of the Purchaser's Finishes or otherwise (such as, without limitation, deficiency notices, orders to comply, or construction liens), all of which the Purchaser expressly agrees to accept on Closing as permitted encumbrances without requisition, objection, challenge, abatement, or compensation], and which requisition(s) or objection(s) the Purchaser will not waive, then this Agreement shall, notwithstanding any intervening acts or negotiations, be null and void, and the deposit monies theretofore paid shall be returned to the Purchaser without interest or deduction, save for deductions for any Extras ordered by the Purchaser and as yet unpaid, and the Vendor shall have no further liability or obligation hereunder and shall not be liable for any costs or damages thereby. Save as to any valid objection(s) so made within such time, the Purchaser shall be conclusively deemed to have accepted the title to the Property. The Purchaser acknowledges and agrees that the Vendor shall be entitled to respond to some or all of the requisitions submitted by or on behalf of the Purchaser through the use of a standard title memorandum or title advice statement prepared by the Vendor's solicitors, and that same shall constitute a satisfactory manner of responding to the Purchaser's requisitions, thereby relieving the Vendor and the Vendor's solicitors of the requirement to respond directly or specifically to the Purchaser's requisitions.

ADJUSTMENTS

20. It is understood and agreed that all statutory interest earned or accrued on the Purchaser's deposits, together with compound interest thereon as contemplated by section 82(5) of the Act, shall be paid or credited to the Purchaser in the statement of adjustments on the Closing Date, and with all adjustments hereinafter described to be reflected in the statement of adjustments prepared by the Vendor or the Declarant's Solicitors in connection with the final closing of this transaction. The Purchase Price shall be adjusted to reflect the following items (where applicable, as determined by the Vendor in its sole and unfettered discretion), which shall be apportioned and allowed to the Closing Date, with that day itself to be apportioned to the Purchaser, namely:
- (a) occupancy fees, plus HST, owing by the Purchaser for the interim occupancy period prior to the Closing Date (if applicable);
  - (b) common expense contributions attributable to the Property, with the Purchaser being obliged to provide the Vendor on or before the Closing Date with a series of post-dated cheques payable to the condominium corporation for the common expense contributions attributable to the Property, for such period of time after the Closing Date as determined by the Vendor (but in no event for more than one year);
  - (c) realty taxes, with same being adjusted as if the Property had been fully completed, separately assessed (including any supplementary assessment with respect thereto), and fully paid for by the Vendor, notwithstanding that said realty taxes may not have been levied, assessed and/or paid (in whole or in part) by the Closing Date, on the express understanding that if, in fact, any assessed realty taxes attributable to the Property have not been paid in accordance with the manner that same have been adjusted for in the statement of adjustments, then the Vendor shall provide the Purchaser on Closing with its written undertaking to pay same in accordance with the statement of adjustments forthwith after closing, and the Purchaser shall accept said undertaking and complete the transaction in accordance therewith. The aforementioned realty tax adjustment shall be subject to re-adjustment, as and when the actual final assessment for the Property is available. In addition, the Purchaser shall, on the Closing Date, pay and/or reimburse the Vendor proportionately for any realty taxes required to be paid by the Vendor to the local municipality for the balance of the year in which the Closing Date occurs, and/or for the succeeding year after Closing;
  - (d) all additional, new or increased charges and/or levies imposed or assessed in connection with the development of the Lands as a commercial/retail condominium as contemplated herein and in the Condominium Documents by any municipal, regional or other governmental authority or school board after June 1, 2005 in excess of the charges and levies imposed or assessed by such governmental authority relating to the development of the Lands prior to the date of the Purchaser's execution of this agreement not to exceed Three Thousand Dollars (\$3,000.00) plus HST;
  - (e) the cost of installing any hydro, water and/or gas meter(s) appurtenant to the Unit [and/or any check meter, sub-meter or consumption meter installed as an appurtenance to the Unit that measures the Unit's separate or individual consumption (or assists in calculating its proportionate consumption) of any hydro, water and/or gas service so consumed or utilized], if applicable (i.e. in those instances where the Unit is individually metered, check metered or sub-metered for any or all of such utility services), shall be paid by the Purchaser (or reimbursed by the Purchaser to and in favour of the Vendor) as an adjustment on Closing;
  - (f) an administration fee of Two Hundred and Fifty Dollars (\$250.00) plus HST for each cheque which is not accepted by the Vendor or the Vendor's Solicitor's bank or with respect to which any additional attention is required from either the Vendor or the Vendor's Solicitor beyond simply depositing the cheque on the date prescribed by this Agreement;
  - (g) the transaction levy surcharge fee imposed on the Vendor's Solicitor by the Law Society of Upper Canada or LPIC in connection with the delivery of a transfer/deed of land to the Purchaser on the Closing Date;
  - (h) an amount equal to Fifty Dollars (\$50.00) for each Form 4 Evidence of Compliance issued pursuant to Ontario Regulation 49/01 and Section 81(6) of the Act;
  - (i) any legal fees and disbursements charged to the Purchaser for not utilizing the Electronic Closing System (as herein defined) to facilitate the interim occupancy and final closing of the transaction pursuant to the terms of this Agreement and/or charged to the Purchaser for implementing any changes to any of the interim closing and/or final closing documents not due to errors of the vendor that have been requested by the Purchaser and ultimately agreed to by the Vendor, or for reproducing and resending any interim closing package or final closing package (or any portion thereof) pursuant to the provisions of this Agreement;
  - (j) the cost of hydro installation, energization and connection charge in the amount of One Thousand (\$1,000.00) Dollars.

HST

21. It is expressly understood and agreed by the parties hereto that the Purchase Price and the monthly occupancy fees payable by the Purchaser hereunder are exclusive of HST. The Purchaser shall also be solely responsible for any HST applicable to (or eligible in respect of) the forfeiture of all or any portion of the Purchaser's deposits paid hereunder as a result of the termination of this agreement consequent upon the Purchaser's default. The Purchaser hereby warrants, covenants and agrees that the Purchaser is (or on Closing will be) registered under the *Excise Tax Act*, and shall be solely responsible for paying and remitting any applicable HST exigible whatsoever or howsoever in connection with this transaction, on its own, pursuant to Sections 221(2) and 228(4) of the *Excise Tax Act* and any other applicable legislation. Moreover, the Purchaser covenants and agrees to provide the Vendor, forthwith upon demand, and in any event prior to Closing, with evidence of the Purchaser's registration under the

*Excise Tax Act* and any other applicable legislation, which evidence shall be in a form acceptable to the Vendor in its sole and unfettered discretion, together with the undertaking of the Purchaser to self-assess and to indemnify the Vendor with respect to HST penalties in a form acceptable to the Vendor. If, prior to Closing, the Purchaser has not provided the Vendor with such satisfactory evidence that the Purchaser is registered under the *Excise Tax Act* and any other applicable legislation, then the Vendor shall be allowed to charge the Purchaser with the amount of any such HST in the statement of adjustments on the Closing Date, notwithstanding that same may not have been formally or finally levied and/or payable by the Closing Date. In the event that the Purchaser fails to pay and/or reimburse the Vendor with respect to such taxes (including without limitation, the Purchaser's failure to pay or remit to the Vendor on Closing the HST exigible in connection with this transaction), and the Purchaser fails to provide satisfactory evidence to the Vendor of the Purchaser's status as being registered under the *Excise Tax Act* and any other applicable legislation, then in addition to any other rights or remedies available to the Vendor at law or in equity, the Vendor shall have the unilateral right to terminate this agreement by delivering a notice to that effect to the Purchaser at any time on or before Closing, and all monies theretofore paid by the Purchaser to the Vendor shall be forfeited to the Vendor as its liquidated damages, and not as a penalty, without prejudice to the Vendor's pursuit of a claim in damages against the Purchaser as a result of the Purchaser's default.

#### CONDITIONAL ON CONDOMINIUM REGISTRATION

22. The Purchaser acknowledges that the Condominium Documents may not yet be registered by the Vendor, and subject to the provisions of this Agreement to the contrary, this agreement shall be conditional upon such registration, failing which this agreement shall be null and void and the Vendor and Purchaser shall have no further liabilities or obligations hereunder, and neither of the parties hereto shall hereafter be liable to the other for any costs, damages and/or liabilities that may be suffered or incurred by them in connection with this agreement, or the termination thereof as a result of such non-registration, and all monies paid towards the Purchase Price shall be returned to the Purchaser without interest or deduction.

#### TERMS ON PURCHASER SELLING

23. The Purchaser covenants not to list for sale or lease, advertise for sale or lease, sell or lease, nor in any way assign his or her interest under this Agreement, or the Purchaser's rights and interests hereunder or in the Unit, nor directly or indirectly permit any third party to list or advertise the Unit for sale or lease, at any time until after the Closing Date, without the prior written consent of the Vendor, which consent may be arbitrarily withheld. The Purchaser acknowledges and agrees that once a breach of the preceding covenant occurs, such breach is or shall be incapable of rectification, and accordingly the Purchaser acknowledges, and agrees that in the event of such breach, the Vendor shall have the unilateral right and option of terminating this Agreement and the Occupancy Agreement, effective upon delivery of notice of termination to the Purchaser or the Purchaser's solicitor, whereupon the provisions of this Agreement dealing with the consequence of termination by reason of the Purchaser's default, shall apply.

#### CONSTRUCTION MATTERS

24. The Purchaser acknowledges that the net floor area of the Unit, as set out in paragraph 1 of this Agreement, is approximate only, and is generally measured to the outside of all exterior, corridor and stairwell walls, and to the center line of all party walls separating one unit from another. The actual usable floor space of the Unit may vary from the stated net floor area. If, prior to the Closing Date, the actual area of the Unit is shown by the Vendor's surveyor's or architect's certificate (which certificate shall be binding upon the parties) to be other than the Net Floor Area purchased, the Purchase Price shall be either increased or decreased, as the case may be, at the price per square foot based upon the difference between the Net Floor Area purchased and the actual net floor area of the Unit shown in such certificate and the difference, if any, shall be adjusted on the Closing Date only if the difference in Net Floor Area is three (3%) percent or greater.
25. The Vendor shall complete the common elements of the Condominium as soon as reasonably practicable, but the failure of the Vendor to complete same by the Possession Date or the Closing Date, or to complete any incomplete and/or deficient items which are listed in the Vendor's Finishing Certificate (provided that the Vendor's Finishes are substantially completed as stated in such certificate) shall in no event entitle the Purchaser to refuse to take possession of the Property and/or to close the within transaction on the Closing Date, or to fail to remit to the Vendor the entire amount of purchase monies required to be paid by the Purchaser hereunder, or to maintain any holdback of any part of the Purchase Price, and the Vendor hereby undertakes to complete the Unit and all unfinished work or improvements comprising the Vendor's Finishes in accordance with this agreement.
26. The Purchaser acknowledges and agrees that the Vendor may, from time to time in its sole discretion, or as required by any Governmental Authority, change, vary or modify the plans and specifications pertaining to the Property or the Condominium, (including architectural, structural, engineering, landscaping, grading, mechanical, site service or other plans) from the plans and specifications existing at the inception of the project, or as they exist at the time the Purchaser has entered into this agreement, or as same may be illustrated in any sales brochure(s), model(s) in the sales office or otherwise, and the Purchaser shall have absolutely no claim or cause of action whatsoever against the Vendor or its agent(s) for any such changes, variances or modifications, nor shall the Purchaser be entitled to any notice thereof, and where any such change, variation or modification is material or substantial in nature, then the Purchaser's only recourse and remedy shall be the termination of this agreement prior to the Closing Date (and specifically within 10 days after the Purchaser is notified or otherwise made aware of the material change), and the concomitant return of the Purchaser's deposit monies, together with interest accrued thereon at the rate prescribed by the Act. The Purchaser further expressly acknowledges that the Vendor's ability to change, vary or modify the plans and specifications pertaining to the Property is an essential requirement for the successful marketing and completion of the project (which is agreed to be to the mutual benefit of the Vendor and all potential unit purchasers), and that in consideration of the Purchaser assuming this risk of potential major or minor changes to the Property, the Purchaser hereby acknowledges having received the benefit of a sale price which may (or may not) be lower than the prices that are (or may be) applicable to units comparable to the Property, when the same shall have been fully constructed and completed.
27. The Purchaser acknowledges that the Vendor may, from time to time, substitute such other materials utilized in the construction of the Property, the common elements of the Condominium, (or in any shared amenities), from those specified or contemplated in the aforesaid plans or specifications, provided that the quality of any substituted material(s) is equal to or better than the material(s) originally indicated in said plans or specifications.
28. The Purchaser acknowledges and agrees that the issuance of the Vendor's Finishing Certificate shall constitute complete and absolute acceptance by the Purchaser of all construction matters relating to same and the filing of the Vendor's consulting engineer's certificate or to the common elements respectively, and the quality and sufficiency thereof including, without limitation, all mechanical, structural and architectural matters. The Purchaser acknowledges and agrees that the units will be constructed substantially in accordance with plans and specifications filed with the Building Department of the City of Toronto and the Ontario Building Code and that the Purchaser shall have no claims against the Vendor for any higher or better standards of workmanship or materials than required in such plans and specifications and pursuant to the Ontario Building Code. The Purchaser agrees that the foregoing may be pleaded by the Vendor as an estoppel in any action brought by the Purchaser or his successors in title to the Vendor.
29. Notwithstanding anything contained in this agreement to the contrary, it is understood and agreed by the parties hereto that in the event that construction of the Unit is not completed on or before the Possession Date, or any extension thereof as hereinbefore contemplated, for any reason whatsoever except for the Vendor's willful neglect, or in the event the Purchaser cannot take possession of the Property on the Possession Date by reason of any fire damage or other hazards or damages whatsoever occasioned thereto, the Vendor shall not be responsible or liable for reimbursing the Purchaser for any costs, expenses, or damages suffered or incurred by the Purchaser as a result of such delay or damage, and specifically shall not be responsible for any costs and expenses incurred by the Purchaser in obtaining alternate business accommodation pending the completion of construction of the Unit or the rectification of the damage, nor for any costs incurred in having to store or move the Purchaser's equipment or other belongings pending such completion or rectification work or for any financial loss whatsoever.

30. The Purchaser further agrees that the Vendor shall have the right to enter upon the Property after the completion of this transaction, in order to complete and/or rectify any items which are set out in the Vendor's Finishing Certificate, and the Vendor agrees to complete and/or rectify same within a reasonable time after Closing, having regard to the availability of equipment, materials and labour.

#### EXECUTION OF DOCUMENTS

31. The Purchaser hereby irrevocably constitutes and appoints the Vendor to be and act as his or her lawful attorney, in the Purchaser's name, place and stead, in order to execute any condominium deposit insurance policy (and related documents) issued the insurer or bonding company providing prescribed security for the Purchaser's deposit monies pursuant to the Act if, in fact, same is procured by the Vendor. In accordance with the provisions of the *Powers of Attorney Act*, R.S.O. 1990, as amended, the Purchaser hereby confirms and agrees that this power of attorney may be exercised by the Vendor during any subsequent legal incapacity of the Purchaser.
32. If any documents required to be executed and delivered by the Purchaser to the Vendor are, in fact, executed by a third party appointed as the attorney for the Purchaser, then the power of attorney appointing such person must be registered in the Land Titles office where the Lands are registered, and a duplicate registered copy thereof (together with a statutory declaration sworn by the attorney or the Purchaser's solicitor confirming that said power of attorney has not been revoked and to which a true copy of the power of attorney is attached) shall be delivered to the Vendor along with such documents.
33. Where a third party has been appointed as the attorney for the Purchaser for the purposes of executing any documents contemplated by this agreement, then any notices required or desired to be delivered to the Purchaser in accordance with this agreement hereof may be given to the said attorney, in lieu of the Purchaser or the Purchaser's solicitor (and shall be deemed to have been received by the Purchaser when so delivered to the Purchaser's attorney); and
34. Each of the individuals comprising the Purchaser, if more than one (hereinafter referred to as the "Donor") hereby constitutes and appoints the other (hereinafter referred to as the "Donee") to be and act as the Donor's lawful agent and attorney, in order to execute the Purchaser's acknowledgment of receipt of the Condominium Document, and/or for the purposes of receiving notices required or desired to be delivered by the Vendor in accordance with the Agreement. In accordance with the provisions of the *Powers of Attorney Act*, R.S.O. 1990 as amended, the Donor hereby confirms and agrees that this power of attorney may be exercised by the Donee during any subsequent legal incapacity of the Donor, and shall only be revoked upon the death of the Donor or upon the Donor delivering written notice of such revocation to the Vendor.
35. Where the Purchaser herein is a corporation, or where the Purchaser is buying in trust for a corporation to be incorporated, the execution of this agreement by the principal or principals of such corporation, or by the person named as the Purchaser in trust for a corporation to be incorporated, as the case may be, shall be deemed and construed to constitute the personal guarantee of such person or persons so signing with respect to the obligations of the Purchaser herein, and such person or persons shall also be correspondingly obliged to unconditionally guarantee any mortgage(s) required to be given by the Purchaser on Closing, in accordance with the provisions hereof.
36. It is expressly acknowledged and agreed that the Vendor's execution of any closing documents required or desired in connection with the interim occupancy and/or final closing of this purchase and sale transaction may, at the Vendor's sole option, be made or manifested by way of an electronic signature (as such term is defined in the *Electronic Commerce Act, 2000*, S.O. 2000, as amended), undertaken by or through a computer program or any other electronic means, as expressly provided or contemplated by (and in accordance with the provisions of) the *Electronic Commerce Act, 2000*, S.O. 2000, as amended.

#### TENDER

37. (a) Any tender of documents or monies hereunder shall be made respectively upon the Vendor or the Purchaser, or upon their respective solicitors, and any monies due or payable by the Purchaser on the Possession Date and/or on the Closing Date shall be tendered by way of a bank draft or certified cheque made payable to the Vendor's solicitors drawn on (or issued by) a Canadian chartered bank or trust company. In the event that such tender relates to the interim occupancy closing contemplated in paragraph 5 of this Schedule "C", then such tender shall be made on the Possession Date by the attendance of the parties hereto, or their respective solicitors or authorized representatives at the office of the Vendor's solicitors (as set out on page 1 of this Agreement). Moreover, in the absence of an appointment to the contrary, such attendance shall occur between the hours of 1:00 p.m. and 2:00 p.m. in the afternoon of the Possession Date. In the event that such tender relates to the final closing of this purchase and sale transaction (evidenced by, amongst other things, the Vendor's delivery to (or tender upon) the Purchaser or the Purchaser's solicitor of a transfer/deed in respect of the Property, in registerable form), then, subject to the overriding provisions set forth in paragraph 37(b) of this Schedule "C" (dealing with the completion of this transaction through or involving the electronic registration system), such tender shall be made on the Closing Date by the attendance of the parties hereto (or their respective solicitors or authorized representatives) at the office of the Vendor's solicitors and in the absence of an appointment to the contrary, such attendance shall occur between the hours of 1:00 p.m. and 2:00 p.m. in the afternoon of the Closing Date. In the event that the Purchaser or the Purchaser's solicitor or authorized representative is not present between the hours of 1:00 p.m. and 2:00 p.m. as hereinbefore stipulated, at the office of the Vendor's solicitors, and the Vendor or its solicitor or authorized representative is in attendance at such time, then the Purchaser shall be deemed for all purposes to have waived tender by the Vendor, and the Purchaser shall also be estopped and forever barred from claiming any defect in the title to the Property, or any deficiency in the design or construction thereof, or that the Vendor was unable or unwilling to complete this transaction in accordance with the terms and provisions of this Agreement. The Purchaser hereby acknowledges and agrees that the key(s) to the Property shall be released to the Purchaser directly from the sales office, or the Vendor's construction site office, as soon as this transaction has been completed (either on an interim occupancy basis, or on an outright final closing basis), and the Vendor shall not otherwise be required to produce or deliver a key to the Property or the Unit on either the Possession Date or the Closing Date, or as part of any tender in connection therewith.

#### REVISED TENDER PROVISIONS FOR ELECTRONIC REGISTRATION

- (b) Inasmuch as the electronic registration system (hereinafter referred to as the "Teraview Electronic Registration System" or "TERS") is operative in the Land Titles Office in which the Lands are registered, the following provisions shall prevail, namely:
- (i) The Purchaser shall be obliged to retain a lawyer, who is both an authorized TERS user and in good standing with the Law Society of Upper Canada, to represent the Purchaser in connection with the completion of this transaction, and shall authorize such lawyer to enter into a document registration agreement substantially in the form posted by the Law Society of Upper Canada on its website as of January 28, 2004, or any successor version thereto, together with the additional requirement that the registering solicitor shall also be obliged to provide the non-registering solicitor with a copy of the registration report printed by TERS upon the registration of the electronic documents, as evidence of the registration thereof, within one (1) business day of the Closing Date (hereinafter referred to as the "Document Registration Agreement"). It is understood and agreed that the Document Registration Agreement shall outline or establish the procedures and timing for completing this transaction electronically, and shall be executed by both the Vendor's solicitor and the Purchaser's solicitor and exchanged by courier or telefax between said solicitors (such that each solicitor has a photocopy or telefaxed copy of the Document Registration Agreement duly executed by both solicitors) by no later than five (5) days before the Closing Date.

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- (ii) The delivery and exchange of documents, monies and keys to the Property, and the release thereof to the Vendor and the Purchaser, as the case may be:
- (A) shall not occur contemporaneously with the registration of the transfer/deed (and other registerable documentation); and
  - (B) shall be governed by the Document Registration Agreement, pursuant to which the solicitor receiving any documents, keys and/or certified funds 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 Document Registration Agreement.
- (iii) If the Purchaser's lawyer is unwilling or unable to complete this transaction via TERS, in accordance with the provisions contemplated under the Document Registration Agreement, then said lawyer (or the authorized agent thereof) shall be obliged to personally attend at the office of the Vendor's solicitor, at such time on the scheduled Closing Date as may be directed by the Vendor's solicitor or as mutually agreed upon (and in the absence of any such mutual agreement, by no later than 1:00 p.m. on the scheduled Closing Date), in order to complete this transaction via TERS utilizing the computer facilities in the Vendor's solicitor's office.
- (iv) The Purchaser expressly acknowledges and agrees that the Vendor shall not be requested nor required to release the transfer/deed to the Property for registration electronically unless and until the balance of all funds due on closing, in accordance with the Vendor's statement of adjustments, are remitted by certified cheque to the Vendor's solicitor (or in such other manner as the Vendor's solicitor may authorize or direct), and correspondingly received by the Vendor's solicitor by no later than 1:00 p.m. on the scheduled Closing Date.
- (v) Each of the parties hereto agrees that the delivery of any documents not intended for registration on title to the Real Property may be delivered to the other party's solicitor by telefax transmission (or by a similar system reproducing the original), provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto. The party transmitting any such documents shall also deliver the originals of same to the recipient party within two (2) business days after the Closing Date, if same has been so requested by the recipient party.
- (vi) Notwithstanding anything contained in this Agreement or in the Document Registration Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has:
- (A) delivered all closing documents and/or any requisite funds (if applicable) to the Purchaser's solicitor in accordance with the provisions of the Document Registration Agreement;
  - (B) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete this transaction in accordance with the terms and provisions of this Agreement, and that the keys to the Property have already been (or will be) made available for pickup by the Purchaser at the Vendor's sales office or site office forthwith following the interim occupancy closing or final closing of this transaction (as the case may be) completed in accordance with the provisions of this Agreement; and
  - (C) has completed all steps required by TERS in order to complete this transaction that can be performed or undertaken by the Vendor's solicitor without the cooperation or participation of the Purchaser's solicitor, and specifically when the Vendor's solicitor has electronically "signed" the transfer/deed (and any vendor take-back mortgage, if applicable to this transaction) for "completeness" and has granted access thereto to the Purchaser's solicitor via TERS (but without the Vendor's solicitor releasing same for registration by the Purchaser's solicitor);

without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents, keys and/or funds, and without any requirement to have an independent witness evidencing the foregoing.

#### VIABILITY

38. Notwithstanding any other provision of this Agreement, the completion of the transaction contemplated by this Agreement is conditional upon the Vendor being satisfied on or before February 28, 2011 ("Viability Date"), in its sole and absolute discretion, with the economic feasibility and viability of proceeding with the development of and/or construction of the Condominium (including the Unit) falling which this Agreement shall be null and void and the deposit or deposits returned to the Purchaser with interest in accordance with the Act and without deduction, and this condition shall be deemed satisfied and waived by the Vendor in the event that the Vendor does not post or deliver notice to the contrary to the Purchaser or his or her Solicitor within thirty (30) days following the Viability Date ("Notice Period"), provided the Vendor may unilaterally extend this condition for not more than one or more periods of up to twenty-four (24) months in aggregate and provided the Vendor gives notice post-marked on or before the expiry of the Notice Period or any renewal thereof. The Purchaser acknowledges that the commencement of construction of the Condominium (including the Unit) shall not be construed as a waiver or satisfaction of these conditions. The Purchaser further acknowledges that this condition is for the sole benefit of the Vendor and may be waived by the Vendor at its sole and absolute discretion at any time in whole or in part without notice to the Purchaser.

#### HEAD OFFICE APPROVAL

39. The Purchaser acknowledges that this Agreement is conditional, upon the Vendor being satisfied in its sole discretion, with the terms and conditions of this Agreement. The Vendor shall have fifteen (15) days from the date of acceptance of this Agreement by the Vendor to provide written notice to the Purchaser to the address set out in this Agreement, to terminate this Agreement, failing which the Vendor shall be deemed to have waived this condition and this Agreement shall be firm and binding. The Purchaser acknowledges that this condition is included for the sole benefit of the Vendor and may be waived by the Vendor at its sole option, at any time.

#### NOISE WARNING AND OTHER SPECIAL NOTICES

40. (a) The Purchaser specifically acknowledges and agrees that the Condominium will be developed in accordance with any requirements that may be imposed, from time to time, by any of the Governmental Authorities, and that the proximity of the Condominium to a major arterial roadway (namely Steeles Avenue East), may result in vibration transmissions to the Lands and cause noise exposure levels affecting the Lands to exceed the noise criteria established by the Governmental Authorities, and that despite the inclusion of noise control features within the Condominium, noise levels from any of the aforementioned sources may continue to be of concern, occasionally interfering with some activities of the dwelling occupants in the Condominium. The Purchaser nevertheless agrees to complete this transaction in accordance with the terms hereof, notwithstanding the existence of such potential noise concerns, and the Purchaser further acknowledges and agrees that a noise-warning clause similar to the preceding sentence (subject to amendment or enlargement by any wording or text recommended by the Vendor's noise consultants or by any of the Governmental Authorities) may be registered on title to the Lands on the Closing Date, if, in fact, same is required by any of the Governmental Authorities. Without limiting the generality of the foregoing, the Purchaser specifically acknowledges that the following noise warning clause has been inserted in this Agreement, at the request of the Governmental Authorities, namely: "Purchasers are advised that despite the inclusion of noise



control features in this development and within the condominium, noise levels from increasing road traffic, will continue to be of concern, occasionally interfering with some activities of the occupants, as the noise levels exceed the Municipality's and the Ministry of the Environment's noise criteria."

- (b) Without limiting the generality of the preceding subparagraph, the Purchaser is hereby advised that as and when other units in the Condominium are being completed and/or moved into, excessive levels of noise, vibration, dust and/or debris are possible, and same may accordingly temporarily cause noise and inconvenience to the occupants and it is expressly acknowledged and agreed that the Purchaser shall not make or pursue any claim against the Vendor (or any other party) for compensation, an abatement in the purchase price or the occupancy fees otherwise payable, damages or otherwise, nor initiate or pursue any claim, action or proceeding against the Vendor (or any other party) by reason of the foregoing noise and/or vibration sources, concerns and/or any inconvenience to the Purchaser thereby, including any proceeding to enjoin or restrain any of the foregoing activities which may cause any such noise, vibration and/or inconvenience.
- (c) The Purchaser is hereby advised that the Vendor's builder's risk and/or comprehensive liability insurance (effective prior to the registration of the Condominium), and the Condominium's master insurance policy (effective from and after the registration of the Condominium) will not cover any betterments or improvements made to the Unit, nor any furnishings or personal belongings of the Purchaser or other occupants of the Unit, and accordingly the Purchaser should arrange for his or her own insurance coverage with respect to same, effective from and after the Possession Date, all at the Purchaser's sole cost and expense.
- (d) It is further acknowledged that one or more of the Development Agreements may require the Vendor to provide the Purchaser with certain notices, including without limitation, notices regarding such matters as land use, the maintenance of retaining walls, landscaping features and/or fencing, noise abatement features, garbage storage and pick-up, and noise/vibration levels from adjacent roadways and/or nearby railway lines. The Purchaser agrees to be bound by the contents of any such notice(s), whether given to the Purchaser at the time that this Agreement has been entered into, or at any time thereafter up to Closing, and the Purchaser further covenants and agrees to execute, forthwith upon the Vendor's request, an express acknowledgement confirming the Purchaser's receipt of such notice(s) in accordance with (and in full compliance of) such provisions of the Development Agreement(s), if and when required to do so by the Vendor.
- (e) Door-to-door mail delivery may not be available to the occupants of this Condominium. Instead, mail must be picked-up from super mailboxes or from one or more mail kiosks situate within the confines of the Condominium or within the neighbouring vicinity of the Condominium.
- (f) The Purchaser acknowledges and agrees that the Vendor (and any of its authorized agents, representatives and/or contractors), as well as one or more authorized representatives of the Condominium, shall be permitted to enter the Unit after Closing, from time to time, in order to enable the Vendor to correct outstanding deficiencies or incomplete work for which the Vendor is responsible, and to enable the Condominium to inspect the condition or state of repair of the Unit and undertake or complete any requisite repairs thereto (which the owner of the Unit has failed to do) in accordance with the Act.
- (g) The Vendor reserves the right to increase or decrease the final number of retail, restaurant, food court, exhibition and/or other ancillary units intended to be created within the Condominium, as well as the right to alter the design, style, size and/or configuration of the units ultimately comprised within the Condominium which have not yet been sold by the Vendor to any unit purchaser(s), all in the Vendor's sole and unchallenged discretion, and the Purchaser expressly acknowledges and agrees to the foregoing, provided that the final budget for the first year following registration of the Condominium is prepared in such a manner so that any such variance in the unit count will not affect, in any material or substantial way, the percentages of common expenses and common interests allocated and attributable to the units sold by the Vendor to the Purchaser pursuant to this Agreement and any addendum thereto. Without limiting the generality of the foregoing, the Purchaser further acknowledges and agrees that one or more units situate adjacent to one another may be combined or amalgamated prior to the registration of the Condominium, in which case the common expenses and common interests attributable to such proposed former units will be incorporated into one figure or percentage in respect of the final combined unit, and the overall unit count of the Condominium will be varied and adjusted accordingly. None of the foregoing changes or revisions (if implemented) shall in any way be considered or construed as a material change to the disclosure statement prepared and delivered by the Vendor to the Purchaser in connection with this transaction.

#### NOTICES BETWEEN THE PARTIES

41. Any notice or document required or desired to be given to the Purchaser shall be deemed to have been sufficiently given if same is in writing, and either personally delivered to the Purchaser or to the Purchaser's solicitor (at the address of the Purchaser or the Purchaser's solicitor as noted herein, or as subsequently confirmed by the Purchaser or the Purchaser's solicitor after the acceptance of this offer), or mailed by prepaid ordinary post or by registered mail, or sent by facsimile transmission, addressed to the Purchaser or to the Purchaser's solicitor (as the case may be), and any such document or notice shall be deemed to have been given on the date of personal delivery, or on the date of facsimile transmission (provided that a confirmation of transmission receipt is produced at the time of facsimile transmission), or on the third (3rd) day (excluding Saturdays, Sundays and statutory holidays) after the date same is posted by registered or ordinary mail, as the case may be. The Purchaser shall be entitled to change the address and/or telefax number to which all future notices intended for the Purchaser are to be delivered, by giving written notice to the Vendor in the manner hereinafter provided. Any document or notice desired or required to be given to the Vendor shall be deemed to have been sufficiently given if same is in writing and personally delivered or telefaxed to an officer of the Vendor at the address or telefax number noted below (or at such other address or telefax number as the Vendor may designate from time to time, upon notice being given to the Purchaser or the Purchaser's solicitor as hereinbefore provided), with a copy of same to be personally delivered or telefaxed to the Vendor's solicitor, and any such document or notice shall be deemed to have been given on the date of such personal delivery, or on the day (excluding Saturdays, Sundays and statutory holidays) of facsimile transmission (provided a confirmation of transmission receipt is produced at the time of facsimile transmission).

#### IRREVOCABILITY OF OFFER - ACCEPTANCE OF OFFER

42. This offer by the Purchaser, constituted by the Purchaser's execution of this agreement, shall be irrevocable by the Purchaser until the 60<sup>th</sup> day following the date of the Purchaser's execution of this agreement as set forth below, after which time, this offer may be withdrawn, and if so, same shall be null and void and the deposit shall be returned to the Purchaser without interest or deduction. Acceptance by the Vendor of this offer shall be deemed to have been sufficiently made if this agreement is executed by the Vendor on or before the irrevocable date specified in the preceding sentence, without requiring any notice of such acceptance to be delivered to the Purchaser prior to such time. Without limiting the generality of the foregoing, acceptance of this offer (or any counteroffer with respect thereto) may be made by way of telefax transmission (or similar system reproducing the original) provided all of the necessary signatures and initials of both parties hereto are duly reflected on (or represented by) the telefaxed copy of the agreement of purchase and sale so transmitted, and such acceptance shall be deemed to have been effected or made when the accepted offer (or counteroffer, as the case may be) is telefaxed to the intended party, provided that a confirmation of such telefaxed transmission is received by the transmitting party at the time of such transmission, and the original executed document is thereafter forthwith couriered (or personally delivered) to the recipient of the telefaxed copy.

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PLANNING ACT COMPLIANCE

43. This agreement is conditional upon compliance with the subdivision control and part-lot control provisions of the *Planning Act*, R.S.O. 1990, as amended.

NO OTHER REPRESENTATIONS

44. This offer, when accepted, shall constitute a binding agreement of purchase and sale. It is agreed and understood that there is no representation, warranty, collateral term or condition affecting this agreement or the Property, or for which the Vendor or the owner of the Lands (or any agent of the Vendor or any sales representative) can be held responsible or liable in any way, whether contained, portrayed, illustrated or represented by (or in) any plan, drawing, brochure, display, model or any other sales/marketing material(s), or alleged against the Agent or any sales representative, other than as expressed herein in writing.

MANNER OF TAKING TITLE

45. The Purchaser shall notify the Vendor's solicitors as to the manner in which title to the Property is to be taken and the date(s) of birth and marital status of all persons taking title to the Property, and the address for service to be inserted in the transfer, and in the event that the Purchaser fails to so notify the Vendor's solicitors by at least thirty (30) days before the Possession Date, then the Vendor or the Vendor's solicitors shall be entitled to engross the Occupancy Agreement, as well as the deed or transfer of title to the Property, in the name of the Purchaser as noted on page 1 of this agreement, and the Purchaser agrees to accept the Occupancy Agreement and the aforementioned conveyance in such manner, and acknowledges that the Purchaser shall be bound thereby and shall be estopped from requiring any further changes to the manner in which the Occupancy Agreement and/or the deed/transfer are so engrossed.

REGISTRATION COSTS

46. Each party shall pay all costs of registration and taxes with respect to their respective documents.

DAMAGE BEFORE CLOSING

47. The Condominium building and all equipment contained therein shall remain at the risk of the Vendor until Closing. In the event of damage to the Condominium building or to the Property to a degree and by causes as determined by the Vendor in its sole discretion, the Vendor may at its option either repair the damage and finish the building and complete the sale, or may cancel this agreement and return to the Purchaser all deposit monies theretofore paid, with interest at the rate prescribed under the Act, and the Vendor shall not be liable for any costs or damages incurred by the Purchaser thereby.

RIGHT OF RE-ENTRY

48. Notwithstanding the Closing of this transaction, and for a period of two (2) years thereafter, the Vendor or any of its authorized representatives shall be entitled at all reasonable times to enter the Property in order to make inspections, and to do any work or repairs to the Property or to the Condominium required by the Vendor in its sole discretion.

DEFAULT

49. In the event that the Purchaser defaults on any of the Purchaser's obligations contained in this agreement or in the Occupancy Agreement on or before Closing, and fails to remedy such default forthwith, if such default is a monetary default and/or pertains to the execution and delivery of documentation required to be given to the Vendor on the Possession Date, or within five (5) days of the Purchaser being so notified in writing with respect to any other non-monetary default, then the Vendor, in addition to any other rights or remedies this agreement provides, may, at its sole option, unilaterally suspend all of the Purchaser's rights, benefits and privileges contained herein and/or unilaterally declare this agreement and the Occupancy Agreement to be terminated and of no further force or effect, whereupon all deposit monies theretofore paid, shall be retained by the Vendor as its liquidated damages, and not as a penalty, in addition to (and without prejudice to) any other rights or remedies available to the Vendor at law or in equity. In the event of the termination of this agreement and/or the Occupancy Agreement by reason of the Purchaser's default as aforesaid, or if this agreement and/or the Occupancy Agreement are terminated for any other reason or event which is hereinbefore expressly provided or contemplated, then the Purchaser shall be obliged to forthwith vacate the Property, and shall execute such releases and any other documents or assurances as the Vendor may require, in order to confirm that the Purchaser, in accordance with the terms of this agreement, does not have (nor could be deemed or construed to have) any interest whatsoever in the Property, the Lands and/or this agreement, and in the event the Purchaser fails or refuses to execute same, the Purchaser hereby appoints the Vendor to be the Purchaser's lawful attorney in order to execute such releases, documents and assurances in the Purchaser's name, place and stead, and in accordance with the provisions of the *Powers of Attorney Act*, R.S.O. 1990, as amended, the Purchaser hereby declares that this power of attorney may be exercised by the Vendor during any subsequent legal incapacity on the part of the Purchaser.
50. The Purchaser acknowledges and agrees that notwithstanding any other term or provision contained in this agreement to the contrary, in the event that one or more material amendments are made to the Condominium Documents, the Property and/or to the Condominium to be developed on the Lands, then the Purchaser's only remedy shall be a claim for rescission of this agreement, and the concomitant return of the Purchaser's deposit monies, and under no circumstances shall the Purchaser have, initiate or maintain any claim or cause of action for damages and/or specific performance of this agreement, arising from (or as a result of) said material amendment or amendments.
51. The Purchaser acknowledges and agrees that notwithstanding any rights which he might otherwise have at law or in equity arising out of this agreement, he shall not assert any of such rights, nor have any claim or cause of action (as a result of any matter or thing arising under or in connection with this agreement) against any person, firm, corporation or other legal entity, other than the person, firm, corporation or legal entity specifically named or defined as the Vendor herein, even though the Vendor may be found to be a nominee or agent of another person, firm, corporation or other legal entity, and this acknowledgment and agreement may be pleaded as an estoppel and bar against the Purchaser in any action or proceeding brought by the Purchaser to assert any of such rights, claims or causes of action.

TIME OF THE ESSENCE

52. Time shall be of the essence of this agreement in all respects, and any waiver, extension, abridgement or other modification of any time provisions shall not be effective unless made in writing and signed by the parties hereto or by their respective solicitors who are hereby expressly authorized in that regard.

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NON-MERGER

53. The Purchaser's covenants and agreements herein contained shall not merge on the Closing Date, but shall remain in full force and effect according to their respective terms, notwithstanding the conveyance of title to the Property and the payment of the Purchase Price. The Purchaser agrees to give to the Vendor any further written assurances as to the non-merger of the Purchaser's covenants, on Closing, if so requested by the Vendor and/or the Vendor's solicitors.
54. All schedules annexed hereto, if any, shall form and constitute an integral part of this agreement.

MISCELLANEOUS

55. The meanings of the words and phrases used in this agreement and in any schedules annexed hereto shall have the meanings ascribed to them in the Act, unless this agreement or the context otherwise requires a different meaning for same. This agreement shall be read with all changes in gender and number required by the context. Any headings used throughout this agreement are for ease of reference only, and shall not be deemed or construed to form a part of this agreement.
56. This agreement shall enure to the benefit of, and be binding upon, the parties hereto, and their respective heirs, executors, administrators, successors and permitted assigns.
57. It is understood and agreed by the parties hereto that the use of boldface print, capitalized terms or lettering, underlining and/or italics throughout this Agreement (including the bolding of certain key words or phrases within various paragraphs hereof) are for ease of reference/identification purposes only, and/or to bring certain provisions to the specific attention of the Purchaser and his or her solicitor, but under no circumstances shall the foregoing print/drafting style be deemed or construed as any warranty or representation that the provisions so bolded, capitalized, underlining or italicized (as the case may be) are more important than any other provisions contained herein, or that those provisions which are not so bolded, capitalized, underlining or italicized are not important or significant provisions of this Agreement.

DEPOSIT PROTECTION

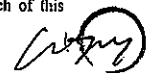
58. All deposits paid by the Purchaser shall be held by the Declarant's Solicitors in a designated trust account, and shall be released only in accordance with the provisions of Section 81(7) of the Act and the regulations thereto (or any successor statutory provision governing condominium deposit monies, if the Act is hereafter replaced or amended). The Declarant's Solicitors shall be entitled to pay such deposit monies to such other party as may be authorized to hold such monies in accordance with the Act provided that such party confirms and acknowledges and agrees that such deposit monies are held in trust by it pursuant to the provisions of this Agreement and the Act. Without limiting the generality of the foregoing, and for greater clarity, it is understood and agreed that with respect to any deposit monies received from the Purchaser, the Declarant's Solicitors shall be entitled to withdraw such deposit monies from said designated trust account prior to the final closing of this transaction, if and only when the Vendor obtains one or more condominium deposit insurance policies (issued by any insurer as may be selected by the Vendor, authorized to provide condominium deposit insurance in Ontario) insuring the deposit monies so withdrawn (or intended to be withdrawn), and delivers the said condominium deposit insurance policies (duly executed by or on behalf of the insurer and the Vendor) to the Declarant's Solicitors holding the deposit monies for which said policies have been provided as security, in accordance with the provisions of Section 21 of O.Reg. 48/01 to the Act. The Purchaser hereby irrevocably authorizes and directs the Declarant's Solicitors to release the deposit monies as aforesaid and hereby releases and forever discharges the Declarant's Solicitors from liability in this regard. The foregoing may be pleaded as an estoppel or bar to any future action by the Purchaser.

DISCLAIMER

59. Notwithstanding the generality of any other provisions contained in this Agreement to the contrary, it is understood and agreed that all models, plans, sketches, illustrations and/or displays utilized by or on behalf of the Vendor, including all descriptions, dimensions and/or representations indicated thereon or implied thereby, are merely reflective or indicative of the proposed condominium project, or various aspects thereof as originally conceived or intended, and in effect as at the time of their respective creation, and are therefore subject to one or more changes being made or implemented with respect thereto from time to time (whether significant or otherwise), without any notice thereof required to be given to the Purchaser. Without limiting the generality of the foregoing, all unit purchasers (and prospective unit purchasers) are hereby advised that:
- (a) the height, colour, size, shape, texture, dimensions, specifications and/or design of the:
    - (i) exterior facade of the proposed condominium project;
    - (ii) interior and exterior common element areas, including all roadways, walkways, ramps, driveway exits and/or landscaped areas; and
    - (iii) common facilities and amenities, if specifically provided for in the disclosure statement;
  - (b) the layout, shape and/or size of the proposed condominium buildings' footprints, and/or the location, size and height of the proposed condominium buildings in relation to any other present or future structure(s);
  - (c) the total number of units within the proposed condominium, and/or the total number of levels comprising the proposed condominium; and/or
  - (d) the number, location, design and/or size of the doors and windows within any commercial unit(s), are subject to change, and may be varied at any time and from time to time, without notice to the Purchaser.

CUMULATIVE REMEDIES & WAIVERS

60. (a) No right or remedy herein conferred upon or reserved to the Vendor is intended to be exclusive of any other right or remedy arising under or by virtue of this Agreement (or arising pursuant to the general common law, in equity or by statute, or otherwise), and each and every right or remedy in favour of the Vendor shall be cumulative, and shall be in addition to every other right or remedy conferred upon (or reserved to) the Vendor pursuant to the provisions of this Agreement or otherwise available to the Vendor at law or in equity or by statute. Every right and/or remedy conferred upon (or reserved to) the Vendor by this Agreement may be exercised by the Vendor from time to time, as often as may be deemed expedient by the Vendor.
- (b) None of the respective rights and/or remedies of the Vendor (whether arising under or by virtue of this Agreement, or pursuant to the general common law, or in equity, or by statute, or otherwise) shall be capable of being waived or varied except pursuant to (and by virtue of) an express waiver or variation in writing duly executed by the Vendor. Without limiting the generality of the foregoing, any failure to exercise (or any delay in exercising) any of the respective rights and/or remedies of the Vendor shall not operate as a waiver or variation of that or any other of such rights and/or remedies; any defective or partial exercise of any of such rights and/or remedies shall not preclude any other or future exercise of that or any other of such rights and/or remedies; no act or course of conduct, nor any negotiation on the part of the Vendor, shall in any way preclude the Vendor from exercising any such rights and/or remedies, or constitute a suspension or variation of any such rights and/or remedies; and any waiver of an event of default or breach of this



Agreement committed by or on behalf of the Purchaser shall apply only to the particular event of default or breach so waived, and shall not operate as a waiver of any other event of default or breach.

**CHANGES TO CLOSING PACKAGE(S)**

61. In the event that the Purchaser desires to:

- (a) increase the amount to be paid to the Vendor's solicitors on the Possession Date [as set out in paragraph 2(b) on page 1 of this Agreement] at any time after the expiry of the initial 10 day statutory rescission period;
- (b) vary the name(s) or manner in which the Purchaser has previously requested to take title to the Property;
- (c) add or change any unit(s) being acquired from the Vendor;
- (d) change his or her solicitor; and/or
- (e) change any other information or any documentation reflected in (or comprising part of) the interim closing package or final closing package that is not due to the error of Vendor and is prepared by the Vendor's solicitor; but fails to inform the Vendor's solicitor regarding any of the foregoing changes prior to the time that the interim closing package or final closing package (as the case may be) has been completed (even if the package has not yet been forwarded to, or received by, the Purchaser or the Purchaser's solicitor), then the Purchaser shall be obliged to reimburse the Vendor, on either the Possession Date or on the Closing Date, for the legal fees and ancillary disbursements which may be incurred by the Vendor and/or charged by the Vendor's solicitors in order to revise the interim closing package or final closing package (or any portion thereof) accordingly, and/or to reproduce and resend the interim closing package or final closing package (or any portion thereof) as the case may be, to the Purchaser or the Purchaser's solicitor, but without there being any obligation whatsoever on the part of the Vendor or the Vendor's solicitors to approve of, or to implement, any such changes so requested by the Purchaser.

**PURCHASER'S CONSENT TO THE COLLECTION AND LIMITED USE OF PERSONAL INFORMATION**

62. For the purposes of facilitating compliance with the provisions of any applicable Federal and/or Provincial privacy legislation (including without limitation, the Personal Information Protection and Electronic Documents Act, S.C. 2000, as amended), the Purchaser hereby consents to the Vendor's collection and use of the Purchaser's personal information (including without limitation, the Purchaser's name, home address, e-mail address, telefax/telephone number, age, date of birth and marital status [for the limited purposes described in subparagraphs (c), (g) and (h) below] as well as the Purchaser's financial information), in connection with the completion of this transaction and for post-closing and after sales customer care purposes, and to the disclosure and/or distribution of any or all of such personal information to the following entities, on the express understanding and agreement that the Vendor shall not sell or otherwise provide or distribute such personal information to anyone other than the following entities, namely to:

- (a) any companies or legal entities that are associated with, related to or affiliated with the Vendor;
- (b) one or more third party data processing companies which handle or process marketing campaigns on behalf of the Vendor or other companies that are associated with, related to or affiliated with the Vendor, and who may send (by e-mail or other means) promotional literature/brochures about new condominiums and/or related services to the Purchaser and/or members of the Purchaser's family;
- (c) any financial institution(s) providing (or wishing to provide) mortgage financing, banking and/or other financial or related services to the Purchaser and/or members of the Purchaser's family, the Vendor's development and/or construction lender(s), the project monitor and/or the Vendor's designated take-out lender(s);
- (d) any insurance companies providing (or wishing to provide) insurance coverage with respect to the Property (or any portion thereof);
- (e) any trades/suppliers or sub-trades/suppliers, who have been retained by or on behalf of the Vendor (or who are otherwise dealing with the Vendor), to facilitate the completion and finishing of the unit and the installation of any extras or upgrades ordered or requested by the Purchaser;
- (f) one or more providers of cable television, telephone, telecommunication, hydro-electricity, chilled water/hot water, gas and/or other similar or related services to the Property (or any portion thereof);
- (g) any relevant governmental authorities or agencies, including without limitation, the Land Titles Office (in which the Property is registered), the Ministry of Finance for the Province of Ontario (i.e. with respect to Land Transfer Tax), and Canada Customs & Revenue Agency (i.e. with respect to the HST); and
- (h) the Vendor's solicitors, to facilitate the closing of this transaction, including the closing by electronic means via the Toraview Electronic Registration System.

**PURCHASER COVENANTS**

- 63. The Purchaser covenants and agrees that he or she shall not directly nor indirectly object to nor oppose any official plan amendment(s), rezoning application(s), severance application(s), minor variance application(s) and/or site plan application(s), nor any other applications ancillary thereto relating to the development of the Property, or any neighbouring or adjacent lands. The Purchaser further acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto.
- 64. The Purchaser covenants and agrees that he or she shall not interfere with the completion of other units and the common elements by the Vendor. Until the Condominium is completed and all units sold and transferred the Vendor may make such use of the Condominium as may facilitate the completion of the Condominium and sale of all the units, including, but not limited to the maintenance of a sales/rental/administration office and model units, and the display of signs located on the Property.

WARRANTY

65. The Vendor does not warrant any of the systems contained or installed in the Unit or common elements, but shall provide the Purchaser with the full benefit of any warranties obtained by it to the extent that it is able to do so pursuant to the terms of the warranties. The Purchaser agrees to accept such warranties in lieu of any other warranties or guarantees, expressed or implied, at equity or at law, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement or condition precedent to, concurrent with or in any way affecting this Agreement or the Unit, other than as expressed herein in writing.
66. The Purchaser acknowledges that the Vendor may substitute such other materials in the construction of the Unit or the common elements of the Condominium from time to time from those specified or contemplated in the aforesaid plans or specifications, provided that any substituted material(s) is equal to or better than the material(s) originally indicated in said plans or specifications.

CAUSE OF ACTION

67. The Purchaser acknowledges and agrees that notwithstanding any rights which he or she might otherwise have at law or in equity arising out of this Agreement, the Purchaser shall not assert any of such rights, nor have any claim or cause of action whatsoever as a result of any matter of thing arising under or in connection with this Agreement (whether based or founded in contract law, tort law or in equity, and whether for innocent misrepresentation, negligent misrepresentation, breach of contract, breach of fiduciary duty, breach of constructive trust or otherwise), against any person, firm, corporation or other legal entity, other than the person, firm, corporation or legal entity specifically named or defined as the Vendor herein, even though the Vendor may be (or may ultimately be found or adjudged to be) a nominee or agent of another person, firm, corporation or other legal entity, or a trustee for and on behalf of another person, firm, corporation or other legal entity, and this acknowledgment and agreement may be pleaded as an estoppel and bar against the Purchaser in any action, suit, application or proceeding brought by or on behalf of the Purchaser to assert any of such rights, claims or causes of action against any such third parties.
68. At any time prior to the Closing Date, the Vendor shall be permitted to assign this Agreement (and its rights, benefits and interests hereunder) to any person, firm, partnership or corporation and upon any such assignee assuming all obligations under this Agreement and notifying the Purchaser or the Purchaser's solicitor of such assignment, the Vendor named herein shall be automatically released from all obligations and liabilities to the Purchaser arising from this Agreement, and said assignee shall be deemed for all purposes to be the Vendor herein as if it had been an original party to this Agreement, in the place and stead of the Vendor.



SCHEDULE "D" TO AGREEMENT OF PURCHASE AND SALE

PURCHASER'S ACKNOWLEDGMENT

THE UNDERSIGNED being the Purchaser of the Unit hereby acknowledges having received from the Vendor with respect to the purchase of the Unit the following document on the date noted below:

1. A Disclosure Statement dated June 1, 2010 and accompanying documents in accordance with Section 72 of the Act.
2. A copy of the Agreement of Purchase and Sale (to which this acknowledgment is attached as a Schedule) executed by the Vendor and the Purchaser.

The Purchaser hereby acknowledges that receipt of the Disclosure Statement and accompanying documents referred to in paragraph 1 above may have been in an electronic format and that such delivery satisfies the Vendor's obligation to deliver a Disclosure Statement under the Act.

The Purchaser hereby acknowledges that the Condominium Documents required by the Act have not been registered by the Vendor, and agrees that the Vendor may, from time to time, make any modification to the Condominium Documents in accordance with its own requirements and the requirements of any mortgagee, governmental authority, examiner of Legal Surveys, the Land Registry Office or any other competent authority having jurisdiction to permit registration thereof.

The Purchaser further acknowledges and agrees that in the event there is a material change to the Disclosure Statement as defined in subsection 74(2) of the Act, the Purchaser's only remedy shall be as set forth in subsection 74(6) of the Act, notwithstanding any rule of law or equity to the contrary.

DATED at HR, this 28 day of Sept, 2010

WITNESS:

)  
)  
)  
)  
)  
)  
\_\_\_\_\_  
Purchaser  
  
\_\_\_\_\_  
Purchaser

*Handwritten initials and a circular stamp.*

# APPENDIX "O"

AGREEMENT OF PURCHASE AND SALE

1. The undersigned Van Hung

Mal

(first name) (middle name) (last name)
(hereinafter referred to as the "Purchaser"), hereby offers to purchase from 2811 DEVELOPMENT CORPORATION. (hereinafter referred to as the "Vendor") Suite number 4047, 5789 - 5883 Steeles Avenue East, Scarborough, Ontario, being proposed Condominium Number 293 on Level 1 (hereinafter collectively referred to as the "Unit"), as well as one sign unit to be designated by the Vendor together with an undivided interest in the common elements appurtenant thereto, including any common element areas designated for the exclusive use of the Unit (all of which is hereinafter collectively referred to as the "Property").

2. The purchase price for the Property (hereinafter referred to as the "Purchase Price") is One Hundred Thirty Nine Thousand Four Hundred Dollars (\$139,400.00), and shall be payable by the Purchaser to the Vendor or the Vendor's solicitors as follows:

- (a) The Purchaser shall pay the sum of Six Thousand Nine Hundred Seventy Dollars (\$6,970.00), as an initial deposit (representing 5% of the Purchase Price), by cheque made payable to the Vendor's solicitors in trust, and delivered to the Vendor's solicitors concurrently with the Purchaser's execution of this agreement.
(b) The Purchaser shall pay the further sum of Six Thousand Nine Hundred Seventy Dollars (\$6,970.00), as an additional deposit (representing 5% of the Purchase Price), by cheque made payable to the Vendor's solicitors in trust and post-dated to the date being 30 days following the date of the Purchaser's execution of this agreement, and delivered to the Vendor's solicitors concurrently with the Purchaser's execution of this agreement.
(c) The Purchaser shall pay the further sum of Six Thousand Nine Hundred Seventy Dollars (\$6,970.00), as an additional deposit (representing 5% of the Purchase Price), by cheque made payable to the Vendor's solicitors in trust and post-dated to the date being 60 days following the date of the Purchaser's execution of this agreement, and delivered to the Vendor's solicitors concurrently with the Purchaser's execution of this agreement.
(d) The Purchaser shall pay the further sum of Six Thousand Nine Hundred Seventy Dollars (\$6,970.00), as an additional deposit (representing 5% of the Purchase Price), by cheque made payable to the Vendor's solicitors in trust and post-dated to the date being 90 days following the date of the Purchaser's execution of this agreement, and delivered to the Vendor's solicitors concurrently with the Purchaser's execution of this agreement.
(e) The Purchaser shall pay the further sum of Six Thousand Nine Hundred Seventy Dollars (\$6,970.00), as an additional deposit (representing 5% of the Purchase Price) by certified cheque dated June 1, 2006, made payable to the Vendor's Solicitors, in Trust, and delivered to the Vendor's solicitors concurrently with the Purchaser's execution of this agreement.
(f) The Purchaser shall pay the further sum of Thirteen Thousand Nine Hundred Forty Dollars (\$13,940.00), as an additional deposit (representing a further 10% of the Purchase Price), by certified cheque made payable to the Vendor's solicitors in trust, and delivered to the Vendor's solicitors on the Possession Date.
(g) The Purchaser shall pay the balance of the Purchase Price, by certified cheque made payable to the Vendor (or to whomsoever the Vendor may in writing direct), and delivered to the Vendor's solicitors on the Closing Date, subject to the adjustments set out in paragraph 20 of Schedule "C" annexed hereto, with all adjustments as hereinafter provided or contemplated to be drawn and calculated as of the Closing Date (and to be correspondingly reflected in the statement of adjustments prepared by the Vendor and delivered to the Purchaser's solicitor on or before Closing).

3. The Purchaser shall be required to take occupancy of the Property on the 31st day of September, 2007 (or any extension or acceleration thereof pursuant to the provisions of paragraphs 3 and 4 of Schedule "C" annexed hereto), and shall pay a monthly occupancy fee (the "Occupancy Fee") calculated and subject to adjustment in accordance with the provisions of paragraph 7 of Schedule "C", on the express understanding that the Purchaser's occupancy of the Unit, and the final closing of this transaction, shall be governed by (and be subject to) the terms and provisions set forth in the schedules annexed hereto.

4. The Purchaser hereby acknowledges and agrees that the following schedules annexed hereto form an integral part of this agreement, and the Purchaser hereby confirms having read and understood all of the terms and provisions set forth in said schedules, namely:

- Schedule "A" - PROPOSED FLOOR PLAN OF THE UNIT, comprising page A-1
Schedule "B" - UNIT FINISHES, UNIT USES AND UNIT RESTRICTIONS, comprising pages B-1 to B-4 inclusive
Schedule "C" - GENERAL TERMS AND CONDITIONS, comprising pages C-1 to C-21 inclusive
Schedule "D" - SITE PLAN OF THE CONDOMINIUM, comprising page D-1

5. The capitalized terms used on this first page of this agreement (and in any schedules annexed hereto) shall have the meanings ascribed to them in paragraph 1 of Schedule "C" annexed hereto, or as otherwise defined elsewhere in this agreement.

6. Notwithstanding anything contained in this Agreement (or in any schedules annexed hereto) to the contrary, it is expressly understood and agreed that if the Purchaser has not executed and delivered to the Vendor or its sales representative an acknowledgment of receipt of both the Vendor's disclosure statement and a copy of this Agreement duly executed by both parties hereto (in order to evidence the commencement of the Purchaser's statutory rescission period), within 15 days (including Saturdays, Sundays and statutory holidays) from the date of the Purchaser's execution of this Agreement as set out below, then the Vendor shall have the unilateral right to terminate this Agreement at any time thereafter (but only before the Vendor or its sales representative has received such written acknowledgment from the Purchaser) upon delivering written notice confirming such termination to the Purchaser, whereupon the Purchaser's initial deposit cheque shall be forthwith returned to the Purchaser by or on behalf of the Vendor, together with any interest that has been earned by virtue of the deposit being in trust.

IN WITNESS WHEREOF I/we have hereunto set my/our hand(s) this 8th day of June, 2005.

WITNESS: [Signature]

PURCHASER: Van Hung/Mal

WITNESS: \_\_\_\_\_

PURCHASER: \_\_\_\_\_

Purchaser's Solicitor \_\_\_\_\_

73 Whistler Court, Markham, Ontario, L3R 4S9

Purchaser's Address for Service

Purchaser's Solicitor's Address for Service \_\_\_\_\_

H: (905) 474-3824

W: (905) 713-0746

M: (647) 281-1185

Purchaser's Telephone Numbers

Purchaser's Solicitor's Telefax Number \_\_\_\_\_

mcuyn@hotmail.com

Purchaser's E-mail Address

The undersigned hereby accepts the offer and its terms, and covenants, promises and agrees to and with the above named Purchaser to duly carry out the same on the terms and conditions mentioned above and set forth in the schedules annexed hereto.

ACCEPTED THIS 8 day of June, 2005.

Vendor's Solicitors:

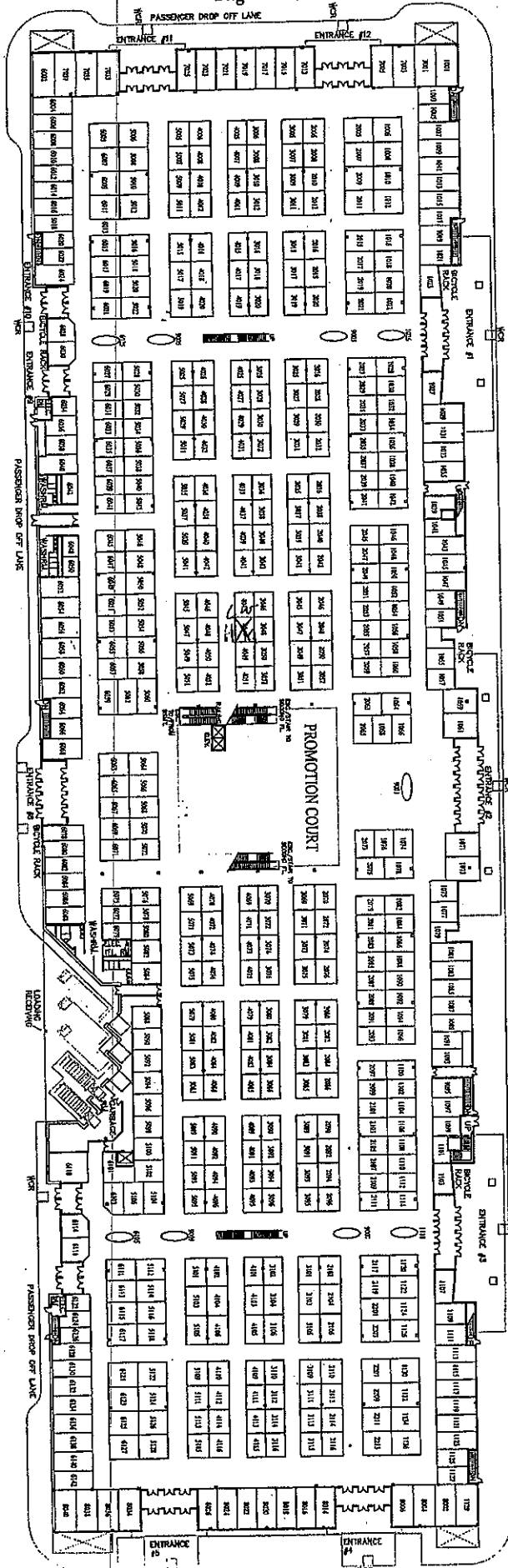
2811 DEVELOPMENT CORPORATION

Torkin Manes, Cohen Arbus LLP
Suite 1500, 151 Yonge Street,
Toronto, Ontario M5J 2T9
Attention: Barry Lipson Q.C., LL.B., LL.M
Telephone No.: (416) 777-5438
Fax No.: 1-888-587-5768

PER: [Signature]
I have authority to bind the Corporation
Vendor's Address:
Suite 108, 7100 Woodbine Avenue
Markham, Ontario L3R 5J2

# SCHEDULE "A" PROPOSED FLOOR PLAN OF THE UNIT

Page A-1





**SCHEDULE "B"**

**THE LANDMARK - COMMERCIAL/RETAIL CONDOMINIUM**  
**UNIT FINISHES, UNIT USES AND UNIT RESTRICTIONS**

**INSTALLATION OF THE VENDOR'S FINISHES**

1. It is understood and agreed by the parties hereto that the Unit shall be completed by the Vendor only to the state of those finishing more particularly described in paragraph 2 below (hereinafter collectively referred to as the "Vendor's Finishes"), and the Vendor's Finishes (except as otherwise hereafter specifically provided to the contrary) shall be supplied and installed by or on behalf of the Vendor at its sole cost and expense. The Vendor hereby specifically reserves the right to select and determine all materials, colors, specifications and models with respect to the items comprising the Vendor's Finishes.
2. The Vendor's Finishes shall comprise the following:
  - (a) FLOOR - Concrete slab, exposed concrete surface, ready for the Purchaser's Finishes;
  - (b) DEMISING WALLS - Demising walls separating the Unit from the remaining units shall be constructed of taped and sanded drywall on metal studs, complete with acoustic insulation, ready for Purchaser's intended wall coverings or other decorating materials;
  - (c) CEILING - The overhead covering of the unit to be installed in accordance with the Vendor's architectural designs and/or plans for same by the Purchaser at his sole cost, risk and expense;
  - (d) STOREFRONT SIGNAGE - An illuminated sign-box, constructed or installed in accordance with the Vendor's architectural designs and/or plans for same, and ready for the Purchaser to install or affix the Purchaser's retail name and/or logo at the Purchaser's sole cost, risk and expense;
  - (e) ELECTRICAL - service terminating at an unfused disconnect point in the Unit, and installed in accordance with the Vendor's electrical designs and/or plans for same with standard capacity, as determined by the Vendor. In the event that the Purchaser requires additional electrical power, same shall be installed at the Purchaser's expense together with an electric meter which shall also be installed at the Purchaser's expense;
  - (f) TELEPHONE - One empty conduit for telephone will be provided to a point within the Unit from the Condominium's telephone room, in accordance with Bell Telephone's standard requirements and equipment;
  - (g) DATA LINE - One empty conduit for data line will be provided to a point within the Unit from the Condominium's data line room, in accordance with standard requirements and equipment;
  - (h) PLUMBING - Capped 20mm cold water shall be available for connection by the Purchaser, at the Purchaser's expense, and any domestic hot water required shall be provided by way of a domestic hot water heater acquired or rented by the Purchaser at its sole cost and expense;
  - (i) SAFETY SYSTEMS - In accordance with the applicable provisions of the Ontario Building Code.
3. It is expressly understood and agreed that Units separately metered or check metered hydro-electric, gas and water service, the consumption of hydro-electric, gas and water services shall not comprise part of the common expenses, but rather shall be borne and paid for by the Purchaser from and after the Possession Date. The cost of supplying, installing and maintaining the electric, gas and water meters or check meters servicing the Unit shall be paid for by the Purchaser on Closing.
4. The Purchaser acknowledges that where the Unit comprises more than one commercial/retail unit on the Vendor's floor plan, then the Vendor's Finishes shall be supplied and installed by the Vendor as if the Unit comprises only one such space. The Purchaser further acknowledges and agrees that it shall be responsible for supplying, installing and completing all of the Purchaser's Finishes, and all other betterments or improvements to the Unit, in accordance with the drawings, plans and specifications prepared by qualified designers, architects and/or engineers engaged by or on behalf of the Purchaser, all at the Purchaser's sole cost and expense.
5. The Purchaser shall be allowed to install only its trade or store name and logo (hereinafter referred to as the "Purchaser's Store Signage") within the sign-box supplied by the Vendor, for the purpose of advertising the Purchaser's business operations, but only after first obtaining the prior written approval of the Vendor thereto, which approval shall not be unreasonably withheld or unduly delayed, provided that the drawings, plans and specifications of the Purchaser's Store Signage clearly indicating the size, finishes, colors, graphics and manner of affixation of same shall be submitted to the Vendor, and provided further that the Purchaser's Store Signage complies with the Vendor's standard sign criteria policy and the bylaws, rules and regulations of the Governmental Authorities and the Condominium. The Purchaser's Store Signage shall be maintained and operated by the Purchaser at its sole cost, risk and expense, and if at any time hereafter the Purchaser wishes to remove or alter the Purchaser's Store

Signage, it shall do so at its sole cost, risk and expense, and shall repair any damage caused to the Property (or to the common elements and/or other property of the Condominium) as a result of such installation, maintenance, alteration or removal.

6. The Vendor shall have the right, at its sole option and discretion, to deliver to the Purchaser at least ten (10) days prior to commencing the Vendor's interior work within the Unit, a notice enclosing the floor plan for the Unit (hereinafter referred to as the "Vendor's Floor Plan") indicating the approximate dimensions of the Unit and the Vendor's proposed locations and specifications of door and other services, and other installations which comprise the Vendor's Finishes. The Purchaser shall have a period of five (5) days from the receipt of the aforementioned notice and the Vendor's Floor Plan to deliver a notice to the Vendor requesting changes to the locations and specifications of any such door, services and other installations (hereinafter referred to as the "Purchaser's Requested Change Notice"), and the Vendor shall implement such requested changes provided same do not delay or substantially increase the cost of supplying or installing the door, services and other installations comprising the Vendor's Finishes, nor otherwise impact on the cost of the Unit, nor interfere (or clash) with the architectural control or design of the Condominium as determined by the Vendor in its sole and unfettered discretion, and otherwise the locations and specifications of such door, services and other installations comprising the Vendor's Finishes shall remain as shown in the Vendor's Floor Plan. In the event that the Purchaser does not deliver to the Vendor the Purchaser's Requested Change Notice within such five (5) day period, then the Purchaser shall be deemed to have accepted the Vendor's Floor Plan, and the Vendor shall be entitled to supply and install the door, services and other installations in accordance with same. Notwithstanding the foregoing to the contrary, it is understood and agreed that if the Vendor does not deliver (for whatever reason) the Vendor's Floor Plan to the Purchaser, then the Vendor shall nevertheless be entitled to supply the door, services and other installations comprising the Vendor's Finishes, in accordance with the terms and provisions hereof.

#### INSTALLATION OF THE PURCHASER'S FINISHES

7. Prior to commencing the installation of the Purchaser's Finishes, the Purchaser shall:
  - (a) ensure that the Purchaser's Finishes are designed by a qualified architect or engineer, with all plans and specifications depicting the Purchaser's Finishes to reflect a first-class professional retail image, (which plans and specifications shall be delivered to the Vendor for its prior approval, such approval not to be unreasonably withheld);
  - (b) obtain all approvals, licenses, certificates, building permits and any other authorizations required to be procured from the Governmental Authorities in order to lawfully permit the installation and completion of the Purchaser's Finishes, all at the Purchaser's sole cost and expense;
  - (c) deliver to the Vendor a complete set of the plans and specifications illustrating the Purchaser's Finishes as approved by the Governmental Authorities, together with photocopies of all requisite approvals, licenses, certificates, building permits and any other authorizations required to lawfully permit the installation of the Purchaser's Finishes;
  - (d) only permit trades or contractors designated by the Vendor to supply and/or install the Purchaser's Finishes;
  - (e) deliver to the Vendor a written confirmation from each trade or contractor hired to supply and/or install all or any portion of the Purchaser's Finishes, specifically acknowledging or confirming that the Vendor is not an "owner" as such term is defined in the *Construction Lien Act*, R.S.O. 1990, as amended; and
  - (f) deliver to the Vendor a current-dated certified copy of the Purchaser's insurance policy or insurance binder confirming the Purchaser's procurement of insurance coverage for the Property as hereinafter provided or specified.
8. The Purchaser agrees to obtain property damage and public liability insurance coverage (with a minimum coverage of not less than \$2,000,000.00 per occurrence) to insure the Purchaser, the Vendor and any development lender/mortgagee of the Vendor financing the construction of the Condominium (with the Vendor and its mortgagee being specifically shown as the loss payees) against any damage to persons and/or property occasioned during the course of the installation and completion of the Purchaser's Finishes, and throughout the duration of the Occupancy Agreement, and the Purchaser agrees to provide the Vendor with a current-dated certified copy of said insurance policy or insurance binder upon the Vendor's request for same from time to time, together with evidence satisfactory to the Vendor that all premiums for such insurance have been duly paid by the Purchaser.
9. The Purchaser shall be responsible for all damage to the Property and to the proposed Condominium building, and to the common elements of the Condominium, occurring at any time after the Possession Date which is caused by the Purchaser or the Purchaser's employees, agents, workmen, invitees or licensees. The Purchaser shall reimburse the Vendor for the cost of repairs in respect of any such damage, and shall indemnify and save the Vendor harmless from and against all costs, claims, damages and liabilities suffered or incurred by the Vendor in restoring the Property or the Condominium building or the common elements of the Condominium to the condition existing before the occurrence of any such damage.

19. Notwithstanding anything hereinbefore or hereinafter provided to the contrary, it is the Vendor's intention that all commercial/retail Units in the Condominium shall conform to the uses earmarked for the different theme zones described in "Theme Zones By-Law" in which his or her unit is situated, and it is expressly understood and agreed that under no circumstances shall the Purchaser be permitted to use (or allow any other party to use) the Unit or any portion of the Property (whether before or after the closing of this transaction) for any of the following uses or purposes, namely:
- (a) any use involving or requiring the consumption, storage, manufacture or utilization of any toxic waste or contaminant;
  - (b) any purpose (or in any manner) which would likely constitute a nuisance to (or otherwise interfere with) the other unit owners or occupants in the Condominium, or the owners or occupants of any building(s) adjacent to the Lands, by reason of the creation or emission of vibrations, odors, gases, smoke, noise, extremely bright lights, fumes, cinders, soot, waste or otherwise;
  - (c) the administration of any treatment, procedure and/or use determined to be obnoxious or offensive by the Vendor or the board of directors of the Condominium in their sole and unfettered discretion (acting reasonably), or which may be in violation of any applicable by-laws, rules or regulations of the Governmental Authorities or of the Condominium;
  - (d) an adult entertainment or x-rated video store or parlor, at which is offered services, entertainment or items appealing to (or designed to appeal to) erotic or sexual appetites or inclinations, or for any other type of use similar or analogous thereto, regardless of whether same is otherwise lawfully permitted by the Zoning By-Law; and
20. The Purchaser shall, at its sole cost and expense, be solely responsible for:
- (a) determining and satisfying itself as to whether the Unit may be lawfully or properly used for the Purchaser's intended use(s) of same; and
  - (b) obtaining the Purchaser's own occupancy permit (or such other occupancy authorization issued by the Governmental Authorities), and any other consents or permissions to any use proposed to be made of the Unit, as required by the Governmental Authorities pursuant to any applicable legislation, by-law, rule or regulation.
21. The Purchaser hereby expressly acknowledges, confirms and agrees that the Vendor, its representatives and sales agents (including the Agent) have made no warranty or representation whatsoever with respect to the permitted use(s) of the Unit or the availability of any permits, authorizations, consents or permissions as aforesaid, and the Vendor and its representatives and sales agents (including the Agent) shall incur no claim and suffer no cost, loss, damage and/or liability whatsoever in the event that the use(s) intended to be made of the Unit by the Purchaser is not permitted or the Purchaser is unable to obtain the required permits, authorizations, consents or permissions as aforesaid.

SCHEDULE "C"

THE LANDMARK - COMMERCIAL/RETAIL CONDOMINIUM  
GENERAL TERMS AND CONDITIONS

DEFINITIONS

1. In addition to any other defined words or terms used throughout this agreement, the defined terms set out below shall have the meanings ascribed to them as follows, namely:
- (a) the "Act" means the *Condominium Act, 1998*, S.O. 1998, as amended;
  - (b) the "Agent" means any sales representative(s) or sales agent acting on behalf of the Vendor in connection with the sale of any units in the Condominium;
  - (c) the "Closing Date" or "Date of Closing" or "Closing" means that date designated by the Vendor's solicitor as the final closing date on which a registerable transfer of title to the Property will be delivered to the Purchaser, which date shall be at least 20 days after written notice is given by the Vendor's solicitor to the Purchaser or the Purchaser's solicitor that the Creating Documents (as hereinafter defined) have been registered on title to the Lands, provided however, that in no event shall such date be later than 15 months from the Possession Date (as hereinafter defined);
  - (d) the "Condominium" means the condominium which will be registered against the Lands pursuant to the provisions of the Act, and the condominium corporation created thereby;
  - (e) the "Condominium Documents" means the Creating Documents (as hereinafter defined) and the by-laws and rules of the Condominium together with the budget statement and all other documents and agreements which the Vendor and/or the Declarant of the Condominium wishes to have the Condominium enter into subsequent to its registration as a condominium but prior to the registration of the first transfer of title to any unit therein, as may be amended from time to time;
  - (f) the "Creating Documents" means the declaration and description (as such terms are defined in the Act), which are intended to be registered against the Lands and will serve to create the Condominium, as may be amended from time to time;
  - (g) the "Governmental Authorities" means the local municipality in which the Lands are situate, together with any regional, provincial or other governmental authority or agency having jurisdiction over the development of the Lands;
  - (h) the "GST" means the Federal Goods and Services Tax pursuant to the *Excise Tax Act, R.S.C. 1985* or any other tax replacing or supplementing such tax (whether categorized as a business services tax, modified retail sales tax or value-added tax) levied or charged in connection with this transaction;
  - (i) the "Lands" means the lands as defined in paragraph 1 on page 1 of this agreement, on which the Condominium will be constructed and against which it shall be registered;
  - (j) the "Occupancy Agreement" means the agreement described in paragraph 8 of this schedule, which is required to be executed by the Purchaser prior to taking possession of the Property;
  - (k) the "Occupancy Fee" means the monthly fee referred to in paragraph 3 on page 1 of this agreement, payable by the Purchaser to the Vendor, calculated and subject to adjustment in accordance with the provisions of paragraph 8 of this schedule;
  - (l) the "Possession Date" means the date set out in paragraph 3 on page 1 of this agreement, or any extension or acceleration thereof pursuant to the provisions of paragraphs 4 and 5 of this schedule, on which date the Purchaser is required to take occupancy of the Property; provided however that if the Condominium Documents (exclusive of the budget statement) have been registered on title to the Lands for at least 20 days prior to the Possession Date, then the Possession Date shall also constitute and be construed as the "Closing Date" under this agreement, and the provisions of this agreement shall then accordingly be amended *mutatis mutandis* to give effect to same;
  - (m) "POTL" means that parcel of tied land which is for the benefit of the Condominium Corporation and which will be registered prior to the registration of the Condominium Corporation in conjunction with the Common Element Condominium Corporation to be created by the Vendor.
  - (n) the "Property" means the proposed commercial/retail unit(s) described in paragraph 1 on page 1 of this agreement being purchased by the Purchaser hereunder (and defined collectively as the Unit), together with the undivided interest in the common elements appurtenant thereto, and in any common elements designated in the Creating Documents as being for the exclusive use of the owner of the Unit;

- (o) the "Purchaser" means the purchaser(s) defined or described in paragraph 1 on page 1 of this agreement;
- (p) the "Purchaser's Finishes" means all equipment, fixtures, materials and finishes required to be installed, constructed or otherwise completed within the Unit (or adjacent or appurtenant thereto) in order to render the Unit ready for the Purchaser's commercial/retail operations intended to be conducted therefrom, except for those fixtures, materials and/or finishes comprising the Vendor's Finishes (as more particularly described and delineated in paragraph 2 of Schedule "B");
- (q) the "Purchase Price" means the purchase price of the Property as defined in paragraph 2 on page 1 of this agreement;
- (r) the "Vendor" means 2811 DEVELOPMENT CORPORATION, as defined in paragraph 1 of this agreement; and
- (s) the "Unit" means the commercial/retail unit(s) described in paragraph 1 on page 1 of this agreement which comprises part of the Property, and for purposes of clarity, if more than one commercial/retail unit is described in said paragraph 1, then the term "Unit" shall mean all such units so described.

#### PROVISIONS CONFIRMING THE PURCHASER'S FINANCIAL RESOURCES

2. The Purchaser hereby warrants and represents that it has (or will have, on or before the Closing Date) the financial resources to complete the purchase and sale transaction contemplated herein on an all cash basis to the Vendor, either wholly from the Purchaser's own resources or from third party financing that will ultimately be secured by one or more mortgages given by the Purchaser and registered against the Property on or shortly after the Closing Date. All deposit monies due or payable by the Purchaser prior to the Confirmed Possession Date shall be made or tendered by way of a bank draft or cheque drawn on (or issued by) a Canadian chartered bank or trust company, on the express understanding that if a cheque or bank draft is delivered to the Vendor by a third party on behalf of the Purchaser (i.e. drawn on the bank account of such third party, rather than on the bank account of the Purchaser), then such bank draft or cheque shall be deemed to be a payment made by such third party as agent for and on behalf of the Purchaser, in which case it is agreed that the certificate confirming that such deposit monies are being held in a designated trust account by the Vendor's solicitors pending the completion or termination of this transaction or the provision of prescribed security in respect of same (being Form 4, prescribed by Section 39 of O.Reg. 49/01 to the Act) shall be issued and delivered directly to the Purchaser only, and not to such third party.
- (a) In order to evidence and confirm the Purchaser's financial ability to complete this transaction on an all-cash basis to the Vendor on the Closing Date as aforesaid, the Purchaser hereby agrees to submit to the Vendor each of the following documents and items, within 30 days after the date of the Purchaser's signed receipt of this fully executed Agreement, and additionally thereafter within 15 days after the Vendor's written request for same, which request may be made from time to time, on one or more occasions, namely:
    - (i) an irrevocable direction to the Vendor indicating and confirming how the Purchaser wishes to take title to the Property, with such direction nevertheless being subject to the overriding approval of the Vendor and the First Mortgagee;
    - (ii) evidence of the source of the Purchaser's down payment satisfactory to the Vendor and the First Mortgagee, accompanied by written confirmation of the Purchaser's annual income, and any other financial and personal information, documents, instruments or verifications which may be required or desired by the Vendor, the First Mortgagee and any mortgage insurer (if applicable), for the purpose of facilitating the mortgage approval of the Purchaser by the First Mortgagee in connection with any financing that maybe required by the Purchaser to enable the Purchaser to complete this transaction on an all-cash basis to the Vendor on the Closing Date as hereinbefore provided, or for the purpose of determining and establishing the financial ability of the Purchaser to pay the cash balance of the Purchase Price due on the Confirmed Possession Date and/or the Closing Date; and
    - (iii) in those circumstances where the Purchaser is obtaining third party financing to assist the Purchaser in completing this transaction on an all-cash basis to the Vendor, a copy of a binding and unconditional mortgage commitment, financial term sheet or loan agreement (together with any and all amendments made thereto from time to time) issued by the First Mortgagee, or by a third party financial institution or other lender which is satisfactory to the Vendor in its sole and unchallenged discretion, and which evidences and confirms the Purchaser's approval for a mortgage loan in such amount or amounts as may be necessary to enable the Purchaser to complete this transaction on an all-cash basis to the Vendor on the Closing Date, on the express understanding that even if the Purchaser ultimately intends to obtain such financing from a lender other than the First Mortgagee, the Vendor shall nevertheless be entitled to compel the Purchaser to obtain (and the Purchaser shall correspondingly be obliged to procure) mortgage approval for a first mortgage loan directly from the First Mortgagee, in such amounts as will enable the Purchaser to complete this transaction on an all-cash basis to the Vendor on the Closing

Date, and to deliver to the Vendor written confirmation of such approval by the First Mortgagee within 30 days after the date of the Purchaser's signed receipt of this fully executed Agreement.

- (b) The Purchaser is hereby notified that a consumer report containing credit and/or personal information may be referred to at any time in connection with this transaction, and the Purchaser hereby consents to such report being obtained by the Vendor, the Agent and/or the First Mortgagee.
- (c) **In the event that the Purchaser fails to submit the information, evidence and/or documents contemplated in subparagraph 2(a) above within the time period(s) hereinbefore stipulated, and as often as the Vendor, the Vendor's solicitors or the First Mortgagee shall require, or if the information, evidence and/or documentation submitted pursuant to the foregoing provisions hereof [or provided to the Vendor, the Vendor's solicitors or the First Mortgagee pursuant to any other provision(s) of this Agreement, or any amendment or addendum with respect to same] is, in whole or in part, false or misleading, or if the Purchaser fails to disclose any relevant facts pertaining to the Purchaser's mortgage approval and/or the Purchaser's financial circumstances or abilities, then the Purchaser shall be deemed to be in default under this Agreement, and the Vendor shall then have the unilateral right in any of the foregoing circumstances noted in this subparagraph to unilaterally declare this Agreement terminated, by and upon giving written notice thereof to the Purchaser or the Purchaser's solicitor, whereupon:**
  - (i) the Purchaser shall forthwith vacate the Property (or cause same to be forthwith vacated) if same has therefore been occupied, and shall leave the Property in a clean condition, without any physical or cosmetic damages thereto, and clean of all garbage, debris and any furnishings and/or belongings of the Purchaser; and
  - (ii) all terms and provisions herein contained shall thereupon be null and void, and of no further force or effect, and all deposit monies theretofore paid (together with any monies paid for any extras or upgrades which have theretofore been ordered, implemented and/or paid for by the Vendor) shall be immediately forfeited to (and retained by) the Vendor as its liquidated damages and not as a penalty (in addition to, and without prejudice to, any other rights or remedies available to the Vendor, either at law or in equity, as a result of the Purchaser's breach or default as aforesaid), and the Vendor and the Agent shall not be liable for any costs or damages incurred by the Purchaser as a result of this Agreement or the termination thereof pursuant to the foregoing provisions hereof.

#### POSSESSION DATE/TERMS OF OCCUPANCY

3. If the Vendor's Finishes are not substantially completed by the Possession Date specified in paragraph 3 on page 1 of this agreement, or by the accelerated Possession Date established pursuant to paragraph 4 below, for any reason whatsoever (including without limitation, due to strikes, fires, water damages, and/or any other factors or circumstances either within or beyond the Vendor's control), or otherwise, then the Vendor, at its sole option, shall be entitled to unilaterally extend the Possession Date on one or more occasions, for one or more periods of time, not exceeding eighteen (18) months in the aggregate from the Possession Date specified in paragraph 3 on page 1 of this agreement, without any prior written notice to be given by the Vendor to the Purchaser whatsoever, or alternatively, in such event the Vendor may at its sole option declare this agreement to be null and void, whereupon all deposit monies shall be returned to the Purchaser without interest or deduction, and the Vendor (including any agent of the Vendor) shall not be liable for any costs or damages suffered or incurred by the Purchaser as a result of this agreement or the termination thereof in accordance with the foregoing provisions.
4. The Vendor shall have the unilateral right to accelerate the Possession Date (for one or more periods of time, not exceeding six (6) months in total) to any other particular date, upon giving the Purchaser written notice thereof not less than 90 days prior to the proposed accelerated Possession Date.
5. If the Vendor's Finishes are substantially completed by the original Possession Date set forth in paragraph 3 on page 1 of this agreement, or by the Possession Date so extended or accelerated in accordance with the foregoing provisions hereof, as certified in a written certificate (hereinafter referred to as the "Vendor's Finishing Certificate") issued by the Vendor's architect or project manager, then in such event, the Purchaser shall pay to the Vendor as a further deposit the sum set forth in subparagraph 2(f) on page 1 of this agreement, shall take occupancy of the Property thereon as a monthly occupant or licensee, and shall pay the Occupancy Fee referred to in paragraph 3 on page 1 of this agreement, on a monthly basis until the Closing Date. The Occupancy Fee shall be payable in advance on the first day of each month throughout the period between the Possession Date and the Closing Date, on the express understanding that on or before the Purchaser takes possession of the Unit, the Purchaser shall deliver to the Vendor a series of six (6) post-dated cheques (or such greater number as the Vendor may require), each in the amount of the said monthly occupancy fee, for the next six (6) months (or more) immediately following the Stub Period (as hereinafter defined), together with a certified cheque for the Occupancy Fee with respect to the period of time between the Possession Date and the last day of the month following the month in which the Possession Date occurs (the "Stub Period"). No portion of the monthly occupancy fees shall be credited as a payment towards the Purchase Price, and GST shall be applicable on each payment of the monthly occupancy fees. The Vendor's Finishing Certificate shall be deemed to comprise conclusive evidence of its contents.

6. In the event that the Vendor is unable to register the Creating Documents within Fourteen (14) months of the Possession Date, then the Purchaser shall have the right after such time, to terminate this agreement by notice in writing given to the Vendor or its solicitors, and which notice shall terminate the Occupancy Agreement effective the last day in the month following the month in which said notice is given, provided that no such notice or right can be given or exercised by the Purchaser after the Condominium has been registered under the Act. Upon the Purchaser vacating the Property, the Purchaser shall be entitled to the return of the deposit monies together with interest as prescribed in the Act.
  
7. **The monthly occupancy fee to be charged by the Vendor for the Purchaser's occupancy of the Property**, from and after the Possession Date to the Closing Date, shall be the maximum amount allowed under Section 80(4) of the Act [equivalent to the aggregate of the following three components, namely: interest at the rate prescribed by the Act, calculated on a monthly basis on the unpaid balance of the Purchase Price (if any) as at the Possession Date; an amount reasonably estimated by the Vendor on a monthly basis for municipal realty taxes attributable to the Property; and the projected monthly common expense contributions in respect of the Property]. Section 19(1) of O.Reg. 48/01 confirms that for the purpose of computing the interest component of the aforementioned occupancy fee, the prescribed rate of interest under the Act shall be the rate of interest that the Bank of Canada has most recently reported as the chartered bank administered interest rate for a conventional one year mortgage, established or determined as of the first of the month in which the Purchaser assumes (or is required to assume) interim occupancy of the Property. However, for ease of administration purposes, it is understood and agreed that with respect to calculating the interest component of the occupancy fee payable by the Purchaser, the Vendor shall be entitled to utilize the Bank of Canada's reported chartered bank administered interest rate for a conventional one year mortgage on commercial properties, established as of the first of the month immediately preceding the month in which the first interim occupancy closing occurs in this Condominium, and which interest rate figure shall be utilized for calculating the interest component of the occupancy fee for all unit purchasers completing an interim occupancy closing with the Vendor, on the express understanding and agreement that all occupancy fees so paid by the Purchaser shall be re-adjusted between the parties hereto on the Closing Date, if necessary, in order to take into account any variance or discrepancy between the prescribed rate of interest and the rate of interest utilized by the Vendor as aforesaid. It is also expressly agreed that the "deemed re-investment" principle, and its corresponding requirement of an "interest factor", shall not apply to the calculation of the monthly interest component of the occupancy fee. It is further acknowledged and agreed that the common expense component of the occupancy fee shall likewise be re-adjusted between the parties hereto on the Closing Date, if necessary, in order to take into account any variance between the projected monthly common expense contributions in respect of the Property, and the final monthly common expense contributions attributable to the Property as set out in (or as confirmed by) the final first year budget statement in respect of the Condominium. Finally, in accordance with the provisions of subsections 80(8) and (9) of the Act, the realty tax component of the occupancy fee shall be re-adjusted between the parties hereto after the Closing Date, once the final realty taxes (incorporating or reflecting both a land and building value assessment) assessed against the Property (together with all supplementary taxes in connection therewith, if any, which may be assessed and applicable for the balance of the calendar year in which the Closing Date has occurred) have been finally determined or established by the tax department of the local municipality in which the Lands are situate, in order to take into account any variance between the estimated realty taxes attributable to the Property, and the final assessed realty taxes in respect of same. Such re-adjustment with respect to the realty tax component of the occupancy fee shall occur within 60 days following the Vendor's receipt of the final realty tax bill issued in respect of the Property (together with all applicable supplementary tax bills issued in respect of same, for the balance of the calendar year in which the Closing Date has occurred). To facilitate such last-mentioned re-adjustment, the Purchaser shall be obliged to forthwith deliver to the Vendor a copy of the final realty tax bill issued in respect of the Property (including all supplementary tax bills issued in respect of same for the balance of the calendar year in which the Closing Date has occurred) so received by the Purchaser from the tax department of the local municipality, forthwith following the Purchaser's receipt of same.
  
8. The Purchaser's occupancy as a monthly occupant shall be based on the terms and conditions of the Vendor's standard form of occupancy agreement (hereinbefore and hereinafter referred to as the "**Occupancy Agreement**"). The Purchaser shall execute that Occupancy Agreement prior to possession of the Property being given to the Purchaser, and same shall provide, *inter alia*, that:
  - (a) The Property shall be used only for such uses as are permitted by the local municipality's zoning by-laws or restricted area by-laws, and in accordance with the proposed Condominium Documents, and subject to such other restrictions as are set forth in this agreement;
  - (b) The Purchaser shall maintain the Property in a clean and proper condition, and shall make no alterations of any nature or kind whatsoever to the Property without complying with the provisions of this agreement, and the Purchaser shall conform with all other obligations set forth in the Occupancy Agreement;
  - (c) The Purchaser shall not have the right to assign or sublet the Purchaser's rights of occupancy without obtaining the prior written consent of the Vendor (which consent may be unilaterally and arbitrarily withheld);
  - (d) The Purchaser shall, from and after the Possession Date, pay all business taxes, telephone, utility and other charges and expenses billed (or intended to be billed) directly to the Purchaser as owner of the Property by the supplier of such services, or by the Condominium, unless same are included as a proposed common expense;

- (e) The Purchaser shall be responsible for all damages to the Property and to the common elements of the Condominium, caused by the Purchaser or the Purchaser's agents, employees, workmen, invitees and/or licensees. The Purchaser shall reimburse the Vendor for the cost of repairs in respect of any such damage, and shall indemnify and save the Vendor harmless from and against all costs, damages and liabilities suffered or incurred by the Vendor in having to restore the damaged Property and/or common elements to the condition existing before the possession of the Property was granted to the Purchaser; and
  - (f) In the event of damage to the Property by fire or any insurable peril during the period of occupancy, and provided the Property can be repaired within one hundred and twenty (120) days (as determined by the Vendor in its sole and unfettered discretion), then the Property shall be repaired by the Vendor, and the monthly Occupancy Fee shall abate during the making of such repairs. If such damage cannot be repaired within one hundred and twenty (120) days from the date of such damage (as determined by the Vendor in its sole and unfettered discretion), then the Purchaser's occupancy of the Property shall be terminated, and the Purchaser shall forthwith deliver up vacant possession of the Property to the Vendor, and all monies paid by the Purchaser on account of the Purchase Price shall be returned to the Purchaser without interest or deduction, and the Vendor shall not be liable for any costs or damages incurred by the Purchaser as a result of this agreement or the termination thereof pursuant to the foregoing provisions.
9. In an effort to ensure that there are no outstanding executions against the Purchaser (or against a person with a name similar to, or identical to, that of the Purchaser) which might impede any third party financing sought or obtained by the Purchaser in order to facilitate the Purchaser's completion of this transaction on an all-cash basis to the Vendor on the Closing Date, it is expressly understood and agreed that on the **Possession Date, the Purchaser shall deliver to the Vendor's solicitors a clear and up-to-date execution certificate** in respect of the Purchaser's name from the Land Titles Office in which the Lands are registered, and if a clear execution certificate cannot be obtained from the said Land Titles Office because of any outstanding execution(s) filed against a person or persons with a name similar or identical to that of the Purchaser, then in lieu thereof the Purchaser shall be obliged to deliver to the Vendor's solicitors the execution certificate showing the outstanding execution(s) together with an unequivocal and unqualified statutory declaration duly sworn by the Purchaser's solicitor, confirming that the Purchaser is not one and the same person as the judgment debtor named in the said execution(s) and shall also provide such other information and documentation as the Vendor's solicitors may reasonably require in order to be satisfied, in the Vendor's solicitor's sole, absolute, and subjective discretion, that the Purchaser is not one and the same person as the particular execution debtor named in the outstanding execution, including without limitation, the delivery to the Vendor's solicitors of an execution abstract or summary providing details of all such outstanding executions, as issued and certified by the Sheriff at the Land Titles Office in which the Lands are registered.
10. The Purchaser acknowledges and agrees that in the event this agreement is terminated, other than by way of the final closing of the purchase and sale transaction contemplated hereunder, then the Purchaser shall be obliged to vacate the Property in the shortest period of time required, at law or in equity, by a licensor to terminate a licensee at will.
11. On the Possession Date, the Purchaser shall deliver to the Vendor:
- (a) the requisite number of post-dated cheques made payable to the Vendor, each in the amount of the monthly Occupancy Fee for the period following the Possession Date as determined by the Vendor as described above;
  - (b) a **certified cheque** for the occupancy fee with respect to the Stub Period;
  - (c) an insurance certificate (or a certified copy of the Purchaser's insurance policy) in respect of the Property, as is required to be obtained by the Purchaser in accordance with the provisions of this agreement;
  - (d) three (3) copies of the Occupancy Agreement engrossed or drawn in the name of the Purchaser set forth on page 1 hereof, and duly executed by the Purchaser;
  - (e) an irrevocable direction to the Vendor confirming the manner in which the Purchaser wishes to take title to the Property, accompanied by the date of birth and social insurance number of each person taking title to the Property, and supported by a copy of their respective birth certificates (issued by the Department of Vital Statistics) if so requested by the Vendor, or in the event that the Purchaser is a corporation, a Notarial copy of the Articles of Incorporation. It is further understood and agreed that if the Purchaser fails to deliver the irrevocable direction at such time, then the Purchaser shall be deemed to have agreed to accept title to the Property in the name(s) that the Purchaser is identified or described in this Agreement (or in any amending agreement or addendum thereto), and thereafter the Purchaser shall not be entitled to request any further changes to the name(s) or manner in which title is to be taken; and
  - (f) any other documents required by the Vendor or its solicitor acting reasonably.



TITLE

12. Provided that the title to the Property is good and free from all encumbrances, save as otherwise provided or contemplated in this Agreement. The Purchaser specifically agrees to accept title to the Property (and the Lands) on the Closing Date subject to any and all:
- (a) registered restrictions or covenants that run with the land, including any encroachment agreement(s) with any Governmental Authorities or adjacent land owner(s), provided that same are complied with as at the Closing Date;
  - (b) easements, rights-of-way and/or licences now registered (or to be registered hereafter) for the supply and installation of utility services, drainage, telephone services, electricity, gas, storm and/or sanitary sewers, water, cable television and/or any other service(s) to or for the benefit of the Condominium (or to any adjacent or neighbouring properties), including any easement(s) which may be required by the Vendor (or by the owner of the Lands, if not one and the same as the Vendor), or by any owner(s) of adjacent or neighbouring properties, for servicing and/or access to (or entry from) such properties, together with any easement and cost-sharing agreement(s) or reciprocal agreement(s) confirming (or pertaining to) any easement or right-of-way for access, egress, support and/or servicing purposes, and/or pertaining to the sharing of any services, facilities and/or amenities with adjacent or neighbouring property owners, provided that any such easement and cost-sharing agreements or reciprocal agreements are (insofar as the obligations thereunder pertaining to the Lands, or any portion thereof, are concerned, including the rights, covenants and restrictions imposed by the Common Element Condominium Corporation with respect to lands which are adjacent to the Lands) complied with as at the Closing Date;
  - (c) registered municipal agreements and registered agreements with publicly regulated utilities and/or with local ratepayer associations, including without limitation, any development, site plan, subdivision, engineering and/or other municipal agreement (or similar agreements entered into with any of the Governmental Authorities), and expressly including those agreements more specifically described in paragraph 13 hereof (with all of such agreements being hereinafter collectively referred to as the "Development Agreements"), provided that same are complied with as at the Closing Date, or security has been posted by the Vendor (or its predecessor(s) in title) in such amounts and on such terms as may be required by the Governmental Authorities to ensure compliance therewith and/or the completion of any outstanding obligations thereunder;
  - (d) unregistered or inchoate liens for unpaid utilities in respect of which no formal bill, account or invoice has been issued by the relevant utility authority (or if issued, the time for payment of same has not yet expired), without any claim or request by the Purchaser for any utility holdback(s) or reduction/abatement in the Purchase Price, provided that the Vendor delivers to the Purchaser the Vendor's written undertaking to pay all outstanding utility accounts owing with respect to the Property (including any amounts owing in connection with any final meter reading(s) taken on or immediately prior to the Closing Date, if applicable), as soon as reasonably possible after the completion of this transaction;
  - (e) outstanding mortgages (and any other security collateral thereto, including any general assignment of rents and leases) registered against the Property and not intended to be assumed by the Purchaser, provided that the Vendor delivers to the Purchaser, on or before the Closing Date:
    - (i) a letter from each of the outstanding mortgagees (or from their respective solicitors) confirming that within a reasonable time after the Closing Date and the Purchaser's payment to the Vendor's solicitor (or to one or more of the outstanding mortgagees, if so directed by the Vendor's solicitor) of all monies owing to the Vendor on account of the Purchase Price (including the balance due on Closing as per the statement of adjustments prepared by or on behalf of the Vendor), a partial discharge of the said outstanding mortgage security in respect of the Property shall be delivered to the Vendor's solicitor for registration on title; and
    - (ii) the Vendor's solicitor's personal written undertaking to obtain and register a partial discharge of the said outstanding mortgage security in respect of the Property, within a reasonable time after the later of the Closing Date, or the date that all monies owing to the Vendor on account of the Purchase Price (including the balance due on Closing as per the statement of adjustments prepared by or on behalf of the Vendor) have been paid in full by the Purchaser.
  - (f) the terms, provisions, restrictions and conditions contained in the registered Condominium Documents, or any documentation restricting and regulating the use of any lands adjacent to the Lands.

**IT IS UNDERSTOOD AND AGREED THAT THE VENDOR SHALL NOT BE OBLIGED TO OBTAIN OR REGISTER ON TITLE TO THE PROPERTY A RELEASE OF (OR AN AMENDMENT TO) ANY OF THE AFOREMENTIONED EASEMENTS, DEVELOPMENT AGREEMENTS, RECIPROCAL AGREEMENTS OR RESTRICTIVE COVENANTS, NOR SHALL THE VENDOR BE OBLIGED TO HAVE ANY OF SAME DELETED FROM THE TITLE TO THE PROPERTY, AND THE PURCHASER HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE PURCHASER SHALL SATISFY HIMSELF OR HERSELF AS TO COMPLIANCE THEREWITH. The Purchaser agrees to observe and comply with the terms and provisions of the Development Agreements, and all restrictive**

covenants registered on title. The Purchaser further acknowledges and agrees that the retention by the local municipality within which the Lands are situate (the "Municipality"), or by any of the other Governmental Authorities, of security (eg. in the form of cash, letters of credit, a performance bond, etc., satisfactory to the Municipality and/or any of the other Governmental Authorities) intended to guarantee the fulfilment of any outstanding obligations under the Development Agreements shall, for the purposes of the purchase and sale transaction contemplated hereunder, be deemed to be satisfactory compliance with the terms and provisions of the Development Agreements. The Purchaser also acknowledges that the wires, cables and fittings comprising the cable television system serving the Property are (or may be) owned by the local cable television supplier, or by the owner of the communication control unit in this Condominium, or by a company associated, affiliated with or related to the Vendor.

13. Subject to (and without limiting the generality of) the preceding paragraph 12, the Purchaser acknowledges and agrees that title to the Property and/or the Lands is (or may on Closing be) subject to the following instruments, agreements, restrictive covenants, easements and/or interests, and agrees to comply with (and abide by) all of the terms and provisions of said instruments, agreements, covenants and easements (as the case may be), AND THE PURCHASER SHALL NOT REQUIRE (NOR REQUISITION) ANY RELEASES OR DISCHARGES OF SAME WITH RESPECT TO THE PROPERTY OR THE LANDS, NOR ANY AMENDMENTS WITH RESPECT THERETO, NOR ANY CONFIRMATION OR EVIDENCE OF COMPLIANCE THEREWITH, namely:
- (a) one or more agreements entered into with the Municipality governing, regulating or otherwise pertaining to various easements over lands owned by the Municipality and serving and benefiting the Lands, as well as any agreements with the Municipality with respect to the maintenance and/or implementation of limiting distance and spatial separation requirements;
  - (b) a right of re-entry or licence in favour of the Vendor and/or the City to enter upon the Lands at any time or times following the closing of this transaction for the purposes of inspecting, maintaining and/or repairing any municipal works, services and/or facilities installed upon the Lands;
  - (c) an easement in perpetuity in favour of the Toronto Hydro-Electric Commission or its successors and assigns (the "Hydro Commission") over, under, upon, across and through the common elements of the Condominium, for the purposes of facilitating the installation, operation, maintenance and/or repair of the Hydro Commission's electrical plant and hydro lines (and all necessary appurtenances thereto) in order to facilitate the supply of hydro-electric service to the Condominium, and if so requested by the Hydro Commission, title may also be subject to an agreement between the Condominium and the Hydro Commission pertaining to the provision of hydro-electric service to the Condominium (hereinafter referred to as the "Hydro Agreement");
  - (d) an easement in perpetuity in favour of Enbridge Consumers' Gas Company Ltd. or its successors and assigns (the "Gas Company") over, under, upon, across and through the common elements of the Condominium for the purposes of facilitating the installation, operation, maintenance and/or repair of the Gas Company's gas lines (and all necessary appurtenances thereto) in order to facilitate the supply of gas service to the Condominium, and if so requested by the Gas Company, title may also be subject to an agreement between the Condominium and the Gas Company pertaining to the provision of gas service to the Condominium (hereinafter referred to as the "Gas Agreement"); and possibly subject to a notice of security interest in favour of the Gas Company with respect to any fixtures or equipment installed by the Gas Company within any portion of the lands and premises encompassed within the Condominium's description plan;
  - (e) an easement in perpetuity in favour of Rogers Cable T.V. Limited or an affiliate thereof or its successors and assigns (the "Cable Company") over, under, upon, across and through the common elements of the Condominium for the purposes of facilitating the installation, operation, maintenance and/or repair of the Cable Company's cable television lines (and all necessary appurtenances thereto) in order to facilitate the supply of cable television service to each of the units in the Condominium, with each unit owner being separately billed or invoiced directly by the Cable Company for all cable television services so consumed, and if so requested by the Cable Company, title may also be subject to an agreement between the Condominium and the Cable Company pertaining to the provision of cable television service to the Condominium (hereinafter referred to as the "Cable Agreement");
  - (f) an easement in perpetuity in favour of Bell Canada or an affiliate thereof or its successors and assigns (the "Phone Company") over, under, upon, across and through the common elements of the Condominium for the purposes of facilitating the installation, operation, maintenance and/or repair of the Phone Company's telephone and/or telecommunication lines (and all necessary appurtenances thereto) in order to facilitate the supply of telephone and telecommunication service to each of the units in the Condominium, with each unit owner being separately billed or invoiced directly by the Phone Company for all telephone and telecommunication services so consumed, and if so requested by the Phone Company, title may also be subject to an agreement between the Condominium and the Phone Company pertaining to the provision of telephone and/or telecommunication services to the Condominium (hereinafter referred to as the "Phone Agreement");
  - (g) a condominium development agreement between the Vendor and the City pertaining to the maintenance of grading and drainage patterns, emergency fire/access routes, landscaping and other site completion matters, and/or other outstanding municipal concerns involving the ongoing

operation and maintenance of the Condominium and any lands adjacent to the Lands (hereinafter referred to as the "Condominium Development Agreement"); and

- (h) an assumption agreement or agreements entered into by the Condominium with the Vendor and/or the City, pursuant to which the condominium corporation formally assumes all obligations and liabilities of the Vendor arising under any outstanding municipal site plan agreement and/or condominium development agreement to maintain the works, services and/or facilities constructed or installed within the lands and premises encompassed within the condominium description plan of the Condominium (hereinafter referred to as the "Condominium Assumption Agreement").
14. The Purchaser further agrees to accept title to the Property subject to the Condominium Documents being registered on title, notwithstanding that same may be amended and varied from the proposed Condominium Documents which were given to the Purchaser when entering into this Agreement. The Purchaser further acknowledges and agrees that the registered Condominium Documents and final budget statement for the one year period immediately following registration of the Condominium may vary from the proposed Condominium Documents and budget statement given to the Purchaser when entering into this Agreement, and the Purchaser hereby acknowledges and agrees that in the event there is a material amendment to any of the documentation or information comprising the Condominium Documents (whether or not registered on title), then the Purchaser's only remedy shall be rescission of this agreement within ten (10) days of the Purchaser or the Purchaser's solicitor receiving notice of (or otherwise becoming aware of) such material amendment, and under no circumstances shall the Purchaser be entitled to claim specific performance and/or damages (either legal or equitable) against the Vendor or the Agent as a result thereof, notwithstanding any rule of law or equity to the contrary. Without limiting the generality of the foregoing, it is expressly understood and agreed that the Vendor shall be entitled to unilaterally make changes to the proposed first year budget statement from time to time, on one or more occasions prior to the final closing of this transaction, as and when deemed necessary or appropriate by the Vendor to accurately reflect projected costs and/or any increases with respect to same, and in the event that any such change or series of changes (either individually or collectively) is (or would be) considered or construed by a court of competent jurisdiction to be material, then the Purchaser's only right, remedy and recourse in such circumstances is to rescind this agreement, in writing, within ten (10) days of the Purchaser or the Purchaser's solicitor receiving notice of any such revision(s) to the budget statement, failing which this transaction shall proceed to completion and the Purchaser shall not be entitled to thereafter claim specific performance and/or damages (either legal or equitable) against the Vendor or the Agent as a result of any such change or series of changes to the budget, nor shall the Purchaser be entitled to claim any abatement or set-off against the Purchase Price therefor, nor institute or pursue any other legal or equitable claim or relief whatsoever in connection therewith.
15. The Purchaser agrees that this agreement shall be subordinated to and postponed to the mortgage(s) arranged by the Vendor (and presently registered or to be registered on title to the Lands) and any advances made thereunder from time to time, and to any easements or agreements referred to herein to which title may be subject, and to all of the Condominium Documents. The Purchaser agrees to execute all necessary documents and assurances to give effect to the foregoing as required by the Vendor.
16. **The Purchaser shall not register**, or cause to be registered, this agreement on title to the Property and/or the Lands, nor any notice thereof, nor any caution or lis pendens with respect thereto, nor any certificate of pending litigation or other similar court process, until after the Closing Date, it being expressly understood and agreed by the parties hereto that in no event shall the Purchaser be deemed or construed to have any interest whatsoever in the Property and/or the Lands prior to Closing, and that the Purchaser's only remedy against the Vendor for breach of this agreement shall be rescission and a claim for the return of the Purchaser's deposit monies, and not a claim for specific performance or damages. Any registration by the Purchaser in contravention of this subparagraph shall constitute a fundamental breach of this agreement, entitling the Vendor to the rights, remedies and powers hereinafter set out.
17. The Purchaser further covenants and agrees to accept title to the Property subject to the covenants and restrictions hereinbefore and hereinafter described, and to accept a transfer/deed containing such covenants and restrictions (or any form similar thereto), and the Purchaser hereby undertakes and agrees to abide by such covenants and restrictions after the Closing Date, and to exact similar covenants and restrictions from the Purchaser's immediate successors in title to the Property, all of which shall be assigned to and for the benefit of the Vendor. The dominant lands to which the foregoing covenants and restrictions are intended to be annexed, and which are being benefited thereby, comprise all or any portion of the Lands, and any lands adjacent thereto or in the neighbouring vicinity thereof which are owned or retained by the Vendor.
18. The Purchaser further agrees to accept title from the registered owner of the Property and to accept such owner's title covenants in lieu of the Vendor's, in the event that the Vendor is not the registered owner of the Property on Closing. The Vendor shall be entitled to insert in the transfer specific covenants by the Purchaser pertaining to any or all of the restrictions, easements, covenants and agreements referred to in this agreement, and in such case, the Purchaser may be required to execute the transfer prior to Closing, or the Vendor may require that the Purchaser deliver separate written covenants on Closing.

#### **REQUISITIONS**

19. The Purchaser shall examine the title to the Property at his or her own expense, and shall not call for the production of any surveys, title deeds, abstracts of title, grading certificates, occupancy permits or certificates, nor any other proof or evidence of the title or occupiability of the Property, except such copies

thereof as are in the Vendor's possession. The Purchaser shall be allowed to submit his or her requisitions as to title and with respect to any other matters, up until fifteen (15) days prior to the Closing Date set forth in (or established by) this Agreement, and if within that time the Purchaser shall furnish the Vendor in writing with any valid objection to title or to any outstanding work order which the Vendor shall be unable or unwilling to remove, remedy or satisfy, or obtain title insurance in respect thereof in favour of the Purchaser and any mortgagee(s) financing the Purchaser's acquisition of the Property (with all related premiums for such insurance to be borne by the Vendor at its sole cost and expense) [excluding, however, any objections to title and/or work orders caused by or on behalf of the Purchaser in connection with the installation of the Purchaser's Finishes or otherwise (such as, without limitation, deficiency notices, orders to comply, or construction liens), all of which the Purchaser expressly agrees to accept on Closing as permitted encumbrances without requisition, objection, challenge, abatement, or compensation], and which requisition(s) or objection(s) the Purchaser will not waive, then this Agreement shall, notwithstanding any intervening acts or negotiations, be null and void, and the deposit monies theretofore paid shall be returned to the Purchaser without interest or deduction, save for deductions for any Extras ordered by the Purchaser and as yet unpaid, and the Vendor shall have no further liability or obligation hereunder and shall not be liable for any costs or damages thereby. Save as to any valid objection(s) so made within such time, the Purchaser shall be conclusively deemed to have accepted the title to the Property. The Purchaser acknowledges and agrees that the Vendor shall be entitled to respond to some or all of the requisitions submitted by or on behalf of the Purchaser through the use of a standard title memorandum or title advice statement prepared by the Vendor's solicitors, and that same shall constitute a satisfactory manner of responding to the Purchaser's requisitions, thereby relieving the Vendor and the Vendor's solicitors of the requirement to respond directly or specifically to the Purchaser's requisitions.

#### ADJUSTMENTS

20. It is understood and agreed that all statutory interest earned or accrued on the Purchaser's deposits, together with compound interest thereon as contemplated by section 82(5) of the Act, shall be paid or credited to the Purchaser in the statement of adjustments on the Closing Date, and with all adjustments hereinafter described to be reflected in the statement of adjustments prepared by the Vendor or the Declarant's Solicitors in connection with the final closing of this transaction. The Purchase Price shall be adjusted to reflect the following items (where applicable, as determined by the Vendor in its sole and unfettered discretion), which shall be apportioned and allowed to the Closing Date, with that day itself to be apportioned to the Purchaser, namely:
- (a) **occupancy fees, plus GST**, owing by the Purchaser for the interim occupancy period prior to the Closing Date (if applicable);
  - (b) **common expense contributions** attributable to the Property, with the Purchaser being obliged to provide the Vendor on or before the Closing Date with a series of post-dated cheques payable to the condominium corporation for the common expense contributions attributable to the Property, for such period of time after the Closing Date as determined by the Vendor (but in no event for more than one year);
  - (c) **realty taxes**, with same being adjusted as if the Property had been fully completed, separately assessed (including any supplementary assessment with respect thereto), and fully paid for by the Vendor, notwithstanding that said realty taxes may not have been levied, assessed and/or paid (in whole or in part) by the Closing Date, on the express understanding that if, in fact, any assessed realty taxes attributable to the Property have not been paid in accordance with the manner that same have been adjusted for in the statement of adjustments, then the Vendor shall provide the Purchaser on Closing with its written undertaking to pay same in accordance with the statement of adjustments forthwith after closing, and the Purchaser shall accept said undertaking and complete the transaction in accordance therewith. The aforementioned realty tax adjustment shall be subject to re-adjustment, as and when the actual final assessment for the Property is available. In addition, the Purchaser shall, on the Closing Date, pay and/or reimburse the Vendor proportionately for any realty taxes required to be paid by the Vendor to the local municipality for the balance of the year in which the Closing Date occurs, and/or for the succeeding year after Closing;
  - (d) **all additional, new or increased charges and/or levies** imposed or assessed in connection with the development of the Lands as a commercial/retail condominium as contemplated herein and in the Condominium Documents by any municipal, regional or other governmental authority or school board after the date of the Purchaser's execution of this agreement, in excess of the charges and levies imposed or assessed by such governmental authority relating to the development of the Lands prior to the date of the Purchaser's execution of this agreement;
  - (e) **the cost of installing any hydro, water and/or gas meter(s) appurtenant to the Unit** [and/or any check meter, sub-meter or consumption meter installed as an appurtenance to the Unit that measures the Unit's separate or individual consumption (or assists in calculating its proportionate consumption) of any hydro, water and/or gas service so consumed or utilized], if applicable (i.e. in those instances where the Unit is individually metered, check metered or sub-metered for any or all of such utility services), shall be paid by the Purchaser (or reimbursed by the Purchaser to and in favour of the Vendor) as an adjustment on Closing;
  - (f) an administration fee of \$200.00 plus GST for each cheque which is not accepted by the Vendor's Solicitor's bank or with respect to which any additional attention is required from either the

Vendor or the Vendor's Solicitor beyond simply depositing the cheque on the date prescribed by this Agreement;

- (g) the transaction levy surcharge fee imposed on the Vendor's Solicitor by the Law Society of Upper Canada or LPIC in connection with the delivery of a transfer/deed of land to the Purchaser on the Closing Date;
- (h) an amount equal to Forty Dollars (\$40.00) for each Form 4 Evidence of Compliance issued pursuant to Ontario Regulation 49/01 and Section 81(6) of the Act.
- (i) any legal fees and disbursements charged to the Purchaser for not utilizing the Electronic Closing System (as herein defined) to facilitate the interim occupancy and final closing of the transaction pursuant to the terms of this Agreement and/or charged to the Purchaser for implementing any changes to any of the interim closing and/or final closing documents that have been requested by the Purchaser and ultimately agreed to by the Vendor, or for reproducing and resending any interim closing package or final closing package (or any portion thereof) pursuant to the provisions of this Agreement.

#### G.S.T.

21. It is expressly understood and agreed by the parties hereto that the Purchase Price and the monthly occupancy fees payable by the Purchaser hereunder are exclusive of GST. The Purchaser shall also be solely responsible for any GST applicable to (or eligible in respect of) the forfeiture of all or any portion of the Purchaser's deposits paid hereunder as a result of the termination of this agreement consequent upon the Purchaser's default. The Purchaser hereby warrants, covenants and agrees that the Purchaser is (or on Closing will be) registered under the *Excise Tax Act*, and shall be solely responsible for paying and remitting any applicable GST exigible whatsoever or howsoever in connection with this transaction, on its own, pursuant to Sections 221(2) and 228(4) of the *Excise Tax Act*. Moreover, the Purchaser covenants and agrees to provide the Vendor, forthwith upon demand, and in any event prior to Closing, with evidence of the Purchaser's registration under the *Excise Tax Act*, which evidence shall be in a form acceptable to the Vendor in its sole and unfettered discretion, together with the undertaking of the Purchaser to self-assess and to indemnify the Vendor with respect to GST penalties in a form acceptable to the Vendor. If, prior to Closing, the Purchaser has not provided the Vendor with such satisfactory evidence that the Purchaser is a registrant under the *Excise Tax Act*, then the Vendor shall be allowed to charge the Purchaser with the amount of any such GST in the statement of adjustments on the Closing Date, notwithstanding that same may not have been formally or finally levied and/or payable by the Closing Date. In the event that the Purchaser fails to pay and/or reimburse the Vendor with respect to such taxes (including without limitation, the Purchaser's failure to pay or remit to the Vendor on Closing the GST exigible in connection with this transaction), and/or the Purchaser fails to provide satisfactory evidence to the Vendor of the Purchaser's status as a registrant under the *Excise Tax Act*, then in addition to any other rights or remedies available to the Vendor at law or in equity, the Vendor shall have the unilateral right to terminate this agreement by delivering a notice to that effect to the Purchaser at any time on or before Closing, and all monies theretofore paid by the Purchaser to the Vendor shall be forfeited to the Vendor as its liquidated damages, and not as a penalty, without prejudice to the Vendor's pursuit of a claim in damages against the Purchaser as a result of the Purchaser's default.

#### CONDITIONAL ON CONDOMINIUM REGISTRATION

22. The Purchaser acknowledges that the Condominium Documents may not yet be registered by the Vendor, and subject to the provisions of this agreement to the contrary, this agreement shall be conditional upon such registration, failing which this agreement shall be null and void and the Vendor and Purchaser shall have no further liabilities or obligations hereunder, and neither of the parties hereto shall hereafter be liable to the other for any costs, damages and/or liabilities that may be suffered or incurred by them in connection with this agreement, or the termination thereof as a result of such non-registration, and all monies paid towards the Purchase Price shall be returned to the Purchaser without interest or deduction.

#### TERMS ON PURCHASER SELLING

23. The Purchaser covenants and agrees with the Vendor not to list for sale, advertise for sale, offer for lease, offer for sale, sell, lease, transfer or assign his interest under this Agreement or in the Unit, at any time prior to the Closing Date without first: (i) obtaining the written consent of the Vendor which consent shall not be unreasonably withheld; (ii) acknowledging in writing that the Purchaser shall remain fully responsible for the Purchaser's covenants, agreements and obligations contained in this Agreement; (iii) obtaining an assignment and assumption agreement from the transferee/assignee in a form acceptable to the Vendor acting reasonably; (iv) remitting payment of the sum of \$5,000.00 (plus applicable GST) by certified cheque representing an administration fee payable to the Vendor for processing and for allowing such transfer or assignment; and (v) obtaining the written consent or approval from any lending institution or mortgagee providing any financing to the Vendor, construction or otherwise, for the development and construction of the Condominium, in the event such consent or approval is required to be obtained by the Vendor as a condition for the advance or continued advance of any funds in respect of such financing.

CONSTRUCTION MATTERS

24. The Purchaser acknowledges that the area of the Unit, as represented or referred to by the Vendor or by the Agent (or as shown in any floor plan, sketch or rendering) is approximate only, and is generally measured to the outside of all exterior, corridor and stairwell walls, and to the center line of all party walls separating one unit from another. The actual usable floor space of the Unit may vary from any stated floor area, and accordingly the Purchaser hereby confirms and agrees that all details and dimensions of the Unit purchased hereunder are approximate only, and that the purchase price shall not be subject to any adjustment based upon square footage, net floor area or otherwise.
25. The Vendor shall complete the common elements of the Condominium as soon as reasonably practicable, but the failure of the Vendor to complete same by the Possession Date or the Closing Date, or to complete any incomplete and/or deficient items which are listed in the Vendor's Finishing Certificate (provided that the Vendor's Finishes are substantially completed as stated in such certificate) shall in no event entitle the Purchaser to refuse to take possession of the Property and/or to close the within transaction on the Closing Date, or to fail to remit to the Vendor the entire amount of purchase monies required to be paid by the Purchaser hereunder, or to maintain any holdback of any part of the Purchase Price, and the Vendor hereby undertakes to complete the Unit and all unfinished work or improvements comprising the Vendor's Finishes in accordance with this agreement.
26. The Purchaser acknowledges and agrees that the Vendor may, from time to time in its sole discretion, or as required by any Governmental Authority, change, vary or modify the plans and specifications pertaining to the Property or the Condominium, (including architectural, structural, engineering, landscaping, grading, mechanical, site service or other plans) from the plans and specifications existing at the inception of the project, or as they exist at the time the Purchaser has entered into this agreement, or as same may be illustrated in any sales brochure(s), model(s) in the sales office or otherwise, and the Purchaser shall have absolutely no claim or cause of action whatsoever against the Vendor or its agent(s) for any such changes, variances or modifications, nor shall the Purchaser be entitled to any notice thereof, and where any such change, variation or modification is material or substantial in nature, then the Purchaser's only recourse and remedy shall be the termination of this agreement prior to the Closing Date (and specifically within 10 days after the Purchaser is notified or otherwise made aware of the material change), and the concomitant return of the Purchaser's deposit monies, together with interest accrued thereon at the rate prescribed by the Act. The Purchaser further expressly acknowledges that the Vendor's ability to change, vary or modify the plans and specifications pertaining to the Property is an essential requirement for the successful marketing and completion of the project (which is agreed to be to the mutual benefit of the Vendor and all potential unit purchasers), and that in consideration of the Purchaser assuming this risk of potential major or minor changes to the Property, the Purchaser hereby acknowledges having received the benefit of a sale price which may (or may not) be lower than the prices that are (or may be) applicable to units comparable to the Property, when the same shall have been fully constructed and completed.
27. The Purchaser acknowledges that the Vendor may, from time to time, substitute such other materials utilized in the construction of the Property, the common elements of the Condominium, (or in any shared amenities), from those specified or contemplated in the aforesaid plans or specifications, provided that the quality of any substituted material(s) is equal to or better than the material(s) originally indicated in said plans or specifications.
28. The Purchaser acknowledges and agrees that the issuance of the Vendor's Finishing Certificate shall constitute complete and absolute acceptance by the Purchaser of all construction matters relating to same and the filing of the Vendor's consulting engineer's certificate or to the common elements respectively, and the quality and sufficiency thereof including, without limitation, all mechanical, structural and architectural matters. The Purchaser acknowledges and agrees that the units will be constructed substantially in accordance with plans and specifications filed with the Building Department of the City of Toronto and the Ontario Building Code and that the Purchaser shall have no claims against the Vendor for any higher or better standards of workmanship or materials than required in such plans and specifications and pursuant to the Ontario Building Code. The Purchaser agrees that the foregoing may be pleaded by the Vendor as an estoppel in any action brought by the Purchaser or his successors in title to the Vendor.
29. Notwithstanding anything contained in this agreement to the contrary, it is understood and agreed by the parties hereto that in the event that construction of the Unit is not completed on or before the Possession Date, or any extension thereof as hereinbefore contemplated, for any reason whatsoever except for the Vendor's willful neglect, or in the event the Purchaser cannot take possession of the Property on the Possession Date by reason of any fire damage or other hazards or damages whatsoever occasioned thereto, the Vendor shall not be responsible or liable for reimbursing the Purchaser for any costs, expenses, or damages suffered or incurred by the Purchaser as a result of such delay or damage, and specifically shall not be responsible for any costs and expenses incurred by the Purchaser in obtaining alternate business accommodation pending the completion of construction of the Unit or the rectification of the damage, nor for any costs incurred in having to store or move the Purchaser's equipment or other belongings pending such completion or rectification work or for any financial loss whatsoever.
30. The Purchaser further agrees that the Vendor shall have the right to enter upon the Property after the completion of this transaction, in order to complete and/or rectify any items which are set out in the Vendor's Finishing Certificate, and the Vendor agrees to complete and/or rectify same within a reasonable time after Closing, having regard to the availability of equipment, materials and labour.

EXECUTION OF DOCUMENTS

31. The Purchaser hereby irrevocably constitutes and appoints the Vendor to be and act as his or her lawful attorney, in the Purchaser's name, place and stead, in order to execute any condominium deposit insurance policy (and related documents) issued by St. Paul Guarantee Insurance Company (or by any other insurer or bonding company providing prescribed security for the Purchaser's deposit monies pursuant to the Act) if, in fact, same is procured by the Vendor. In accordance with the provisions of the *Powers of Attorney Act*, R.S.O. 1990, as amended, the Purchaser hereby confirms and agrees that this power of attorney may be exercised by the Vendor during any subsequent legal incapacity of the Purchaser.
32. If any documents required to be executed and delivered by the Purchaser to the Vendor are, in fact, executed by a third party appointed as the attorney for the Purchaser, then the power of attorney appointing such person must be registered in the Land Titles office where the Lands are registered, and a duplicate registered copy thereof (together with a statutory declaration sworn by the attorney or the Purchaser's solicitor confirming that said power of attorney has not been revoked and to which a true copy of the power of attorney is attached) shall be delivered to the Vendor along with such documents.
33. Where a third party has been appointed as the attorney for the Purchaser for the purposes of executing any documents contemplated by this agreement, then any notices required or desired to be delivered to the Purchaser in accordance with this agreement hereof may be given to the said attorney, in lieu of the Purchaser or the Purchaser's solicitor (and shall be deemed to have been received by the Purchaser when so delivered to the Purchaser's attorney); and
34. Each of the individuals comprising the Purchaser, if more than one (hereinafter referred to as the "Donor") hereby constitutes and appoints the other (hereinafter referred to as the "Donee") to be and act as the Donor's lawful agent and attorney, in order to execute the Purchaser's acknowledgment of receipt of the Condominium Document, and/or for the purposes of receiving notices required or desired to be delivered by the Vendor in accordance with the Agreement. In accordance with the provisions of the *Powers of Attorney Act*, R.S.O. 1990 as amended, the Donor hereby confirms and agrees that this power of attorney may be exercised by the Donee during any subsequent legal incapacity of the Donor, and shall only be revoked upon the death of the Donor or upon the Donor delivering written notice of such revocation to the Vendor.
35. Where the Purchaser herein is a corporation, or where the Purchaser is buying in trust for a corporation to be incorporated, the execution of this agreement by the principal or principals of such corporation, or by the person named as the Purchaser in trust for a corporation to be incorporated, as the case may be, shall be deemed and construed to constitute the personal guarantee of such person or persons so signing with respect to the obligations of the Purchaser herein, and such person or persons shall also be correspondingly obliged to unconditionally guarantee any mortgage(s) required to be given by the Purchaser on Closing, in accordance with the provisions hereof.
36. It is expressly acknowledged and agreed that the Vendor's execution of any closing documents required or desired in connection with the interim occupancy and/or final closing of this purchase and sale transaction may, at the Vendor's sole option, be made or manifested by way of an electronic signature (as such term is defined in the *Electronic Commerce Act, 2000*, S.O. 2000, as amended), undertaken by or through a computer program or any other electronic means, as expressly provided or contemplated by (and in accordance with the provisions of) the *Electronic Commerce Act, 2000*, S.O. 2000, as amended.

TENDER

37. (a) Any tender of documents or monies hereunder shall be made respectively upon the Vendor or the Purchaser, or upon their respective solicitors, and any monies due or payable by the Purchaser on the Possession Date and/or on the Closing Date shall be tendered by way of a bank draft or certified cheque made payable to the Vendor's solicitors drawn on (or issued by) a Canadian chartered bank or trust company. In the event that such tender relates to the interim occupancy closing contemplated in paragraph 5 of this Schedule "C", then such tender shall be made on the Possession Date by the attendance of the parties hereto, or their respective solicitors or authorized representatives, at either the Land Titles Office where any transfer/deed in respect of the Property would be registered, or at the office of the Vendor's solicitors (as set out on page 1 of this Agreement), as may be unilaterally selected by the Vendor's solicitors by written notice given to the Purchaser or the Purchaser's solicitors at any time prior to the Possession Date, and where no such selection or notice has been given, then the office of the Vendor's solicitors shall be deemed to be the requisite and proper location of any such tender. Moreover, in the absence of an appointment to the contrary, such attendance shall occur between the hours of 1:00 p.m. and 2:00 p.m. in the afternoon of the Possession Date. In the event that such tender relates to the final closing of this purchase and sale transaction [evidenced by, amongst other things, the Vendor's delivery to (or tender upon) the Purchaser or the Purchaser's solicitor of a transfer/deed in respect of the Property, in registerable form], then, subject to the overriding provisions set forth in paragraph 37(b) of this Schedule "C" (dealing with the completion of this transaction through or involving the electronic registration system), such tender shall be made on the Closing Date by the attendance of the parties hereto (or their respective solicitors or authorized representatives) at the appropriate Land Titles Office where any transfer/deed in respect of the Property must be registered, and in the absence of an appointment to the contrary, such attendance shall occur between the hours of 1:00 p.m. and 2:00 p.m. in the afternoon of the Closing Date. In the event that the Purchaser or the Purchaser's solicitor or authorized representative is not present

between the hours of 1:00 p.m. and 2:00 p.m. as hereinbefore stipulated, at the office of the Vendor's solicitors or at the aforementioned Land Titles Office (whichever location may be applicable in accordance with the foregoing provisions hereof), and the Vendor or its solicitor or authorized representative is in attendance at such time, then the Purchaser shall be deemed for all purposes to have waived tender by the Vendor, and the Purchaser shall also be estopped and forever barred from claiming any defect in the title to the Property, or any deficiency in the design or construction thereof, or that the Vendor was unable or unwilling to complete this transaction in accordance with the terms and provisions of this Agreement. The Purchaser hereby acknowledges and agrees that the key(s) to the Property shall be released to the Purchaser directly from the sales office, or the Vendor's construction site office, as soon as this transaction has been completed (either on an interim occupancy basis, or on an outright final closing basis), and the Vendor shall not otherwise be required to produce or deliver a key to the Property or the Unit on either the Possession Date or the Closing Date, or as part of any tender in connection therewith.

**REVISED TENDER PROVISIONS FOR ELECTRONIC REGISTRATION**

- (b) Inasmuch as the electronic registration system (hereinafter referred to as the "Teraview Electronic Registration System" or "TERS") is operative in the Land Titles Office in which the Lands are registered, the following provisions shall prevail, namely:
- (i) The Purchaser shall be obliged to retain a lawyer, who is both an authorized TERS user and in good standing with the Law Society of Upper Canada, to represent the Purchaser in connection with the completion of this transaction, and shall authorize such lawyer to enter into a document registration agreement substantially in the form posted by the Law Society of Upper Canada on its website as of January 28, 2004, or any successor version thereof, together with the additional requirement that the registering solicitor shall also be obliged to provide the non-registering solicitor with a copy of the registration report printed by TERS upon the registration of the electronic documents, as evidence of the registration thereof, within one (1) business day of the Closing Date (hereinafter referred to as the "Document Registration Agreement"). It is understood and agreed that the Document Registration Agreement shall outline or establish the procedures and timing for completing this transaction electronically, and shall be executed by both the Vendor's solicitor and the Purchaser's solicitor and exchanged by courier or telefax between said solicitors (such that each solicitor has a photocopy or telefaxed copy of the Document Registration Agreement duly executed by both solicitors) by no later than five (5) days before the Closing Date.
  - (ii) The delivery and exchange of documents, monies and keys to the Property, and the release thereof to the Vendor and the Purchaser, as the case may be:
    - (A) shall not occur contemporaneously with the registration of the transfer/deed (and other registerable documentation); and
    - (B) shall be governed by the Document Registration Agreement, pursuant to which the solicitor receiving any documents, keys and/or certified funds 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 Document Registration Agreement.
  - (iii) If the Purchaser's lawyer is unwilling or unable to complete this transaction via TERS, in accordance with the provisions contemplated under the Document Registration Agreement, then said lawyer (or the authorized agent thereof) shall be obliged to personally attend at the office of the Vendor's solicitor, at such time on the scheduled Closing Date as may be directed by the Vendor's solicitor or as mutually agreed upon (and in the absence of any such mutual agreement, by no later than 1:00 p.m. on the scheduled Closing Date), in order to complete this transaction via TERS utilizing the computer facilities in the Vendor's solicitor's office.
  - (iv) The Purchaser expressly acknowledges and agrees that the Vendor shall not be requested nor required to release the transfer/deed to the Property for registration electronically unless and until the balance of all funds due on closing, in accordance with the Vendor's statement of adjustments, are remitted by certified cheque to the Vendor's solicitor (or in such other manner as the Vendor's solicitor may authorize or direct), and correspondingly received by the Vendor's solicitor by no later than 1:00 p.m. on the scheduled Closing Date.
  - (v) Each of the parties hereto agrees that the delivery of any documents not intended for registration on title to the Real Property may be delivered to the other party's solicitor by telefax transmission (or by a similar system reproducing the original), provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto. The party transmitting any such documents shall also deliver the originals of same to the recipient party within two (2) business days after the Closing Date, if same has been so requested by the recipient party.



- (vi) Notwithstanding anything contained in this Agreement or in the Document Registration Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has:
- (A) delivered all closing documents and/or any requisite funds (if applicable) to the Purchaser's solicitor in accordance with the provisions of the Document Registration Agreement;
  - (B) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete this transaction in accordance with the terms and provisions of this Agreement, and that the keys to the Property have already been (or will be) made available for pickup by the Purchaser at the Vendor's sales office or site office forthwith following the interim occupancy closing or final closing of this transaction (as the case may be) completed in accordance with the provisions of this Agreement; and
  - (C) has completed all steps required by TERS in order to complete this transaction that can be performed or undertaken by the Vendor's solicitor without the cooperation or participation of the Purchaser's solicitor, and specifically when the Vendor's solicitor has electronically "signed" the transfer/deed (and any vendor take-back mortgage, if applicable to this transaction) for "completeness" and has granted access thereto to the Purchaser's solicitor via TERS (but without the Vendor's solicitor releasing same for registration by the Purchaser's solicitor);

without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents, keys and/or funds, and without any requirement to have an independent witness evidencing the foregoing.

#### SALES QUOTA

38. In the event that the Vendor is not in receipt of executed, binding and unconditional agreements of purchase and sale in respect of at least seventy-five percent (75%) of the commercial/retail units to be developed by the Vendor in the Condominium by December 31<sup>st</sup>, 2005 (the "Cut-Off" Date), or in the event that the Vendor has not been successful in procuring, prior to the Cut-Off Date, a binding commitment from a third party lender to provide construction financing to the Vendor for the development and construction of the Condominium on terms and conditions satisfactory to the Vendor acting reasonably (whether or not the aforementioned percentage threshold level of sales has been achieved), then in either of such events, and notwithstanding anything else contained in this Agreement to the contrary, the Vendor, at its option, shall have the unilateral right of either:
- (a) terminating this Agreement, upon written notice to the Purchaser delivered at any time prior to the expiry of the thirtieth (30th) day after the Cut-Off Date; or
  - (b) extending the Cut-Off Date, upon written notice to the Purchaser delivered at any time prior to the expiry of the thirtieth (30th) day after the Cut-Off Date, to a date no later than March 31<sup>st</sup>, 2006 (the "Extended Cut-Off Date").

If the Vendor elects to terminate this Agreement prior to the Cut-Off Date or, if applicable, the Extended Cut-Off Date, all deposit monies theretofore paid by the Purchaser shall be forthwith returned to the Purchaser, together with interest at the rate prescribed under the Act, along with any monies paid to the Vendor for the Extras, and this Agreement shall thereupon be null and void, and of no further force and effect, and thereafter the Vendor and the Agent shall not be liable for any costs or damages suffered or incurred by the Purchaser as a result of (or in connection with) this Agreement or the termination thereof pursuant to the foregoing provisions of this paragraph. It is further understood and agreed by the parties hereto that the foregoing right of termination may be waived by the Vendor, at its sole option, notwithstanding that either or both of the foregoing events which trigger the Vendor's right to terminate this transaction may be considered or construed as a true condition precedent by a court of competent jurisdiction, and accordingly, if the Vendor fails to deliver written notice to the Purchaser within thirty (30) days after the Cut-Off Date or the Extended Cut-Off Date (if applicable), confirming the Vendor's desire to terminate this transaction as aforesaid, then the Vendor's right of termination set out in this paragraph shall automatically be deemed to have been waived by the Vendor, and thereafter the provisions of this paragraph shall be of no further force or effect.

#### SITE PLAN APPROVAL

39. (a) The Purchaser acknowledges that the Vendor is processing a site plan approval/development application with respect to the Lands, in order to permit the development and construction of the Condominium thereon. The Purchaser acknowledges that during the site plan approval process, the footprint or siting of the condominium building may shift from that originally proposed or intended, the overall height of the condominium building (and the number of commercial/retail units comprising the Condominium) may vary, the parking layout may be altered, without adversely affecting the floor plan layout, design and size of the interior of the Unit, and the

Purchaser hereby expressly agrees to complete this transaction notwithstanding the foregoing, without any abatement in the Purchase Price, and without any entitlement to a claim for damages or other compensation whatsoever.

- (b) The Purchaser acknowledges that the Vendor may also appeal to the **Ontario Municipal Board** should the City refuse the site plan approval/development application. The Purchaser further covenants and agrees that it shall not oppose the aforementioned site plan/development applications, nor any other applications ancillary thereto, including without limitation, any application submitted or pursued by or on behalf of the Vendor to lawfully permit the development and registration of the Condominium, and the Purchaser expressly acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto.
- (c) In the event that the Vendor's site plan approval/development application is/are not approved in final and binding form by **December 31, 2006** (the "**Approval Date**"), then notwithstanding anything else contained in this Agreement to the contrary, the Vendor, at its option, shall have the unilateral right of terminating this Agreement, upon written notice to the Purchaser delivered at any time prior to the expiry of the thirtieth (30th) day after the Approval Date, whereupon all deposit monies theretofore paid by the Purchaser shall be forthwith returned to the Purchaser, together with interest at the rate prescribed under the Act, along with any monies paid to the Vendor or the Vendor's solicitors for the Extras, and this Agreement shall thereupon be null and void, and of no further force or effect, and thereafter the Vendor and the Agent shall not be liable for any costs or damages suffered or incurred by the Purchaser as a result of, or in connection with, this Agreement, or the termination thereof pursuant to the foregoing provisions of this paragraph. It is further understood and agreed by the parties hereto that the foregoing right of termination may be waived by the Vendor, at its sole option, notwithstanding that the foregoing events which trigger the Vendor's right to terminate this transaction may be considered or construed as a true condition precedent by a court of competent jurisdiction, and accordingly, if the Vendor fails to deliver written notice to the Purchaser within thirty (30) days after the Approval Date confirming the Vendor's desire to terminate this transaction as aforesaid, then the Vendor's right of termination set out in this paragraph shall automatically be deemed to have been waived by the Vendor, and thereafter the provisions of this paragraph shall be of no further force or effect.

#### NOISE WARNING AND OTHER SPECIAL NOTICES

40.

- (a) The Purchaser specifically acknowledges and agrees that the Condominium will be developed in accordance with any requirements that may be imposed, from time to time, by any of the Governmental Authorities, and that the proximity of the Condominium to a major arterial roadway (namely Steeles Avenue East), may result in vibration transmissions to the Lands and cause noise exposure levels affecting the Lands to exceed the noise criteria established by the Governmental Authorities, and that despite the inclusion of noise control features within the Condominium, noise levels from any of the aforementioned sources may continue to be of concern, occasionally interfering with some activities of the dwelling occupants in the Condominium. The Purchaser nevertheless agrees to complete this transaction in accordance with the terms hereof, notwithstanding the existence of such potential noise concerns, and the Purchaser further acknowledges and agrees that a noise-warning clause similar to the preceding sentence (subject to amendment or enlargement by any wording or text recommended by the Vendor's noise consultants or by any of the Governmental Authorities) may be registered on title to the Lands on the Closing Date, if, in fact, same is required by any of the Governmental Authorities. Without limiting the generality of the foregoing, the Purchaser specifically acknowledges that the following noise warning clause has been inserted in this Agreement, at the request of the Governmental Authorities, namely: "**Purchasers are advised that despite the inclusion of noise control features in this development and within the condominium, noise levels from increasing road traffic, will continue to be of concern, occasionally interfering with some activities of the occupants, as the noise levels exceed the Municipality's and the Ministry of the Environment's noise criteria.**"
- (b) Without limiting the generality of the preceding subparagraph, the Purchaser is hereby advised that as and when other units in the Condominium are being completed and/or moved into, excessive levels of noise, vibration, dust and/or debris are possible, and same may accordingly temporarily cause noise and inconvenience to the occupants and it is expressly acknowledged and agreed that the Purchaser shall not make or pursue any claim against the Vendor (or any other party) for compensation, an abatement in the purchase price or the occupancy fees otherwise payable, damages or otherwise, nor initiate or pursue any claim, action or proceeding against the Vendor (or any other party) by reason of the foregoing noise and/or vibration sources, concerns and/or any inconvenience to the Purchaser thereby, including any proceeding to enjoin or restrain any of the foregoing activities which may cause any such noise, vibration and/or inconvenience.
- (c) The Purchaser is hereby advised that the Vendor's builder's risk and/or comprehensive liability insurance (effective prior to the registration of the Condominium), and the Condominium's master insurance policy (effective from and after the registration of the Condominium) will not cover any betterments or improvements made to the Unit, nor any furnishings or personal belongings of the Purchaser or other occupants of the Unit, and accordingly the Purchaser should arrange for his or

her own insurance coverage with respect to same, effective from and after the Possession Date, all at the Purchaser's sole cost and expense.

- (d) It is further acknowledged that one or more of the Development Agreements may require the Vendor to provide the Purchaser with certain notices, including without limitation, notices regarding such matters as land use, the maintenance of retaining walls, landscaping features and/or fencing, noise abatement features, garbage storage and pick-up, and noise/vibration levels from adjacent roadways and/or nearby railway lines. The Purchaser agrees to be bound by the contents of any such notice(s), whether given to the Purchaser at the time that this Agreement has been entered into, or at any time thereafter up to Closing, and the Purchaser further covenants and agrees to execute, forthwith upon the Vendor's request, an express acknowledgement confirming the Purchaser's receipt of such notice(s) in accordance with (and in full compliance of) such provisions of the Development Agreement(s), if and when required to do so by the Vendor.
- (e) Door-to-door mail delivery may not be available to the occupants of this Condominium. Instead, mail must be picked-up from super mailboxes or from one or more mail kiosks situate within the confines of the Condominium or within the neighbouring vicinity of the Condominium.
- (f) There will be no municipal garbage removal from the Condominium. Furthermore, the Condominium shall only be responsible for the removal of garbage from the common element areas. Accordingly, each of the owners of the units in the Condominium shall be responsible to arrange for the removal of garbage from his or her own unit.
- (g) The Purchaser acknowledges and agrees that the Vendor (and any of its authorized agents, representatives and/or contractors), as well as one or more authorized representatives of the Condominium, shall be permitted to enter the Unit after Closing, from time to time, in order to enable the Vendor to correct outstanding deficiencies or incomplete work for which the Vendor is responsible, and to enable the Condominium to inspect the condition or state of repair of the Unit and undertake or complete any requisite repairs thereto (which the owner of the Unit has failed to do) in accordance with the Act.
- (h) The Vendor reserves the right to increase or decrease the final number of commercial/retail and/or other ancillary units intended to be created within the Condominium, as well as the right to alter the design, style, size and/or configuration of the commercial/retail units ultimately comprised within the Condominium which have not yet been sold by the Vendor to any unit purchaser(s), all in the Vendor's sole and unchallenged discretion, and the Purchaser expressly acknowledges and agrees to the foregoing, provided that the final budget for the first year following registration of the Condominium is prepared in such a manner so that any such variance in the commercial/retail and/or other ancillary unit count will not affect, in any material or substantial way, the percentages of common expenses and common interests allocated and attributable to the commercial/retail units sold by the Vendor to the Purchaser pursuant to this Agreement and any addendum thereto. Without limiting the generality of the foregoing, the Purchaser further acknowledges and agrees that one or more commercial/retail units situate adjacent to one another may be combined or amalgamated prior to the registration of the Condominium, in which case the common expenses and common interests attributable to such proposed former units will be incorporated into one figure or percentage in respect of the final combined unit, and the overall commercial/retail unit count of the Condominium will be varied and adjusted accordingly. None of the foregoing changes or revisions (if implemented) shall in any way be considered or construed as a material change to the disclosure statement prepared and delivered by the Vendor to the Purchaser in connection with this transaction.

#### NOTICES BETWEEN THE PARTIES

41. Any notice or document required or desired to be given to the Purchaser shall be deemed to have been sufficiently given if same is in writing, and either personally delivered to the Purchaser or to the Purchaser's solicitor (at the address of the Purchaser or the Purchaser's solicitor as noted below, or as subsequently confirmed by the Purchaser or the Purchaser's solicitor after the acceptance of this offer), or mailed by prepaid ordinary post or by registered mail, or sent by facsimile transmission, addressed to the Purchaser or to the Purchaser's solicitor (as the case may be), and any such document or notice shall be deemed to have been given on the date of personal delivery, or on the date of facsimile transmission (provided that a confirmation of transmission receipt is produced at the time of facsimile transmission), or on the third (3rd) day (excluding Saturdays, Sundays and statutory holidays) after the date same is posted by registered or ordinary mail, as the case may be. The Purchaser shall be entitled to change the address and/or telefax number to which all future notices intended for the Purchaser are to be delivered, by giving written notice to the Vendor in the manner hereinafter provided. Any document or notice desired or required to be given to the Vendor shall be deemed to have been sufficiently given if same is in writing and personally delivered or telefaxed to an officer of the Vendor at the address or telefax number noted below (or at such other address or telefax number as the Vendor may designate from time to time, upon notice being given to the Purchaser or the Purchaser's solicitor as hereinbefore provided), with a copy of same to be personally delivered or telefaxed to the Vendor's solicitor, and any such document or notice shall be deemed to have been given on the date of such personal delivery, or on the next day (excluding Saturdays, Sundays and statutory holidays) following the date of facsimile transmission (provided a confirmation of transmission receipt is produced at the time of facsimile transmission).

**IRREVOCABILITY OF OFFER - ACCEPTANCE OF OFFER**

42. This offer by the Purchaser, constituted by the Purchaser's execution of this agreement, shall be irrevocable by the Purchaser until the 60<sup>th</sup> day following the date of the Purchaser's execution of this agreement as set forth below, after which time, this offer may be withdrawn, and if so, same shall be null and void and the deposit shall be returned to the Purchaser without interest or deduction. Acceptance by the Vendor of this offer shall be deemed to have been sufficiently made if this agreement is executed by the Vendor on or before the irrevocable date specified in the preceding sentence, without requiring any notice of such acceptance to be delivered to the Purchaser prior to such time. Without limiting the generality of the foregoing, acceptance of this offer (or any counteroffer with respect thereto) may be made by way of telefax transmission (or similar system reproducing the original) provided all of the necessary signatures and initials of both parties hereto are duly reflected on (or represented by) the telefaxed copy of the agreement of purchase and sale so transmitted, and such acceptance shall be deemed to have been effected or made when the accepted offer (or counteroffer, as the case may be) is telefaxed to the intended party, provided that a confirmation of such telefaxed transmission is received by the transmitting party at the time of such transmission, and the original executed document is thereafter forthwith couriered (or personally delivered) to the recipient of the telefaxed copy.

**PLANNING ACT COMPLIANCE**

43. This agreement is conditional upon compliance with the subdivision control and part-lot control provisions of the *Planning Act*, R.S.O. 1990, as amended.

**NO OTHER REPRESENTATIONS**

44. This offer, when accepted, shall constitute a binding agreement of purchase and sale. It is agreed and understood that there is no representation, warranty, collateral term or condition affecting this agreement or the Property, or for which the Vendor or the owner of the Lands (or any agent of the Vendor or any sales representative) can be held responsible or liable in any way, whether contained, portrayed, illustrated or represented by (or in) any plan, drawing, brochure, display, model or any other sales/marketing material(s), or alleged against the Agent or any sales representative, other than as expressed herein in writing.

**MANNER OF TAKING TITLE**

45. The Purchaser shall notify the Vendor's solicitors as to the manner in which title to the Property is to be taken and the date(s) of birth and marital status of all persons taking title to the Property, and the address for service to be inserted in the transfer, and in the event that the Purchaser fails to so notify the Vendor's solicitors by at least thirty (30) days before the Possession Date, then the Vendor or the Vendor's solicitors shall be entitled to engross the Occupancy Agreement, as well as the deed or transfer of title to the Property, in the name of the Purchaser as noted on page 1 of this agreement, and the Purchaser agrees to accept the Occupancy Agreement and the aforementioned conveyance in such manner, and acknowledges that the Purchaser shall be bound thereby and shall be estopped from requiring any further changes to the manner in which the Occupancy Agreement and/or the deed/transfer are so engrossed.

**REGISTRATION COSTS**

46. Each party shall pay all costs of registration and taxes with respect to their respective documents.

**DAMAGE BEFORE CLOSING**

47. The Condominium building and all equipment contained therein shall remain at the risk of the Vendor until Closing. In the event of damage to the Condominium building or to the Property to a degree and by causes as determined by the Vendor in its sole discretion, the Vendor may at its option either repair the damage and finish the building and complete the sale, or may cancel this agreement and return to the Purchaser all deposit monies theretofore paid, with interest at the rate prescribed under the Act, and the Vendor shall not be liable for any costs or damages incurred by the Purchaser thereby.

**RIGHT OF RE-ENTRY**

48. Notwithstanding the Closing of this transaction, and for a period of two (2) years thereafter, the Vendor or any of its authorized representatives shall be entitled at all reasonable times to enter the Property in order to

make inspections, and to do any work or repairs to the Property or to the Condominium required by the Vendor in its sole discretion.

#### DEFAULT

49. In the event that the Purchaser defaults on any of the Purchaser's obligations contained in this agreement or in the Occupancy Agreement on or before Closing, and fails to remedy such default forthwith, if such default is a monetary default and/or pertains to the execution and delivery of documentation required to be given to the Vendor on the Possession Date, or within five (5) days of the Purchaser being so notified in writing with respect to any other non-monetary default, then the Vendor, in addition to any other rights or remedies this agreement provides, may, at its sole option, unilaterally suspend all of the Purchaser's rights, benefits and privileges contained herein and/or unilaterally declare this agreement and the Occupancy Agreement to be terminated and of no further force or effect, whereupon all deposit monies theretofore paid, shall be retained by the Vendor as its liquidated damages, and not as a penalty, in addition to (and without prejudice to) any other rights or remedies available to the Vendor at law or in equity. In the event of the termination of this agreement and/or the Occupancy Agreement by reason of the Purchaser's default as aforesaid, or if this agreement and/or the Occupancy Agreement are terminated for any other reason or event which is hereinbefore expressly provided or contemplated, then the Purchaser shall be obliged to forthwith vacate the Property, and shall execute such releases and any other documents or assurances as the Vendor may require, in order to confirm that the Purchaser, in accordance with the terms of this agreement, does not have (nor could be deemed or construed to have) any interest whatsoever in the Property, the Lands and/or this agreement, and in the event the Purchaser fails or refuses to execute same, the Purchaser hereby appoints the Vendor to be the Purchaser's lawful attorney in order to execute such releases, documents and assurances in the Purchaser's name, place and stead, and in accordance with the provisions of the *Powers of Attorney Act*, R.S.O. 1990, as amended, the Purchaser hereby declares that this power of attorney may be exercised by the Vendor during any subsequent legal incapacity on the part of the Purchaser.
50. The Purchaser acknowledges and agrees that notwithstanding any other term or provision contained in this agreement to the contrary, in the event that one or more material amendments are made to the Condominium Documents, the Property and/or to the Condominium to be developed on the Lands, then the Purchaser's only remedy shall be a claim for rescission of this agreement, and the concomitant return of the Purchaser's deposit monies, and under no circumstances shall the Purchaser have, initiate or maintain any claim or cause of action for damages and/or specific performance of this agreement, arising from (or as a result of) said material amendment or amendments.
51. The Purchaser acknowledges and agrees that notwithstanding any rights which he might otherwise have at law or in equity arising out of this agreement, he shall not assert any of such rights, nor have any claim or cause of action (as a result of any matter or thing arising under or in connection with this agreement) against any person, firm, corporation or other legal entity, other than the person, firm, corporation or legal entity specifically named or defined as the Vendor herein, even though the Vendor may be found to be a nominee or agent of another person, firm, corporation or other legal entity, and this acknowledgment and agreement may be pleaded as an estoppel and bar against the Purchaser in any action or proceeding brought by the Purchaser to assert any of such rights, claims or causes of action.

#### TIME OF THE ESSENCE

52. Time shall be of the essence of this agreement in all respects, and any waiver, extension, abridgement or other modification of any time provisions shall not be effective unless made in writing and signed by the parties hereto or by their respective solicitors who are hereby expressly authorized in that regard.

#### NON-MERGER

53. The Purchaser's covenants and agreements herein contained shall not merge on the Closing Date, but shall remain in full force and effect according to their respective terms, notwithstanding the conveyance of title to the Property and the payment of the Purchase Price. The Purchaser agrees to give to the Vendor any further written assurances as to the non-merger of the Purchaser's covenants, on Closing, if so requested by the Vendor and/or the Vendor's solicitors.
54. All schedules annexed hereto, if any, shall form and constitute an integral part of this agreement.

#### MISCELLANEOUS

55. The meanings of the words and phrases used in this agreement and in any schedules annexed hereto shall have the meanings ascribed to them in the Act, unless this agreement or the context otherwise requires a different meaning for same. This agreement shall be read with all changes in gender and number required by the context. Any headings used throughout this agreement are for ease of reference only, and shall not be deemed or construed to form a part of this agreement.

56. This agreement shall enure to the benefit of, and be binding upon, the parties hereto, and their respective heirs, executors, administrators, successors and permitted assigns.
57. It is understood and agreed by the parties hereto that the use of boldface print, capitalized terms or lettering, underlining and/or italics throughout this Agreement (including the bolding of certain key words or phrases within various paragraphs hereof) are for ease of reference/identification purposes only, and/or to bring certain provisions to the specific attention of the Purchaser and his or her solicitor, but under no circumstances shall the foregoing print/drafting style be deemed or construed as any warranty or representation that the provisions so bolded, capitalized, underlining or italicized (as the case may be) are more important than any other provisions contained herein, or that those provisions which are not so bolded, capitalized, underlining or italicized are not important or significant provisions of this Agreement.

#### DEPOSIT PROTECTION

58. All deposits paid by the Purchaser shall be held by the Declarant's Solicitors in a designated trust account, and shall be released only in accordance with the provisions of Section 81(7) of the Act and the regulations thereto (or any successor statutory provision governing condominium deposit monies, if the Act is hereafter replaced or amended). The Declarant's Solicitors shall be entitled to pay such deposit monies to such other party as may be authorized to hold such monies in accordance with the Act provided that such party confirms and acknowledges and agrees that such deposit monies are held in trust by it pursuant to the provisions of this Agreement and the Act. Without limiting the generality of the foregoing, and for greater clarity, it is understood and agreed that with respect to any deposit monies received from the Purchaser, the Declarant's Solicitors shall be entitled to withdraw such deposit monies from said designated trust account prior to the final closing of this transaction, if and only when the Vendor obtains one or more condominium deposit insurance policies (issued by St. Paul Guarantee Insurance Company, or by any other insurer as may be selected by the Vendor, authorized to provide condominium deposit insurance in Ontario) insuring the deposit monies so withdrawn (or intended to be withdrawn), and delivers the said condominium deposit insurance policies (duly executed by or on behalf of the insurer and the Vendor) to the Declarant's Solicitors holding the deposit monies for which said policies have been provided as security, in accordance with the provisions of Section 21 of O.Reg. 48/01 to the Act. The Purchaser hereby irrevocably authorizes and directs the Declarant's Solicitors to release the deposit monies as aforesaid and hereby releases and forever discharges the Declarant's Solicitors from liability in this regard. The foregoing may be pleaded as an estoppel or bar to any future action by the Purchaser.

#### DISCLAIMER

59. Notwithstanding the generality of any other provisions contained in this Agreement to the contrary, it is understood and agreed that all models, plans, sketches, illustrations and/or displays utilized by or on behalf of the Vendor, including all descriptions, dimensions and/or representations indicated thereon or implied thereby, are merely reflective or indicative of the proposed condominium project, or various aspects thereof as originally conceived or intended, and in effect as at the time of their respective creation, and are therefore subject to one or more changes being made or implemented with respect thereto from time to time (whether significant or otherwise), without any notice thereof required to be given to the Purchaser. Without limiting the generality of the foregoing, all unit purchasers (and prospective unit purchasers) are hereby advised that:

- (a) the height, colour, size, shape, texture, dimensions, specifications and/or design of the:
- (i) exterior facade of the proposed condominium project;
  - (ii) interior and exterior common element areas, including all roadways, walkways, ramps, driveway exits and/or landscaped areas; and
  - (iii) common facilities and amenities, if specifically provided for in the disclosure statement;
- (b) the layout, shape and/or size of the proposed condominium buildings' footprints, and/or the location, size and height of the proposed condominium buildings in relation to any other present or future structure(s);
- (c) the total number of commercial/retail units within the proposed condominium, and/or the total number of levels comprising the proposed condominium; and/or
- (d) the number, location, design and/or size of the doors and windows within any commercial unit(s), are subject to change, and may be varied at any time and from time to time, without notice to the Purchaser.

#### CUMULATIVE REMEDIES & WAIVERS

60. (a) No right or remedy herein conferred upon or reserved to the Vendor is intended to be exclusive of any other right or remedy arising under or by virtue of this Agreement (or arising pursuant to the general common law, in equity or by statute, or otherwise), and each and every right or remedy in

favour of the Vendor shall be cumulative, and shall be in addition to every other right or remedy conferred upon (or reserved to) the Vendor pursuant to the provisions of this Agreement or otherwise available to the Vendor at law or in equity or by statute. Every right and/or remedy conferred upon (or reserved to) the Vendor by this Agreement may be exercised by the Vendor from time to time, as often as may be deemed expedient by the Vendor.

- (b) None of the respective rights and/or remedies of the Vendor (whether arising under or by virtue of this Agreement, or pursuant to the general common law, or in equity, or by statute, or otherwise) shall be capable of being waived or varied except pursuant to (and by virtue of) an express waiver or variation in writing duly executed by the Vendor. Without limiting the generality of the foregoing, any failure to exercise (or any delay in exercising) any of the respective rights and/or remedies of the Vendor shall not operate as a waiver or variation of that or any other of such rights and/or remedies; any defective or partial exercise of any of such rights and/or remedies shall not preclude any other or future exercise of that or any other of such rights and/or remedies; no act or course of conduct, nor any negotiation on the part of the Vendor, shall in any way preclude the Vendor from exercising any such rights and/or remedies, or constitute a suspension or variation of any such rights and/or remedies; and any waiver of an event of default or breach of this Agreement committed by or on behalf of the Purchaser shall apply only to the particular event of default or breach so waived, and shall not operate as a waiver of any other event of default or breach.

#### CHANGES TO CLOSING PACKAGE(S)

61. In the event that the Purchaser desires to:
- (a) increase the amount to be paid to the Vendor's solicitors on the Possession Date [as set out in paragraph 2(f) on page 1 of this Agreement] at any time after the expiry of the initial 10 day statutory rescission period;
  - (b) vary the name(s) or manner in which the Purchaser has previously requested to take title to the Property;
  - (c) add or change any unit(s) being acquired from the Vendor;
  - (d) change his or her solicitor; and/or
  - (e) change any other information or any documentation reflected in (or comprising part of) the interim closing package or final closing package that is prepared by the Vendor's solicitor; but fails to inform the Vendor's solicitor regarding any of the foregoing changes prior to the time that the interim closing package or final closing package (as the case may be) has been completed (even if the package has not yet been forwarded to, or received by, the Purchaser or the Purchaser's solicitor), then the Purchaser shall be obliged to reimburse the Vendor, on either the Possession Date or on the Closing Date, for the legal fees and ancillary disbursements which may be incurred by the Vendor and/or charged by the Vendor's solicitors in order to revise the interim closing package or final closing package (or any portion thereof) accordingly, and/or to reproduce and resend the interim closing package or final closing package (or any portion thereof) as the case may be, to the Purchaser or the Purchaser's solicitor, but without there being any obligation whatsoever on the part of the Vendor or the Vendor's solicitors to approve of, or to implement, any such changes so requested by the Purchaser.

#### PURCHASER'S CONSENT TO THE COLLECTION AND LIMITED USE OF PERSONAL INFORMATION

62. For the purposes of facilitating compliance with the provisions of any applicable Federal and/or Provincial privacy legislation (including without limitation, the Personal Information Protection and Electronic Documents Act, S.C. 2000, as amended), the Purchaser hereby consents to the Vendor's collection and use of the Purchaser's personal information (including without limitation, the Purchaser's name, home address, e-mail address, telefax/telephone number, age, date of birth and marital status [for the limited purposes described in subparagraphs (c), (g) and (h) below] as well as the Purchaser's financial information), in connection with the completion of this transaction and for post-closing and after sales customer care purposes, and to the disclosure and/or distribution of any or all of such personal information to the following entities, on the express understanding and agreement that the Vendor shall not sell or otherwise provide or distribute such personal information to anyone other than the following entities, namely to:
- (a) any companies or legal entities that are associated with, related to or affiliated with the Vendor;
  - (b) one or more third party data processing companies which handle or process marketing campaigns on behalf of the Vendor or other companies that are associated with, related to or affiliated with the Vendor, and who may send (by e-mail or other means) promotional literature/brochures about new condominiums and/or related services to the Purchaser and/or members of the Purchaser's family;

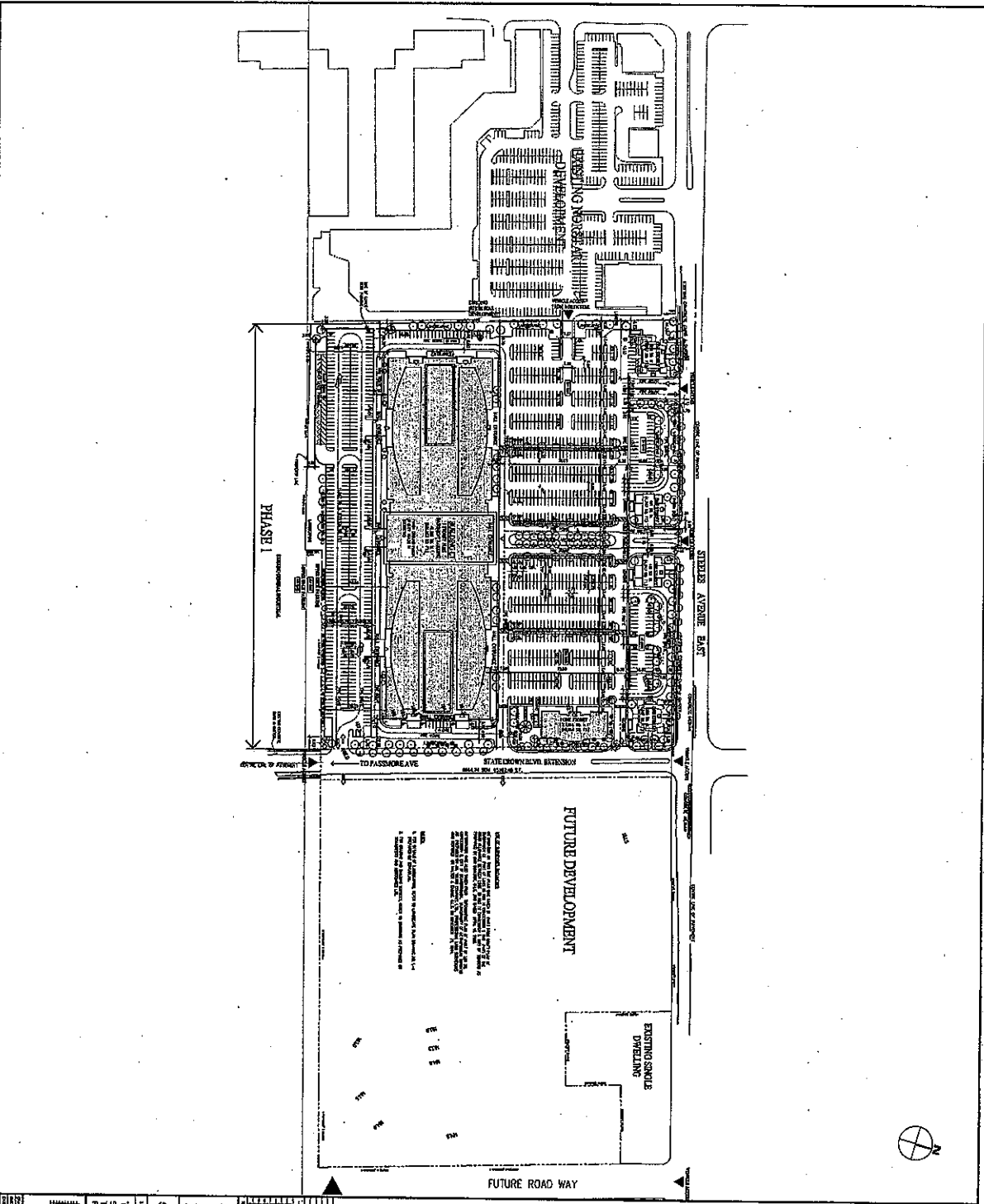
- (c) any financial institution(s) providing (or wishing to provide) mortgage financing, banking and/or other financial or related services to the Purchaser and/or members of the Purchaser's family, the Vendor's development and/or construction lender(s), the project monitor and/or the Vendor's designated take-out lender(s);
- (d) any insurance companies providing (or wishing to provide) insurance coverage with respect to the Property (or any portion thereof);
- (e) any trades/suppliers or sub-trades/suppliers, who have been retained by or on behalf of the Vendor (or who are otherwise dealing with the Vendor), to facilitate the completion and finishing of the unit and the installation of any extras or upgrades ordered or requested by the Purchaser;
- (f) one or more providers of cable television, telephone, telecommunication, hydro-electricity, chilled water/hot water, gas and/or other similar or related services to the Property (or any portion thereof );
- (g) any relevant governmental authorities or agencies, including without limitation, the Land Titles Office (in which the Property is registered), the Ministry of Finance for the Province of Ontario (i.e. with respect to Land Transfer Tax), and Canada Customs & Revenue Agency (i.e. with respect to the GST); and
- (h) the Vendor's solicitors, to facilitate the closing of this transaction, including the closing by electronic means via the Teraview Electronic Registration System.

**T-5 INTEREST INCOME TAX RETURN**

63. The Purchaser acknowledges that the Vendor shall be obliged to issue to the Purchaser a T-5 interest income tax information return (in prescribed form) pursuant to the provisions of Regulation 201(1)(b)(ii)B of the Income Tax Act, R.S.C. 1985, as amended, in respect of any interest accrued to, or earned by the Purchaser pursuant to the provisions of the Act and/or this Agreement.



**Schedule "D"**  
**SITE PLAN OF THE CONDOMINIUM**  
 Page D-1



**GENERAL NOTES**

1. THE LANDMARK PROJECT IS A PHASE I DEVELOPMENT OF THE LANDMARK PROJECT.
2. THE LANDMARK PROJECT IS A PHASE I DEVELOPMENT OF THE LANDMARK PROJECT.
3. THE LANDMARK PROJECT IS A PHASE I DEVELOPMENT OF THE LANDMARK PROJECT.

NO.	DESCRIPTION	AREA (SQ. FT.)	REMARKS
1	EXISTING SINGLE DWELLING	1,200	TO BE DEMOLISHED
2	CONCRETE DRIVEWAY	1,500	TO BE REPAIRED
3	ASPHALT DRIVEWAY	2,000	TO BE REPAIRED
4	PAVING	15,000	TO BE INSTALLED
5	CONCRETE DRIVEWAY	1,500	TO BE INSTALLED
6	ASPHALT DRIVEWAY	2,000	TO BE INSTALLED
7	PAVING	15,000	TO BE INSTALLED
8	CONCRETE DRIVEWAY	1,500	TO BE INSTALLED
9	ASPHALT DRIVEWAY	2,000	TO BE INSTALLED
10	PAVING	15,000	TO BE INSTALLED

**THE LANDMARK**  
 5785, 5827, 5853 STEELES AVENUE EAST  
 TORONTO, ONTARIO  
 FOR THE LANDMARK (CANADA) INC.

**Partnership Architects**

**DATE:** 05/03/01  
**NO.** SP-001

# APPENDIX "P"

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 1  
( 12545)

RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

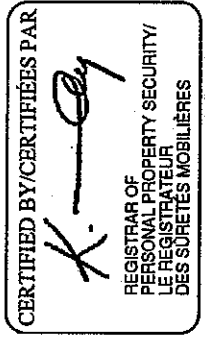
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

ENQUIRY NUMBER 20111026151951.97 CONTAINS 12 PAGE(S), 7 FAMILY (IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME  
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER  
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

BORDEN LADNER GERVAIS LLP  
BOX 15



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026451951.97

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 667905147

01 CAUTION PAGE NO. OF PAGES : 001 2  
TOTAL PAGES : 20110225 1538 1590 7257  
REGISTERED UNDER PERIOD : P PPSA 1

02 DEBTOR : 2811 DEVELOPMENT CORPORATION  
03 NAME : 2811 DEVELOPMENT CORPORATION  
04 ADDRESS : 7100 WOODBINE AVENUE, SUITE 111 MARKHAM  
ON L3R 5J2

05 DEBTOR : PERRYBING INVESTMENT LTD.  
06 NAME : PERRYBING INVESTMENT LTD.  
07 ADDRESS : 7100 WOODBINE AVENUE, SUITE 111 MARKHAM  
ON L3R 5J2

08 SECURED PARTY : AN YUAN LIN C.O.B. AS AN-DAX TRADING COMPANY  
09 LIEN GUARANTY : B3-27 MILLIKEN BLVD. TORONTO ON M1V 5H9

10 COLLATERAL CLASSIFICATION :  
X CONSUMER X MOTOR VEHICLE X DATE OF ACQUISITION :  
X GOODS X INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X MATURETY OF MATUR IN DATE

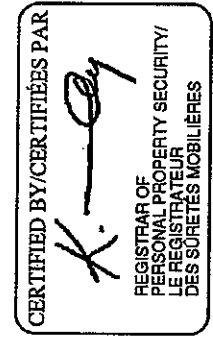
11 MOTOR :  
12 VEHICLE :  
YEAR MAKE :  
MODEL :  
V.I.N. :

13 GENERAL : SECURITY INTEREST IN THE PROPERTY USED IN CONNECTION WITH, SITUATE AT  
14 COLLATERAL : OR ARISING FROM THE OWNERSHIP, DEVELOPMENT, USE OR DISPOSITION OF THE  
15 DESCRIPTION : LANDS AND PREMISES REPRESENTED BY PROPERTY IDENTIFIER NUMBER

16 REGISTERING AGENT : FOGLER, RUBINOFF LLP (A. TEIXEIRA)  
17 ADDRESS : 95 WELLINGTON ST. WEST, SUITE 1200 TORONTO ON M5J 2Z9

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONT INUED . . . 3



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

FORM C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
667905147

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTRATION PERIOD  
EFFECTS NO. OF PAGES SCHEDULE NUMBER UNDER  
002 2 20110225 1538 1590 7257

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME TORONTO  
03 NAME BUSINESS NAME CHARLES CHAN ONTARIO CORPORATION NO. MIV 376

04 ADDRESS 17 RAYNES CRESCENT TORONTO

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME TORONTO  
06 NAME BUSINESS NAME SANDIE CHAN ONTARIO CORPORATION NO. MIV 376

07 ADDRESS 17 RAYNES CRESCENT TORONTO

08 SECURED PARTY / LHEN GUARANT  
09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MAJORITY OF MATURITY DATE

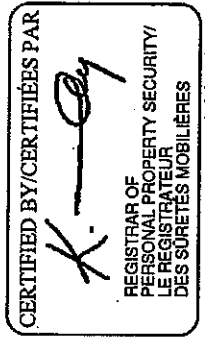
11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL 06050-0199 LT, 06050-0263 LT, 06050-0264 LT, 06050-0266 LT AND  
14 COLLATERAL 060500272 LTD AND MUNICIPALLY KNOWN AS 5789, 5933, 5945,5811 AND 5951  
15 DESCRIPTION STEELES AVENUE EAST, TORONTO, ONTARIO.

16 REGISTERING AGENT  
17 ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . .



RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 4  
( 12548)

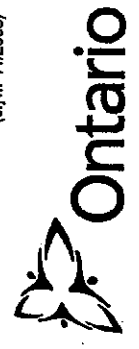
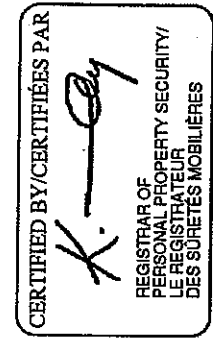
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SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

FORM 16 FINANCING STATEMENT / CLAIM FOR LIEN

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	FILE NO.	NO. OF PAGES		SCHEDULE	NUMBER	UNDER	PERIOD	
	01	001		20101112 1406 1462 9296	P	PPSA	3	
02	DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
03	NAME	BUSINESS NAME	2811 DEVELOPMENT CORPORATION					
04		ADDRESS	7100 WOODBINE AVENUE SUITE 111 MARKHAM					
05	DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
06	NAME	BUSINESS NAME	2811 DEVELOPMENT CORPORATION					
07		ADDRESS	7100 WOODBINE AVENUE SUITE 111 MARKHAM					
08	SECURED PARTY	CON-DRAIN COMPANY (1983) LIMITED						
09	LEEN CLAIMANT	30 FLORAL PARKWAY CONCORD ON L4K4R1						
10	COLLATERAL CLASSIFICATION							
	CONSIDER	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	DATE OF	
	GOODS	X	X	X	X	X	MATURITY OR	
							MATURITY DATE	
11	MOTOR	YEAR	MAKE	MODEL	V.I.N.			
12	VEHICLE							
13	GENERAL	BRATTY AND PARTNERS, LLP						
14	COLLATERAL	7501 KEELE ST., SUITE 200 VAUGHAN ON L4K1Y2						
15	DESCRIPTION							
16	REGISTERING							
17	AGENT							

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED... 5



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

FORM IC FINANCING STATEMENT / CLAIM FOR LEASE

FILE NUMBER  
664832052

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FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
001 001 20100930 1530 1862 2577 P PFSA 10

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DATE OF BIRTH :  
FIRST GIVEN NAME :  
SURNAME :  
ADDRESS : SUITE 111, 7100 WOODBINE AVENUE MARKHAM

02 DEBTOR NAME :  
DATE OF BIRTH :  
FIRST GIVEN NAME :  
SURNAME :  
ADDRESS :  
03 DEBTOR NAME :  
DATE OF BIRTH :  
FIRST GIVEN NAME :  
SURNAME :  
ADDRESS :  
04 DEBTOR NAME :  
DATE OF BIRTH :  
FIRST GIVEN NAME :  
SURNAME :  
ADDRESS :  
05 DEBTOR NAME :  
DATE OF BIRTH :  
FIRST GIVEN NAME :  
SURNAME :  
ADDRESS :  
06 DEBTOR NAME :  
DATE OF BIRTH :  
FIRST GIVEN NAME :  
SURNAME :  
ADDRESS :  
07 DEBTOR NAME :  
DATE OF BIRTH :  
FIRST GIVEN NAME :  
SURNAME :  
ADDRESS :

08 SECURED PARTY / LOMBARD GENERAL INSURANCE COMPANY OF CANADA TORONTO  
FILEN CHAPMAN  
ADDRESS : 105 ADELAIDE STREET WEST ON M5H 1P9

10 COLLATERAL CLASSIFICATION  
CONSUMER X  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X X  
MOTOR VEHICLE AMOUNT DATE OF NO FINED  
MAINTENANCE OR MATURITY DATE

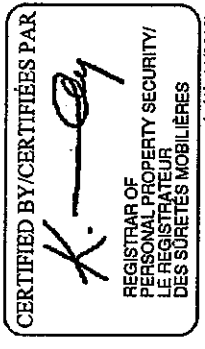
11 MOTOR YEAR MAKE MODEL V.I.N.  
VEHICLE

13 GENERAL HARRIS, SHEPHERD LLP (GH/LT - MATTER NO. 100776)  
14 COLLATERAL SUITE 610, 4100 YONGE STREET TORONTO  
15 DESCRIPTION

16 REGISTERING HARRIS, SHEPHERD LLP (GH/LT - MATTER NO. 100776)  
17 AGENT SUITE 610, 4100 YONGE STREET TORONTO ON M2P 2B5

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . . 6



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

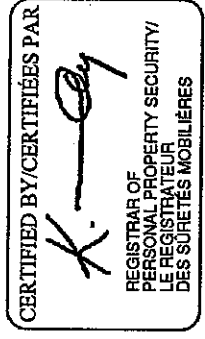
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SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

FORM 13 FINANCING STATEMENT / CLAIM FOR TIEN

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	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	20091209 1028 1862 1547
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02	DEBTOR NAME	FIRST GIVEN NAME	IMPERIAL SURNAME
03	BUSINESS NAME	2811 DEVELOPMENT CORPORATION	
04	ADDRESS	7100 WOODBINE AVENUE, SUITE 111 MARKHAM ONTARIO CORPORATION NO. L3R 5J2	
05	DEBTOR NAME	FIRST GIVEN NAME	IMPERIAL SURNAME
06	BUSINESS NAME	KEY PENDRAGON ENTERPRISES INC. ONTARIO CORPORATION NO. M4S 2B4	
07	ADDRESS	2221 YONGE STREET, SUITE 606 TORONTO	
08	SECURED PARTY / LIEN CHAIRMAN	VECTOR FINANCIAL SERVICES LIMITED TORONTO	
09	ADDRESS	25 IMPERIAL STREET, SUITE 500, TORONTO	
10	COLLATERAL CLASSIFICATION	NO STAKED	
	CONSUMER GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MATURITY OR MATURITY DATE
		X X X X	X X X X
11	MOTOR VEHICLE	YEAR MAKE	MODEL
12			Y L N
13	GENERAL COLLATERAL DESCRIPTION	SECURITY DOCUMENTS FOR THE PROPERTIES MUNICIPALLY KNOWN AS 5879, 5933, 5945, 5811 AND 5951 STEELES AVENUE EAST, TORONTO, ONTARIO	
14			
15			
16	REGISTERING AGENT	BAKER SCHNEIDER RUGGIERO LLP	
17		ADDRESS	120 ADELAIDE STREET W., STE. 1000 TORONTO ONT M5H 3V1

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*

CONTINUED... 7





PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

PSSR 10 FINANCING STATEMENT / CLAIM FOR DEEN

00 FILE NUMBER  
658088856

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILE#NG NO. OF PAGES NO. OF SCHEDULE NUMBER UNDER BELIOD  
002 002 20091209 1028 1862 1547

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
NAME 10JUN1927 STANLEY M SNOW ON M6B 2Z4

03 BUSINESS NAME ADDRESS TORONTO

04 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 BUSINESS NAME ADDRESS ONTARIO CORPORATION NO.

07 SECURED PARTY / WHEN CLAIMANT ADDRESS

08 COLLATERAL CLASSIFICATION

09 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OF MATURITY DATE

10 YEAR MAKE MODEL M.I.N.

11 MOTOR YEAR MAKE MODEL M.I.N.

12 VEHICLE MODEL M.I.N.

13 GENERAL COLLATERAL DESCRIPTION

14 REGISTERING AGENT ADDRESS

15 ADDRESS

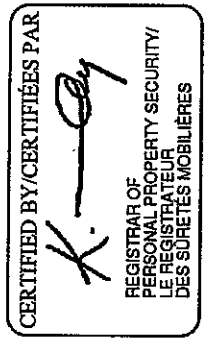
16 ADDRESS

17 ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . .

B



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

FORM IC FINANCING STATEMENT / CLAIM FOR LIPN

00 FILE NUMBER  
656941509

01 CAUTION PAGE TOTAL REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES NUMBER UNDER PERIOD  
001 1 20091014 1438 1590 1924 P PSSA 10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME 2811 DEVELOPMENT CORPORATION MARKHAM  
ON L3R 5J2  
ONTARIO CORPORATION NO.

04 ADDRESS 7100 WOODBINE AVENUE, SUITE 111  
05 DEBTOR DATE OF BIRTH INITIAL SURNAME  
06 NAME BUSINESS NAME  
07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / KEY PENDRAGON ENTERPRISES INC.  
09 DEBTOR CLAIMANT ADDRESS 2600 BATHURST STREET, SUITE 12 TORONTO ON M6B 2Z4

10 COLLATERAL CLASSIFICATION  
X CONSUMER X MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
X GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MAJORITY DATE

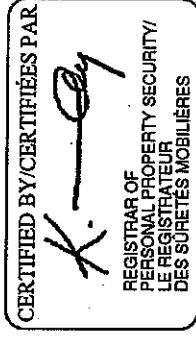
11 YEAR MAKE MODEL N.L.N.  
12 MOTOR VEHICLE

13 GENERAL  
14 COLLATERAL  
15 DESCRIPTION

16 REGISTERING TORKIN MANES LLP (G. EDDIE)  
17 AGENT ADDRESS 1500 151 YONGE STREET TORONTO ON M5C 2W7

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . . 9



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

FORM 20 FINANCING STATEMENT / CHANGE STATEMENT

CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
001 001 20091217 1255 1862 2183

01 RECORD FILE NUMBER 656941509

21 REFERENCED PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED KENWAL CORRECT PERIOD  
X J OTHER YEARS

22 REFERENCE FIRST GIVEN NAME INITIAL SURNAME  
DEBTOR/ 2811 DEVELOPMENT CORPORATION

23 TRANSFEROR BUSINESS NAME 2811 DEVELOPMENT CORPORATION

24 OTHER CHANGE SUBORDINATION

25 REASON/ KEY PEN-DRAGON ENTERPRISES INC. POSTPONES AND SUBORDINATES FILE  
26 DESCRIPTION NO. 656941509 AND REGISTRATION NUMBER 20091014 1438 1590 1924 TO FILE  
28 NO. 65808856, REGISTRATION NO. 20091209 1028 1862 1547.

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

05 DEBTOR/ BUSINESS NAME

03/ TRANSFEREE BUSINESS NAME

06 ADDRESS

ONTARIO CORPORATION NO.

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

08 ADDRESS

09 COLLATERAL CLASSIFICATION

CONSUMER MOTOR VEHICLE DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCURUS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE

10 YEAR MAKE MODEL YEAR

11 MOTOR YEAR MAKE MODEL YEAR

12 VEHICLE YEAR MAKE MODEL YEAR

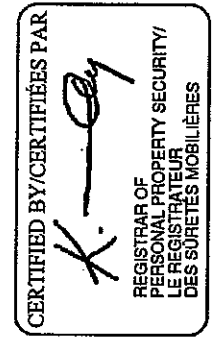
13 GENERAL YEAR MAKE MODEL YEAR

14 COLLATERAL YEAR MAKE MODEL YEAR

15 DESCRIPTION YEAR MAKE MODEL YEAR

16 REGISTERING AGENT OR ADDRESS TORONTO

17 SECURED PARTY/ LIAISON CLAIMANT ADDRESS TORONTO



CONT INDED... 10

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*

ONT M5H 3V1

RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 10  
( 12554)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
647401221

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
SELLING NO. OF PAGE NO. OF PAGE NUMBER UNDER PERIOD  
01 001 20080731 1450 1530 1617 P PFSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME 2811 DEVELOPMENT CORPORATION MARKHAM  
ON L3R 5J2

04 ADDRESS 7100 WOODBINE AVE SUITE 108  
ON L3R 5J2

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME  
ON L3R 5J2

07 ADDRESS  
ON L3R 5J2

08 SECURED PARTY / THE TORONTO-DOMINION BANK - 19572

09 LEEN CHAPMAN 55 KING ST W 3RD FLR TDT TORONTO ON M5K 1A2

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE ACCOUNT NO. FINANCE  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
X X X X

11 YEAR MAKE MODEL V.I.N.

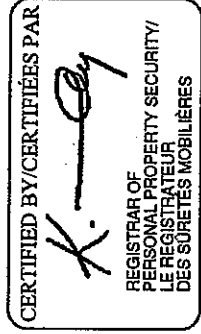
12 MOTOR VEHICLE

13 GENERAL  
14 COLLATERAL  
15 DESCRIPTION

16 REGISTERING CANADIAN SECURITIES REGISTRATION SYSTEMS  
17 ADDRESS SUITE 200 - 4126 NORLAND AVENUE BURNABY BC V5G 3S8

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*

CONTINUED... 11



RUN NUMBER : 299  
RUN DATE : 2011/10/26  
ID : 20111026151951.97

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 11  
( 12555)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
FILE CURRENCY : 25OCT 2011

FORM IC FINANCING STATEMENT / CLAIM FOR ITEM

00 FILE NUMBER  
646081227

01 CAUTION PACK TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGE NUMBER UNDER PERIOD  
01 001 20080613 1454 1616 9373 P PFSA 5

02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 BUSINESS NAME 2811 DEVELOPMENT CORPORATION

04 ADDRESS 7100 WOODBINE AVENUE, SUITE 111 MARKHAM  
ONTARIO CORPORATION NO. ON L3R 5J2

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 BUSINESS NAME

07 ADDRESS 1244 CALEDONIA ROAD TORONTO ON M6A 2X5  
ONTARIO CORPORATION NO.

08 SECURED PARTY / FIRM CAPITAL MORTGAGE FUND INC.

09 LEND CHALMANT ADDRESS 1244 CALEDONIA ROAD TORONTO ON M6A 2X5

10 COLLATERAL CLASSIFICATION  
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO PLEDG  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER ENHANCED MATURITY OR MATURITY DATE  
X X X X X

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR VEHICLE

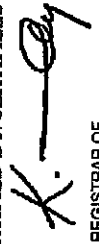
13 GENERAL SECURITY AGREEMENTS RESPECTING 5789, 5811, 5933, 5945 AND 5951  
14 COLLATERAL STEELES AVENUE EAST, TORONTO, ONTARIO AND ASSIGNMENT AND DIRECTION  
15 DESCRIPTION RESPECTING CASH SECURITY

16 REGISTERING JCLD ONLINE

17 ADDRESS 16-1375 SOUTHDOWN RD STE 322 MISSISSAUGA ONT L5J 2Z1

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR  
  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SURETES MOBILIERES  
(e/fif 11/2008)



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 12  
 ( 12556)

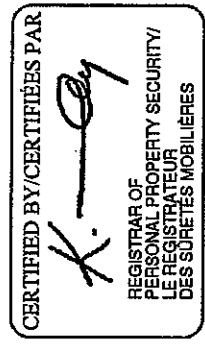
RUN NUMBER : 299  
 RUN DATE : 2011/10/26  
 ID : 20111026151951.97

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : 2811 DEVELOPMENT CORPORATION  
 FILE CURRENCY : 25OCT 2011

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
667905147	20110225	1538	1590 7257
665842383	20101112	1406	1462 9296
664832052	20100930	1530	1862 2577
658088856	20091209	1028	1862 1547
656941509	20091014	1438	1590 1924
647401221	20080731	1450	1530 1617
646081227	20080613	1454	1616 9373
	20091217	1255	1862 2183

8 REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.



# APPENDIX "Q"

# BUSINESS CLASSIFIED

TO PLACE AN AD CALL: 1-866-999-9ADS (9237) » EMAIL: ADVERTISING@GLOBEANDMAIL.COM

## COMMERCIAL REAL ESTATE

### Commercial Property

### SELLING BY UNRESERVED AUCTION SEPT. 14

Viewing by appointment  
Sale Starts: 11:00 am  
Gates Open: 9:00 am

#### FEATURES:

- Approx. 3.7 Acres
- Gated fenced compound
- Hwy 400 Exposure
- Visible to over 1M commuters & commercial traffic per week
- ~25,000 sq. ft. Facility
- Showroom & Office space
- Warehouse & High Bay
- 40' x 80' Out Building
- Included

**AERO AUCTIONS**  
705 734-4777  
For detailed information go to:  
**AeroAuctions.ca**

TO SUBSCRIBE CALL 1-866-36 GLOBE  
THE GLOBE AND MAIL \*

DIVID-FINDS

### FOR SALE PRIME WATERFRONT RESIDENTIAL DEVELOPMENT OPPORTUNITY ON GEORGIAN BAY IN COLLINGWOOD

- 11566-11616 Highway 5, Collingwood
- Approved for up to 220 Residential Units
- Waterfront frontage - approx. 239.8 metres on Georgian Bay
- Asking Price: \$4,750,000

For further information, please email LSGGTA@CBRE.COM

Lauren Doughty  
lauren.doughty@cbre.com  
416 495 6223

**CBRE**

CB Richard Ellis Limited, Real Estate Brokerage

### INVESTMENT OPPORTUNITIES OUTSIDE THE GTA

- 15 YEAR LEASE INDUSTRIAL BLDG, MOSTLY NEW CONSTRUCTION
- 9.2 CAP RATE \$2,400,000 ASK
- 8000 SQ.FT. OF RETAIL 9.35 CAP RATE \$1,225,000 MOTIVATED OWNER
- 20000 RETAIL 8.3 CAP RATE 50% ESTABLISHED TENANTS \$3,900,000

**Paul Manion 905-731-2000**  
Royal LePage  
Your Community Realty

### POWER OF SALE DEVELOPMENT LAND IN THE CITY OF TORONTO

- Location: Morningside Avenue & McNicoll Avenue
- Land Size: +/- 4.74 acres
- Zoning: Prestige Business Park
- Prime exposure on McNicoll Avenue
- Asking Price: \$2,346,300
- \$495,000/acre

For further information, please email LSGGTA@cbre.com

lan.hunt@cbre.com  
416 495 6268

**CBRE**

CB Richard Ellis Limited, Real Estate Brokerage

### LEGALIS

In the matter of the bankruptcy of Donald Edward Schmeidel of the City of Toronto, in the Province of Ontario Notice is hereby given that a bankruptcy order was issued against Donald Edward Schmeidel on August 22, 2011 and Grant Thornton Limited was appointed Trustee. The first meeting of creditors will be held on September 7, 2011 at 11:00 am at the office of the Trustee at the address stated below.

**Grant Thornton**

RBC Plaza, South Tower  
200 Bay Street, 19th, Fl.  
Toronto, On, M5J 2P9

### TENDERS

### Apartment Property For Sale



Yonge & Lawrence - 16 Suites

David Montessoro  
david.montessoro@cbre.com  
416 815 3332

**CBRE**

CB Richard Ellis Limited, Real Estate Brokerage

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- Excellent location, Nat'l Parks Golf, Beauty and great weather
- All This And Only 1 hr from Tucson Int'l Airport

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### TENDERS

### Prime commercial development opportunity for sale - 39 acres

Deloitte & Touche Inc., in its capacity as Court-Appointed Receiver of certain assets, undertakings and properties of 2811 Development Corporation ("2811"), and not in its personal capacity (the "Receiver"), offers for sale its right title and interest, if any, in certain property of 2811 including the lands known municipally as 5789, 5811, 5833, 5945, and 5851 Steeles Avenue East (approximately 39 Acres), just west of Markham Rd, Toronto, Ontario (the "Property").

The deadline for submission of offers is set for 12 noon October 3, 2011. Offers must be submitted using the pre-approved form of offer available with the Confidential Information Memorandum ("CIM").

To receive additional information, including the CIM, conditions of sale and access to the password protected data room, prospects must execute a Confidentiality Agreement.

To obtain a Confidentiality Agreement, please contact Mr. Ira Gerstein, CA, CIPF at 416-775-7276 or via e-mail iargerstein@deloitte.ca or Mr. Bryan A. Tannenbaum, FCA, CIPFP at 416-775-4716 or via e-mail btannenbaum@deloitte.ca

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**Deloitte.**



**CONFIDENTIAL  
APPENDIX "R"**

**SEALED BY COURT  
ORDER**

# APPENDIX "S"

## CONDITIONS OF SALE

1. The vendor is Deloitte & Touche Inc., solely in its capacity as the receiver (the "**Vendor**") appointed pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 29, 2011 of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule "A" to the Appointment Order (the "**Lands**") and all of the assets, undertakings and properties of 2811 Development Corporation (the "**Debtor**") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon as described in Schedule "B" to the Appointment Order (collectively, the "**Property**").
2. Pursuant to these Conditions of Sale, the Vendor is offering for sale the Vendor's and the Debtor's right, title and interest, if any, in the Property as described in the Confidential Information Memorandum (the "**CIM**") dated August 31, 2011.
3. A listing of the various items comprising the Property is contained in the CIM. All information contained in the CIM, including without limitation, the lists and descriptions of the Property (including, without limitation, the legal description of the Lands), has been prepared solely for the convenience of the party submitting an offer to purchase some or all of the Property (an "**Offeror**") and are not warranted to be complete or accurate and do not form part of these Conditions of Sale.
4. The Vendor will consider both en bloc offers for the Property and offers for any or all of the three individual parcels that comprise the Lands. The Receiver has been advised that the sale of individual parcels may require consent to severance from the appropriate government authorities.
5. Sealed offer marked "Offer – 2811 Development Corporation" shall be delivered or mailed postage prepaid to Deloitte & Touche Inc., 181 Bay Street, Brookfield Place, Suite 1400,

Toronto, Ontario, M5J 2V1, to the attention of Ira Gerstein. All offers must be received by the Vendor by 12:00 p.m. Eastern Standard Time on October 3, 2011 (the "Offer Date"). The Vendor reserves the right to extend the Offer Date at any time for any reason.

6. Every offer submitted should be in the form of offer attached hereto. Offers received by the Vendor which are not in such form may be rejected. No Offeror shall be entitled to be present for the opening of offers.
7. The Vendor shall have no obligation, at law or in equity or otherwise, to any Offeror or any other person or party, to:
  - (a) consider any offer which:
    - (i) specifies a purchase price as an amount or percentage in excess of any other offer or otherwise as a function of the purchase price offered by any other Offeror;
    - (ii) has not been fully completed and duly executed;
    - (iii) is not accompanied by the Deposit (as defined below) required hereunder;
    - (iv) has not been delivered to and received at the offices of the Vendor as required hereunder; or
  - (b) negotiate with any Offeror after the Offer Date with respect to any provision of the offer or request or agree to any changes therein,

but nothing in these Conditions of Sale shall preclude the Vendor from taking any of the foregoing steps if, in its sole and unfettered discretion, it decides to do so; however the taking of any such step shall not constitute a waiver by the Vendor of the provisions of this paragraph or an obligation on the part of the Vendor to take any further or other steps referred to above with the same or any other Offeror. The Vendor will be under no obligation to negotiate identical terms with, or extend identical terms to, each Offeror.

8. The Offeror shall, with its offer, deliver to the Vendor the following:
- (a) an amount equal to 10% of the purchase price specified in the Offer by certified cheque or bank draft drawn on or issued by a Schedule 1 Canadian chartered bank or trust company, which shall be held in a non-interest bearing account by the Vendor. If the Offer is accepted by the Vendor said cheque shall be deemed to be a cash deposit (the "**Deposit**") against the aggregate offered purchase price (the "**Purchase Price**") and, subject to Court approval of the Offer, the Offeror (hereinafter called the "**Purchaser**") under an Approved Sale Agreement (as defined below) shall pay the balance of the Purchase Price to the Vendor, by certified cheque or bank draft drawn on or issued by a Schedule 1 Canadian chartered bank or trust company on the Closing Date of the transaction under the Approved Sale Agreement;
  - (b) an executed copy of the template agreement of purchase and sale prepared by the Vendor ("**Template Sale Agreement**"), amended to reflect that part of the Property subject to the Offer (the Template Sale Agreement as amended, the "**Offeror Sale Agreement**") and any other matters specific to the Offer, which shall be binding and irrevocable until October 14, 2011;
  - (c) a comparison of the Template Sale Agreement to the executed and amended Offeror Sale Agreement;
  - (d) a representation of the Offeror that the Offeror has, and written evidence of, available cash and/or a commitment for financing to evidence the Offeror's ability to close the proposed transaction as the Vendor may reasonably request;
  - (e) a copy of a resolution of the Offeror's board of directors or similar document demonstrating the Offeror's authority to make an irrevocable Offer and to execute the transaction contemplated by the Offeror Sale Agreement; and

- (f) disclosure of the identity of each entity (including its ultimate shareholders) that has submitted the Offer.
9. Following the Offer Date, the Vendor specifically reserves its right to negotiate with any Offeror with respect to any provision of the offer or to request or agree to any changes in any such Offer. The Vendor may choose to take such steps with respect to one or more Offers but the Vendor shall have no obligation to negotiate identical terms with, or extend identical terms to each Offeror. The Vendor reserves its right to request some, but not all, Offerors to submit a revised offer reflecting improved terms or other amendments requested by the Vendor. The Vendor will be under no obligation to provide to each Offeror the opportunity to improve the terms of any offer submitted to the Vendor following the Offer Date.
10. If the Vendor accepts an offer and the subject Offeror Sale Agreement, the Vendor shall seek Court approval of such Offeror Sale Agreement as soon as reasonably possible. Any Offeror Sale Agreement accepted by the Vendor and approved by the Court is referred to herein as an **“Approved Sale Agreement”**.
11. If the Vendor accepts an offer but the terms of that offer or the Offeror Sale Agreement are not approved by the Court then the Vendor may, in its sole and unfettered discretion, terminate the proposed transaction and any Offeror Sale Agreement accepted by the Vendor, whereupon the Deposit shall forthwith be returned to the Offeror without credit for any accrued interest thereon and the Vendor may then accept any other offer to purchase that part of the Property subject to the terminated Offeror Sale Agreement.
12. Notwithstanding any other provision contained in these Conditions of Sale, nothing herein shall constitute an assignment or attempted assignment of any of the Property subject to an Approved Sale Agreement (**“Purchased Assets”**) which is not assignable without the consent of any person if such consent is not obtained by the Purchaser. It shall be the Purchaser’s sole responsibility to

obtain, at its own expense, any consents, approvals or any further documentation or assurances which may be required to carry out the terms of the sale of the Purchased Assets, including, without limitation, any approvals with respect to the assignment of any of the Purchased Assets not assignable without the consent or action of a third party or parties. Specifically, and without limiting the generality of the foregoing, by submitting an Offer, an Offeror acknowledges that it has conducted its own investigations with respect to any licences, approvals or third party consents which are necessary to purchase any of the Property, to develop or construct improvements upon the Lands or any other activity utilizing or in connection with any of the Property.

13. The Offeror acknowledges that it is purchasing the Purchased Assets on an "as is where is basis" and the Receiver cannot and will not provide any representations or warranties whatsoever in any manner with respect to the Purchased Assets.
14. Cheques accompanying Offers that are not accepted will be returned to the Offeror by registered mail addressed to the Offeror at the address set out in its Offer or made available for pick up not later than eighteen (18) days following the opening of Offers unless otherwise arranged with the Offeror.
15. The closing of each Approved Sale Agreement shall take place at the office of the Vendor, 181 Bay Street, Brookfield Place, Suite 1400, Toronto, Ontario or at the option of the Vendor, at the offices of the Vendor's solicitors at 11:00 a.m. on the 31<sup>st</sup> day after approval by the Court of the Approved Sale Agreement accepted by the Vendor (the "**Closing Date**") or such other date as the Vendor and the Purchaser may agree.
16. Upon closing of the sale of the Purchased Assets contemplated by the Approved Sale Agreement (the "**Closing**"), the Purchaser shall be entitled, upon receipt by the Vendor of the Purchase Price, to possession of the Purchased Assets and to such bills of sale or assignments as may be

considered necessary by the Vendor to convey the Purchased Assets to the Purchaser provided that the Purchaser shall remain liable under the Approved Sale Agreement. Any such deeds, bills of sale or assignments shall contain only a release of the Vendor's interest in the Purchased Assets and shall not contain any covenants.

17. The Purchaser shall pay on closing in addition to the Purchase Price:
  - (a) all applicable federal, provincial and municipal taxes;
  - (b) costs, if any, of dismantling or removing the Purchased Assets from their present location and restoring such location to a neat and clean condition; and
  - (c) the cost of repairing any damage caused by dismantling or removal of the Purchased Assets from their present location.
18. The Purchaser shall assume at the Purchaser's cost complete responsibility for compliance with all laws, municipal, provincial or federal in so far as same apply to the Purchased Assets and the use thereof by the Purchaser.
19. The Vendor shall not be required to produce any abstract of title, title deed, or documents or copies thereof or any evidence as to title, other than those in its possession.
20. Prior to the Closing, the Purchased Assets shall be and remain in the possession of and at the risk of the Vendor and the Vendor will hold all policies of insurance effected thereon and the proceeds thereof in trust for the Vendor and the Purchaser as their respective interests may appear. After Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event of substantial damage to the Purchased Assets occurring on or before Closing, the Purchaser may either have the proceeds of the insurance and complete the Approved Sale Agreement or may cancel such Approved Sale Agreement and have the Deposit paid thereunder, returned without interest, costs or compensation of any kind whatsoever. Where any damage is not substantial, the Purchaser



shall be obliged to complete the purchase and shall be entitled to the proceeds of insurance referable to such damage, but not to any other costs or compensation whatsoever.

21. All adjustments of such taxes and other items as are specified herein will be made as of Closing under the Approved Sale Agreement. The Purchaser shall arrange its own insurance and there shall be no adjustment with respect to insurance.
22. No adjustments will be allowed by either the Vendor or the Purchaser for changes in the condition or quantity of any of the Property comprising the Purchased Assets. The Vendor shall remain in possession of the Purchased Assets until the Purchase Price therefor has been paid in full. The Purchaser will take possession of the Purchased Assets at Closing.
23. If the Purchaser fails to comply with the Approved Sale Agreement, the Purchaser's deposit shall be forfeited to the Vendor and the Purchased Assets may be resold by the Vendor, and the Purchaser shall pay to the Vendor (i) an amount equal to the amount, if any, by which the Purchase Price under the Approved Sale Agreement exceeds the net purchase price received by the Vendor pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of or occasioned by the Purchaser's failure to comply with the Approved Sale Agreement.
24. By submitting an Offer, a Purchaser acknowledges that it has inspected the Purchased Assets and that the Purchased Assets are sold on an "as is, where is" basis at the time of Closing and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, merchantability, quantity, conditions or quality thereof or in respect of any other matter or thing whatsoever. Each Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting, of the Purchased Assets or any part thereof and each Purchaser shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. It shall be the Purchaser's sole responsibility to obtain, at its own expense, any

consents to the transfer of the Purchased Assets and any further documents or assurances which are necessary or desirable in the circumstances. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) do not apply to the sale of the Purchased Assets and have been waived by the Purchaser.

25. Deloitte & Touche Inc. acts solely in its capacity as Court-appointed receiver of the Property and shall have no personal or corporate liability in connection with the Vendor offering the Property for sale, pursuant to the Conditions of Sale, the CIM or under any Offer, Offeror Sale Agreement or Approved Sale Agreement.
26. The highest or any offer will not necessarily be accepted.
27. The acceptance of any offer and any Offeror Sale Agreement entered into by the Vendor shall be subject to the condition that the sale and the terms thereof be approved by the Court.
28. No Offeror shall be at liberty to withdraw, vary or countermand an Offer once received by the Vendor. Each Offer shall be irrevocable until 12:00 O'clock noon Eastern Time on October 14, 2011.
29. The Vendor, at its sole discretion, may waive or vary any or all of the terms and conditions hereof. The terms and conditions contained herein shall not merge on the Closing of the transaction contemplated by any Approved Sale Agreement but shall survive such closing and remain in full force and effect and be binding on the Purchaser thereafter.
30. These Conditions of Sale and the validity and interpretation of any offer, Offeror Sale Agreement or Approved Sale Agreement shall be governed by the laws of Ontario, and such agreement shall enure to the benefit of and be binding upon the parties thereto, and their respective heirs, executors, administrators, successors or assigns as the case may be.

31. The submission of an offer by a resident of the province of Quebec shall be deemed to constitute the declaration and acknowledgement by the Offeror that it has requested the Conditions of Sale, the form of the offer referred to herein, any Offeror Sale Agreement and all other documentation relating to its offer and to the acceptance thereof to be drawn up in the English language only.
32. All stipulations as to time are strictly of the essence.
33. Any offer of documents or money hereunder may be made upon the Vendor or the Purchaser, or their respective solicitors. Money may be paid by certified cheque or bank draft drawn on or issued by a Schedule 1 Canadian chartered bank or trust company.
34. The obligations of the Vendor to complete an Approved Sale Agreement shall be relieved if, on or before the Closing of such sale, the Order of the Court approving the subject Approved Sale Agreement is subject to appeal, any of the Purchased Assets subject to the sale have been removed from the control of the Vendor by any means or process, or if any of the Purchased Assets subject to the sale is redeemed, whereupon the only obligation of the Vendor shall be to return the applicable Deposit, without interest, costs or compensation.
35. The Vendor shall not be bound to sell any of the Property until it is authorized by the Court to accept and enter into an Approved Sale Agreement. The Vendor reserves the right to enter into one or more agreements to sell any or all of the Property at any time and to withdraw any or all of the Property from the sale.

**EXHIBIT "H"****FORM OF OFFER**

To: **Deloitte & Touche Inc., solely in its capacity as the Receiver of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule "A" attached hereto (the "Lands"), and all of the assets, undertakings and properties of 2811 Development Corporation acquired for, or used in relation to, the development of the Lands and construction of improvements thereon (collectively, the "Property"), and without personal or corporate liability.**

1. \_\_\_\_\_  
(Name of Offeror)
  
2. \_\_\_\_\_  
(Address of Offeror)
  
3. \_\_\_\_\_  
(Telephone Number)                      (Facsimile Number)                      (email address)
  
4. a. EN BLOC – I/We hereby submit this en bloc offer for the purchase of the Property for the purchase price of CAD\$ \_\_\_\_\_  
(\_\_\_\_\_ dollars),  
excluding applicable taxes; or
  
- b. Parcel(s) – I/We hereby submit this offer for the purchase of the following parcel(s) for the purchase price set forth below:
  - (i) Lands A – CAD\$ \_\_\_\_\_  
(\_\_\_\_\_ dollars),  
excluding applicable taxes
  
  - (ii) Lands B – CAD\$ \_\_\_\_\_  
(\_\_\_\_\_ dollars),  
excluding applicable taxes
  
  - (iii) Lands C – CAD\$ \_\_\_\_\_  
(\_\_\_\_\_ dollars),  
excluding applicable taxes.
  
5. We/I agree that in the event this offer is accepted, to be bound by the Conditions of Sale as approved by the Court, which shall form part of this offer.
  
6. This Offer is irrevocable and shall remain open for the consideration of the Vendor until 12:00 o'clock Noon Eastern Time on the 14th day of October, 2011.
  
7. Warranty – We/I represent and warrant to Deloitte & Touche Inc. that we/I am/are not a non-eligible person as defined by the *Investment Canada Act*.

8. Enclosed is our/my certified cheque payable to Deloitte & Touche Inc., as a deposit in the amount of \$ \_\_\_\_\_, representing 10% of the total amount of my/our Offer submitted herein.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: •  
Title: •

By: \_\_\_\_\_  
Name: •  
Title: •  
I/We have authority to bind the Corporation.

**CONFIDENTIAL  
APPENDIX "T"**

**SEALED BY COURT  
ORDER**

**CONFIDENTIAL  
APPENDIX "U"**

**SEALED BY COURT  
ORDER**

**CONFIDENTIAL  
APPENDIX "V"**

**SEALED BY COURT  
ORDER**



**CONFIDENTIAL  
APPENDIX "W"**

**SEALED BY  
COURT ORDER**

# APPENDIX "X"

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**AGREEMENT OF PURCHASE AND SALE**

Made as of the 3rd day of October, 2011

Between

**Deloitte & Touche Inc,  
in its capacity as receiver of certain of the assets, property and undertaking of  
2811 Development Corporation  
and not in its personal capacity**

(the "Vendor")

- and -

**Mady Development Corporation**

(the "Purchaser")

---

## AGREEMENT OF PURCHASE AND SALE

This Agreement is made as of the 3<sup>rd</sup> day of October, 2011,

BETWEEN:

**Deloitte & Touche Inc.,**

in its capacity as receiver of certain of the assets, property and undertaking  
Do as per order of 2811 Development Corporation, and not in its personal  
capacity

(the "Vendor")

and

**Mady Development Corporation**

(the "Purchaser")

### RECITALS

A. Pursuant to an order of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) dated June 29, 2011, Deloitte & Touche Inc., has been appointed receiver of all of the lands and premises legally described in Schedule "A" attached hereto (the "Lands") and all of the assets, undertakings and properties of 2811 Development Corporation (the "Debtor") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon, pursuant to Section 101 of the *Courts of Justice Act* (Ontario), as defined in the said order.

B. Pursuant to the Marketing Order, the Court approved the sale process proposed by the Vendor for the sale of the Lands;

C. The Vendor desires to sell and the Purchaser desires to purchase the Assets, as more particularly set out herein, subject to the terms and conditions hereof.

**FOR VALUE RECEIVED**, the Parties agree as follows:

### SECTION 1 - INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) "Agreement" means this Agreement of Purchase and Sale;

- (b) **"Appointment Order"** means the order of the Court dated June 29, 2011 appointing Deloitte & Touche Inc., as receiver of the assets, property and undertaking of the Debtor, as defined therein, pursuant to the provisions of the Ontario *Courts of Justice Act*;
- (c) **"Approval and Vesting Order"** has the meaning set out in Section 4.3(a);
- (d) **"Assets"** means the right, title and interest of the Debtor in and to the assets described in Schedule "A";
- (e) **"Assumed Encumbrances"** means those items listed in Schedule "B" attached hereto and in Schedule "D" to the Approval and Vesting Order;
- (f) **"Business Day"** means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday, Jewish Holidays, or statutory holiday in the Province of Ontario;
- (g) **"Claim"** means any claim, demand, action, cause of action, damage, loss, cost, liability or expense, including reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.
- (h) **"Closing"** means the successful completion of the Transaction;
- (i) **"Closing Date"** means later of November 8th or two Business Days after the granting of the Approval and Vesting Order and in no event later than December 15<sup>th</sup> 2011;
- (j) **"Conditions of Sale"** means the conditions of sale approved pursuant to the Marketing Order.
- (k) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (l) **"Debtor"** means, 2811 Development Corporation ;
- (m) **"Deposit "** means the deposit in an amount equal to 10% of the Purchase Price paid to the Vendor by the Purchaser by way of solicitor's certified cheque or solicitor's bank draft drawn upon a Schedule 1 Canadian chartered bank, or by wired funds, pursuant to the Conditions of Sale;
- (n) **"Encumbrance"** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), claim, title retention agreement or arrangement, restrictive covenant, rights of way, easements, encroachments, reserves, or other encumbrance of any nature or any other arrangement or condition which, in substance, secures payment or performance of an obligation.
- (o) **"ETA"** means the *Excise Tax Act* (Canada);

- (p) "Government Authority" means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the transaction contemplated in this Agreement or one or both of the parties and shall include a board, commission, courts, bureau, agency or any quasi-governmental or private body exercising any regulatory authority including an association of insurance underwriters;
- (q) "Land Transfer Tax" means all the taxes payable under the *Land Transfer Tax Act* (Ontario) and any other applicable provincial or municipal land transfer tax legislation, including all registration fees, license fees, and other like charges payable upon a transfer of real property, together with interest, penalties and additions thereto;
- (r) "HST" means all goods and services taxes payable and harmonized sales tax under the ETA;
- (s) "Jewish Holidays" means the first, second, seventh and eighth days of Passover, the first and second day of Shavuoth, first and second days of Rosh Hashanah, Yom Kippur, the first and second day of Sukkoth, Shemini Azereth and Simchas Torah;
- (t) "Marketing Order" means the Order of the Court dated August 10, 2011 authorizing the Receiver to market and sell the Property.
- (u) "Parties" means the Vendor, the Purchaser and any other Person who may become a party to this Agreement "Party" means any one of the foregoing.
- (v) "Person" means an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- (w) "Plans" means all plans and documentation in the possession or control of the Vendor relevant to the development of the Lands and the construction of any buildings thereon including, without limitation, engineering drawings, architectural plans and working drawings, landscaping plans, other documentation prepared to illustrate or define a particular aspect of the development of the Lands and the construction of the buildings;
- (x) "Purchase Price" shall have the meaning ascribed to it in Section 2.4. For greater certainty, the Purchase Price shall be exclusive of Transfer Taxes and any other taxes payable as a result of or in connection with the Transaction;
- (y) "Purchaser" means Mady Development Corporation;
- (z) Intentionally Deleted

- (aa) **"Time of Closing"** means 2:00 p.m. (EST) on the Closing Date or such other time on the Closing Date as the Parties may mutually agree;
- (bb) **"Transaction"** means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement;
- (cc) **"Transfer Taxes"** means all HST, land transfer tax, sales, excise, use, transfer, gross receipts, documentary, filing, recordation, value-added, stamp, stamp duty reserve, and all other similar taxes, duties or other like charges, however denominated together with interest, penalties and additional amounts imposed with respect thereto; and
- (dd) **"Vendor"** means Deloitte & Touche Inc., in its capacity as receiver of the Assets, and not in its personal capacity.

#### 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

#### 1.3 Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

#### 1.4 Schedules

The following Schedules are incorporated in and form part of this Agreement:

- Schedule "A"            Assets
- Schedule "B"            Assumed Encumbrances
- Schedule "C"            Form of Approval and Vesting Order

### SECTION 2 – SALE AND PURCHASE AND ASSIGNMENT

#### 2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, the Vendor, exercising the powers of sale granted pursuant to the Appointment Order, shall sell to the Purchaser, and the Purchaser shall purchase, the Assets on the Closing Date. The Purchaser acknowledges that it is not purchasing any other property or assets of the Debtor other than the Assets. The Purchaser acknowledges that the various parties who prepared the Plans may have restricted the use thereof by the Debtor

only, in their respective retainers with the Debtor and any purported conveyance of the Plans by the Vendor to the Purchaser may be subject to the such limitations.

## 2.2 "As is, Where is"

The Purchaser acknowledges to the Vendor that it has inspected the Assets and that the Vendor is selling the Assets on an "as is, where is" basis with all faults known, or unknown, as they shall exist as of the date of execution of this Agreement, or on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Assets and that the Purchaser has conducted such inspections of the condition of and title to the Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to any matter including, title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality, latent defects, cost, size, value, state of repair, environmental condition, Environmental Laws, zoning, permitted uses, permits, governmental compliance, threatened claims, litigation, or in respect of any other matter or thing whatsoever concerning the Assets or the right of the Vendor to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and are hereby waived by the Purchaser. The description of the Assets contained in the Schedules hereto and in any marketing material is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions. The Purchaser acknowledges that it has relied entirely upon its own inspections and investigations with respect to the purchase of the Assets including the quantity, quality and value thereof. The information in the data room and description of the Assets and Lands in any marketing material, listing information, and any like material delivered or made available by the Vendor, its agents or any other party on its behalf to the Purchaser or its representatives are believed to be correct, but if any misstatement, error, inaccuracy or omission (collectively the "Inaccuracies") is found in the particulars thereof, the Purchaser shall not be entitled to any abatement, damages, reimbursement, costs or to termination of this Agreement as a result thereof and the Purchaser hereby releases the Vendor from any claims, damages, suits, costs, etc., the Purchaser had, has or may have as a result of such Inaccuracies. The provisions of the Section 2.2 shall not merge on the Closing but shall survive and continue to be in full force and effect thereafter.

## 2.3 Assumed Encumbrances

The Purchaser acknowledges that the Vendor is selling the Assets subject to the Assumed Encumbrances and that the Vendor undertakes no obligation to discharge such Assumed Encumbrances on the Closing or thereafter.

## 2.4 Payment of the Purchase Price

The Purchaser shall pay the Purchase Price of .....REDACTED.....  
.....REDACTED....., subject to the usual adjustments, as follows:

- (a) payments by the Purchaser of the Deposit within one Business Day after acceptance of the Agreement by the Vendor to be held by the Vendor in trust until the Time of Closing and credited toward the Purchase Price upon Closing;



- (b) the balance due on closing shall be paid by solicitors certified funds or wired funds at the Time of Closing;

The Vendor agrees to cause the Deposit to be placed into an interest bearing account or certificate of deposit, with all interest earned or accrued thereon to be paid or credited to the Purchaser at the Time of Closing, unless the Purchaser forfeits the Deposit as provided below in which event the interest shall be paid to the Vendor. Unless otherwise agreed, all amounts payable to the Vendor either by way of Deposit or at the Time of Closing shall be paid to the Vendor by solicitor's certified cheque, or solicitor's bank draft of a Canadian chartered bank, or by wired funds.

## 2.5 Taxes

In addition to the Purchase Price, the Purchaser shall pay all applicable Transfer Taxes exigible in connection with the purchase and sale of the Assets, including, without limitation, HST and Land Transfer Tax.

The Purchaser will be a HST registrant under the *Excise Tax Act (Canada)* on or before the Closing Date and will provide its registration number to the Vendor on or before the Closing Date.

- (a) If part or all of the said transaction is subject to HST and:
  - (i) the Vendor is a non-resident of Canada or the Vendor would be a non-resident of Canada but for Subsection 132(2) of the Act; and/or
  - (ii) the Purchaser is a "prescribed recipient" under the Act and/or is registered under the Act,

then the Purchaser shall deliver, prior to Closing, its certificate in form prescribed by the Act or, if no such form is prescribed, then in reasonable form, certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Governmental Authority all HST payable in respect of the transaction contemplated hereunder. If sub-paragraph (a)(ii) above is applicable, then the Purchaser's certificate shall also include certification of the Purchaser's prescription and/or registration as the case may be, and the Purchaser's HST registration number. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Vendor at Closing, in addition to the balance due on Closing, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the said transaction.

The Purchaser hereby indemnifies and holds the Vendor harmless from and against any liability for Transfer Taxes, including, without limitation, HST and Land Transfer Tax, arising out of any failure to pay such taxes as and when due, together with all interest, penalties and expenses resulting from such failure.

### SECTION 3 – REPRESENTATIONS AND WARRANTIES

#### 3.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Ontario;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the transactions contemplated and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success.
- (e) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (f) the Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*; and
- (g) the Purchaser is registered or will be registered on Closing under Part IX of the ETA and its registration number is 103449435.

#### 3.2 Vendor's Representations

The Vendor represents and warrants to the Purchaser as follows:

- (a) the Vendor has been duly appointed as the receiver of the Assets pursuant to the Appointment Order with authority to exercise the powers of sale contained therein;
- (b) the Vendor has the right to enter into this Agreement and to complete the Transaction, subject to the granting of the Approval and Vesting Order;
- (c) save and except for the charges created in the Appointment Order, the Vendor has done no act to encumber the Assets; and
- (d) the Receiver is not a non-resident of Canada for purposes of Section 116 of the *Income Tax Act* (Canada).

#### SECTION 4 – CONDITIONS AND TITLE

##### 4.1 Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions precedent being fulfilled or performed at or prior to the Time of Closing:

- (a) the Vendor shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;

The foregoing condition is for the exclusive benefit of the Purchaser. Such condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

##### 4.2 Conditions – Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (c) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and
- (d) the Vendor shall not have lost possession or control of the Assets or any part thereof.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing.

#### 4.3 Approval and Vesting Order

The obligations of the Vendor and the Purchaser are subject to the conditions that:

- (a) the Approval & Vesting Order shall have been obtained, the terms of the Approval & Vesting Order shall not differ materially from the form of Order at Schedule "C", and such Order shall not have been stayed, reversed or dismissed, and shall vest in the Purchaser all the right, title and interest of the Debtor in the Assets free and clear of any and all liabilities and encumbrances except for the Assumed Encumbrances; and
- (b) no order shall have been issued which restrains or prohibits the completion of the Transaction.

The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser.

#### 4.4 Non-Satisfaction of Conditions

If any condition set out in this Section 4 is not satisfied or performed prior to the time specified therefore, the party for whose benefit the condition is inserted may:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) elect on written notice to the other party to terminate this Agreement before Closing.

#### 4.5 Title Examination

The Purchaser acknowledges that it shall, at its own expense, examine title to the Lands and satisfy itself as to the state thereof. Title shall be free and clear of all Encumbrances save and except for the Assumed Encumbrances. The Purchaser will be allowed until the end of the seventh Business Day after the entering into of this Agreement by the Parties to examine the title to the Lands at the Purchaser's expense. The Purchaser further acknowledges that, notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions on title in respect of any Assumed Encumbrances, or in regard to any outstanding work orders, deficiency notices, orders issued by any Government Authority. The Purchaser further acknowledges that it shall not be entitled to a conveyance of Transfer, but shall receive an Approval and Vesting Order whereby title to the Assets will be vested in the Purchaser free and clear of all Encumbrances other than the Assumed Encumbrances. If, during that time, any valid objection to title is made in writing to the Vendor which the Vendor is unable or unwilling to remove or satisfy and which the Purchaser will not waive, this Agreement will, notwithstanding any intermediate acts or negotiations in respect of such objections, be terminated, and the Deposit together with interest, if any, that has been earned or accrued thereon will be immediately returned to the Purchaser without deduction. Save as to any valid objections so made which the Vendor agreed herein to rectify, and save as to any

objections going to the root of title and any Encumbrances arising after the date hereof that are not Assumed Encumbrances, the Purchaser will be conclusively deemed to have accepted the title of the Vendor to the Lands.

Except as may be otherwise specified herein, the Purchaser will not call for the production of any title deed, abstract of title, survey or other evidence of title.

In the event any valid requisition is made with respect to the Vendor's title to the Assets, the Agreement, Leases, possession or any other matter (collectively the "Requisition(s)"), which is not insurable, and which the Vendor which is so obligated to rectify hereunder and which it is unable to satisfy using reasonable commercial efforts and which the Purchaser will not waive, then the Vendor may at its sole option extend the Closing Date for a period or periods of time not exceeding 60 days in total. If the Vendor is unable to resolve any such Requisitions(s) by the expiry of the extension period or periods, the Vendor at its sole option may terminate this Agreement. The Purchase acknowledges that its sole remedy with respect to any of the Requisitions(s) raised by it shall be rescission of the Agreement and the right to the return of its Deposit and the Buyer agrees that it shall have no right to any Claim including for specific performance with or without an abatement of the purchase price and/or for damages.

## SECTION 5 – CLOSING

### 5.1 Closing

The completion of the Transaction shall take place on the Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the Parties in writing.

### 5.2 Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser shall execute or deliver as applicable; to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Purchase Price;
- (b) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (c) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 4.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (d) an assumption of the Assumed Encumbrances;
- (e) a certificate of the Purchaser executed by a senior officer of the Purchaser confirming that the Purchaser (or such permitted assignee of the Purchaser) is purchasing the Lands on its own account and not as agent, trustee or nominee for any other Person and that it is a registrant for HST purposes under the *Excise Tax*

Act (Canada) as at the Closing Date and setting out the registration number of the Purchaser for HST purposes;

- (f) an undertaking of the Purchaser to remit to the Receiver General for Canada on a timely basis, to the extent required under the *Excise Tax Act* (Canada), any HST exigible in connection with the transactions contemplated by this Agreement and to indemnify and hold the Vendor harmless from and against any and all Claims that may be suffered or incurred by the Vendor arising from or in respect of the Purchaser's failure to register for the purposes of the HST or to perform its obligations under the *Excise Tax Act* (Canada) in connection with the completion of the transactions contemplated by this Agreement;
- (g) an undertaking by the Purchaser to readjust any errors, omissions or changes in the statement of adjustments, limited to 180 days from the Closing;
- (h) a certified copy of a resolution of the board of directors of the Purchaser authorizing the execution of this Agreement and performance of each of the Purchaser's obligations hereunder;
- (i) a certificate of status and certified copy of the Articles of Incorporation of the Purchaser; and
- (j) such further and other documentation as is referred to in this Agreement or as the Receiver may reasonably require to give effect to this Agreement.

### 5.3 Vendor's Deliveries on Closing

At the Time of Closing the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) Certified or notarial copy of the Approval and Vesting Order and the Receiver's Certificate, as referred to in the Approval and Vesting Order;
- (b) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 4.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (d) a statement of adjustments;
- (e) an undertaking by the Vendor to readjust any errors, omissions or changes in the statement of adjustments, limited to 180 days from the Closing;
- (f) such other documents as may be reasonably requested by the Purchaser's solicitors to give effect to this Agreement.

### 5.4 Purchaser's Acknowledgement

The Purchaser acknowledges that the Vendor is selling the rights, title and interest of the Debtor in and to the Assets pursuant to the Vendor's powers and as authorized by the

Appointment Order, Conditions of Sale and the Approval and Vesting Order. The Purchaser agrees to purchase and accept the rights, title and interests of the Debtor in and to the Assets pursuant to and in accordance with the terms of this Agreement, the Conditions of Sale and the Approval and Vesting Order.

#### 5.5 Possession of Assets

On Closing, the Purchaser shall take possession of the Assets where situate at the Time of Closing. In no event shall the Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Section 5.2.

The Purchaser Acknowledges that the Vendor is not and never has been in actual physical possession of the Assets.

#### 5.6 Risk

The Assets shall be and remain at the risk of the Debtor until Closing and at the risk of the Purchaser from and after Closing.

#### 5.7 Termination

If either the Vendor or the Purchaser validly terminates this Agreement pursuant to the provisions of Sections 4.4,

- (a) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end;
- (b) the Purchaser shall be entitled to have the Deposit and all the monies paid hereunder to the Vendor returned with any interest earned thereon but without deduction; and
- (c) neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

#### 5.8 Breach by Purchaser

If all of the conditions contained in Section 4.1 have been complied with, or waived by the Purchaser and the Purchaser fails to comply with the terms of this Agreement, the Vendor may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit and any other payments made by the Purchaser shall be forfeited to the Vendor on account of its liquidated damages, and the Assets may be resold by the Vendor. In addition, the Purchaser shall pay to the Vendor, on demand the deficiency, if any, arising upon such resale (after deducting the expenses of resale) together with interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

#### 5.9 Adjustments

All usual adjustments, including realty taxes, rates and assessments, shall be adjusted as of the Closing Date. Except as otherwise provided in this Agreement, the Vendor shall be

responsible for all expenses and entitled to all revenues accrued from the Property for the period ending on the day before the Closing Date and the Purchaser shall be responsible for all expenses and shall be entitled to all revenues accrued from the Property from and including the Closing Date and thereafter.

The right of the parties to re-adjust pursuant to the undertakings to re-adjust exchanged on Closing shall terminate 180 days after the Closing and there shall be no right thereafter for any re-adjustments, unless a claim in writing has been submitted by either party hereto to the other prior to the expiry of the said 180 days.

## SECTION 6 – GENERAL

### 6.1 Further Assurances

Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

### 6.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax, addressed in the case of the Purchaser, as follows:

and in the case of the Purchaser, as follows:

Mady Development Corporation  
8791 Woodbine Avenue  
Suite 100  
Markham ON L3R 0P4

Attention: Greg Puklicz, Senior Vice President  
Telephone No.: (905) 944-0907  
Fax No.: (905) 944-0916

With a copy to Robins, Appleby & Taub LLP as follows:

Robins, Appleby & Taub LLP  
2600-120 Adelaide Street W.  
Toronto, ON M5H 1T1

Attention: Leor Margulies/Peggy Spadafora  
Telephone No.: (416) 360-3372/(416) 360-3349  
Fax No.: (416) 868-0306

and in the case of the Vendor, as follows:

Deloitte & Touche Inc.,  
181 Bay Street, Brookfield Place,



Suite 1400, Toronto, ON, M5J 2V1

Attention: Bryan Tannenbaum (CA)  
Fax No.: 416-601-6690

with a copy to

Meyer, Wassenaar & Banach, LLP  
5001 Yonge #301

Toronto, Ontario  
M2N 6P6

Attention: Joseph Fried  
Telephone No.: 416-223-9191  
Fax No.: 416-223-9405

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on that Business Day, and if transmitted by fax after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

### 6.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors.

### 6.4 Currency

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

### 6.5 Survival

The representations and warranties of the Parties hereto contained in this Agreement shall survive Closing.

### 6.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns, provided that the Purchaser shall not assign the benefit of this Agreement without the prior written consent of the Vendor.

### 6.7 Entire Agreement

This Agreement and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations, understandings and agreements provided, however, that the Conditions of Sale continue to bind the Parties. This

Agreement may not be amended or modified in any respect except by written instrument executed by the Parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the Party to be bound thereby. Subject to the Approval & Vesting Order being issued by the Court, this Agreement is intended to create binding obligations on the part of the Vendor as set forth herein and on acceptance by the Purchaser, is intended to create binding obligations on the part of the Purchaser, as set out herein.

#### 6.8 Paramourncy

In the event of any conflict or inconsistency between the provisions of this Agreement and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

#### 6.9 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

#### 6.10 Vendor's Capacity

The Vendor acts in its capacity as receiver of the Assets and shall have no personal or corporate liability under this Agreement.

#### 6.11 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

#### 6.12 Commission

The Purchaser acknowledges that there are no agent or broker fees or other commissions payable by the Vendor on the Purchase Price or otherwise in connection with the Transaction, and the Purchaser agrees to indemnify the Vendor against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction.

#### 6.13 Certain Words

In this Agreement, the words "including" and "includes" means "including (or includes) without limitation", and "third party" means any Person who is not a Party.

#### 6.14 Statutory References

All references to any statute is to that statute or regulation as now enacted or as may from time to time be amended, re-enacted or replaced and includes all regulations made thereunder, unless something in the subject matter or context is inconsistent therewith or unless expressly provided otherwise in this Agreement.

#### 6.15 Actions to be Performed on a Business Day

Whenever this Agreement provides for or contemplates that a covenant or obligation is to be performed, or a condition is to be satisfied or waived on a day which is not a Business Day, such covenant or obligation shall be required to be performed, and such condition shall be required to be satisfied or waived on the next Business Day following such day.

#### 6.16 No Registrations

The Purchaser covenants and agrees not to register Notices of this Agreement, assignments thereof, caution, Certificate of Pending Litigation, Purchaser's Liens or any other instrument or reference to this Agreement of its interest in the Lands. If any such registration occurs, the Vendor may, at its option, terminate this Agreement and the Deposit shall be forfeited as liquidated damages and not as a penalty. The Purchaser hereby irrevocably consents to a court order removing any such registrations and agrees to bear all costs on a solicitor and his own client basis, in obtaining such order.

#### 6.17 Strict Construction

Each party to this Agreement hereto acknowledges that it and its legal counsel have reviewed and participated in settling the terms of this Agreement and the parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this Agreement.

#### 6.18 Capacity of Vendor

The Purchaser acknowledges that Deloitte & Touche Inc. has been appointed as Receiver pursuant to the Appointment Order. The Purchaser further acknowledges and agrees that Deloitte & Touche Inc. acts solely in its capacity as Receiver, without personal or corporate liability. The Purchaser acknowledges and agrees that Deloitte & Touche Inc. is entering into this Agreement solely in its capacity as the Receiver and that Deloitte & Touche Inc., its agents, officers, partners and employees shall have no personal or corporate liability of any kind whatsoever, in contract, in tort, or at equity as a result of or in any way connected with this Agreement or as a result of the Vendor performing or failing to perform any of its obligations hereunder.

#### 6.19 No Third Party Beneficiaries

This Agreement shall be binding upon and enure solely to the benefit of each of the Parties hereto and its permitted assigns and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except between the Parties, and no person or entity shall be regarded as a

third party beneficiary of this Agreement. Each of the Parties agrees that all provisions of this Agreement, and all provisions of any and all documents and security delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, survive the closing of the transactions contemplated by this Agreement.

#### 6.20 Planning Act

This Agreement is entered into subject to the express conditions that it is to be effective only if the provisions of Section 50 of the Planning Act, R.S.O. 1990, Chapter P.13, and amendments, are complied with.

#### 6.21 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or electronic mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

#### 6.22 Assignment

Notwithstanding anything herein contained, the Purchaser shall have the right to assign this Agreement to any individual or individuals or to a corporation (an "Assignee"), provided such Assignee enters into an agreement with the Purchaser and the Vendor whereby the Assignee assumes all the obligations of the Purchaser hereunder, which agreement shall be in form and substance satisfactory to the Vendor acting reasonably. Upon such assignment, this Agreement shall thenceforth be construed as if originally made with the Assignee as the original purchaser and the named Purchaser will thereupon be relieved of all liabilities and obligations whatsoever arising out of this Agreement.

**[The remainder of this page has been left intentionally blank]**

The Parties have executed this Agreement.

**DELOITTE & TOUCHE INC.,**  
in its capacity as receiver of the assets,  
undertakings and properties of the Debtor, and  
not in its personal capacity

By: 

Name: Wiyen A. Jernatowa

Title: Sr. Vice President

**MADY DEVELOPMENT CORPORATION**

By: 

Name: Charles Mady

Title: President

## Schedule A

### Assets

#### The Lands

- (a) The right, title and interest of the Debtor in the real property described as PIN No.06050-0199 (LT) being Part Lots 18 and 19, Con 5; Part Road Allowance between Lots 18 and 19, Concession 5, as closed by By-Law 406 being Part of Part 1, 66R12477 lying north of Plan 66M1996, Save and Except Part of Lots 18 and 19, Con 5, Part 1, 66R16987; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5789 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (b) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0266 (LT) being Part Lot 20, Conc 5 Scarborough designated as Part 1, Plan 66R23210; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5811 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (c) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0263 (LT) being Part Lot 19, Conc 5 Scarborough designated as Part 1, Plan 66R23217; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5933 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (d) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0264 (LT) being Part Lot 18, Conc 5 Scarborough; Part RDAL between Lots 18 and 19, Con 5, Scarborough (Closed by By-Law 406 as in SC608215), designated as Part 2 on Plan 66R23217; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5945 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (e) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0272 (LT) being Part Lot 18, Conc 5 Scarborough, Part 3 Plan 66R23217 Save and Except Part 32, Plan 66R23655; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5951 Steeles Avenue East, Toronto, Ontario M2M 3Y2

#### The Plans

## Schedule B

### Assumed Encumbrances

"Assumed Encumbrances" means the following:

1. The exceptions and qualifications contained in Section 44(1) of the *Land Titles Act*, R.S.O. 1990, and any amendments thereto or any successor legislation, except paragraph 11;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements or rights of way in favour of any governmental authority or public utility provided that none of the foregoing interfere in any material adverse respect with the current use of the Property;
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due;
5. All agreements and easements, registered or otherwise, for utilities and services for hydro, water, heat, power, sewer, drainage, cable and telephone serving the Property, adjacent or neighbouring properties, provided none of the foregoing interfere in any material adverse respect with the current use of the Property;
6. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property provided that in either case same do not materially adversely impair the use, operation, or marketability of the Property;
7. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances; federal, provincial or municipal by-laws and regulations;
8. INTENTIONALLY DELETED;
9. Any subdivision agreements, site plan agreements, developments and any other agreements with the Municipality, Region, publicly regulated utilities or other governmental authorities having jurisdiction;
10. Minor title defects, if any, that do not in the aggregate materially affect the use of the Property for the purposes for which it is used on the date of acceptance of this Agreement;
11. Agreement between 2811 Development Corporation and the City of Toronto dated the 26<sup>th</sup> day of July 2007 relating to Subsection 37(1) of the *Planning Act*, R.S.O. 1990, c.P.13.
12. Unregistered Subsection 37(1) of the *Planning Act*, R.S.O. 1990, c.P.13 Agreement between 2811 Development Corporation and the City of Toronto dated the 26<sup>th</sup> day of July 2007.

13. Unregistered Amending Agreement between 2811 Development Corporation and the City of Toronto dated the 18<sup>th</sup> day of September 2008 amending certain provisions of the Subsection 37(1) agreement dated July 26<sup>th</sup>, 2007.

14. The following instruments registered on title against the Lands:

(a) Assumed Encumbrances for PIN No. 06050-0199 (LT)

Reg. Num.	Date	Instrument Type	Parties From	Parties To
66R17070	1995/09/15	Plan Reference		
C981858	1995/12/12	Transfer Easement	The Treewood Development Corporation	The Municipality of Metropolitan Toronto
AT1371078	2007/02/05	Notice	City of Toronto	2811 Development Corporation Markham Steeles Realty Inc. Steeles Markham Developments Limited Bradgate Investments Limited Runnymede Development Corporation Limited Tapscott Industrial Landowners Group Inc.
66R23193	2007/07/18	Plan Reference		
66R23655	2008/04/10	Plan Reference		
AT1787207	2008/05/26	Transfer Easement	2811 Development Corporation	Markham Steeles Realty Inc.
AT1787250	2008/05/26	Transfer Easement	Markham Steeles Realty Inc.	2811 Development Corporation
66R25114	2010/09/22	Plan Reference		
AT2616576	2011/02/07	Notice	Markham Steeles Realty	2811 Development Corporation



		(Cost sharing Agreement re shared roadway)	Inc.	
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(b) Assumed Encumbrances for PIN No. 06050-0266 (LT)

Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT496819	2004/05/28	Notice (Easement relating to development of land)	Norstar Commercial Developments Inc. Gawler Holdings Limited	
66R23210	2007/07/25	Plan Reference		
AT1517543	2007/07/25	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation

(c) Assumed Encumbrances for PIN No. 06050-0263 (LT)

Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT1394850	2007/03/09	Bylaw	City of Toronto	
66R23217	2007/07/27	Plan Reference		
AT1520329	2007/07/27	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation
AT2616576	2011/02/07	Notice (Cost sharing Agreement re shared roadway).	Markham Steeles Realty Inc.	2811 Development Corporation

(d) Assumed Encumbrances for PIN No. 06050-0264 (LT)

Reg. Num.	Date	Instrument Type	Parties From	Parties To
-----------	------	-----------------	--------------	------------

66R23217	2007/07/27	Plan Reference		
AT1520329	2007/07/27	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation
66R23655	2008/04/10	Plan Reference		
AT1787207	2008/05/26	Transfer Easement	2811 Development Corporation	Markham Steeles Realty Inc.
66R25114	2010/09/22	Plan Reference		
AT2616576	2011/02/07	Notice (Cost sharing Agreement re shared roadway)	Markham Steeles Realty Inc.	2811 Development Corporation

(e) Assumed Encumbrances for PIN No. 06050-0272 (LT)

Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT1309249	2006/11/17	Bylaw	City of Toronto	
66R23217	2007/07/27	Plan Reference		
AT1520329	2007/07/27	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation
66R23655	2008/04/10	Plan Reference		
AT1787207	2008/05/26	Transfer Easement	2811 Development Corporation	Markham Steeles Realty Inc.
AT1837423	2008/07/18	Land. Reg. Order (Correction of	Land Registrar	

		typographical error)		
66R25114	2010/09/22	Plan Reference		

Schedule C

Form of Approval and Vesting Order

Court File No. CV-11-9242-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE \_\_\_\_\_ ) \_\_\_\_\_ DAY, THE \_\_\_\_\_ DAY  
JUSTICE \_\_\_\_\_ ) OF \_\_\_\_\_, 2011

IN THE MATTER OF section 101 of  
the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by DELOITTE & TOUCHE INC. in its capacity as the Court-appointed receiver (the "**Receiver**") of certain of the assets, undertaking and property of 2811 Development Corporation (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and [NAME OF PURCHASER] (the "**Purchaser**") dated [DATE] and appended to the Report of the Receiver dated [DATE] (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Report and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is commercially reasonable and is hereby approved. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, taxes, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order herein of the Honourable Justice C. Campbell dated June 29, 2011; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the Assumed Encumbrances listed on Schedule D hereto) and (iv) any other Claims registered or arising between the date the Encumbrances were complied and the date of the conveyance of the Purchased Assets to the Purchaser (the "Additional Encumbrances") and, for greater certainty, this Court orders that all of the Encumbrances and Additional Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Toronto Land Titles Office (No. 80) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as

the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto and any Additional Encumbrances.

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

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

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

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

Court File No. CV-11-9242-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF section 101 of the  
*Courts of Justice Act, R.S.O. 1990, c. C.43, as amended***

**BETWEEN:**

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Mr. Justice C. Campbell of the Ontario Superior Court of Justice (the "Court") dated June 29, 2011, DELOITTE & TOUCHE INC. was appointed as the receiver (the "Receiver") of certain of the undertaking, property and assets of 2811 Development Corporation (the "Debtor") as described in the said order.

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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



THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**DELOITTE & TOUCHE INC., in its capacity  
as Receiver of certain of the undertakings,  
property and assets of 2811 Development  
Corporation, and not in its personal capacity**

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

Name:

Title:

## Schedule B – Purchased Assets

### The Lands

- (a) The right, title and interest of the Debtor in the real property described as PIN No.06050-0199 (LT) being Part Lots 18 and 19, Con 5; Part Road Allowance between Lots 18 and 19, Concession 5, as closed by By-Law 406 being Part of Part 1, 66R12477 lying north of Plan 66M1996, Save and Except Part of Lots 18 and 19, Con 5, Part 1, 66R16987; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5789 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (b) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0266 (LT) being Part Lot 20, Conc 5 Scarborough designated as Part 1, Plan 66R23210; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5811 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (c) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0263 (LT) being Part Lot 19, Conc 5 Scarborough designated as Part 1, Plan 66R23217; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5933 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (d) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0264 (LT) being Part Lot 18, Conc 5 Scarborough; Part RDAL between Lots 18 and 19, Con 5, Scarborough (Closed by By-Law 406 as in SC608215), designated as Part 2 on Plan 66R23217; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5945 Steeles Avenue East, Toronto, Ontario M2M 3Y2

- (e) The right, title and interest of the Debtor in the real property described as PIN No. 06050-0272 (LT) being Part Lot 18, Conc 5 Scarborough, Part 3 Plan 66R23217 Save and Except Part 32, Plan 66R23655; City of Toronto

Toronto Land Titles Office (No. 80)

Municipally known as 5951 Steeles Avenue East, Toronto, Ontario M2M 3Y2

### The Plans

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

**(a) Instruments to be deleted from PIN No. 06050-0199 (LT)**

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT974288	2005/11/09	Charge	\$75,000,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1085822	2006/03/14	Charge	\$750,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1187188	2006/06/30	Charge	\$1,560,127	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1787210	2008/05/26	Postponement (AT974288 to AT1787207)		Lombard General Insurance Company of Canada	Markham Steeles Realty Inc.
AT1787211	2008/05/26	Postponement (AT1085822 to AT1787207)		Lombard General Insurance Company of Canada	Markham Steeles Realty Inc.
AT1787212	2008/05/26	Postponement (AT1187188 to AT1787207)		Lombard General Insurance Company of Canada	Markham Steeles Realty Inc.
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.

AT1842143	2008/07/23	Postponement (AT974288 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1842144	2008/07/23	Postponement (AT1085822 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1842145	2008/07/23	Postponement (AT1187188 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT1904325	2008/09/23	Postponement (AT974288 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904326	2008/09/23	Postponement (AT1085822 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904327	2008/09/23	Postponement (AT1187188 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT2098876	2009/06/19	Apl. Court Order		Ontario Superior Court of Justice	Terracap Investments Inc.

AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon Enterprises Inc.
AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2205105	2009/10/16	Postponement (AT974288 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2205106	2009/10/16	Postponement (AT1085822 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2205107	2009/10/16	Postponement (AT1187188 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited
AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259190	2009/12/16	Postponement (AT974288 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259191	2009/12/16	Postponement (AT974288 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259192	2009/12/16	Postponement		Lombard General	Vector Financial

		(AT1085822 to AT2259133)		Insurance Company of Canada	Services Limited
AT2259193	2009/12/16	Postponement (AT1085822 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259194	2009/12/16	Postponement (AT1187188 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259195	2009/12/16	Postponement (AT1187188 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259133)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2457585	2010/07/26	Postponement (AT974288 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.

AT2457586	2010/07/26	Postponement (AT1085822 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457587	2010/07/26	Postponement (AT1187188 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457588	2010/07/26	Postponement (AT1187188 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457589	2010/07/26	Postponement (AT1085822 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457590	2010/07/26	Postponement (AT974288 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000	2811 Development Corporation	Con-Drain Company (1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.
AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	
AT2742192	2011/07/05	Certificate		Mady Contract Division	The Landmark (Canada) Inc. 2811 Development Corporation

		(Re AT2665134)		Ltd.	Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd. Con Drain Company (1983) Limited White Bear Developments Inc.
AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.

(b) Instruments to be deleted from PIN No. 06050-00266 (LT)

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT969273	2005/11/02	Apl. Change Name Owner		1610607 Ontario Inc.	2811 Development Corporation
AT974288	2005/11/09	Charge	\$75,000,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1085822	2006/03/14	Charge	\$750,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1187188	2006/06/30	Charge	\$1,560,127	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.



AT1842143	2008/07/23	Postponement (AT974288 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1842144	2008/07/23	Postponement (AT1085822 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1842145	2008/07/23	Postponement (AT1187188 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT1904325	2008/09/23	Postponement (AT974288 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904326	2008/09/23	Postponement (AT1085822 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904327	2008/09/23	Postponement (AT1187188 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon Enterprises Inc.

AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2205105	2009/10/16	Postponement (AT974288 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2205106	2009/10/16	Postponement (AT1085822 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2205107	2009/10/16	Postponement (AT1187188 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited
AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259190	2009/12/16	Postponement (AT974288 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259191	2009/12/16	Postponement (AT974288 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259192	2009/12/16	Postponement (AT1085822 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited

AT2259193	2009/12/16	Postponement (AT1085822 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259194	2009/12/16	Postponement (AT1187188 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259195	2009/12/16	Postponement (AT1187188 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259133)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2457585	2010/07/26	Postponement (AT974288 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457586	2010/07/26	Postponement (AT1085822 to		Lombard General Insurance Company of	Key Pendragon Enterprises Inc.

		AT2357840)		Canada	
AT2457587	2010/07/26	Postponement (AT1187188 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457588	2010/07/26	Postponement (AT1187188 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457589	2010/07/26	Postponement (AT1085822 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457590	2010/07/26	Postponement (AT974288 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000	2811 Development Corporation	Con-Drain Company (1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.
AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	
AT2742192	2011/07/05	Certificate (Re AT2665134)		Mady Contract Division Ltd.	The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc.

					Key Pendragon Enterprises Ltd. Con Drain Company (1983) Limited White Bear Developments Inc.
AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.

(c) Instruments to be deleted from PIN No. 06050-00263 (LT)

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT1187188	2006/06/30	Charge	\$1,560,127	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842145	2008/07/23	Postponement (AT1187188 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT1904327	2008/09/23	Postponement (AT1187188 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon

					Enterprises Inc.
AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2205107	2009/10/16	Postponement (AT1187188 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited
AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259194	2009/12/16	Postponement (AT1187188 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259195	2009/12/16	Postponement (AT1187188 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259133)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited

AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2457587	2010/07/26	Postponement (AT1187188 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457588	2010/07/26	Postponement (AT1187188 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000	2811 Development Corporation	Con-Drain Company (1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.
AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	
AT2742192	2011/07/05	Certificate (Re AT2665134)		Mady Contract Division Ltd.	The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd. Con Drain Company (1983) Limited White Bear Developments Inc.

AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.
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(d) Instruments to be deleted from PIN No. 06050-0264 (LT)

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT1085822	2006/03/14	Charge	\$750,000	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1187188	2006/06/30	Charge	\$1,560,127	2811 Development Corporation	Lombard General Insurance Company of Canada
AT1787211	2008/05/26	Postponement (AT1085822 to AT1787207)		Lombard General Insurance Company of Canada	Markham Steeles Realty Inc.
AT1787212	2008/05/26	Postponement (AT1187188 to AT1787207)		Lombard General Insurance Company of Canada	Markham Steeles Realty Inc.
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842144	2008/07/23	Postponement (AT1085822 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.



AT1842145	2008/07/23	Postponement (AT1187188 to AT1842029 & AT1842030)		Lombard General Insurance Company of Canada	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT1904326	2008/09/23	Postponement (AT1085822 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT1904327	2008/09/23	Postponement (AT1187188 to AT1903983)		Lombard General Insurance Company of Canada	Relmi Financial Corp.
AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon Enterprises Inc.
AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2205106	2009/10/16	Postponement (AT1085822 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2205107	2009/10/16	Postponement (AT1187188 to AT2205083)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited

AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259192	2009/12/16	Postponement (AT1085822 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259193	2009/12/16	Postponement (AT1085822 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259194	2009/12/16	Postponement (AT1187188 to AT2259133)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259195	2009/12/16	Postponement (AT1187188 to AT2259134)		Lombard General Insurance Company of Canada	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259133)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.

AT2457586	2010/07/26	Postponement (AT1085822 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457587	2010/07/26	Postponement (AT1187188 to AT2357840)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457588	2010/07/26	Postponement (AT1187188 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2457589	2010/07/26	Postponement (AT1085822 to AT2449883)		Lombard General Insurance Company of Canada	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000	2811 Development Corporation	Con-Drain Company (1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.
AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	
AT2742192	2011/07/05	Certificate (Re AT2665134)		Mady Contract Division Ltd.	The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd.

					Con Drain Company (1983) Limited White Bear Developments Inc.
AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.

(e) **Instruments deleted from PIN No. 06050-0272 (LT)**

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
AT1842029	2008/07/23	Charge	\$17,500,000	2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1842030	2008/07/23	No Assgn Rent Gen		2811 Development Corporation	Firm Capital Mortgage Fund Inc.
AT1903983	2008/09/23	Charge	\$5,500,000	2811 Development Corporation	Relmi Financial Corp.
AT2205071	2009/10/16	Transfer of Charge		Relmi Financial Corp.	Key Pendragon Enterprises Inc.
AT2205083	2009/10/16	Notice (Re AT1903983)		Key Pendragon Enterprises Inc.	2811 Development Corporation
AT2259133	2009/12/16	Charge	\$1,500,000	2811 Development Corporation	Vector Financial Services Limited
AT2259134	2009/12/16	No Assign Rent Gen		2811 Development Corporation	Vector Financial Services Limited
AT2259196	2009/12/16	Postponement		Key Pendragon	Vector Financial

		(AT1903983 & AT2205071 to AT2259133)		Enterprises Inc.	Services Limited
AT2259197	2009/12/16	Postponement (AT1903983 & AT2205071 to AT2259134)		Key Pendragon Enterprises Inc.	Vector Financial Services Limited
AT2357840	2010/04/22	Charge	\$1,100,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2449883	2010/07/19	Charge	\$1,000,000	2811 Development Corporation	Key Pendragon Enterprises Inc.
AT2561525	2010/11/26	Charge	\$1,500,000	2811 Development Corporation	Con-Drain Company (1983) Limited
AT2565586	2010/11/30	Transfer of Charge		Vector Financial Services Limited	White Bear Developments Inc.
AT2565587	2010/11/30	No Assgn Rent Gen		Vector Financial Services Limited	White Bear Developments Inc.
AT2665134	2011/04/13	Construction Lien	\$386,190	Mady Contract Division Ltd.	
AT2742192	2011/07/05	Certificate (Re AT2665134)		Mady Contract Division Ltd.	The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd. Con Drain Company (1983) Limited White Bear Developments Inc.

AT2755074	2011/07/05	App. Court Order		Ontario Superior Court of Justice (Commercial List)	Firm Capital Mortgage Fund Inc.
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**Schedule D – Assumed Encumbrances related to the Real Property**

**(unaffected by the Vesting Order)**

1. Unregistered Subsection 37(1) of the *Planning Act*, R.S.O. 1990, c.P.13 Agreement between 2811 Development Corporation and the City of Toronto dated the 26<sup>th</sup> day of July 2007.
2. Unregistered Amending Agreement between 2811 Development Corporation and the City of Toronto dated the 18<sup>th</sup> day of September 2008 amending certain provisions of the Subsection 37(1) agreement dated July 26<sup>th</sup>, 2007.
3. The following instruments registered on title against the Lands:

**(a) Permitted Encumbrances for PIN No. 06050-0199 (LT)**

Reg. Num.	Date	Instrument Type	Parties From	Parties To
66R17070	1995/09/15	Plan Reference		
C981858	1995/12/12	Transfer Easement	The Treewood Development Corporation	The Municipality of Metropolitan Toronto
AT1371078	2007/02/05	Notice	City of Toronto	2811 Development Corporation Markham Steeles Realty Inc. Steeles Markham Developments Limited Bradgate Investments Limited Runnymede Development Corporation Limited Tapscott Industrial Landowners Group Inc.
66R23193	2007/07/18	Plan Reference		
66R23655	2008/04/10	Plan Reference		

AT1787207	2008/05/26	Transfer Easement	2811 Development Corporation	Markham Steeles Realty Inc.
AT1787250	2008/05/26	Transfer Easement	Markham Steeles Realty Inc.	2811 Development Corporation
66R25114	2010/09/22	Plan Reference		
AT2616576	2011/02/07	Notice (Cost sharing Agreement re shared roadway)	Markham Steeles Realty Inc.	2811 Development Corporation

(b) **Permitted Encumbrances for PIN No. 06050-0266 (LT)**

Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT496819	2004/05/28	Notice (Easement relating to development of land)	Norstar Commercial Developments Inc. Gawler Holdings Limited	
66R23210	2007/07/25	Plan Reference		
AT1517543	2007/07/25	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation

(c) **Permitted Encumbrances for PIN No. 06050-0263 (LT)**

Reg. Num.	Date	Instrument Type	Parties From	Parties To
AT1394850	2007/03/09	Bylaw	City of Toronto	
66R23217	2007/07/27	Plan Reference		
AT1520329	2007/07/27	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation



			Corporation	
AT2616576	2011/02/07	Notice (Cost sharing Agreement re shared roadway)	Markham Steeles Realty Inc.	2811 Development Corporation

(d) Permitted Encumbrances for PIN No. 06050-0264 (LT)

Reg. Num.	Date	Instrument Type	Parties From	Parties To
66R23217	2007/07/27	Plan Reference		
AT1520329	2007/07/27	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation
66R23655	2008/04/10	Plan Reference		
AT1787207	2008/05/26	Transfer Easement	2811 Development Corporation	Markham Steeles Realty Inc.
66R25114	2010/09/22	Plan Reference		
AT2616576	2011/02/07	Notice (Cost sharing Agreement re shared roadway)	Markham Steeles Realty Inc.	2811 Development Corporation

(e) Permitted Encumbrances for PIN No. 06050-0272 (LT)

Reg. Num.	Date	Instrument Type	Parties From	Parties To

AT1309249	2006/11/17	Bylaw	City of Toronto	
66R23217	2007/07/27	Plan Reference		
AT1520329	2007/07/27	Apl. Absolute Title	2811 Development Corporation	2811 Development Corporation
66R23655	2008/04/10	Plan Reference		
AT1787207	2008/05/26	Transfer Easement	2811 Development Corporation	Markham Steeles Realty Inc.
AT1837423	2008/07/18	Land. Reg. Order (Correction of typographical error)	Land Registrar	
66R25114	2010/09/22	Plan Reference		

# **APPENDIX “Y”**

**IN THE MATTER OF THE RECEIVERSHIP  
OF CERTAIN ASSETS, UNDERTAKINGS AND PROPERTIES OF  
2811 DEVELOPMENT CORPORATION  
(THE "DEBTOR")**

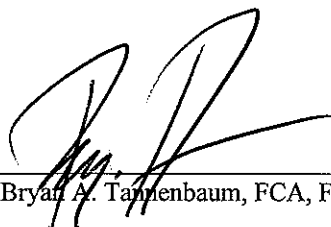
**AFFIDAVIT OF BRYAN A. TANNENBAUM  
(Sworn November 2, 2011)**

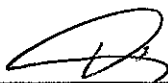
I, BRYAN A. TANNENBAUM OF THE City of Toronto, in the Province of Ontario, MAKE  
OATH AND SAY:

1. I, **BRYAN A. TANNENBAUM**, am a Senior Vice-President of Deloitte & Touche Inc., in its capacity as the receiver (the "**Receiver**") of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule "A" to the Appointment Order (the "**Lands**") and all of the assets, undertakings and properties of 2811 Development Corporation (the "**Debtor**") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon (collectively, the "**Property**"). As such, I have personal knowledge of the matters to which I hereinafter refer.
2. Attached hereto as **Exhibit "A"** is a summary of the accounts issued by the Receiver in respect of the administration for the period from May 25, 2011 to October 15, 2011.
3. Attached hereto as **Exhibit "B"** are true copies of the accounts of the Receiver with respect to the Debtor, which include a detailed description of the activities, number of hours worked, applicable hourly rates, and totals. I confirm that these accounts accurately reflect the services provided by the Receiver in this proceeding.

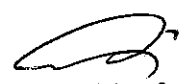
Dated at Toronto, Ontario this 2<sup>nd</sup> day of November, 2011.

SWORN before me at the City of )  
Toronto in the Province of )  
Ontario, this 2<sup>nd</sup> day of November, 2011 )

  
Bryan A. Tannenbaum, FCA, FCIRP

  
A Commissioner, etc.  
Daniel Raphael Welsz, a Commissioner, etc.,  
Province of Ontario  
for Deloitte & Touche Inc.,  
Trustee in Bankruptcy.  
Expires June 5, 2014.

This is Exhibit " A " referred to  
 in the Affidavit of Bryan A. Tenenbaum  
 Sworn before me this 2nd day of  
November 20 11  
 A Commissioner, etc.



Daniel Raphael Weisz, a Commissioner, c/o.  
 Province of Ontario  
 for Deloitte & Touche Inc.,  
 Trustee in Bankruptcy.  
 Expires June 5, 2014.

**Deloitte**  
**Summary of Fees**  
**2811 Development Corporation**

Invoice No.	Date	Fee Amount	Disbursement Amount	HST (13%)	TOTAL
1	Period from May 25, 2011 to July 31, 2011	\$103,892.00	\$282.33	\$13,542.66	\$117,716.99
2	Period from August 1, 2011 to August 31, 2011	\$133,624.50	\$0.00	\$17,371.19	\$150,995.69
3	Period from Sept. 1, 2011 to Sept. 30, 2011	\$90,782.50	\$663.31	\$11,887.96	\$103,333.77
4	Period from October 1, 2011 to October 15, 2011	\$43,415.00	\$115.25	\$5,658.93	\$49,189.18
		<b>\$371,714.00</b>	<b>\$1,060.89</b>	<b>\$48,460.74</b>	<b>\$421,235.63</b>



This is Exhibit " B " referred to  
 in the Affidavit of Bryan A. Tannenbaum  
 Sworn before me this 2nd day of  
November 2011  
 A Commissioner, etc.  
 Deloitte & Touche Inc.  
 Brookfield Place  
 181 Bay Street  
 Suite 1400  
 Toronto, Ontario M5J 2V1, a Commissioner, etc..  
 Canada Province of Ontario  
 for Deloitte & Touche Inc.,  
 Tel: 416-601-7000 in Bankruptcy.  
 Fax: 416-601-7000  
 www.deloitte.ca

2811 Development Corporation  
 c/o: Deloitte & Touche Inc.  
 Brookfield Place  
 181 Bay Street, Suite 1400  
 Toronto, Ontario  
 M5J 2V1

Date: October 19, 2011  
 Invoice No: 917327/1000000  
 Client/Mandate No:  
 Partner: Bryan A. Tannenbaum  
 HST Registration No: 122893605

# Invoice 1

For professional services rendered in connection with Deloitte & Touche Inc. acting as Court-Appointed Receiver of 2811 Development Corporation ("2811" or the "Company") for the period from May 25, 2011 to July 31, 2011:

Date	Professional	Narrative
5/25/2011	Tannenbaum, Bryan	Perform conflict check and requisition PPSA printout; receipt and review of draft Order and draft Affidavit; edit and call Mr. Moffat of Thornton Grout Finnigan LLP ("TGF") to discuss and provide comments and input.
6/21/2011	Tannenbaum, Bryan	Attendance at Court with Mr. Moffat before Justice Brown; discussions with various parties as to process; short extension negotiated with payment terms; matter then adjourned.
6/29/2011	Tannenbaum, Bryan	Attend in Court for hearing of Appointment Order due to default of extension agreement; receipt and review of Endorsement of Justice J. Campbell; attend at Firm Capital Mortgage Fund Inc.'s ("FCM") offices to obtain background information, notices, accounting, details on retail offers to lease, minutes of settlement, documentation and plans, etc.
7/4/2011	Tannenbaum, Bryan	Meeting with Mr. Ira Gerstein to provide background information and establish a preliminary action plan; various e-mails with Mr. Michael Warner of FCM regarding status; confirmation of counsel; telephone/e-mail correspondence with principals for a meeting to obtain documentation.
7/4/2011	Gerstein, Ira	Review various e-mails from FCM; meeting with Mr. Bryan Tannenbaum regarding preliminary action plan; review of e-mail correspondence to/from Mr. Tannenbaum and Ms. Sheila Botting regarding timing.
7/5/2011	Gerstein, Ira	E-mail correspondence from/to Mr. Warner of FCM requesting status of insurance; arrange to set up webpage; telephone

Date	Professional	Narrative
		conference call with Mr. Chander Shekar of the Company requesting information and subsequent e-mail to Mr. Shekar requesting same.
7/6/2011	Tannenbaum, Bryan	Conference call with Mr. Danny Nunes and Mr. Moffat of TGF, Mr. Gerstein to coordinate process for sale, provide update to each other, establish preliminary time line for reporting to Court, etc.; telephone call with Mr. Derek Lee, legal counsel to the Company responding to his message and updating him.
7/6/2011	Gerstein, Ira	Telephone conference call with Mr. Moffat, Mr. Nunes and Mr. Tannenbaum regarding Receivership plan; receipt and review insurance certificate and e-mail to Mr. Warner regarding same; discussions with Mr. Ian Haigh regarding the plan to sell the property and arrange to attend at the Company's premises.
7/7/2011	Haigh, Ian S.	Attendance at site for walk through and inspection; meeting with Mr. Shekar; discussion with Mr. Gerstein regarding status.
7/7/2011	Gerstein, Ira	Attendance at the Company's premises and meet with Mr. Shekar and accumulate information, visit vacant land site and return to office; discussion with Mr. Haigh regarding status; review various information provided by the Company; telephone call with Mr. Moffat regarding status.
7/8/2011	Gerstein, Ira	Various e-mails to Mr. Shekar regarding fixed assets, letters of credit ("LC"s), vendor addresses; letter to Harris Sheaffer LLP (" <b>Harris Sheaffer</b> ") requesting information regarding the purchaser deposits held in trust, receipt and review of same; subsequent telephone discussions with Mr. Gary H. Harris of Harris Sheaffer regarding same and forward all documents to Mr. Moffat; telephone call with Mr. D. Lee regarding vendor notices, letters to HSBC Bank Canada (" <b>HSBC</b> "), Bank of Montreal (" <b>BMO</b> ") and Royal Bank of Canada (" <b>RBC</b> ") freezing accounts; e-mail to Mr. Warner providing update to status of process; e-mail to Ms. Patty Pfanzelt of Toronto Dominion Bank (" <b>TD</b> ") requesting that all LCs not be allowed to be drawn upon without the prior consent of the Receiver.
7/11/2011	Gerstein, Ira	Draft letter to the Company regarding contact information for creditors and e-mail to Mr. Moffat for comments; follow up with Ms. Liz Degeus of Marsh Canada Limited (" <b>Marsh</b> ") regarding insurance for fixed assets; e-mail Mr. Shekar regarding purchase and sale agreements; e-mail from Mr. Shekar setting out the LC's and subsequent e-mail to Ms. Pfanzelt requesting confirmation of LC's; discussion with Ms. Catalina Laset regarding attendance at the premises to count fixed assets and collect purchase and sale agreements; subsequent e-mail to Mr. Shekar regarding same; discussion with Ms. Sheila Botting regarding status of the sale process; review e-mail from Mr. Moffat regarding letter to 2811 regarding names and addresses and finalize letter to the Company regarding same; telephone call with Mr. Jeff Johnston of Century Services Inc. regarding net minimum guarantee for fixed assets; e-

Date	Professional	Narrative
		mail from Mr. Shekar enclosing fixed asset listing; discussion with Ms. Laset regarding contacting banks regarding funds and attendance at property; receipt and review draft of the First Report to Court (the "Report") and Conditions of Sale, discuss with Mr. Tannenbaum and arrange meeting with Mr. Moffat to discuss same.
7/12/2011	Tannenbaum, Bryan	Receipt and review of draft Report and Conditions of Sale; edit and note comments; telephone conference call with comments on same with Mr. Moffat and Mr. Gerstein.
7/12/2011	Gerstein, Ira	Conference call with Mr. Moffat and Mr. Tannenbaum and discuss draft Report; forward copy of draft Report to Ms. Botting; e-mails to Mr. Shekar requesting environmental assessments; receipt and review letter dated July 12, 2011 from the Company in response to the receiver's letter of July 11, 2011 regarding the disclosure of contact information for the creditors and discuss same with Mr. Moffat; telephone call with Mr. Wagner of Wagner Andrews and Kovacs Ltd. regarding updating an appraisal of the property; telephone discussion with Mr. Guy Wilson of Altus Group regarding updating an appraisal; discussions with Ms. Laset regarding status of her attendance at the property regarding fixed asset count; e-mail from Mr. Warner enclosing e-mail from Ms. Pfanzelt setting out outstanding fees on the LCs and a subsequent telephone call with Ms. Pfanzelt regarding same; discussion with Mr. Moffat regarding renewal of LC's; e-mail to Mr. Warner regarding the Receiver's position regarding payment of outstanding fees on the LCs.
7/12/2011	Laset, Catalina	Attendance at the Company to confirm Fixed Asset List; interview with Mr. Shekar and pick up Agreements of Purchase and Sale ("APS").
7/13/2011	Gerstein, Ira	E-mail from Mr. Tannenbaum regarding status of the Report; subsequent telephone call with Mr. Moffat regarding same; telephone call to Co-operators enquiring about property insurance policy; telephone discussion with Ms. Laset regarding the status of boxes and other information requested and subsequent telephone call with Mr. Moffat regarding same.
7/13/2011	Laset, Catalina	Attendance at 2811's premises and pick up APS'; telephone calls to confirm bank account balances and request updated Environmental Assessment reports.
7/14/2011	Gerstein, Ira	Telephone discussions with Mr. Chris Vardon of Cushman Wakefield Inc. ("Cushman") regarding preparation of a property appraisal; e-mail correspondence to Mr. Vardon enclosing copy of site plan; receipt and review copy of fee proposal; arrange meeting with Ms. Botting and Mr. Tannenbaum to discuss the sales process; receipt of comments from Ms. Botting regarding the sale process and incorporate into draft Report and forward same to Mr. Moffat; e-mail from/to Ms. Pfanzelt regarding release of LC funds; receipt and review motion materials from Mr. Nunes regarding motion to



Date	Professional	Narrative
		compel Company to release records; telephone call with Mr. Shekar regarding the employee letter; receipt and review copies of LC's from TD and forward to Mr. Moffat; receipt and review copy of Appraisal Fee proposal from Cushman; discussion with Mr. Tannenbaum regarding status; telephone call with Ms. Degeus regarding insurance on the personal property of the Company.
7/14/2011	Tannenbaum, Bryan	Attend conference call and discuss outstanding issues with Mr. Gerstein.
7/14/2011	Laset, Catalina	Attendance at Company to deliver employee letters and discussion with Mr. Shekar.
7/15/2011	Gerstein, Ira	Telephone call with Mr. Johnston regarding attending at the premises to provide a net minimum guarantee; receipt and review draft Report in respect of the motion to compel Company to release information; discussions with Mr. Nunes regarding same; e-mail to Mr. Nunes enclosing various information outstanding from the Company; receipt of insurance information from Ms. Degeus; discussions with Mr. Daniel Weisz regarding second partner quality review of the Report; Finalize the Report and issue to Mr. Nunes; review the Receiver's Second Report to Court (the "Second Report") with Mr. Tannenbaum; telephone call to Mr. Moffat regarding same; conference call with Ms. Botting regarding the sale process; preparation of a draft form of flyer for teaser distribution.
7/18/2011	Gerstein, Ira	Prepare a timeline for the sale process; meeting with Ms. Botting and Mr. Tannenbaum to discuss sale process and timeline; telephone discussions with Mr. Moffat regarding changes to the Second Report; arrange for viewing of fixed assets with Century Services Inc.; meet with Mr. Tannenbaum regarding the timeline review teaser flyer and discuss with Ms. Botting, forward flyer to Mr. Moffat for review; preparation of confidentiality agreement and discuss with Mr. Moffat; e-mail correspondence to/from Mr. Nunes regarding attendance in court on motion for compelling 2811 to release records.
7/18/2011	Tannenbaum, Bryan	Meeting with Ms. Botting and Mr. Gerstein regarding sales plan; review and edit the Second Report; discuss same with Mr. Gerstein.
7/19/2011	Tannenbaum, Bryan	Attendance in Court regarding advice and directions on sending notice to creditors; discussion with Mr. Nunes and Mr. Lee regarding insolvency and statutory duties; various discussions with other counsel in attendance; subsequent discussions with Mr. Nunes; telephone call with Mr. Moffat regarding decision; discuss Second Report and availability of Court dates; strategy as a result of the Justice Mesbur decision to adjourn.

<b>Date</b>	<b>Professional</b>	<b>Narrative</b>
7/19/2011	Gerstein, Ira	Attendance in court on the motion to compel Company to release records, subsequent discussions with Mr. Moffat regarding same, telephone discussion with Mr. Moffat and Mr. Tannenbaum regarding the Second Report; revise marketing flyer based on discussions with Mr. Moffat; discussion with Mr. Tannenbaum regarding the commissioning of appraisals; review the Second Report with Mr. Weisz regarding secondary review; e-mails to Mr. Shekar regarding arranging for attendance by auctioneer to review property; review terms and conditions.
7/19/2011	Tannenbaum, Bryan	Review and approve Second Report, subject to quality assurance review.
7/19/2011	Weisz, Daniel	Review the Second Report and discuss same with Mr. Gerstein;
7/20/2011	Weisz, Daniel	Review draft Conditions of Sale and meet with Mr. Gerstein to discuss same.
7/20/2011	Gerstein, Ira	Finalize the Second Report; discussions with Mr. Moffat regarding same; discussions with Mr. Nunes regarding report and Conditions of Sale;
7/21/2011	Shinde, Anita	Begin the preparation of Confidential Information Memorandum (CIM) and marketing data room.
7/21/2011	Gerstein, Ira	Telephone discussion with Mr. Moffat regarding his discussions with Mr. Jim Wortzman, counsel to Terracap, a joint venture company; preparation of draft advertisement and discuss same with Mr. Tannenbaum; e-mail to Sheila Botting requesting that she proceed to prepare CIM, flyer and data room; telephone call with Mr. Johnston regarding appraisal of the equipment and receipt of e-mail regarding same; e-mail correspondence from/to Ms. Susan Jacques-Bernier regarding premium on insurance; e-mail correspondence from Mr. Shekar regarding questions related to the land.
7/21/2011	Tannenbaum, Bryan	Various discussions with Mr. Moffat; discussions with Mr. Gerstein regarding the Second Report; review advertisement; review flyer; various status discussions with Mr. Gerstein regarding action plan, etc.
7/22/2011	Shinde, Anita	Preparation of CIM and marketing data room.
7/22/2011	Tannenbaum, Bryan	Receipt and review of Millwest Joint Venture Agreement and APS; attendance at Court; attend Court hearing before Justice Perell regarding authority to send Notices; attend hearing reasons and endorsement of Order.
7/22/2011	Gerstein, Ira	Receipt and review copy of draft Joint Venture Agreement proposal by the Company; attendance in court on the Receiver's Motion to compel the Company to release information to the Receiver; edit Globe & Mail Advertisement.
7/22/2011	Botting, Sheila Scarlett	Discussion with Ms. Anita Shinde regarding the preparation of the CIM, marketing flyer and data room.
7/25/2011	Brown, Rose M	Open and set up of Receiver's bank Account.
7/25/2011	Brown, Alison Jessica	Multiple postings of documents and updating the Receiver's website throughout the Month of July 2011.

Date	Professional	Narrative
7/25/2011	Gerstein, Ira	E-mail to Mr. Shekar requesting books and records; e-mail from/to Ms. Anita Shinde regarding the marketing flyer and respond; e-mail to Mr. Shekar requesting the status regarding books and records and a subsequent telephone call with Mr. Shekar regarding same; telephone call with Mr. Moffat regarding the Company's position regarding delivery of books and records; discussion with Ms. Shinde regarding the marketing flyer.
7/26/2011	Brown, Rose M	Receiver's bank account administration - deposit.
7/26/2011	Shinde, Anita	To drafting CIM.
7/26/2011	Tannenbaum, Bryan	Review e-mails and various discussions with Mr. Gerstein on Reports and books and records access.
7/26/2011	Gerstein, Ira	Various e-mails regarding the books and records from Mr. Nunes, including his discussions with Mr. Lee regarding same and his discussions with Mr. Howard Sloan; e-mails from Robins Appleby & Taub ("RAT"), legal counsel to Lombard Insurance ("Lombard") requesting a meeting and arrange meeting with Mr. Tannenbaum and Ms. Botting; telephone call with Ms. Laset to contact bookkeeper and review e-mails from Ms. Laset to the bookkeeper.
7/27/2011	Botting, Sheila Scarlett	Attendance on a conference call with Mr. Nunes, Mr. Tannenbaum and Mr. Gerstein regarding follow up on marketing process.
7/27/2011	Gerstein, Ira	Telephone conference call with representatives of Lombard, including legal counsel, the Receiver and its legal counsel to discuss concerns raised by Lombard regarding the sale process; draft memo to file on behalf of Ms. Botting regarding appraisal; telephone discussion with Mr. Wagner regarding appraisal; telephone call with Mr. Vardon regarding appraisal fee proposal and receipt and review same, execute same and return to Mr. Vardon; telephone call with Mr. Casey Gallagher of CB Richard Ellis Limited ("CBRE") regarding commission structure; voicemail for Mr. Steven Connell of Cushman to discuss commission structure; various e-mails to the Mr. Shekar regarding books and records; telephone discussion with Ms. Cary Lee, the Company's bookkeeper regarding delivery of records.
7/27/2011	Laset, Catalina	Corresponding with Ms. Lee, Ms. Crystal Wong of the Company and Mr. Shekar with respect to the records.
7/27/2011	Tannenbaum, Bryan	Telephone conference call with Lombard, RAT, TGF and Deloitte; subsequent conference call with Mr. Nunes, Ms. Botting and Mr. Gerstein regarding follow up of sale process to provide team wide update; various telephone attendances with Mr. Gerstein regarding access issues, etc.
7/28/2011	Weisz, Daniel	Perform secondary review of the Receiver's Statement and Notice in accordance with Section 245 and 246 (1) and subsequent discussion with Mr. Gerstein regarding same.
7/28/2011	Gerstein, Ira	Review budget and memo prepared by Ms. Botting including various e-mails from Ms. Botting regarding broker fees and discussion with Bryan regarding same , update memo and forward

Date	Professional	Narrative
		along with CRV of Ms. Botting to Mr. Nunes, discussions with Mr. Nunes regarding same, various e-mails to Mr. Shekar regarding books and records and review e-mail responses from Mr. Shekar regarding same and forward to Mr. Nunes, preparation of the 245 report and discuss with Mr. Weisz
7/29/2011	Chau, Edward	Travel to the Company to prepare electronic imaging of computer records and hard drives.
7/29/2011	Brown, Alison Jessica	Updating the Receiver's webpage.
7/29/2011	Gerstein, Ira	Finalize Supplementary Report to Court including discussions with Mr. Nunes and Mr. Tannenbaum; review various e-mails from legal counsel to Lombard regarding position on the sale process; discussions with Ms. Shinde regarding the marketing flyer and CIM; arrange for Forensic & Dispute services to attend at premises to image computers; attend at premises instruct on the imaging of computers, including discussions with Mr. Terry Yiu and Mr. Shekar regarding the books and records.
7/29/2011	Tannenbaum, Bryan	Review and edit Supplementary Report to Second Report; discuss with Mr. Gerstein the changes and edits; e-mails with TGF regarding same; telephone call to Mr. Nunes regarding his discussions with Lombard's counsel in respect of our responses to Lombard's concerns on the marketing/sale process; execute the Report.

#### Summary of fees

Professional	Position	Hours	Rate	Amount
Bryan A. Tannenbaum, FCA, FCIRP	Senior Vice President	45.7	\$675.00	\$ 30,847.50
Sheila S. Botting	Senior Vice President	5.5	675.00	3,712.50
Daniel R. Weisz CA•CIRP, CIRP	Senior Vice President	3.2	675.00	2,160.00
Ira Gerstein CA•CIRP, CIRP	Vice President	95.6	575.00	54,970.00
Ian S. Haigh	Vice President	4.0	575.00	2,300.00
Anita Shinde	Manager	15.0	425.00	6,375.00
Alison J. Brown	Analyst	1.9	195.00	370.50
Catalina Laset	Analyst	10.7	195.00	2,086.50
Edward Chau	Analyst	4.0	195.00	780.00
Rose M. Brown	Trust Administration	2.9	100.00	290.00
<b>Total hours and professional fees</b>		<b>188.5</b>		<b>\$ 103,892.00</b>
Disbursements: parking and mileage				282.33
<b>Total professional fees and disbursements</b>				<b>\$ 104,174.33</b>
HST @13%				13,542.66
<b>Total Payable</b>				<b>\$ 117,716.99</b>

2811 Development Corporation

October 19, 2011

Page 8

**Payable upon receipt to: Deloitte & Touche Inc.**

Bryan A. Tannenbaum, FCA, FCIRP  
Senior Vice President



Deloitte & Touche Inc.  
Brookfield Place  
181 Bay Street  
Suite 1400  
Toronto ON M5J 2V1  
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2811 Development Corporation  
c/o: Deloitte & Touche Inc.  
Brookfield Place  
181 Bay Street, Suite 1400  
Toronto, Ontario  
M5J 2V1

Date: October 19, 2011  
Invoice No: 917327/1000000  
Client/Mandate No:  
Partner: Bryan A. Tannenbaum

HST Registration No: 122893605

## Invoice 2

**For professional services rendered in connection with Deloitte & Touche Inc. acting as Court-Appointed Receiver of 2811 Development Corporation ("2811" or the "Company") for the period from August 1, 2011 to August 31, 2011:**

Date	Professional	Narrative
8/2/2011	Chau, Edward	Travel to the Company's premises to prepare electronic imaging of computer records and hard drives.
8/2/2011	Gerstein, Ira	Attendance at the Company's premises with representatives of Deloitte & Touche LLP's Information Technology group and have computers imaged, review e-mails from Lombard Insurance's ("Lombard") legal counsel regarding the marking process; review draft of Receiver's Notice to Creditors with A. Zailer and make changes; receipt and review affidavit of Charles Chan and discuss with Mr. B. Tannenbaum and conference call with Mr. D. Nunes of Thornton Grout Finnigan LLP ("TGF") regarding same; receipt and review copy of condominium unit purchasers' contact list from Ms. Wong of the Company; receipt and review copy of affidavit of Anthony O'Brien of Lombard; receipt and review e-mail from Mr. C. Shekar of the Company in response to the Receiver's request for information; exchange of e-mails with D. Nunes regarding the Receiver's second report to Court (the "Second Report").
8/2/2011	Tannenbaum, Bryan	Receipt and review of e-mails from 2811 regarding Mr. C. Chan's Affidavit; emails regarding Lombard's views; discussions with I. Gerstein regarding same and status; telephone call with D. Nunes regarding Lombard and Key Pendragon client, access to books and records and debtor not complying with the Receiver's requests, Terracap status, etc.
8/2/2011	Yang, Albert Yong Jun	Travel to the Company premises to prepare electronic imaging of computer records and hard drives.

Date	Professional	Narrative
8/3/2011	Gerstein, Ira	Preparation for and attendance in Court on the contempt motion and the sale process approval motion; telephone conference call with S. Botting, B. Tannenbaum and D. Nunes regarding issues related to the sale process, review Notice of Receiver and provide draft to D. Nunes and discuss same with A. Zailer; e-mail to C. Shekar setting out a request for information regarding purchase and sale agreements; telephone discussion with Eric Mares of Wagner Andrews Kovacs (" <b>Wagner</b> ") to arrange for an appraisal; telephone discussion with Chris Vardon of Cushman Wakefield (" <b>Cushmans</b> ") regarding an opinion the highest and best use for the property; review status of information provided by Deloitte Real Estate Group; receipt and review fee proposal from Wagner and forward to S. Botting for comments and respond to Wagner regarding same; e-mail from D. Nunes regarding the status of fee proposals and a subsequent telephone call regarding status of the Applicant's request for a forbearance agreement; update Wagner's 2010 appraisal for redacted information and meet with C. Vardon to deliver document binder and discussion regarding ability to provide opinion; discussion with S. Botting regarding deliverables to C. Vardon.
8/3/2011	Tannenbaum, Bryan	Telephone call with D. Nunes, S. Botting and I. Gerstein regarding marketing process, appraisal and data room; attendance in Court and await while heard in chambers; meeting with D. Nunes at Court to discuss disposition and hearing adjournment; discussion with Mr. Lee regarding books, records, and documents; discussion with I. Gerstein regarding Notice of Receiver and talking to appraiser to see if any changes.
8/4/2011	Tannenbaum, Bryan	Telephone discussion with J. Marshall of Borden Ladner Gervais LLP (" <b>BLG</b> ") and I. Gerstein to update him, retain him, etc. regarding appraisal and other issues and Court attendance tomorrow, etc.
8/4/2011	Botting, Sheila Scarlett	E-mails to/from B. Tannenbaum, I. Gerstein regarding the appraiser's ability to provide comfort to Lombard.
8/4/2011	Gerstein, Ira	E-mails to/from B. Tannenbaum, S. Botting regarding the appraiser's ability to provide comfort to Lombard; Telephone discussion with D. Nunes regarding the status of the Receivership and returning to Court, subsequent numerous telephone calls with Mr. John Marshall of Borden Ladner Gervais LLP (" <b>BLG</b> ") to bring him up to speed in order that he can act for the receiver, provide all updated information to J. Marshall and subsequent conference call with B. Tannenbaum and J. Marshall regarding status.
8/5/2011	Brown, Alison Jessica	Update the Receiver's website content.
8/5/2011	Gerstein, Ira	Review in detail the response from C. Shekar regarding the Receiver's request for information and prepare for and attend in Court; discussions with legal counsel regarding the Notice of the Receiver, subsequent telephone discussion with J. Marshall

Date	Professional	Narrative
		regarding the content of the Notice of the Receiver; review Marketing Flyer and forward to J. Marshall for comments; forward copy of Lombard Trust document to J. Marshall; e-mail to C. Vardon enclosing responses of 2811 to his questions; verify that the Receiver's website is properly updated.
8/5/2011	Gerstein, Ira	E-mail to C. Vardon enclosing responses from C. Shekar to information requests and a subsequent telephone call with C. Vardon regarding additional requirements and questions and a subsequent e-mail to C. Shekar requesting additional information.
8/5/2011	Shinde, Anita	To drafting Marketing Flyer / Branding
8/7/2011	Gerstein, Ira	Review updated draft of the Notice of Receiver from J. Marshall and review other e-mails from J. Marshall regarding issues raised by Lombard's counsel and a subsequent telephone call with J. Marshall regarding all issues.
8/8/2011	Gerstein, Ira	e-mail to S. Botting requesting comments on whether to market the property by parcel or en bloc and review response, update draft Notice of Receiver and forward same to J. Marshall to circulate to all legal counsel, update draft Marketing Flyer for changes suggested by J. Marshall, forward copies of appraisals to J. Marshall, receipt and review e-mail from C. Shekar enclosing a revised schedule of the purchasers' contracts, receipt of file boxes containing purchase and sale agreements, e-mail from C. Vardon requesting a more detailed site map of the property and forward same to A. Shinde for a response, update conditions of sale doc and forward to J. Marshall, e-mail from J. Marshall regarding the description of the Lands, review e-mail from J. Marshall to Ed Huitin of Stevensons regarding attendance at the conference call to discuss appraisal issues.
8/9/2011	Gerstein, Ira	Meeting with J. Marshall, B. Tannenbaum C. Vardon in preparation for a conference call with all secured creditors; conference call with Legal Counsel for Lombards, legal counsel for Key Pendragon and legal counsel for Con-Drain and legal counsel for firm, regarding issues related to the appraisal; draft Form of Offer; update marketing flyer and terms and conditions based on discussions with legal counsel for secured creditors; discussions with J. Marshall regarding same, review various e-mails from all legal counsel regarding further comments on all draft documents
8/9/2011	Tannenbaum, Bryan	meeting with I. Gerstein regarding catch up and outstanding emails; meeting with C. Vardon and J. Marshall before conference call; conference call with C. Varden, J. Marshall, D. Nunes, legal counsel for the Applicant, Irving Marks and Dominique Michaud, legal counsel to Lombard, Sandy Ewan and Tony O'Brien of Lombard, B. Bissell of Goldman Sloan Nash & Haber, legal counsel to Key Pendragon, 2nd to 5 <sup>th</sup> secured creditor, E. Hiutin representing Condrain regarding various questions to appraiser and sale process; subsequent conversation with appraiser and J. Marshall; mtg. with J. Marshall to revise the brochure, Notice of



Date	Professional	Narrative
		Receiver, terms and conditions, form of offer, etc.
8/10/2011	Botting, Sheila Scarlett	Email from I. Gerstein regarding Confidential Information Memorandum ("CIM"), newspaper ad and data room.
8/10/2011	Gerstein, Ira	e-mail to C. Shekar requesting a follow up on the status of the information request, e-mail to S. Botting requesting status of CIM, Ad and data room, preparation for and attendance in Court on the Receiver's motion for approval of the sale process and Notice of Receiver, return to office and arrange for Creditors List to be completed and arrange for all documents to be completed including the Marketing Flyer etc.
8/10/2011	Tannenbaum, Bryan	prepare for Court attendance; attend at Court regarding approval; to send receivers notices and approval of sale process; Justice Neubold puts over to Justice Morawetz; some waiting to be heard and ongoing discussions during that time with counsel, etc.; discussions with moving forward, etc.; Marketing Order obtained.
8/11/2011	Botting, Sheila Scarlett	Additional review of Newspaper Ad and Marketing Flyer.
8/11/2011	Brown, Rose M	Receiver's trust account administration - Newspaper Ad Placement, obtain draft ad from I Gerstein and send to TMP Worldwide for quote for Globe & Mail. Send proof to I. Gerstein for approval. Send TMP an email to place ad on hold until final approval received.
8/11/2011	Tannenbaum, Bryan	Telephone discussion with J. Marshall regarding, fees and, borrowings by the Receiver, including a discussion with respect to offer by 2811 to redeem secured creditors and discharge Receiver.
8/11/2011	Zailer, Anna	Posting documents to the Receiver's Website.
8/12/2011	Tannenbaum, Bryan	Discussion with I. Gerstein regarding sale process and data room, etc.
8/12/2011	Zailer, Anna	Update website postings
8/16/2011	Zailer, Anna	Update Receiver's website
8/17/2011	Shinde, Anita	News Ad (internal coordination), Project Coordination – identifying next steps, Research for CIM
8/18/2011	Botting, Sheila Scarlett	Meeting with A. Shinde and B. Tannenbaum regarding sales process, and CIM.
8/18/2011	Shinde, Anita	Meeting with S. Botting; research for CIM and drafting of CIM
8/18/2011	Tannenbaum, Bryan	Discussion with A. Zailer regarding phone calls from prospective purchasers who received notices; telephone discussion with J. Marshall regarding response.
8/18/2011	Tannenbaum, Bryan	Meeting with S. Botting and A. Shinde regarding sales process and timing issues; E-mail to H. Sloan regarding timing of CIM; Telephone discussion with H. Sloan regarding disclosure of offers and submission of offers; conference call with J. Marshall and H. Sloan regarding disclosure of offers and process.
8/18/2011	Zailer, Anna	Prepare mailing of Notice of Receiver to additional purchasers in accordance with the additional list received; attendance at a meeting/conference call with B. Tannenbaum and J. Marshall to discuss the changes to Form of Offer and Conditions of Sale; discuss phone calls received from creditors and requesting contact

Date	Professional	Narrative
		information for a representative at Lombard; discuss new list of purchasers received from 2811 and the required mailing; draft/send email correspondence to Dominique requesting contact for Lombard; discuss the affidavit of mailing and its composition with B. Tannenbaum; reconcile additional list of purchasers to existing contact lists to ensure no duplicates; draft affidavit of mailing and gather exhibits for affidavit of mailing; update Receiver's website.
8/19/2011	Shinde, Anita	Finalizing Marketing Flyer, Data Site Development, News Ad, Drafting of CIM.
8/22/2011	Botting, Sheila Scarlett	Reviewed / discussed email distribution list and CIM draft with Anita
8/23/2011	Botting, Sheila Scarlett	Meeting with I. Gerstein, A. Shinde, A. Zailer and B. Tannenbaum to discuss logistics of marketing process;
8/23/2011	Gerstein, Ira	Review phone messages; meeting with B. Tannenbaum and A. Zailer to obtain update on all marketing matters; meeting with S. Botting, A. Shinde, A. Zailer and B. Tannenbaum to discuss logistics of marketing process; e-mail to J. Marshall regarding status of Template Agreement; update marketing flyer.
8/23/2011	Tannenbaum, Bryan	Meeting with I. Gerstein to catch up and organize; meeting with S. Botting, A. Shinde, A. Zailer and B. Tannenbaum to discuss marketing plan and information; telephone call from G. Moffatt; emails to prospective purchasers.
8/24/2011	D'Souza, Melroy	Create Outlook marketing email template.
8/24/2011	Gerstein, Ira	E-mail from J. Marshall regarding status of Template Agreement, telephone discussion with G. Moffat regarding status; telephone call with M. Warner of the Applicant regarding the sale process; review draft CIM; various e-mails regarding the status of the e-mail for the Marketing Flyer; telephone call with C. Vardon regarding the status of the appraisal.
8/24/2011	Shinde, Anita	Data Site development, news ad and drafting of the CIM.
8/24/2011	Zailer, Anna	Update website for email address; format marketing e-mail for e-mail campaign; meet with B. Tannenbaum and I. Gerstein for follow up meeting.
8/25/2011	Brown, Rose M	Newspaper Ad Administration
8/25/2011	Brown, Rose M	Receiver's trust account administration - Disbursement cheque.
8/25/2011	Gerstein, Ira	Telephone discussions with M. Warner regarding the sale process; discussions with a potential purchaser; telephone discussion with Mr. Edward Young legal counsel to condo purchasers and provide information; telephone call with Mr. Derek McBean of EXP Global Inc., a creditor; telephone discussion with condo purchasers; review CIM and edit and update with A. Zailer; review asset purchase agreement and make comments.
8/25/2011	Shinde, Anita	Data Site Development, Drafting of CIM
8/25/2011	Zailer, Anna	Meeting with I. Gerstein to review and modifying the CIM.
8/26/2011	Gerstein, Ira	Discuss CIM with A. Shinde and A. Zailer; draft disclaimer e-mail regarding access to data room and forward to J. Marshall for comment; finalize draft CIM; telephone call with a condo unit purchaser; telephone call with Bob Edington of URS Canada a

Date	Professional	Narrative
		creditor; receipt and review copy of correspondence from Landmark to purchasers advising of the status of the takeout of the Applicant and the Receiver and forward to J. Marshall and B. Tannenbaum; review Template Agreement; finalize newspaper ad.
8/27/2011	Tannenbaum, Bryan	Telephone conference call with J. Marshall and I. Gerstein regarding letter distributed by Landmark to condo purchasers; discuss contempt motion and letter to C. Shekar regarding more information required on the status of outstanding purchasers, etc.
8/29/2011	Botting, Sheila Scarlett	Review Template Agreement of purchase and sale and email comments to I. Gerstein regarding same.
8/29/2011	Gerstein, Ira	Draft proof and finalize e-mail to C. Shekar requesting balance of information; update draft CIM and discuss with B. Tannenbaum and A. Zailer; review purchase and sale agreement and make comments and conference call with J. Fried of Meyer Wassenar & Banach, legal counsel to the Receiver regarding updating the Template Agreement; receipt and review e-mail from C. Shekar responding to e-mail request for balance of information and discuss with A. Zailer; e-mail from H. Sloan requesting information; e-mail from S. Botting setting out her comments on the Template Agreement of purchase and sale and discuss with A. Shinde.
8/29/2011	Tannenbaum, Bryan	Receipt and review of account from TGF; email J. Marshall regarding payment of professionals interim accounts; meeting with I. Gerstein regarding email to C. Shekar for outstanding information; final edit of the CIM; review the Agreement of Purchase and Sale; discussion with I. Gerstein; telephone call regarding our edits with J. Fried; e-mail from/to H. Sloan;
8/29/2011	Zailer, Anna	To updating Receiver's website;
8/30/2011	Gerstein, Ira	Discussions with A. Zailer and A. Shinde regarding the CIM update and finalize same; discussions regarding the data room and using a third party data room provider; review Template Agreement for comments; review terms and conditions and discuss same with A. Zailer.
8/31/2011	Botting, Sheila Scarlett	Attendance at meeting with B. Tannenbaum, I. Gerstein, A. Shinde, A. Zailer to discuss next steps, data room and marketing process.
8/31/2011	Gerstein, Ira	Attendance at meeting with B. Tannenbaum, I. Gerstein, A. Shinde, A. Zailer to discuss next steps, data room and marketing process; discussions with A. Shinde regarding data room, review status log of potential purchasers.
8/31/2011	Shinde, Anita	Attendance at meeting with B. Tannenbaum, I. Gerstein, A. Shinde, A. Zailer to discuss next steps, data room and marketing process; development of data site.
8/31/2011	Tannenbaum, Bryan	Conference call with I. Gerstein, S. Botting, A. Shinde, A. Zailer regarding CIM, list, access to data room, status, etc.

**Summary of fees**

<b>Professional</b>	<b>Position</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Bryan A. Tannenbaum, FCA, FCIRP	Partner	40.6	\$675.00	\$ 27,405.00
Sheila S. Botting	Partner	18.0	675.00	12,150.00
Ira Gerstein CA•CIRP, CIRP	Senior Manager	92.5	575.00	53,187.50
Anita Shinde	Manager	87.0	425.00	36,975.00
Alison J. Brown	Analyst	0.6	195.00	117.00
Albert Yang	Analyst	7.0	195.00	1,365.00
Edward Chau	Analyst	7.0	195.00	1,365.00
Rose M. Brown	Trust Administration	2.9	100.00	290.00
Melroy D'Souza	Administration	1.5	100.00	150.00
Anna Zailer	Administration	6.2	100.00	620.00
<b>Total hours and professional fees</b>		<b><u>263.3</u></b>		<b>\$ 133,624.50</b>
HST @13%				<u>17,371.19</u>
<b>Total Payable</b>				<b>\$150,995.69</b>

**Payable upon receipt to: Deloitte & Touche Inc.**

Bryan A. Tannenbaum, FCA, FCIRP  
Senior Vice President



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2811 Development Corporation  
c/o: Deloitte & Touche Inc.  
Brookfield Place  
181 Bay Street, Suite 1400  
Toronto, Ontario  
M5J 2V1

Date: October 19, 2011  
Invoice No: 917327/1000000  
Client/Mandate No:  
Partner: Bryan A. Tannenbaum

HST Registration No: 122893605

## Invoice 3

For professional services rendered in connection with Deloitte & Touche Inc. acting as Court-Appointed Receiver of 2811 Development Corporation ("2811" or the "Company") for the period from September 1, 2011 to September 30, 2011:

Date	Professional	Narrative
9/1/2011	Shinde, Anita	Correspondence with Merrill DataSite ("Merrill") on data site, data site uploading / updating and data site invites.
9/1/2011	Tannenbaum, Bryan	E-mail inquiry from a potential purchaser and response sent.
9/1/2011	Gerstein, Ira	Discussions with A. Zailer and A. Shinde regarding providing access to the data room; review third party data room agreement from Merrill DataSite and sign agreement; review various e-mail correspondence from purchasers.
9/6/2011	Gerstein, Ira	telephone discussion with J. Fried of Meyer Wassenar & Banach LLP, legal counsel to the Receiver and J. Marshall of Borden Ladner Gervais LLP ("BLG"), also legal counsel to the Receiver regarding the Template Agreement of purchase and sale, discussions with A. Zailer regarding status of correspondence with potential purchasers; telephone call with C. Vardon of Cushman Wakefield ("Cushmans") regarding the status of the appraisal; provide copy of listing of agreements of purchase and sale to C. Vardon and a subsequent telephone call with C. Vardon regarding same; update listing of agreements of purchase and sale with square footage of units and price per square foot; review of first interim billing, e-mail to J. Marshall regarding status of letter from C. Chan of 2811 to Purchasers; discussion with B. Tannenbaum regarding status.
9/7/2011	Shinde, Anita	Contacted top 20 / S. Booting's contacts via e-mail; data site updating; data site invites; meeting with S. Botting and S. Finlay.
9/7/2011	Botting, Sheila Scarlett	Meeting with A. Shinde regarding marketing contacts.

9/8/2011	Tannenbaum, Bryan	Attendance at sales team meeting.
9/8/2011	Botting, Sheila Scarlett	Attendance at internal meeting
9/9/2011	Gerstein, Ira	Telephone calls with numerous potential purchasers regarding follow up; draft letter to CRA in response to its correspondence dated August 31, 2011; e-mail from C. Shekar of 2811 requesting estimate of fees; discussion with and e-mail to J. Marshal of BLG; e-mail from C. Vardon regarding a section 37 agreement and e-mail to and subsequent discussion with J. Marshall regarding same; telephone call with C. Vardon regarding status of appraisal; e-mails to A. Shinde enclosing documents for posting in the data room; telephone call with S. Davis of Oslers LLP ("Oslers") regarding the Notice of Receiver.
9/12/2011	Gerstein, Ira	E-mail from/to C. Shekar regarding payment of receivership costs; e-mail from/to C. Vardon regarding the average per square foot selling price; e-mail to C. Shekar requesting a copy of the section 37 agreement; voicemail for A. Shinde and A. Zailer regarding status; e-mail to a potential purchaser in response to request for data room access.
9/13/2011	Finlay, Sean	Review of control sheet; identify and contact parties not included on data sheet.
9/14/2011	Shinde, Anita	E-mail blasts; data site revisions.
9/14/2011	Gerstein, Ira	Receipt and review e-mails from C. Shekar regarding responses to potential purchasers' questions; telephone call with a representative of a potential purchaser.
9/15/2011	Gerstein, Ira	Telephone discussions with a potential purchaser's legal counsel requesting marketing information; e-mail to J. Fried regarding status of purchase and sale agreement; discussion with A. Zailer on condo purchaser listing; discussions with A. Zailer regarding status of control sheet and signage for the property; e-mail to M. Warner of the Applicant regarding status of payment of insurance; telephone call with a representative of a potential purchaser.
9/16/2011	Gerstein, Ira	Various e-mails from B. Tannenbaum regarding status; telephone call with a potential purchaser requesting information and provide same; receipt and review draft appraisal from C. Vardon; telephone call with J. Fried regarding asset purchase agreement; to reviewing various e-mails regarding purchaser requests for information; subsequent discussions with A. Zailer regarding same; discussions with legal counsel to a potential purchaser regarding the asset purchase; various e-mails from S. Botting regarding a potential purchaser; discussion with J. Fried regarding the draft vesting order; review e-mails from C. Vardon regarding the appraisal.

9/19/2011	Gerstein, Ira	E-mail request from a potential purchaser for an MS Word version of the Template Agreement of Purchase and Sale, and forward a copy of same, subsequent email to J. Fried requesting comments on same; telephone call with a potential purchaser regarding background and provide access to data room; e-mail from D. Michaud of Robbins Appleby & Taub, legal counsel to Lombard Insurance requesting that Tom Clarke, consultant for Lombard, be granted access to the data room; receipt and review comment from J. Marshall regarding granting access to T. Clarke and e-mail to T. Clarke requesting confirmation that he is prepared to be bound by the Confidentiality Agreement; review e-mail from C. Vardon and meet with S. Finlay to discuss draft appraisal.
9/20/2011	Zailer, Anna	Attend meeting with A. Shinde, S. Finlay, S. Botting, I. Gerstein and B. Tannenbaum to discuss status and next steps.
9/20/2011	Tannenbaum, Bryan	Attend Sales Team meeting - review status of efforts and follow up; discussions with S. Botting.
9/20/2011	Gerstein, Ira	Attendance at team meeting with A. Shinde, S. Finlay, S. Botting, A. Zailer and B. Tannenbaum to discuss status; meeting with C. Vardon to discuss draft appraisal report; e-mail to C. Shekar requesting information regarding retail leases; receipt and review response.
9/20/2011	Finlay, Sean	Attendance at team meeting; meeting with C. Vardon to discuss draft appraisal report.
9/20/2011	Botting, Sheila Scarlett	Attend Sales Team meeting - review status of efforts and follow up; discussions with B. Tannenbaum.
9/21/2011	Tannenbaum, Bryan	Discussion with I. Gerstein regarding extension of submission date due to a request for environmental assessment, etc.; review status of data room; discussion with I. Gerstein regarding status and Lombard inquiry.
9/21/2011	Gerstein, Ira	E-mail from P. Rogers of Heenan Blakie LLP (" <b>Heenan</b> ") enclosing correspondence regarding a judgment of Heenan against 2811 and forward same to J. Marshall for a response.
9/21/2011	Finlay, Sean	Editorial mark-up of draft appraisal report sent to C. Vardon; research on additional contacts not identified in first mail out; conversations/emails to new contacts.
9/22/2011	Shinde, Anita	Internal meeting, data site reports on usage.
9/22/2011	Gerstein, Ira	Receipt and review copy of draft appraisal and provide comments, review spreadsheet provided by S. Finlay regarding his follow up calls; receipt and review e-mail response of J. Marshall to Heenan regarding Heenan's letter of September 21, 2011 in connection with its judgment against 2811.
9/22/2011	Finlay, Sean	Phone calls to contacts on the "top 20" list. Documentation of conversations with contacts.

9/26/2011	Gerstein, Ira	Complete review of draft appraisal and meet with C. Vardon to finalize; e-mail and telephone call to a potential purchaser in response to an e-mail regarding closing date; telephone call with a potential purchaser regarding request for draft sale agreement; discussion with S. Finlay regarding status of marketing calls; e-mail from D. Nunes regarding request for receiver's time prior to the appointment.
9/26/2011	Finlay, Sean	Follow-up calls to top-20 list; documentation of phone conversations and assistance processing Confidentiality Agreement for a specific party.
9/27/2011	Finlay, Sean	Calls with R. Goin at Cadillac Fairview and M. Martin at Plazacorp.
9/27/2011	Gerstein, Ira	Dealing with potential purchaser information requests, reviewing confidentiality agreements, discussions with A. Zailer regarding updating control sheet, discussions with Sean regarding various site planning issues; meeting with B. Tannenbaum, S. Botting, A. Zailer and S. Finlay to discuss status.
9/27/2011	Tannenbaum, Bryan	Review data room material and prospective purchasers list and list of participants to the data room, etc.; review Cushman's appraisal.
9/28/2011	Tannenbaum, Bryan	Attendance on a telephone call with V. Goldman at Royal LePage; discussion regarding creditors.
9/28/2011	Gerstein, Ira	Discussions with S. Finlay regarding outstanding issues; review content of data room; attending to various requests for information and confidentiality agreements; e-mail from/to D. Michaud requesting the Receiver's position regarding the deposit to be received; discussion with J. Marshall.
9/28/2011	Finlay, Sean	Call with a potential purchaser to discuss the project and bid submission process.
9/30/2011	Zailer, Anna	Telephones call from I. Gerstein regarding MS Word agreement template, and forward same to A. Shinde and I. Gerstein; telephone call from I. Gerstein regarding marketing flyer and confidentiality agreement and forward same to I. Gerstein.



**Summary of fees**

<b>Professional</b>	<b>Position</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Bryan A. Tannenbaum, FCA, FCIRP	Partner	27.6	\$675.00	\$ 18,630.00
Sheila S. Botting	Partner	6.0	675.00	4,050.00
Ira Gerstein, CA, CIRP	Senior Manager	73.6	575.00	42,320.00
Anita Shinde	Manager	29.5	425.00	12,537.50
Sean Finlay	Manager	31.0	425.00	13,175.00
Anna Zailer	Administration	0.7	100.00	70.00
<b>Total hours and professional fees</b>		<b><u>168.4</u></b>		<b>\$ 90,782.50</b>
Disbursements: postage and delivery				<u>663.31</u>
<b>Total professional fees and disbursements</b>				<b>\$ 91,445.81</b>
HST @13%				<u>11,887.96</u>
<b>Total Payable</b>				<b><u>\$103,333.77</u></b>

**Payable upon receipt to: Deloitte & Touche Inc.**

Bryan A. Tannenbaum, FCA, FCIRP  
Senior Vice President



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Date: October 31, 2011  
Invoice No: 917327/1000000  
Client/Mandate No:  
Partner: Bryan A. Tannenbaum

HST Registration No: 122893605

## Invoice 4

**For professional services rendered in connection with Deloitte & Touche Inc. acting as Court-Appointed Receiver of 2811 Development Corporation (“2811” or the “Company”) for the period from October 1, 2011 to October 15, 2011:**

Date	Professional	Narrative
10/3/2011	Gerstein, Ira	Review all offers received, prepare summary sheet, commence drafting Receiver’s Third Report to Court (the “ <b>Third Report</b> ”)
10/3/2011	Tannenbaum, Bryan	Receipt and review in detail of all offers received; discussions regarding same with Mr. I. Gerstein.
10/4/2011	Tannenbaum, Bryan	Attendance at a meeting with Mr. John Marshall of Borden Ladner Gervais (“ <b>BLG</b> ”), Mr. I Gerstein and Ms. S. Botting to review offers received including telephone conference call with Mr. Joseph Fried of Meyers Wasanaar Banach LLP (“ <b>MWB</b> ”); receipt and review of offers received; discussion with I. Gerstein with respect to offers received and contents of Third Report.
10/4/2011	Gerstein, Ira	Attendance at a meeting with J. Marshall, I. Gerstein and S. Botting to review offers received including telephone conference call with J. Fried MWB; subsequent updating of offer summary schedule;
10/4/2011	Finlay, Sean	Research on Ministry of Environment website the Record of Site Condition and Environmental Site Assessment status.
10/4/2011	Botting, Sheila Scarlett	Attendance at a meeting with J. Marshall, I. Gerstein and S. Botting to review offers received including telephone conference call with J. Fried MWB; subsequent updating of offer summary schedule;

10/5/2011	Tannenbaum, Bryan	Review offer from Mady Development Corp ("Mady"); email exchanges with I. Gerstein and J. Marshall; preparation for and attendance at meeting with Mady, a prospective purchaser, to get clarification on Mady's offer; attend meeting with Mady's representatives and their counsel, P. Spadafora of Robins Appleby Taub, Anthony O'Brien of Lombard Insurance, J. Fried and J. Marshall; discussion with I. Gerstein with respect to other offers received and issues, etc.
10/5/2011	Gerstein, Ira	Preparation for and attendance at a meeting with representatives of Mady to discuss offer received;
10/5/2011	Finlay, Sean	Attendance at meeting with representatives of Mady to discuss offer. Research on implications of changes in Environmental Protection Act;
10/6/2011	Gerstein, Ira	Receipt and review correspondence from Workplace Safety and Insurance Board and draft response;
10/6/2011	Tannenbaum, Bryan	Review offer and preparation for and attendance at meeting with the Wineryb Group syndicate (Sterling, Torgan, MPI) and Receiver's legal counsel to discuss offer received; subsequent discussions with the Receiver's counsel regarding same.
10/6/2011	Gerstein, Ira	Preparation for and attendance at a meeting with a prospective purchaser to discuss offer.
10/6/2011	Finlay, Sean	Preparation for and attendance at a meeting with a prospective purchaser to discuss offer.
10/6/2011	Brown, Rose M	Receiver's trust account administration - deposit.
10/7/2011	Tannenbaum, Bryan	Review offer and preparation for and attendance at a meeting with Mr. C. Barrett of Cartera Private Equity, a prospective purchaser to discuss offer received; discussions with the Receiver's legal counsel following the meeting; telephone call to J. Marshall with respect to results from the 9:30 Court appointment regarding potential redemption of secured debt by 2811.
10/7/2011	Gerstein, Ira	Preparation for and attendance at a meeting with a prospective purchaser to discuss offer received; file organization and discussions with J. Fried and B. Tannenbaum regarding same;
10/7/2011	Finlay, Sean	Meeting with prospective purchaser to discuss offer received;
10/7/2011	Botting, Sheila Scarlett	Meeting with prospective purchaser to discuss offer received;
10/11/2011	Gerstein, Ira	Preparation of letters to unsuccessful bidder returning deposits, discussions with B. Tannenbaum and A. Zailer regarding same; conference call with J. Fried and B. Tannenbaum regarding status and timing of bringing a motion for Court approval of the sale transaction; reviewing and editing invoices for July 2011, August 2011 and September 2011 and discuss same with B. Tannenbaum.
10/11/2011	Tannenbaum, Bryan	Telephone discussion with D. Weinryb regarding status; edit letter to unsuccessful purchasers; conference call with J. Marshall and J. Fried with respect to accepting offer of successful bidder, notice to condominium purchasers and Third Report; receipt and review of email from J. Marshall regarding acceptance of offer and right of redemption and read case;

10/12/2011	Tannenbaum, Bryan	Review and approve draft acceptance letter to Mady; edit letter to successful purchaser; telephone discussion with C. Mady informing him of Mady's successful bid; letters to unsuccessful offerors; telephone discussion with C. Barrett and return deposit cheque; telephone discussion with D. Weinryb regarding questions on rejection of offer; telephone discussion with I. Gerstein regarding banking of deposit cheque; telephone discussion with J. Marshall regarding message from P. Spadafora on redemption issues; telephone discussion with P. Spadafora regarding right of debtor redemption
10/12/2011	Brown, Rose M	Receiver's trust account banking administration - deposit and investment set up.

#### Summary of fees

Professional	Position	Hours	Rate	Amount
Bryan A. Tannenbaum, FCA, FCIRP	Partner	26.0	\$675.00	\$ 17,550.00
Sheila S. Botting	Partner	3.0	675.00	2,025.00
Ira Gerstein, CA-CIRP	Senior Manager	32.4	575.00	18,630.00
Sean Finlay	Manager	12.0	425.00	5,100.00
Rose M. Brown	Trust Administration	1.1	100.00	110.00
<b>Total hours and professional fees</b>		<b><u>74.5</u></b>		<b>\$ 43,415.00</b>
Disbursements: printing				<u>115.25</u>
<b>Total professional fees and disbursements</b>				<b>\$ 43,530.25</b>
HST @13%				<u>5,658.93</u>
<b>Total Payable</b>				<b>\$ 49,189.18</b>

**Payable upon receipt to: Deloitte & Touche Inc.**

Bryan A. Tannenbaum, FCA, FCIRP  
Senior Vice President

# APPENDIX "Z"

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**AFFIDAVIT OF GRANT B. MOFFAT**  
*(Sworn October 28, 2011)*

I, **GRANT B. MOFFAT**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and a partner with ThorntonGroutFinnigan LLP ("TGF"), lawyers for Deloitte & Touche Inc., in its capacity as the receiver (the "Receiver") of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and all of the assets, undertakings and properties of 2811 Development Corporation acquired for, or used in relation to, the development of the Lands and construction of improvements thereon and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as Exhibit "A" are true copies of the invoices forwarded to the Receiver by TGF for fees and disbursements incurred by TGF in the course of the within proceeding for the period June 30, 2011 to August 4, 2011.
3. Attached hereto as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.
4. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Receiver.
5. To the best of my knowledge, the rates charged by TGF throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.
6. The hourly billing rates outlined in Exhibit "C" to this affidavit are comparable to the hourly rates charged by TGF for services rendered in relation to similar proceedings.
7. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver's counsel.

SWORN BEFORE ME )  
at the City of Toronto, in the )  
Province of Ontario this 28<sup>th</sup> )  
day of October, 2011. )  
)  
)

  
\_\_\_\_\_  
Grant B. Moffat

\_\_\_\_\_  
A commissioner for taking oaths, etc.  
Annette Melinda Fournier, a Commissioner, etc.,  
City of Toronto, for ThomsonGroutFinnigan LLP,  
Barristers and Solicitors.  
Expires November 8, 2013.

# EXHIBIT "A"

Court File No.: CV11-9242-00CL

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

IN THE MATTER OF Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**FIRST BILL OF COSTS OF THE SOLICITORS TO THE COURT  
APPOINTED RECEIVER**

**For the period ending July 31, 2011**

Jun-30-11	Voicemail from W. Perryman regarding WSIB interest in 2811 receivership order; correspondence to G. Moffat regarding same;	0.20	DN
Jul-04-11	Review correspondence from G. Moffat regarding sale agreements for Landmark; correspondence to D. Lee regarding same;	0.20	DN
Jul-05-11	Review correspondence from D. Lee regarding sale agreements for Landmark and discussions with receiver;	0.10	DN
Jul-06-11	Review draft terms and conditions of sale; conference call with B. Tannenbaum and I. Gerstein;	0.90	GBM
	Attend conference call with G. Moffat and B. Tannenbaum regarding next steps in marketing and sales process; voicemail from G. Moffat regarding same;	0.70	DN
Jul-07-11	Draft Receiver's First Report; correspondence with I. Gerstein regarding notice to creditors;	2.60	GBM
	Telephone call with I. Gerstein;	0.40	GBM
	Correspondence to and from G. Moffat regarding First Report;	0.30	DN
Jul-11-11	Review and revise First Report and terms and conditions of sale;	1.20	GBM



	Review and revise correspondence to debtor regarding missing records; telephone call with I. Gerstein regarding notification to purchaser of Receiver's appointment;	0.40	GBM
	Correspondence with J. Fried and M. Warner regarding sale;	0.20	GBM
	Review correspondence from D. Michaud regarding Receiver retaining independent counsel;	0.10	DN
	Revise First Report of Receiver and Conditions of Sale;	0.80	AF
Jul-12-11	Discussion with G. Moffat regarding correspondence to debtor;	0.20	JTP
	Telephone call with B. Tannenbaum and I. Gerstein; revise First Report and Conditions of Sale; review correspondence from H. Sloan; review correspondence regarding debtor's failure to deliver all books and records;	3.20	GBM
	Review and revise correspondence to employees and landlord; review deposit trust agreement; telephone call with E. Dadouch regarding status of sale process; telephone call with I. Gerstein regarding correspondence to employees and landlord;	1.30	GBM
	Revise First report; telephone call with I. Gerstein regarding debtor's refusal to deliver records; review correspondence regarding same; draft letter to debtor regarding same; correspondence with I. Gerstein regarding same; further revisions to First Report to reflect debtor's refusal to deliver books and records;	2.80	GBM
	Correspondence to and from G. Moffat regarding correspondence from D. Michaud regarding Receiver retaining independent counsel; correspondence to and from D. Michaud regarding same;	0.20	DN
	Conduct PPSA search;	0.10	AF
Jul-13-11	Telephone call with I. Gerstein; review correspondence regarding LC's; review correspondence regarding books and records;	0.40	GBM
	Telephone call with I. Gerstein regarding debtor's refusal to provide additional information required by Receiver; review correspondence with debtor regarding same;	0.40	GBM
	Telephone call with H. Sloan regarding nature of obligations to White Bear and Pendragon; revise report;	0.40	GBM
	Speak to D. Michaud regarding background information on Lombard indebtedness for purposes of Receiver's report; voicemail from D. Michaud regarding same; speak to G. Moffat regarding motion for production of books and records and information pertaining to creditors; speak to D. Lee regarding same; correspondence to and from G. Moffat, B. Tannenbaum and I. Gerstein regarding same; review correspondence from D. Michaud setting out background information on Lombard	0.90	DN

	indebtedness for purpose of Receiver's report;		
	E-mails to and from court regarding availability, prepare Articles of Revival;	0.60	AF
Jul-14-11	Voicemails to and from J. Fried regarding registration of receivership order on title; draft motion materials and send same to I. Gerstein and B. Tannenbaum for review and comment;	3.20	DN
Jul-15-11	Review revisions to First Report; telephone call with I. Gerstein regarding same;	0.40	GBM
	Review correspondence from Lombard counsel; review Lombard credit documents;	0.60	GBM
	Review TD Bank LC's; meeting with D. Nunes; telephone call with I. Gerstein;	0.50	GBM
	Correspondence to G. Moffat attaching correspondence from D. Michaud setting out background to Lombard indebtedness; review correspondence from D. Michaud regarding Lombard application for return of escrow funds in BLG account; speak to I. Gerstein regarding changes to motion materials to account for additional information not provided by debtor; discuss same with G. Moffat; revise motion materials accordingly; correspondence to and from I. Gerstein regarding same; voicemail from D. Lee regarding receiver's motion; speak to D. Lee regarding same; finalize and serve motion materials; speak to G. Moffat regarding letter of credit research; correspondence to G. Moffat setting out same; voicemail for I. Gerstein regarding same; further correspondence to G. Moffat regarding letter of credit research;	3.70	DN
Jul-18-11	Review correspondence from D. Nunes regarding TD letter of credit; revise Second Report to Court; review Lombard documentation; review correspondence from J. Fried regarding request for adjournment of withheld records motion; correspondence with J. Fried and Receiver regarding same;	2.00	GBM
	Telephone call with I. Gerstein regarding Second Report; further revisions to same;	0.50	GBM
	Review correspondence regarding marketing process timeline; review draft confidentiality agreement; telephone call with I. Gerstein;	0.60	GBM
	Review correspondence from G. Moffat attaching Terracap letter seeking postponement of receiver's motion; correspondence to and from I. Gerstein regarding receiver's motion and attendance at same; correspondence to and from J. Fried regarding registering receivership order on title; review responding affidavit of C. Chan; correspondence to G. Moffat, B. Tannenbaum and I. Gerstein regarding same;	0.50	DN
	E-mails to and from court regarding availability and discuss same with	0.20	AF

G. Moffat;

Jul-19-11	Review and revise draft Flyer; telephone call with I. Gerstein; review draft form of offer; correspondence with J. Fried regarding sale agreement; telephone call with J. Fried;	1.10	GBM
	Meeting with D. Nunes regarding attendance before Mesbur, J.; telephone call with B. Tannenbaum regarding same; telephone call with I. Gerstein regarding revisions to report; revise Second report; revise terms and conditions of sale;	2.30	GBM
	Telephone call with B. Tannenbaum and I. Gerstein regarding Second Report; revise same; revise terms of sale;	0.90	GBM
	Attend receiver's motion for production and provision of books and records and requested information from debtor; speak to G. Moffat regarding same; attend conference call with G. Moffat, B. Tannenbaum and I. Gerstein to discuss sale process approval motion; speak to H. Sloan regarding same and August 3rd sale process approval motion;	1.90	DN
	Revise Terms and Conditions and prepare and revise Form of Offer, draft Notice of Motion and Order regarding Marketing Process;	1.50	AF
Jul-20-11	Correspondence to and from J. Fried regarding sale agreement; revise draft marketing process order; review correspondence regarding same;	0.50	GBM
	Review further revisions to Second Report; consider same;	0.50	GBM
	Meeting with D. Nunes regarding claim to funds advanced by Lombard and held in escrow; review correspondence regarding same;	0.30	GBM
	Telephone call with B. Tannenbaum and I. Gerstein regarding Second Report;	0.20	GBM
	Review further revisions to Second Report; revise same; telephone call with I. Gerstein regarding same; review revisions to conditions of sale; telephone call with I. Gerstein regarding same;	1.00	GBM
	Correspondence to and from M. Warner regarding receiver's motion of July 19th and sale process approval motion scheduled for August 3rd; correspondence to and from B. Tannenbaum attaching endorsement of Mesbur, J. dated July 19, 2011; correspondence to service list attaching same; correspondence to D. Michaud regarding Lombard's application for return of escrow funds held by BLG; speak to G. Moffat regarding same; speak to D. Michaud regarding same;	0.60	DN
Jul-21-11	Revise motion materials;	0.50	GBM
	Review voicemail from D. Lee; meeting with D. Nunes regarding return of motion for production of books and records;	0.30	GBM
	Telephone call with solicitor for Terracap; telephone call with Receiver regarding status of JV agreement; review BIA regarding extension of	1.00	GBM

time to give notice under S. 245;

	Meeting with D. Nunes regarding books and records motion; telephone call with B. Tannenbaum;	0.50	GBM
	Speak to G. Moffat regarding call with J. Wortzman to discuss Landmark joint venture; voicemail from D. Lee regarding Receivers' motion and joint venture agreement; correspondence to G. Moffat regarding same; voicemails to and from E. Hiutin regarding Con-Drain; voicemails to and from H. Sloan regarding Receiver's motion; review correspondence from C. Chan attaching joint venture agreement; correspondence to G. Moffat regarding same; review correspondence from D. Lee regarding joint venture agreement and Receiver's motion; speak to G. Moffat regarding Lombard application; correspondence to D. Michaud regarding same;	0.90	DN
	Finalize Order and Notice of Motion, compile exhibits to Second Report, prepare Motion Record Index and finalize same, compile Motion Record for service and filing, serve Motion Record via e-mail and via courier, prepare Affidavit of Service, memo to court agent;	3.50	AF
Jul-22-11	Review JV agreement and APS with Terracap;	0.90	GBM
	Telephone call with D. Nunes regarding hearing before Perell, J.;	0.20	GBM
	Correspondence with J. Fried, M. Warner and E. Dadouch regarding attendance on records disclosure motion; review correspondence from Terracap regarding same;	0.30	GBM
	Telephone call with J. Fried regarding marketing process;	0.20	GBM
	Meeting with D. Nunes; review JV agreement; consider impact on sales process;	1.10	GBM
	Correspondence to B. Tannenbaum and I. Gerstein attaching Landmark joint venture agreement; call with H. Sloan to discuss sales process and Receiver's motion; attend Receiver's motion for production of books and records; review correspondence from H. Sloan regarding sales process; review correspondence from I. Gerstein forwarding correspondence regarding return of deposit on Landmark condo unit; speak to G. Moffat regarding Receiver's motion; review correspondence from I. Gerstein regarding issues arising from delivery of books and records; correspondence to D. Lee regarding same; review correspondence from B. Tannenbaum regarding same; review correspondence from G. Moffat and J. Fried regarding delivery of notices to creditors; voicemail for M. Warner regarding Receiver's motion; review correspondence from I. Gerstein to C. Chan regarding delivery of books and records;	4.20	DN
Jul-25-11	Correspondence regarding sale process and costs to date;	0.30	GBM
	Review correspondence from Lombard counsel; meeting with D. Nunes	0.90	GBM

regarding same and sale process;

	Telephone call with B. Tannenbaum and I. Gerstein regarding debtor's refusal to provide books and records; meeting with D. Nunes regarding same; consider terms of order and issue of contempt;	0.50	GBM
	Review correspondence from I. Gerstein regarding books and records; correspondence to and from D. Michaud regarding adding Receiver as respondent to Lombard application; discuss same with G. Moffat; correspondence to C. Shekhar regarding books and records;	0.60	DN
Jul-26-11	Telephone call with B. Tannenbaum and I. Gerstein regarding debtor's refusal to produce books and records; correspondence with D. Nunes regarding same; review order;	0.50	GBM
	Telephone call with I. Gerstein regarding renewal of LC's;	0.20	GBM
	Review correspondence regarding communication with debtor regarding production of books and records; telephone call with D. Nunes regarding same;	0.40	GBM
	Voicemail to D. Lee regarding books and records; correspondence to and from G. Moffat regarding same; review correspondence D. Michard regarding Lombard's application; speak to D. Michaud regarding same; voicemail from E. Hiutin regarding sales process approval motion; correspondence from E. Hiutin regarding same; speak to E. Hiutin regarding same; correspondence to and from I. Gerstein, B. Tannenbaum and G. Moffat regarding conference call with Lombard to discuss sales process; correspondence to and from D. Michaud regarding same; review correspondence from H. Sloan regarding discussion about sales process; discuss same with G. Moffat; speak to D. Lee regarding books and records; discuss same with G. Moffat;	2.90	DN
Jul-27-11	Review correspondence regarding possible motion for contempt order; review correspondence regarding Lombard's concerns with sale process;	0.20	GBM
	Conference call with Lombard, Receiver and counsel regarding proposed marketing process; further telephone call with Receiver regarding same;	1.00	GBM
	Review correspondence regarding contempt order; consider effect on marketing plan;	0.50	GBM
	Correspondence to and from D. Michaud regarding conference call to discuss sales process and Lombard's concerns with same; attend conference call with G. Moffat, D. Michaud, D. Taub, I. Gerstein, B. Tannenbaum, S. Botting, S. McEwan and T. O'Brien; speak to I. Gerstein regarding changes to marketing flyer; review correspondence from I. Gerstein and B. Tannenbaum regarding same; correspondence to and from I. Gerstein regarding delivery of books and records; review correspondence from D. Michaud regarding conference call; discuss same with G. Moffat; correspondence to D. Lee regarding books and	3.20	DN

records; attend chambers appointment to speak to scheduling of possible contempt motion;

Jul-28-11	Review correspondence regarding Lombard issues with sale process; review correspondence regarding lien claim;	0.20	GBM
	Correspondence to and from I. Gerstein, B. Tannenbaum and G. Moffat regarding books and records; correspondence to and from G. Moffat regarding discussion with H. Sloan; review correspondence from G. Moffat regarding Mady statement of claim; correspondence to and from I. Gerstein regarding information to be sent to Lombard regarding sales process; correspondence D. Michaud and D. Taub regarding same; voicemails to and from I. Gerstein regarding same; speak to I. Gerstein regarding same; draft supplemental second report and send to B. Tannenbaum and I. Gerstein for review and comment;	4.20	DN
Jul-29-11	Finalize amended motion record and serve same; correspondence to and from B. Tannenbaum and I. Gerstein regarding same; voicemails to and from D. Michaud regarding sales process; review correspondence from H. Sloan regarding discussions about sales process; speak to D. Michaud regarding changes to sales process; speak to I. Gerstein and B. Tannenbaum regarding same; correspondence to and from D. Michaud regarding same; correspondence to and from I. Gerstein regarding delivery of books and records; review motion record for August 3 <sup>rd</sup> sales process approval; correspondence to and from I. Gerstein regarding same;	7.50	DN
Jul-31-11	Review correspondence regarding sale process; consider disclosure of offers; correspondence with D. Nunes;	0.60	GBM
	Correspondence to and from G. Moffat regarding changes to sales process; correspondence to H. Sloan regarding same;	0.30	DN

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
John T. Porter	0.20	\$725.00	145.00
Grant B. Moffat	35.90	\$675.00	24,232.50
Danny Nunes	36.40	\$400.00	14,560.00
Annette Fournier (Law Clerk)	6.70	\$250.00	1,675.00
<b>TOTAL FEE HEREIN</b>			<b>\$40,612.50</b>
<b>HST on Fees</b>			<b><u>\$5,279.63</u></b>
<b>Total Fees and HST</b>			<b>\$45,892.13</b>

**Disbursements:**

Binding	\$41.40	
Computer Research	\$30.29	
Couriers	\$371.84	
Fee for searches/registrations	\$12.00	
Facsimiles	\$0.75	
Photocopies	\$772.00	
Disbursements for searches/registrations *	\$8.00	
Motion Record*	\$127.00	
File Motion Record*	<u>\$127.00</u>	
<b>Total Taxable Disbursements</b>	<b>\$1,228.28</b>	
<b>HST on Disbursements</b>	<b>\$159.68</b>	
<b>Total Non-Taxable Disbursements</b>	<b><u>\$262.00</u></b>	
<b>Total Disbursements and HST</b>		<b><u>\$1,649.96</u></b>
<b>Total Fees, Disbursements &amp; HST</b>		<b><u>\$47,542.09</u></b>
<b>OUR ACCOUNT HEREIN</b>		<b><u>\$47,542.09</u></b>

**Thornton Grout Finnigan LLP**

Per: Danny M. Nunes

HST No. 87042 1039RT  
 Matter No. 533-028  
 Invoice No. 24487  
 Date: Aug 23/11

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

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

IN THE MATTER OF Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**SECOND BILL OF COSTS OF THE SOLICITORS TO THE COURT  
APPOINTED RECEIVER**

**For the period ending September 30, 2011**

Aug-02-11	Voicemails to and from D. Michaud regarding August 3rd marketing process approval motion; correspondence to and from D. Michaud regarding same; correspondence to and from B. Tannenbaum and I. Gerstein regarding same; correspondence to and from D. Taub regarding same; review correspondence from S. Zhao attaching affidavit of C. Chan and review same; review correspondence from I. Gerstein regarding information provided by debtor on accounts payable and contracts; draft factum in support of August 3rd motion; speak to B. Tannenbaum and I. Gerstein regarding August 3rd motion and discussions with D. Taub and D. Michaud; voicemail from B. Bissell regarding August 3rd motion; speak to B. Bissell regarding same; correspondence to and from B. Bissell regarding support of second through fifth mortgagees for marketing process approval motion;	5.10	DN
Aug-03-11	Review correspondence regarding objections to sale process by Lombard; review correspondence from D. Nunes regarding same; consider method to address concerns;	0.40	GBM
	Review correspondence from G. Moffat regarding August 3rd motion; correspondence to and from B. Bissell regarding same; correspondence to and from I. Gerstein and B. Tannenbaum regarding agreement with City of Toronto; review correspondence from B. Tannenbaum regarding	4.60	DN



information outstanding from debtor; attend motion for approval of marketing process; correspondence to and from D. Michaud regarding same; correspondence to and from I. Gerstein and B. Tannenbaum regarding same; correspondence to and from G. Moffat regarding results of motion; correspondence to and from D. Taub regarding meeting with Lombard, receiver and appraisers; correspondence to and from I. Gerstein regarding further information requested from debtor; correspondence to and from B. Bissell regarding meeting with appraiser; voicemails to and from D. Taub regarding same; voicemail for D. Michaud regarding same;

Aug-04-11 Review correspondence regarding negotiations with Lombard and subsequent mortgagee; review correspondence regarding position of borrower on disclosure of books and records; review correspondence regarding timing of sale process; telephone call to D. Nunes regarding same; review correspondence from E. Dadouch regarding sale process; 1.10 GBM

Correspondence to and from G. Moffat regarding Lombard's position on marketing approval motion; correspondence to and from K. Dhirani regarding request for adjournment of August 5th motion; correspondence to and from B. Bissell regarding same; review correspondence from D. Taub regarding same; speak to K. Dhirani regarding adjournment request; speak to I. Gerstein regarding same; correspondence to and from I. Gerstein and B. Tannenbaum regarding same; review correspondence from E. Hiutin regarding adjournment request; review correspondence from I. Gerstein and C. Shekhar regarding information requested by receiver; 1.60 DN

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Grant B. Moffat	1.50	\$675.00	1,012.50
Danny Nunes	11.30	\$400.00	4,520.00
<b>TOTAL FEE HEREIN</b>			<b>\$5,532.50</b>
<b>HST on Fees</b>			<b><u>\$719.23</u></b>
<b>Total Fees and HST</b>			<b>\$6,251.73</b>

Disbursements:

Computer Research	\$55.91
Fee for searches/registrations	\$24.00
Photocopies	\$0.25
Telephone	\$78.59
Transportation	\$186.99
Disbursements for searches/registrations *	\$42.00
Filed Motion Record	\$27.00

<b>Total Taxable Disbursements</b>	<b>\$372.74</b>
<b>HST on Disbursements</b>	<b>\$48.46</b>
<b>Total Non-Taxable Disbursements</b>	<b><u>\$42.00</u></b>
<b>Total Disbursements and HST</b>	<b><u>\$463.20</u></b>
<b>Total Fees, Disbursements &amp; HST</b>	<b><u>\$6,714.93</u></b>
<b>OUR ACCOUNT HEREIN</b>	<b><u>\$6,714.93</u></b>

**ThorntonGroutFinnigan LLP**

Per: Danny M. Nunes

HST No. 87042 1039RT

Matter No. 533-028

Invoice No. 24722

Date: Oct 19/11

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

## EXHIBIT "B"

Calculation of Average Hourly Billing Rates of  
ThorntonGroutFinnigan LLP  
for the period June 30, 2011 to August 4, 2011

Invoice No.	Fees	Disbursements	HST	Hours	Average Rate	Total
24487	\$ 40,612.50	\$ 1,490.28	\$ 5,439.31	79.2	\$512.78	\$ 47,542.09
24722	5,532.50	414.74	767.69	12.8	432.23	6,714.93
<b>Totals:</b>	<b>\$46,145.00</b>	<b>\$1,905.02</b>	<b>\$6,207.00</b>			<b>\$54,257.02</b>

## EXHIBIT "C"

### Billing Rates of ThorntonGroutFinnigan LLP

For the period June 30, 2011 to August 4, 2011

	<u>Rate</u>	<u>Year of Call</u>
John T. Porter	\$725	1984
Grant B. Moffat	\$675	1991
Danny Nunes	\$400	2007
Annette Fournier	\$250	Law Clerk

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

and

**2811 DEVELOPMENT CORPORATION**

Respondent

Court File No.: CV11-9242-00CL

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

Proceedings commenced at Toronto

**AFFIDAVIT OF GRANT B. MOFFAT**

**Thornton Groat Finnigan LLP**  
Barristers and Solicitors  
Suite 3200, P. O. Box 329  
Canadian Pacific Tower  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 1K7

**Grant B. Moffat (LSUC# 32380L)**  
Tel: 416-304-0599  
**Danny M. Nunes (LSUC# 53802D)**  
Tel: 416-304-0592  
Fax: 416-304-1313

Lawyers for the Receiver, Deloitte & Touche Inc.

# APPENDIX “AA”

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

**IN THE MATTER OF SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990 C.C.43, AS AMENDED**

BETWEEN:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent

**AFFIDAVIT OF SAM PHILIP RAPPOS  
(Sworn November 2, 2011)**

**I, SAM PHILIP RAPPOS**, of the Town of Markham, in the Province of Ontario,  
**MAKE OATH AND SAY:**

1. I am an associate at the law firm of Borden Ladner Gervais LLP (“**BLG**”), and as such have knowledge of the matters hereinafter deposed to.
2. Pursuant to an Order of The Honourable Mr. Justice Campbell dated June 29, 2011 (the “**Appointment Order**”), Deloitte & Touche Inc. was appointed as receiver (the “**Receiver**”) of all of the lands and premises known municipally as 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario and more particularly described in Schedule “A” to the Appointment Order (the “**Lands**”) and all of the assets, undertakings and properties of 2811 Development Corporation acquired for, or used in relation to, the development of the Lands and construction of improvements thereon, including all proceeds thereof.

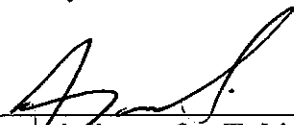
3. This affidavit is made in connection with the Receiver's motion for, *inter alia*, the approval of the fees and disbursements of BLG in its capacity as independent legal counsel to the Receiver for the period from August 4, 2011 to October 31, 2011 (the "Period"). Attached hereto and marked as **Exhibit "A"** is a copy of the account of BLG for the Period, in the total amount of \$120,114.03.

4. To the best of my knowledge, the account attached as Exhibit "A" provides a fair and accurate description of the activities undertaken by BLG during the Period. Attached hereto and marked as **Exhibit "B"** is a summary of the names, years of call (where applicable), hourly rates and time expended by the lawyers and professionals at BLG whose services are reflected in the detailed time dockets in Exhibit "A", along with an average hourly rate of legal professional fees.

5. To the best of my knowledge, the rates charged by BLG are comparable to the rates charged for the provision of services of a similar nature and complexity by other large legal firms in the Toronto market.

6. BLG requests that the Court approve its accounts for the Period for fees in the amount of \$105,237.50, disbursements of \$1071.10 and HST of \$13,805.43, for services rendered to the Receiver from August 4, 2011 to October 31, 2011.

SWORN BEFORE ME at the City of )  
Toronto, in the Province of Ontario, )  
this 2<sup>nd</sup> day of November, 2011 )

  
\_\_\_\_\_  
A Commissioner for Taking Affidavits )  
Mary Arzoumanidis )

  
\_\_\_\_\_  
SAM PHILIP RAPPOS





Borden Ladner Gervais LLP  
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Deloitte & Touche LLP  
BCE Place  
181 Bay Street  
Suite 1400  
Toronto, ON M5J 2V1

November 2, 2011

Invoice # 696796331  
Page 1

Attention: Mr. Ira Gerstein  
Vice President, Financial Advisory Services

Re: 2811 Development Corporation

File No: 082893/000018

PROFESSIONAL SERVICES rendered to October 31, 2011 in connection with the above matter as described in the attached.

Fees	\$ 105,237.50
Disbursements	1,071.10
HST on Fees and Taxable Disbursements	13,805.43
<b>Total this Invoice</b>	<b>\$ 120,114.03</b>

THIS IS OUR ACCOUNT - E. & O.E.

**BORDEN LADNER GERVAIS LLP**

By:  
John D. Marshall

This is Exhibit "A" referred to in the  
affidavit of Sam Philip Rappos  
sworn before me, this 2nd  
day of November 2011

A COMMISSIONER FOR TAKING AFFIDAVITS  
Mary Arzoumanidis

November 2, 2011  
Invoice # 696796331  
Page 2

Deloitte & Touche LLP

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PROFESSIONAL SERVICES RENDERED to October 31, 2011

Aug 4, 2011	J.D. Marshall	7.50	Confer with E. Dadouch, Ira Gerstein and B. Tannenbaum (Deloittes) and J. Finnigan and D. Nunes re action for Receiver; obtain background information; confer with counsel for other parties; review proceedings to date and prepare for motion to approve marketing plan returnable on August 5.	\$ 5,475.00
Aug 5, 2011	J.D. Marshall	7.50	Attend on motion to approve marketing plan before Wilton-Siegel J., which was adjourned; review drafts and confer with counsel for secured creditors re Receiver's notice to creditors and details of propose on marketing plan; confer with and advise REceiver re notice and marketing plan issues; receive, review and advise on Lombard's request for consent to sue 2811 and Receiver re recovery of	5,475.00
Aug 6, 2011	J.D. Marshall	3.00	Continue review of proceedings to date; review revised marketing flyer an receiver's notice; organize prior proceedings and prepare briefs for return of motion to approve marketing plan; confer with Receiver re appraisal issues and advise Mr. Gerstein regarding Receiver's legal obligations re appraisals; review information re purchase deposits from Harris Schaeffer and advise thereon; receiver and review information from debtor in response to Receiver's request.	2,190.00

November 2, 2011  
Invoice # 696796331  
Page 3

Deloitte & Touche LLP

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Aug 7, 2011	J.D. Marshall	3.00	Review draft revised marketing flyer and receiver's notice, draft revisions and advise Receiver re same; prepare supplementary motion record for return of motion to approve marketing plan; telephone discussion and correspondence with Mr. Gerstein re outstanding issues to be dealt with on return of motion, including requests of Lombard counsel; advise re proposed Lombard action with respect to escrowed trust deposits.	2,190.00
Aug 8, 2011	J.D. Marshall	7.00	Confer with I. Gerstein re notice and C.I.M. issues; telecommunication with Lombard counsel re escrow application vs. Wyldwood and advise Receiver thereon; correspondence with counsel for all creditors re marketing plan; advise Receiver re marketing plan, documents, appraisals and creditors' request for amendments thereto; draft consent re Lombard escrow fund proceedings; prepare for marketing plan approval motion.	5,110.00

November 2, 2011  
Invoice # 696796331  
Page 4

Deloitte & Touche LLP

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Aug 9, 2011	J.D. Marshall	11.00	Correspondence and telecommunication with counsel re various issues regarding objections to Receiver's proposed marketing plan and pending motion for approval thereof; review marketing/sales documents and proposed revisions and confer with Receiver and advise thereon; consider and advise re appraisal issues; meeting with Receiver and appraiser; conference call with creditors' counsel, Receiver and appraiser; revise and settle marketing plan documents and prepare and circulate documents and supplementary motion record to all counsel; review motion materials and prepare for hearing of motion to approve marketing plan; field various last minute requests from creditors' counsel for changes to order prepare draft order.	8,030.00
Aug 10, 2011	J.D. Marshall	4.70	Prepare and attend marketing plan; debrief receiver, circulate reasons and order of Morawetz, J.; receive and review additional endorsement; advise Receiver re next steps.	3,431.00
Aug 11, 2011	J.L. Francis	0.40	Entered an Order at the Commercial List Office.	78.00

November 2, 2011  
Invoice # 696796331  
Page 5

Deloitte & Touche LLP

Aug 11, 2011	J.D. Marshall	7.00	Confer with I. Gerstein re various issues regarding sale process and documents; telecommunication with Lombard counsel re necessity for Receiver's consent to future terminations of purchase agreements; confer with Bombard counsel on A. Sless re escrow fund issues; review and revise draft template agreement of purchase and sale; draft vesting order and Receiver's certificate; review and settle sale documents; advise re position of Receiver re possible redemption; organize brief and circulate Morawetz, J. reasons for decision.	5,110.00
Aug 12, 2011	J.D. Marshall	1.50	Revisions to draft agreement of P&S and vesting order; correspondence with Receiver and Lombard counsel re proposed purchaser list; confer with J. Fried re agreement of P&S and conveyancing issues and report to Receiver thereon; obtain prior proceedings from D. Nunes and prepare brief.	1,095.00
Aug 15, 2011	J.D. Marshall	0.30	Correspondence with Lombard counsel and Receiver re potential purchasers list.	219.00
Aug 16, 2011	J.D. Marshall	3.50	Review and compile previous proceedings in action to prepare brief and next report of Receiver re sale process; advise re various sale issues raised by Lombard Insurance; review further documents produced by debtor re purchases and deposits; advise re revisions to sale documents.	2,555.00
Aug 17, 2011	J.D. Marshall	1.00	Compile proceedings brief; consider and advise Receiver on various sale/marketing plan issues; correspondence with Lombard counsel re marketing documents.	730.00

November 2, 2011  
Invoice # 696796331  
Page 6

Deloitte & Touche LLP

Aug 18, 2011	R. Jaipargas	0.30	Meeting with J. Marshall re issues arising from receivership of 2811 Development and production of documents and information to subsequent secured creditors.	210.00
Aug 18, 2011	J.D. Marshall	2.00	Correspondence with counsel to Lombard and with Receiver re escrowed purchase deposits; review confidentiality agreement; telecommunication with B. Tannenbaum re conditions of sale and further debtor productions; conference call with Receiver and H. Sloan re sale process; confer with R. Jaipargas re disclosure issues.	1,460.00
Aug 19, 2011	J.D. Marshall	1.00	Advise re various issues relating to sale process; correspondence from Lombard counsel and advising thereon.	730.00
Aug 23, 2011	J.D. Marshall	0.20	Correspondence with Lombard counsel re escrow fund settlement.	146.00
Aug 24, 2011	J.D. Marshall	1.50	Telecommunication and correspondence with Receiver re confidentiality issues, template purchase agreement and unit purchaser inquires and advise re same; review template agreement from J. Fried and advise on revisions thereto.	1,095.00
Aug 25, 2011	J.D. Marshall	0.30	Confer with Receiver re various sale process issues; correspondence with Lombard counsel re same.	219.00
Aug 26, 2011	J.D. Marshall	0.20	Advise re confidentiality disclaimer on data room.	146.00
Aug 29, 2011	J.D. Marshall	1.80	Review C.I.M. and advise I. Gerstein thereon; telecommunications with Receiver re sale process; correspondence from Purchaser's counsel re outstanding litigation; correspondence from Landmark, advise Receiver and draft response re Aug. 15 letter and contempt motion.	1,314.00

November 2, 2011  
Invoice # 696796331  
Page 7

Deloitte & Touche LLP

Sep 1, 2011	J.D. Marshall	0.80	Correspondence with Lombard counsel re marketing process and targeted purchasers and report to Receiver thereon; advise re handling of inquires and access to data room.	584.00
Sep 2, 2011	J.D. Marshall	2.00	Advising J. Fried and Receiver re various issues re terms of template APS and access to data room; review law re Planning Act and redemption clause issues.	1,460.00
Sep 6, 2011	J.D. Marshall	2.00	Correspondence with Lombard counsel re potential purchasers and advise Receiver thereon; advise Receiver with respect to pending contempt motion against Chan; advise re template sake agreement terms.	1,460.00
Sep 7, 2011	R. Jaipargas	0.20	Telephone attendance with J. Marshall re issue of architecture drawings as part of due diligence and materials included as purchased assets and position to be taken in connection with same.	140.00
Sep 7, 2011	J.D. Marshall	0.70	Correspondence with Receiver and J. Fried re APS; review same and advise re "other assets" to be included in sale; review revised APS and advise re instructions on "plans."	511.00
Sep 8, 2011	J.D. Marshall	4.70	Settle APS template and draft vesting order; correspondence with S. Iczkovitz re potential purchaser; advise re CRA issues; correspondence with counsel to secured creditors re security reviews; access data room; confer with J. Fried re APS issues; review CIM; obtain final revisions of conditions of sale and form of offer from Receiver; confer with J. Fried re terms of vesting order.	3,431.00

November 2, 2011  
Invoice # 696796331  
Page 8

Deloitte & Touche LLP

Sep 9, 2011	J.D. Marshall	3.00	Correspondence with I. Gerstein re City of Toronto green space requirements; review City correspondence and s. 37 agreement and advise thereon; receive and review security from 2nd to 5th mortgagees; advise re inquiries from Debtor counsel; advise re various issues re sale process; confer with J. Fried re s. 37 agreement and related real estate issues.	2,190.00
Sep 12, 2011	J.D. Marshall	0.40	Correspondence re Lombard debt/security and review same.	292.00
Sep 13, 2011	J.D. Marshall	1.00	Correspondence and advise re various issues re sale, including section 37 agreements; receiver Lombard security and discuss same with counsel; confer with J. Fried re provisions of template sale agreement and vesting order.	730.00
Sep 14, 2011	R. Jaipargas	0.20	Telephone attendance with J. Marshall re issues pertaining to Lombard and Lombard as potential purchaser of assets.	140.00
Sep 14, 2011	J.D. Marshall	1.60	Correspondence with Lombard counsel and Receiver re possible offer from Lombard, access to info, etc.; confer with J. Fried re amendments to sale agreement template; advise re CRA issues.	1,168.00
Sep 15, 2011	J.D. Marshall	0.50	Correspondence with Receiver, Lombard and others re orders to dataroom.	365.00
Sep 16, 2011	J.D. Marshall	1.00	Review revised APS and vesting order; telecommunication with Con-drain counsel re security sale process and possibility of redemption.	730.00
Sep 21, 2011	J.D. Marshall	1.00	Advising re sale agreement issues and environmental issues raised by potential purchaser; confer with environmental counsel re same.	730.00



November 2, 2011  
Invoice # 696796331  
Page 9

Deloitte & Touche LLP

Sep 22, 2011	J.D. Marshall	0.60	Correspondence re Lombard and Heenan Blaikee judgment; confer with counsel re environmental assessment issues; calls from counsel to various secured creditors.	438.00
Sep 23, 2011	J.D. Marshall	0.50	Advising Receiver on various issues re potential offers and possible due diligence conditions; advise re wording of sale agreement clauses.	365.00
Sep 26, 2011	J.D. Marshall	2.00	Correspondence re sale agreement terms; review security and confer with S. Rappos re same; prepare brief of same for security review opinion.	1,460.00
Sep 28, 2011	J.D. Marshall	2.50	Telecommunication with counsel to Terracap re redemption and discharge of receiver; advise Mr. Gerstein re deposit issues and possible 2811 refinancing; draft consent and order re contempt motion; telecommunications with counsel for prospective purchaser.	1,825.00
Sep 29, 2011	J.D. Marshall	0.30	Telecommunication with counsel to Snow group re bid and approval process; confer with Receiver re conditions of sale.	219.00
Sep 30, 2011	J.D. Marshall	0.80	Correspondence with Receiver and counsel to certain secured creditors re bid process; prepare order and consent to dismissal of contempt motion and correspondence with Mr. Lee re same.	584.00

November 2, 2011  
Invoice # 696796331  
Page 10

Deloitte & Touche LLP

Oct 3, 2011	J.D. Marshall	5.00	Receive and review purchase offers and confer with Receiver and J. Fried re same; review environmental assessment documents of Debtor, confer with R. Coburn and advise Receiver thereon; correspondence with stakeholders re Debtor's proposed motion to discharge Receiver; review law re sales process and disclosure obligations to lenders; confer with J. Fried re conditions in offer.	3,650.00
Oct 4, 2011	J.D. Marshall	2.60	Meeting with Receiver to review offers and advise re next steps; confer with G. Moffat re scheduling hearing; correspondence with Receiver, real estate counsel and others re issues arising from offers and Terracap motion.	1,898.00
Oct 5, 2011	J.D. Marshall	2.00	Meeting with Receiver, J. Fried and Mady/Lombard group to discuss/negotiate Mady offer; confer with Receiver re same; correspondence with counsel for mortgagees re Terracap motion.	1,460.00
Oct 6, 2011	J.D. Marshall	3.00	Correspondence with counsel re motion to discharge Receiver; correspondence from Landmark re same; advise re same; meeting with Receiver and representatives of potential purchaser(Weinryb in trust); correspondence and advice re Debtor's motion to schedule hearing for discharge of Receiver; advise re release of environmental info to potential purchaser.	2,190.00
Oct 7, 2011	G. DiGirolamo	0.40	Re: Edgeworth Mortgage Investment Corporation et al - received instructions from J.D. Marshall; conducted corporate information searches; arranged for corporate searches to be conducted in Alberta.	96.00

November 2, 2011  
Invoice # 696796331  
Page 11

Deloitte & Touche LLP

Oct 7, 2011	R. Jaipargas	0.30	Meeting with J. Marshall re issue of possible redemption by debtor in connection with possible sale of assets in receivership proceedings and issues in connection with same.	210.00
Oct 7, 2011	J.D. Marshall	2.00	Attend on scheduling motion; consider and advise on various date approval issues, including unit purchases and confer with Mr. Gerstein re relevant documents in that regard; confer with J. Fried and J. Gerstein (Deloitte) re negotiation of agreement of P&S.	1,460.00
Oct 7, 2011	A.S. Pagkatipunan	0.50	Attendance to corporate searches.	87.50
Oct 7, 2011	S. Rappos	0.50	Discussing potential sale of real property by Receiver and ability of debtor company to exercise equity of redemption with J. Marshall and H. Greenwood.	250.00
Oct 10, 2011	J.D. Marshall	1.00	Organize documents for sale approval motion; review sale agreements and law re purchasers' interest.	730.00
Oct 11, 2011	H.J. Greenwood	4.60	Conducted case law research regarding the equity of redemption in power of sale proceedings.	1,472.00
Oct 11, 2011	J.D. Marshall	1.80	Conference call with Receiver and J. Fried re acceptance of offer, court approval process and time line and service issues; compile law re debtor's right to redeem after acceptance.	1,314.00
Oct 12, 2011	J.D. Marshall	0.50	Draft sale approval notice of motion.	365.00
Oct 12, 2011	S. Rappos	0.30	Reviewing file documents and discussing file matters with J. Marshall.	150.00
Oct 13, 2011	J.D. Marshall	0.80	Correspondence with Lombard counsel re purchasers; arrange dismissal of contempt motion; advise re contents of Receiver's Report.	584.00
Oct 14, 2011	L. White	0.40	Filed a consent motion.	78.00

November 2, 2011  
Invoice # 696796331  
Page 12

Deloitte & Touche LLP

Oct 17, 2011	J.D. Marshall	0.50	Confer with S. Rappos re security review and sale approval motion; confer with Lombard counsel and Firm capital counsel re motion and purchasers' position.	365.00
Oct 18, 2011	J.L. Francis	0.40	Picked up an issued and entered order from the Commercial List Office.	78.00
Oct 19, 2011	J.D. Marshall	0.50	Conference call with Receiver and J. Fried re various issues regarding extension of closing of sale and sale approval motion; correspondence from mortgagees' counsel.	365.00
Oct 20, 2011	R. Jaipargas	0.10	Telephone attendance with J. Marshal re offers received in connection with sales process on receivership proceedings and providing information to secured creditors and form of confidential appendix to be prepared for motion for approval and vesting order.	70.00
Oct 20, 2011	J.D. Marshall	2.00	Correspondence with counsel for auditors re approval motion; correspondence re order dismissing contempt motion; advise re various issues to be addressed in Receiver's Report on approval motion.	1,460.00
Oct 21, 2011	J.D. Marshall	1.20	Review and revise motion materials for approval motion and consider various issues to be addressed in Receiver's Report.	876.00
Oct 24, 2011	J.D. Marshall	2.50	Telecommunication with Receiver re sale approval issues; telecommunication with Lombard counsel re status of insurance claims; confer with S. Rappos re security review; advise Mr. Gerstein re CRA position, Lombard and distribution issues; confer with S. Rappos re security review.	1,825.00
Oct 24, 2011	S. Rappos	0.20	Reviewing and drafting correspondence regarding security opinions and upcoming motion.	100.00

November 2, 2011  
Invoice # 696796331  
Page 13

Deloitte & Touche LLP

Oct 25, 2011	J.D. Marshall	5.60	Correspondence with all parties re scheduling of sale approval motion; calculation of debt etc.; calculate debt of secured parties for distribution order; review documents for approval/distribution motion; review and revise draft receiver's report for sale approval; review sale agreements for approval motion.	4,088.00
Oct 26, 2011	G. DiGirolamo	0.70	Re: 2811 Development Corporation - received instructions from S. Rappos; conducted corporate information search; conducted PPSA searches and ordered certificates from Ministry of Government and Consumer Services, Companies and Personal Property Security Branch.	168.00
Oct 26, 2011	J.D. Marshall	5.00	Confer with Receiver and S. Rappos re draft Receiver's report and revisions thereto; advise re various priorities issues; further revise third report; review title searches and debt statements.	3,650.00
Oct 26, 2011	E. Oishi	0.30	Conducting 5 teraview subsearches and reporting subsearch results to Sam Rappos.	90.00
Oct 26, 2011	S. Rappos	4.00	Reviewing receivership application record and previous Receiver reports; reviewing real property and personal property search results; reviewing draft Third Report of the Receiver and discussing same with J. Marshall and Receiver; reviewing real property security documents; preparing chart regarding registered instruments against lands and corporate history chart.	2,000.00
Oct 27, 2011	G. DiGirolamo	0.50	Re: 2811 Development Corporation - conducted s427 Bank Act searches; conducted sheriff's execution search.	120.00

November 2, 2011  
Invoice # 696796331  
Page 14

Deloitte & Touche LLP

Oct 27, 2011	B. Hayward	0.80	Various: Drop off of documentation at the Ministry of Labour located at 400 University Avenue. JP	168.00
Oct 27, 2011	B. Hayward	0.30	2811 Development Corp: personal Properties Securities Documentation pick-up from the Ministry of Finance, Companies Branch at 393 University Avenue. Organization and attach to specified file. GD	63.00
Oct 27, 2011	K. Hughes	0.20	Conducted execution search.	42.00
Oct 27, 2011	J.D. Marshall	0.50	Revise draft third report of receiver and confer with S. Rappos re same.	365.00
Oct 27, 2011	S. Rappos	0.60	Reviewing and drafting correspondence regarding issues raised in draft Third Report of the Receiver.	300.00
Oct 28, 2011	J.D. Marshall	0.70	Receive and review information from Receiver re wage and CRA claims; confer with S. Rappos re same; telecommunication with counsel to Con-Drain re sale approval issues.	511.00
Oct 28, 2011	S. Rappos	2.10	Reviewing comments on draft Third Report of the Receiver; drafting revisions to Third Report; reviewing and drafting correspondence regarding same.	1,050.00
Oct 29, 2011	J.D. Marshall	0.60	Revisions to Receiver's Report re sale approval; correspondence with Receiver re same; prepare fee affidavits.	438.00
Oct 30, 2011	S. Rappos	2.10	Continuing to review and revise draft Third Report of the Receiver.	1,050.00

November 2, 2011  
Invoice # 696796331  
Page 15

Deloitte & Touche LLP

Oct 31, 2011	J.D. Marshall	2.70	Conference call with Receiver to advise re settlement of Receiver's Report on sale approval motion; correspondence to counsel for various stakeholders re scheduling hearing; conference call with I. Gerstein, B. Tannenbaum, S. Rappos and J. Fried re Report of Receiver on sale approval and revise same.	1,971.00
Oct 31, 2011	S. Rappos	4.40	Continuing to review and revise draft Third Receiver's Report; discussing draft with Brian Tannenbaum and Ira Gerstein of Deloitte, J. Marshall and real estate counsel.	2,200.00

TO OUR FEES

\$ 105,237.50

FEE SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Avg. Rate/Hr.</u>	<u>Amount</u>
G. DiGirolamo	1.60	\$ 240.00	\$ 384.00
J.L. Francis	0.80	195.00	156.00
H.J. Greenwood	4.60	320.00	1,472.00
B. Hayward	1.10	210.00	231.00
K. Hughes	0.20	210.00	42.00
R. Jaipargas	1.10	700.00	770.00
J.D. Marshall	129.90	730.00	94,827.00
E. Oishi	0.30	300.00	90.00
A.S. Pagkatipunan	0.50	175.00	87.50
S. Rappos	14.20	500.00	7,100.00
L. White	0.40	195.00	78.00
	<u>154.70</u>		<u>\$ 105,237.50</u>

November 2, 2011  
Invoice # 696796331  
Page 16

Deloitte & Touche LLP

DISBURSEMENTS:

Non-Taxable

Teraview Search Fees	<u>\$113.00</u>
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<b>Total Non-Taxable Disbursements</b>	<u>113.00</u>
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Taxable

G=GST; Q=QST; H=HST; P=PST

Binding Charges	62.05	H
Conference Calls	16.62	H
Copies	655.50	H
Corporate Registry Search	12.00	H
Cyberbahn Search (Disbs)	55.00	H
Cyberbahn Search (Fees)	50.00	H
Fax Pages	8.50	H
Remote Database Fee	4.00	H
Taxi	8.93	H
Teraview Search Fees	72.00	H
Westlaw Searches	<u>13.50</u>	H

<b>Total Taxable Disbursements</b>	<u>958.10</u>
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<b>Total Disbursements</b>	1,071.10
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<b>Total Fees and Disbursements</b>	<u>106,308.60</u>
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<b>HST on Fees and Taxable Disbursements</b>	<u>13,805.43</u>
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<b>TOTAL THIS INVOICE</b>	<u><b>\$ 120,114.03</b></u>
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**Fees and Disbursements Summary of Borden Ladner Gervais LLP  
for the period from August 4, 2011 to October 31, 2011**

Name of Professional	Year of Call	Total Hours Billed	Hourly Rate	Total Fees Amount Billed
J. D. Marshall	1977	129.90	\$730	\$94,827.00
R. Jaipargas	2000	1.10	\$700	\$770.00
S. Rappos	2005	14.20	\$500	\$7,100.00
H. Greenwood	2010	4.60	\$320	\$1,472.00
G. DiGirolamo	N/A	1.60	\$240	\$384.00
J. L. Francis	N/A	0.80	\$195	\$156.00
B. Hayward	N/A	1.10	\$210	\$231.00
K. Hughes	N/A	0.20	\$210	\$42.00
E. Oishi	N/A	0.30	\$300	\$90.00
L. White	N/A	0.40	\$195	\$78.00
A. S. Pagkatipunan	N/A	0.50	\$175	\$87.50
<b>Total</b>		154.70	\$680.27 (Average)	\$105,237.50
Total Disbursements				\$1071.10
<b>Total Fees and Disbursements excluding HST</b>				\$106,308.60
HST				\$13,805.43
<b>Total Fees and Disbursements including HST</b>				\$120,114.03

This is Exhibit "B" referred to in the  
affidavit of San Philip Rappos  
sworn before me, this 2<sup>nd</sup>  
day of November 2011

  
A COMMISSIONER FOR TAKING AFFIDAVITS  
Mary Arzoumenidis

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
PROCEEDINGS COMMENCED AT  
TORONTO

**AFFIDAVIT OF SAM PHILIP RAPPPOS**  
(Sworn November 2, 2011)

**BORDEN LADNER GERVAIS LLP**

Barristers and Solicitors  
Scotia Plaza  
40 King Street West  
Toronto, Ontario  
M5H 3Y4

**John D. Marshall**  
Tel: (416) 367-6024  
Fax: (416) 361-2763  
(LSUC #: 16960Q)

**Sam P. Rappos**  
Tel. (416) 367-6033  
Fax: (416) 361-7306  
(LSUC#51399S)

Solicitors for Deloitte & Touche Inc. in its capacity  
as Receiver

# **APPENDIX “BB”**

**ONTARIO**

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

**IN THE MATTER OF SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990 C.C.43, AS AMENDED**

BETWEEN:

**FIRM CAPITAL MORTGAGE FUND INC.**

Applicant

- and -

**2811 DEVELOPMENT CORPORATION**

Respondent

**AFFIDAVIT OF JOSEPH FRIED**

(Sworn 2<sup>nd</sup> November, 2011)

I, **JOSEPH FRIED**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Partner at Meyer, Wassenaar & Banach LLP ("MWB"), and as such have knowledge of the matters hereinafter deposed to.
2. Pursuant to an Order of The Honourable Mr. Justice Campbell, dated 29th June 2011, (the "**Receivership Order**") Deloitte & Touche Inc. was appointed as Receiver (the "**Receiver**") of all of the lands and premises legally described in Schedule "A" attached to the Receivership

Order (the "Lands") and all of the assets, undertakings and properties of the Respondent acquired for, or used in relation to, the development of the Lands and construction of improvements thereon, including all proceeds thereof (collectively, the "Property"). MWB is the real estate legal counsel to the Receiver.

3. This affidavit is made in connection with the Receiver's motion for, *inter alia*, the approval of the fees and disbursements of MWB for the period from July 14<sup>th</sup>, 2011 to October 31st, 2011 (the "Period"). Attached hereto and marked as **Exhibit "A"** is the account of MWB for the Period, in the total amount of \$24,195.29.

4. The account attached as Exhibit "A" provide a fair and accurate description of the activities undertaken by MWB. Attached hereto and marked as **Exhibit "B"** is a summary of the hourly rate and time expended by the professionals at MWB.

5. MWB has rendered services throughout the Period in a manner consistent with instructions from the Receiver.

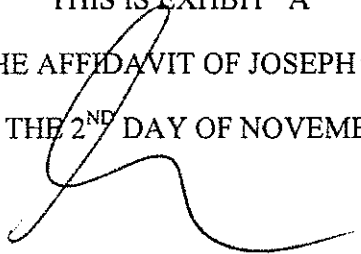
6. To the best of my knowledge, the rates charged by MWB are comparable to the rates charged for the provision of services of a similar nature and complexity by other legal firms in the Toronto market providing such services.

7. MWB requests that the Court approve its accounts for the Period for fees in the amount of \$20,609.00, disbursements of \$809.66 and taxes of \$2,776.63, for services rendered and recorded to the 31<sup>st</sup> day of October, 2011.

SWORN BEFORE ME at the City of )  
Toronto, in the Province of Ontario, )  
this 2nd day of November, 2011 )  
\_\_\_\_\_)  
A Commissioner for Taking Affidavits )  
(Gary D. Goldfarb) )

  
\_\_\_\_\_  
JOSEPH FRIED

THIS IS EXHIBIT "A"  
TO THE AFFIDAVIT OF JOSEPH FRIED  
SWORN THE 2<sup>ND</sup> DAY OF NOVEMBER, 2011



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A COMMISSIONER, ETC.  
(Gary D. Goldfarb)

IN ACCOUNT WITH

**meyer, wassenaar**

Royal Bank Building, 5001 Yonge Street, Suite 301, North York, Ontario, M2N 6P6

Telephone (416) 223-9191  
Fax (416)223-9405

**& banach, LLP**

*Barristers & Solicitors*

Our File No. 2011-1624

November 2, 2011

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Deloitte & Touche Inc.

Brookfield Place

181 Bay St., Suite 1400

Toronto, Ontario, M5J 2V1

**Attn: Bryan A. Tannenbaum, Senior Vice-President**

**Re: Vendor :** DELOITTE & TOUCHE INC., Receiver  
**Purchaser :** MADY DEVELOPMENT CORPORATION  
**Property :** 5789, 5811, 5933, 5945 & 5951 Steeles Ave. E., Toronto, Ontario

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***To Professional Services Rendered*** with respect to  
the above-noted matter for the period July 14, 2011 to  
and including October 31, 2011:

to reviewing application to register Order to appoint receiver;  
to preparing application to register Order on title;  
to drafting agreement of purchase and sale and to various  
drafts, review and revisions to same;  
to review of draft vesting order and to revisions thereto;  
to drafting schedule for permitted encumbrances to be  
attached to vesting order;  
to drafting schedule of encumbrances to remain on title to be  
attached to vesting order;  
to review of documents on data site;  
to review of Section 37 agreement;  
to receipt and review of various offers from prospective  
purchasers and to providing comments to Receiver with  
respect to same;  
to attending to meetings with 3 of the prospective purchasers;  
to review and revisions to various drafts of 3<sup>rd</sup> Receiver's  
report;  
to numerous conference calls;  
to attending to all necessary calls and communications;  
All as more fully detailed in PC Law print out attached

To our fee herein

20,609.00

<b>LEGAL FEES:</b>		\$20,609.00
H.S.T. on Fees		2,679.17

**DISBURSEMENTS:**

*Non-Taxable*

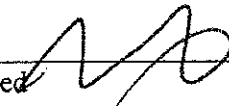
Register Document General	\$60.00	
		60.00

*H.S.T. Taxable*

Tax certificates	\$390.00	
Search costs	86.00	
Image Download Instrument	42.00	
Teraview Service Fee	110.00	
Photocopies	2.10	
Fax transmissions	50.05	
Teraview Service Fee	10.00	
Travelling expense	59.51	
		749.66
H.S.T. on Taxable Disbursements		97.46

<b>TOTAL</b>	<u>\$24,195.29</u>
Transferred from Trust:	<u>0.00</u>
<b>BALANCE OWING ON ACCOUNT:</b>	<u><u>\$24,195.29</u></u>

THIS IS OUR ACCOUNT HEREIN  
**MEYER, WASSENAAR & BANACH, LLP**

Per:   
 Joseph Fried  
 /gz

*Interest will accrue @ 2% per month on accounts not paid within 30 days.*

HST Registration No. R121596506

E. & O. E.



Deloitte & Touche Inc.  
181 Bay Street  
Suite 1400  
Toronto, Ontario M5J 2V1 Canada

Nov 01, 2011

**SDETAIL1 - SUMMARY**

Attention: Bryan Tannenbaum  
RE: sale of 5789, 5811, 5933, 5945 and 5951 Steeles Avenue East., Toronto to Maday Development Corporation

File #: 2011-1624  
Inv #: Sample

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Jul-14-11	voice mail from danny nunes re regsitration of receiver's order; return VM to danny; email	0.30	165.00	JF
Jul-15-11	to drafting aps; to call with danny nunes; to instructing nora re order; to email; to call with client	3.25	1,787.50	JF
	to instrcutions from jf; to drafting and reviewing application to regsiter order; to drafting erge authorization;to emails; to obtaining jf's approval of app	0.45	85.50	NS
Jul-19-11	to call with grant moffat; to call with client; to work on offer and to emails	0.75	412.50	JF
Jul-25-11	drafting aps	0.50	275.00	JF
Aug-04-11	to emails	0.15	82.50	JF
	to emails	0.10	19.00	NS
Aug-08-11	calls with john marshall and ed; to emails	0.45	247.50	JF
Aug-09-11	to revies of firm mortgage; to review of parcel pages to determine if there were any whole lots; to emails	0.50	275.00	JF
Aug-10-11	to emails and to call with ed	0.45	247.50	JF
Aug-11-11	call with eli	0.20	110.00	JF
Aug-12-11	receipt of mark up of aps; brief review of same; call with john marshall re aps and in particular redemption rights; to emails	0.40	220.00	JF

Aug-14-11	to further redraft of aps partially completed	0.50	275.00	JF
Aug-15-11	to revisions to aps; to instructing odysseas re drafting sch a & b to aps; to providing ody with standard provision for permitted encumbrances sch	0.60	330.00	JF
	Review of Parcel Registers for the properties; drafting of Schedule A and Schedule B of Agreement of Purchase and Sale;	1.90	475.00	OP
Aug-24-11	Revisions to Schedule of APS dealing with Permitted Encumbrances;	0.80	200.00	OP
Aug-25-11	Revisions to APS as per comments of Mr. Marshall;	0.30	75.00	OP
	Preparing schedule listing all instruments that are to be extinguished by vesting order;	2.10	525.00	OP
Aug-29-11	review vesting order comments	0.50	275.00	MGB
	call with receiver and review of aps; to quick review of ODY's schedules and discussion with Marty to review the schedules in detail	0.65	357.50	JF
	call with ira and wayne re aps; to further revisions to aps; to email	0.60	330.00	JF
Sep-01-11	review order and schedules of deletion etc	1.20	660.00	MGB
	discussion with marty; to making further revisions to offer;	0.60	330.00	JF
Sep-02-11	to call with John Marshall; to instructing Ody; to revisions to the offer; to sending revised version to Ira and John	0.45	247.50	JF
	Revisions to Schedules setting out instruments to be deleted by Court Order; Revisions to Schedule setting out the Permitted Encumbrances	0.60	150.00	OP
Sep-06-11	call with john and ira re aps; to further revisions to aps; to emails	0.75	412.50	JF
Sep-07-11	to further revision to aps; to forwarding same to receiver and marshall and to email;	0.30	165.00	JF
	Review of documents on DataSite; Prepare list of documents and drawings on the DataSite website.	0.85	212.50	OP

	to email	0.10	12.50	LL
Sep-08-11	to call with marshall and review of order; to emails	0.45	247.50	MGB
	to discussion with marty re vesting order; to call with marshall; to emails	0.35	192.50	JF
	to emails	0.10	12.50	LL
Sep-09-11	to call with ira; to emails	0.25	137.50	JF
Sep-14-11	to emails	0.25	137.50	JF
	Correspondence with Joe Fried re S. 37 Agreements; Revisions to APS and Draft vesting order re unregistered s. 37 Agreements;	0.40	100.00	OP
Sep-16-11	reviewing change to aps; instructing ody re further change; to emails; to call with Ira	0.50	275.00	JF
Sep-19-11	to emails	0.15	82.50	JF
Oct-04-11	conference call with receiver and marshall; to call with warner re leases; to emails; to reviewing the Mady offer	0.70	385.00	JF
Oct-05-11	to meeting with receiver and mady group; to emails; to call to warner to inquire about leases at the time of the underwritin no leases as far as he knew only expressions of interest	3.00	1,650.00	JF
Oct-06-11	to call with peggy spadafora; to receipt and review of revised agreement; to emails; to reviewing weinryb offer; to meeting with weinryb group and receiver; to emails	3.50	1,925.00	JF
Oct-07-11	review of canterra offer; to review of peggy's changes; to call with peggy; to meeting at receiver's office with canterra; to call with receiver and marshall after the cnaterra meeting; to call with marshall; to emails	3.50	1,925.00	JF
	to emails	0.30	57.00	NS
Oct-11-11	review of the offer receiver prepared to accept to ensure it was the final version; to review of case law re offers of buyer of condo units and forwarding cases to marshall; to review of two sample agreements of condo buyers re	1.15	632.50	JF

	postponments to mortgages; to conference call with ira, bryan and john marshall; to emails			
Oct-13-11	to opening file and setting up file, to emails	0.50	95.00	GZ
Oct-19-11	call with peggy spadafora; call with ira and john; to numerous emails	0.60	330.00	JF
Oct-24-11	to emails	0.20	110.00	JF
Oct-25-11	to receipt of receiver's third report and cursory look at same; to emails	0.30	165.00	JF
Oct-26-11	to emails	0.20	110.00	JF
Oct-27-11	to review of receiver's report including John Marshall's mark up; to revising the third report; to circulating same to receiver and john marshall; to calls with ira; to call with peggy spadafora;to emails	1.50	825.00	JF
Oct-28-11	to emails	0.25	137.50	JF
Oct-30-11	to review of latest draft of receiver's report and to emails	0.35	192.50	JF
Oct-31-11	to call with ira; to vm for peggy; to review of sam ramos revised third report; to conference call to review third report of sam r, john marshall and sam ramos ira and bryan; to emails	3.50	1,925.00	JF
	Totals	42.30	\$20,609.00	
	HST on Fees		\$2,679.17	

**FEE SUMMARY:**

Lawyer	Hours	Effective Rate	Amount
Martin G. Banach	2.15	\$550.00	\$1,182.50
Joseph Fried	31.65	\$550.00	\$17,407.50
Odysseas Papadimitriou	6.95	\$250.00	\$1,737.50

Gabby Zlatanovic

0.50

\$190.00

\$95.00

Liya Lavrova

0.20

\$125.00

\$25.00

Nora Sacco

0.85

\$190.00

\$161.50

**DISBURSEMENTS**

**Disbursements**

**Receipts**

10.00

TERAVIEW SERVICE FEE

2.10

Paid for photocopies

50.05

Paid for fax

59.51

Paid mileage ~~mileage~~ PARKING *W*

390.00

Paid for Tax Certificate

86.00

Parcel Register

42.00

Image Download Instrument

110.00

ELRSA Fee-Teraview

60.00

Paid to register Document General - \*

Totals

\$809.66

\$0.00

HST on Disbursements

\$97.46

**Total Fees, Disbursements & HST**

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**\$24,195.29**

Previous Balance

\$0.00

Previous Payments

\$0.00

**Balance Due Now**

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**\$24,195.29**

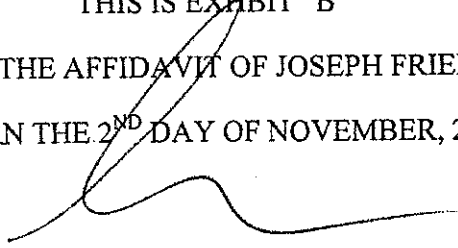
Total Tax: \$2,776.63

**AMOUNT QUOTED:****\$0.00**

HST #:

\* tax-exempt

THIS IS EXHIBIT "B"  
TO THE AFFIDAVIT OF JOSEPH FRIED  
SWORN THE 2<sup>ND</sup> DAY OF NOVEMBER, 2011



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A COMMISSIONER, ETC.  
(Gary D. Goldfarb)

**Fees and Disbursements Summary of Meyer, Wassenaar & Banach LLP  
for the period from 14 July 2011 to 31 October 2011**

<b>Name of Professional</b>	<b>Total Hours Billed</b>	<b>Average Hourly Rate (\$/hr)</b>	<b>Total Charged</b>
Joseph Fried	31.65	550.00	\$17,407.50
Martin Banach	2.15	550.00	\$1,182.50
Odysseas Papadimitriou	6.95	250.00	\$1,737.50
Nora Sacco	0.85	190.00	\$161.50
Gabby Zlatanovic	0.50	190.00	\$95.00
Liya Lavrova	0.20	125.00	\$25.00
<b>TOTAL HR/AVG RATE/TOTAL FEES</b>	<b>42.3</b>	<b>487.21</b>	<b>\$20,609.00</b>
<b>TOTAL DISBURSEMENTS</b>			<b>\$809.66</b>
<b>TOTAL FEES AND DISBURSEMENTS EXCLUDING TAXES</b>			<b>\$21,418.66</b>
<b>TAXES</b>			<b>\$2,776.63</b>
<b>TOTAL FEES AND DISBURSEMENTS INCLUDING TAXES</b>			<b>\$24,195.29</b>



**FIRM CAPITAL -and- 2811 DEVELOPEMENT  
MORTGAGE CORPORATION  
FUND INC.**

**Respondent**

**Applicant**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**PROCEEDINGS COMMENCED AT HAMILTON**

**AFFIDAVIT OF JOSEPH FRIED  
(Sworn 2 November 2011)**

**MEYER, WASSENAAR & BANACH LLP**  
Barristers and Solicitors  
Royal Bank Building  
5001 Yonge Street, Suite 301  
Toronto, Ontario, M2N 6P6

**JOSEPH FRIED**  
Tel.: 416-223-9191  
Fax: 416-223-9405  
LSUC # 15602R

Lawyers in respect of real estate matters for Deloitte & Touche Inc., in its capacity as Court-appointed Receiver of the Lands and all of the assets, undertakings and property of the Respondent acquired for, or used in relation to, the development of the Lands and construction of the improvements thereon, including all proceeds thereof.

**TAB 3**

**SCHEDULE "A"**

Court File No. CV-11-9242-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE \_\_\_\_\_  
JUSTICE \_\_\_\_\_

) DAY, ~~TUESDAY~~ THE 15<sup>th</sup>  
) DAY  
) OF NOVEMBER, 20  
2011

**IN THE MATTER OF section 101 of  
the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended**

BETWEEN:

**PLAINTIFF**

Plaintiff

**FIRM CAPITAL MORTGAGE FUND INC.**

**Applicant**

- and -

**DEFENDANT**

Defendant

**2811 DEVELOPMENT CORPORATION**

**Respondent**

**APPROVAL AND VESTING and INTERIM DISBURSEMENT  
ORDER**

THIS MOTION, made by ~~[RECEIVER'S NAME]~~ DELOITTE & TOUCHE INC. in its capacity as the Court-appointed receiver (the "Receiver") of certain of the assets, undertaking, and property and assets of [DEBTOR] of 2811 Development Corporation (the "Debtor"),<sup>2</sup> for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "SaleMady Agreement") between the Receiver and ~~[NAME OF PURCHASER]~~ Mady Development Corporation (the "Purchaser") dated ~~[DATE]~~ and appended as of October 3, 2011 and attached in redacted form as Appendix "X" to the Third Report of the Receiver dated ~~[DATE]~~ November 3, 2011 (the "Third Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described Assets, as such term is defined in the SaleMady Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report Third Report and the appendices attached thereto, including the affidavit of Bryan Tannenbaum sworn on November 2, 2011 (the "Tannenbaum Fee Affidavit"), the affidavit of Grant Moffat sworn on October 28, 2011 (the "Moffat Fee Affidavit"), the affidavit of Joseph Fried sworn on November 2, 2011 (the "Fried Fee Affidavit") and the affidavit of Sam P. Rappos sworn on November 2, 2011 (the "Rappos Fee Affidavit"), and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~ the Debtor, the Purchaser, Key Pendragon Enterprises Inc., White Bear Developments Inc., Lombard General Insurance Company of Canada, Con-Drain Company (1983) Limited, Mady Contract Division Ltd. and Terracap Investments Inc., no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed<sup>†</sup>;

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

---

<sup>†</sup> This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

2. ~~1.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,<sup>2</sup> and the execution of the SaleMady Agreement by the Receiver<sup>3</sup> is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the SaleMady Agreement [and listed on Schedule "B" hereto]<sup>4</sup> shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"<sup>5</sup>) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the The Honourable Justice [NAME] C. Campbell dated [DATE] June 29, 2011; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act (Ontario)*, the *Land Titles Act (Ontario)* or any other personal or real property registry

<sup>2</sup> ~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

<sup>3</sup> ~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

<sup>4</sup> ~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

<sup>5</sup> ~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the ~~permitted~~assumed encumbrances, ~~easements and restrictive covenants~~ listed on Schedule "D" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. ~~3.~~ **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the ~~{Registry Division of {LOCATION}}~~ of a Transfer/Deed of Land in the form prescribed by the ~~Land Registration Reform Act~~ duly executed by the Receiver ~~{Land Titles Division of {LOCATION}}~~ Toronto Land Titles Office (No. 80) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*<sup>6</sup>, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule "C" hereto.

5. ~~4.~~ **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds<sup>7</sup> from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale<sup>8</sup>, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. ~~5.~~ **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

---

<sup>6</sup>Elect the language appropriate to the land registry system (Registry vs. Land Titles).

<sup>7</sup>The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

<sup>8</sup>This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

7. ~~6.~~ **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the ~~Company~~ **Debtor's** records pertaining to the Debtor's past and current employees, ~~including personal information of those employees listed on Schedule "●" to the Sale Agreement.~~ The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

8. ~~7.~~ **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any ~~applications~~ **application** for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such ~~applications~~ **application**;  
and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the ~~Purchased~~ Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute ~~nor~~ **or** be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. ~~8.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

10. **THIS COURT ORDERS that the First Report of the Receiver dated July 15, 2011, the Second Report of the Receiver dated July 21, 2011, the Supplement to the Second**

Report of the Receiver dated July 29, 2011, and the Third Report, and the activities of the Receiver described therein, be and are hereby approved.

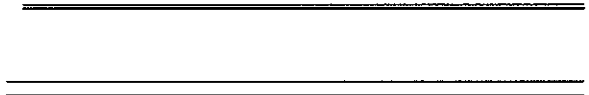
11. THIS COURT ORDERS that the fees and the disbursements of the Receiver referred to in the Third Report, including its legal fees and disbursements, as set forth in the Tannenbaum Fee Affidavit, the Moffat Fee Affidavit, the Fried Fee Affidavit and the Rappos Fee Affidavit, are hereby approved.

12. THIS COURT ORDERS that upon completion of the Transaction the Receiver is hereby authorized to disburse the following amounts from the proceeds of sale of the Assets: (i) the full amount of the Receiver's fees and disbursements, including its legal fees and disbursements, as approved herein; (ii) an amount sufficient to repay in full the indebtedness owing by the Debtor to the Applicant; and (iii) an amount, in the Receiver's sole and unfettered discretion, on account of the indebtedness owing by the Debtor to the subsequent mortgagees Key Pendragon Enterprises Inc. and White Bear Developments Inc. The Receiver shall continue to hold the balance of the sale proceeds pending further order of this court.

13. THIS COURT ORDERS that the Confidential Information Memorandum, the Template Sale Agreement, the Cushman appraisal, the summary of the offers received and the unredacted version of the Mady Agreement, delivered to the Court as Confidential Appendices "R", "T", "U", "V" and "W" respectively to the Third Report, be and are hereby sealed until the filing with the Court of the Receiver's Certificate, or upon further order of the Court.

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





DRAFT

Schedule A – Form of Receiver’s Certificate

Court File No. \_\_\_\_\_ CV-11-9242-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF section 101 of the  
Courts of Justice Act, R.S.O. 1990, c. C.43, as amended

BETWEEN:

**PLAINTIFF**

Plaintiff

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

**DEFENDANT**

Defendant

2811 DEVELOPMENT CORPORATION

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of ~~the~~The Honourable ~~[NAME OF JUDGE]~~Mr. Justice C. Campbell of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~June 29, 2011, Deloitte & Touche Inc. was appointed as the receiver (the "Receiver") of certain of the undertaking, property and assets of ~~[DEBTOR]~~2811 Development Corporation (the "Debtor") as described in the said order.

B. Pursuant to an Order of the Court dated [~~DATE~~], **November 15, 2011**, the Court approved the agreement of purchase and sale made as of [~~DATE OF AGREEMENT~~] **October 3, 2011** (the "**SaleMady Agreement**") between the Receiver [~~Debtor~~] and [~~NAME OF PURCHASER~~] **and Mady Development Corporation** (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the ~~Purchased Assets~~ **as defined in the Mady Agreement**, which vesting is to be effective with respect to the ~~Purchased Assets~~ upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the ~~Purchased Assets~~; (ii) that the conditions to Closing as set out in section **4** of the **SaleMady Agreement** have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the ~~Purchased Assets~~ payable on the Closing Date pursuant to the **SaleMady Agreement**;
2. The conditions to Closing as set out in section **4** of the **SaleMady Agreement** have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**[NAME OF RECEIVER] DELOITTE & TOUCHE INC., in its capacity as Receiver of certain of the undertaking undertakings, property and assets of [DEBTOR] 2811 Development Corporation, and not in its personal capacity**

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

Name: \_\_\_\_\_

Title:

DRAFT

**FIRM CAPITAL MORTGAGE FUND INC.**

- and -

**2811 DEVELOPMENT CORPORATION**

**Applicant**

**Respondent**

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

**PROCEEDINGS COMMENCED AT TORONTO**

**MOTION RECORD OF THE RECEIVER**  
(Sale approval motion returnable November 15, 2011)

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