

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE MCEWEN

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WEDNESDAY THE 23rd
DAY OF APRIL, 2014

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

BETWEEN:

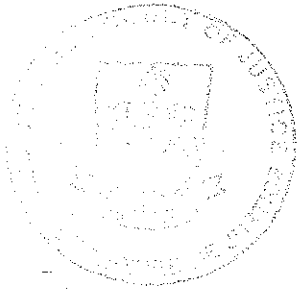
FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent



FINAL DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by DELOITTE RESTRUCTURING INC. ("**Deloitte**") in its capacity as the court-appointed receiver (the "**Receiver**") of certain of the assets, undertaking and property (the "**Assets**") of 2811 Development Corporation (the "**Debtor**"), for the relief set forth below was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the appointment order herein of the Honourable Mr. Justice C.L. Campbell dated June 29, 2011 (the "**Appointment Order**"), the Fourth Report of the Receiver dated December 1, 2011 (the "**Fourth Report**"), the interim distribution order of the Honourable

Mr. Justice Morawetz herein dated December 7, 2011 (the "**Interim Distribution Order**") the Fifth Report of the Receiver dated December 20, 2011 (the "**Fifth Report**"), the Sixth Report of the Receiver dated April 7, 2014 (the "**Sixth Report**"), the fee affidavit of Catherine Hristow sworn April 7, 2014 and the fee affidavit of John D. Marshall sworn April 1, 2014 (the "**Fee Affidavits**") and on hearing the submissions of counsel for the Receiver, Northbridge General Insurance Corporation, (formerly known as Lombard General Insurance Company of Canada and hereinafter referred to as "**Lombard**"), and the City of Toronto, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Chunying Wang sworn April 8, 2014, filed,

1. **THIS COURT ORDERS** that the capitalized words herein shall have the meaning attributed to them in the Sixth Report.
2. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute any balance of the Net Sale Proceeds as defined in the Sixth Report in its hands, after payment of the Receiver's fees and disbursements approved herein and subject to the Holdback referred to in paragraph 7 below, to Lombard and Con-Drain Company (1983) Limited ("**Con-Drain**") in proportions to be agreed upon by them. Failing such agreement the Receiver is hereby authorized and directed to pay the said balance of the Net Sale Proceeds into court to the credit of this proceeding to be distributed pursuant to a further order of this court upon motion by Lombard or Con-Drain on notice to the Receiver.
3. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to pay to the Minister of National Revenue the sum of \$6,000 from the L/C Collateral Interest as defined in the Sixth Report and to pay the balance of the L/C Collateral Interest, after deduction of the Receiver's fees and disbursements approved herein and subject to the Holdback referred to in paragraph 7 below, to Lombard and Con-Drain in proportions to be agreed upon by them. Failing such agreement the Receiver is hereby authorized and directed to pay the said balance of the L/C Collateral Interest into court to the credit of this proceeding to be distributed pursuant to a further order of this court upon motion by Lombard or Con-Drain on notice to the Receiver.

4. **THIS COURT ORDERS** that the City of Toronto is hereby directed to report in writing to the Receiver, Lombard and Con-Drain (the "**City of Toronto L/C Surplus Report**") on the status of a potential refund of the City L/C Surplus Funds as defined in the Sixth Report by June 20, 2014, failing which the Receiver, Lombard and/or Con-Drain are permitted to bring a motion in this proceeding to compel the delivery of that information from the City of Toronto. The City of Toronto is hereby authorized and directed to pay to the Receiver, notwithstanding its discharge, any City L/C Surplus Funds, if and when they become available, and the Receiver is hereby authorized and directed to distribute any such City L/C Surplus Funds that it receives, after deduction of any fees and disbursements incurred by the Receiver in connection with such distribution, to Lombard and Con-Drain in proportions to be agreed upon by them. Failing such agreement the Receiver is hereby authorized and directed to pay the said balance of the City L/C Surplus Funds into court to the credit of this proceeding to be distributed pursuant to a further order of this court upon motion by Lombard or Con-Drain on notice to the Receiver. If the City L/C Surplus Funds have not been fully paid to the Receiver by December 31, 2014, or if the Receiver, Lombard and/or Con-Drain dispute the City of Toronto L/C Surplus Report, the Receiver, Lombard and/or Con-Drain may bring a motion in this proceeding to compel an accounting from the City of Toronto and/or payment of the City L/C Surplus Funds.

5. **THIS COURT ORDERS** that Harris Sheaffer LLP is hereby authorized and directed to pay to Lombard all Excess Trust Interest as defined in the Sixth Report.

6. **THIS COURT ORDERS** that Harris Sheaffer LLP is hereby authorized and directed to pay to Con-Drain the sum of \$1,679.36 from the balance of the Remaining Trust Deposits as defined in the Sixth Report in their possession after December 20, 2013 and to pay the balance thereof to Lombard.

7. **THIS COURT ORDERS** that the Receiver is hereby authorized to retain a holdback in the amount of \$40,000 (the "**Holdback**") from the Net Sale Proceeds, the City L/C Surplus Funds and the L/C Collateral Interest as a reserve for any outstanding or future claims, fees, disbursements or other costs (the "**Receiver's Costs**") that may be incurred by it in fulfilling its obligations pursuant to this order (the "**Remaining Obligations**"). Upon completion of the Remaining Obligations the Receiver is hereby authorized and directed to pay any balance of the

Holdback after deduction of the Receiver's Costs to Lombard and Con-Drain in proportions to be agreed upon by them. Failing such agreement the Receiver is hereby authorized and directed to pay the said balance of the Holdback into court to the credit of this proceeding to be distributed pursuant to a further order of this court upon motion by Lombard or Con-Drain on notice to the Receiver.

8. **THIS COURT ORDERS** that the activities of the Receiver as set forth in the Fourth, Fifth and Sixth Reports and the statement of receipts and disbursements appended to the Sixth Report are hereby approved.

9. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel as set out in the Sixth Report and the Fee Affidavits are hereby approved.

10. **THIS COURT ORDERS** that upon payment of the amounts referred to in paragraphs 2 and 3 above the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, including the Remaining Obligations referred to in paragraph 7 above, and (b) the Receiver shall continue to have the benefits of the provisions of all orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Deloitte in its capacity as Receiver.



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LE / DANS LE REGISTRE NO.:

APR 24 2014

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- and -

2811 DEVELOPMENT CORPORATION

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT
TORONTO**

**FINAL DISTRIBUTION AND
DISCHARGE ORDER**

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capacity as Receiver of 2811 Development
Corporation