

**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 29th 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.

	Net Book Values as at January 31, 2011 (unaudited)*
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>
Total Assets	<u>\$ 85,169,982</u>

** 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 29th 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>
 Total Creditors Having Security Interests	 <u>\$43,908,846</u>

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	<u>100</u>
 Total	 <u>\$38, 623,362*</u>

* 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 and the Supplementary Motion Record of the Receiver dated August 9, 2011 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 11th 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

2811 Development Corporation
Vendor Balance Summary
 As of January 31, 2011

	<u>Jan 31, 11</u>
Alex Chiu Charities	1,400.00
Altus Group Limited	13,512.19
Baker Schneider Ruggiero LLP	350.00
Bell Canada	355.25
Borden Ladner Gervais LLP in Trust	37,727.44
Bosco Tang	6,431.90
Bousfields Inc.	1,328.25
Canada Customs & Revenue Agency	10,108.15
Center Court Locations Limited	7,350.10
Charles Chan	258.00
Connell Business Products Inc.	296.06
Cushman & Wakefield LePage Inc.	77,175.00
CXT Architects Inc.	591,956.38
Davies Howe Partners	5,620.02
Diral Development Corporation	97,417.58
Eighth Day Design	900.00
Gatzios Planning & Development Consultant	14,075.86
GE Canada Real Estate Equity	21,559.71
Genivar	7.73
Goldsmith Borgal & Company Ltd.	9,872.08
Harris, Sheaffer LLP	30,277.29
Harvey S. Margel Barrister & Solicitor	20,000.00
Heenan Blaikie LLP	30,000.01
Henry Mau	2,548.00
Homelife Gold Pacific Realty Inc.	9,828.85
Intuit Supplies	45.18
Irene Lam	1,053.63
Jack Heath Campaign	750.00
Johnny Lam	158.92
Jones Deslauriers Insurance Mgmt Inc.	11,340.00
KPMG LLP	24,625.00
L.P. Snow Realty Limited	7,000.00
Lang Michener LLP	1,331.40
Mady Contract division Ltd.	721,512.50
Marino Locations Limited	20,962.20
Mary Lam	850.00
Ministry of Revenue (Ontario)	102,629.87
Mon Sheong Foundation	3,800.00
P Chu Professional Corporation	28,589.00
P&H White Printing Ltd.	1,453.86
Paladium Investment Limited	186,593.54
Paul Yeh	105.00
Pelican Woodcliff Inc.	191,880.36
Poon & Ho LLP In Trust	16,689.48
R. Avis Surveying Inc.	3,913.88
Repatees Event Management	295.00
Rogers Business Solutions (SCBS)	547.24
Rosa Kei Kei In	2,712.00
Schaeffer & Associates Ltd.	72,881.71
Sing Tao Daily (Canada 1988) Limited	1,039.50
Soil Engineers Ltd	14,492.06
St. Louis Franchise Limited	771.75
Szeto Architect	22,400.00
The MBTW Group	2,208.33
The Planning Partnership Limited	4,561.80
Torkin Manes Cohen Arbus LLP	53,440.93
Toronto Alpha	12,800.00
Toronto Hydro-Electric System Ltd.	15,881.30
Treasurer, City of Toronto	1,769.47
Tri-Tech Office Solutions	310.19
URS Canada Inc.	10,964.16
Venneri Consulting Engineers	1,502.55
Wilson Wong & Co.	5,107.60
Workplace Safety & Insurance Board	41,300.53
Yan Stephanie Zhao	1,530.75

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2811 Development Corporation
Vendor Balance Summary
As of January 31, 2011

	<u>Jan 31, 11</u>
Yee Hong Community Wellness Foundation	37,400.00
Yolles Partnership Inc.	47,438.07
TOTAL	<u>2,666,994.61</u>