

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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AN YUAN LIN

C.O.B. AN-DAK TRADING COMPANY

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THE TORONTO-DOMINION BANK

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INSURANCE BOARD**

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RELMI FINANCIAL CORP.

44 Upjohn Road
Toronto, ON M3B 2W1

INDEX

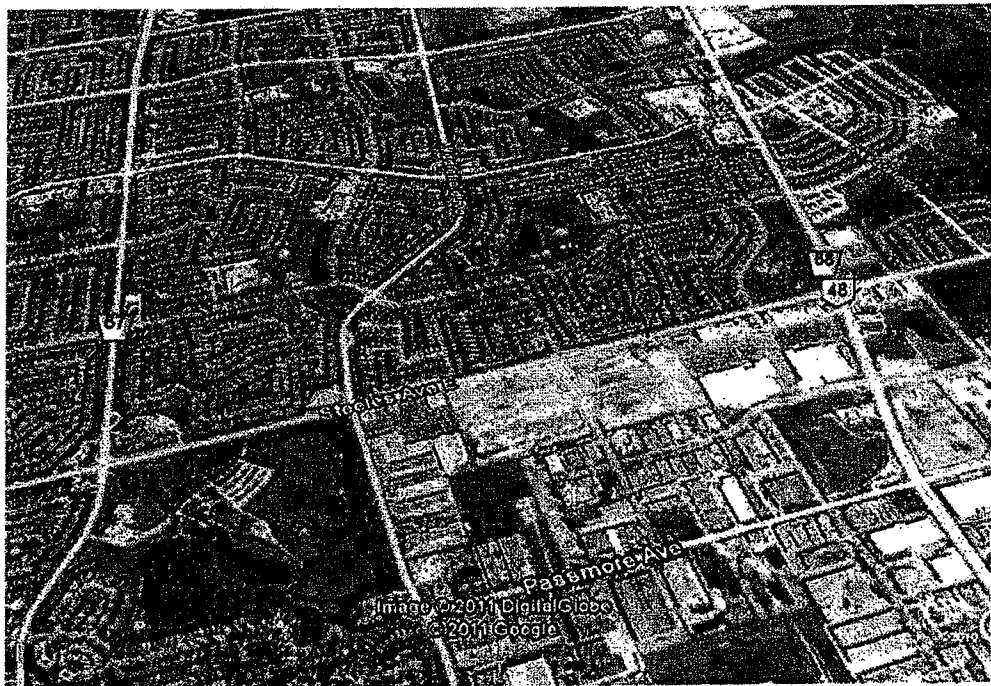
TAB	DOCUMENT
1.	Revised Marketing flyer
2.	Revised Form of Offer and Conditions of Sale
3.	Revised Receiver's Notice

Tab 1



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

>>> **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 abut 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.

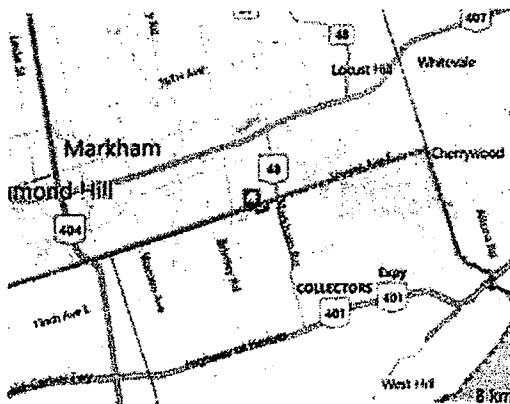
Details of the development to date are contained in the Confidential Information Memorandum ("CIM") and the data room referred to below.

>>> **Local marketplace**

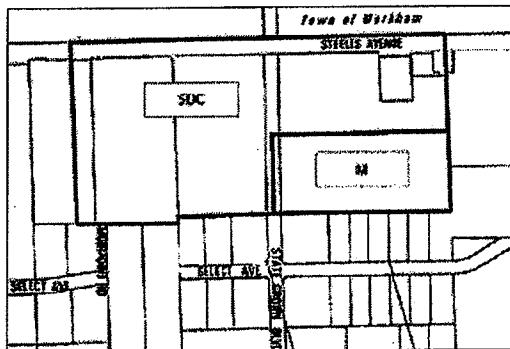
The Town of Markham is located in the central Greater Toronto Area, and is one of the fastest growing municipalities in Ontario. Markham has a population of more than 300,000, which is projected to grow beyond 400,000 by 2031. The median household income in Markham is approximately \$113,000, which is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



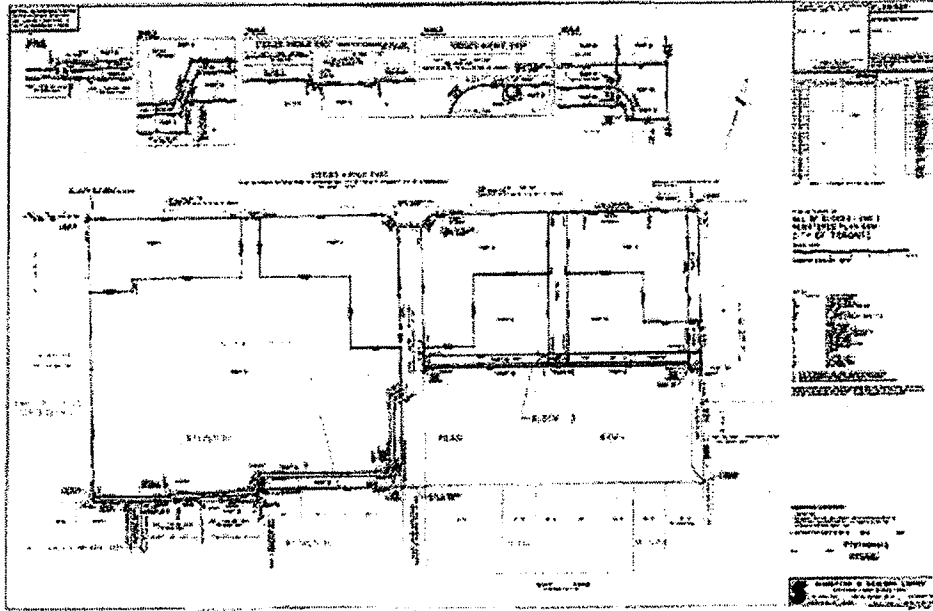
5789, 5811, 5933, 5945 and 5951 Steeles Avenue East, Toronto, Ontario



Subject Property Zoning



FOR REVIEW



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

>> 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.

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Contact

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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 followings 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.

TOR01: 4702095: v1

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~~ ^{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~~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 31st 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 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

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

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

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John Marshall

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(LSUC #16960Q)

Lawyers for the Receiver, Deloitte & Touche Inc.

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