

**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

(Discharge of Receiver – returnable April 23, 2014)

Date: April 7, 2014

BORDEN LADNER GERVAIS LLP
Lawyers Patent & Trade-mark Agents
Scotia Plaza, 40 King Street West
Toronto, Ontario M5H 3Y4

John Marshall (LSUC#: 16960Q)
Tel.: (416) 367-6024
Fax: (416) 361-2763
Email: jmarshall@blg.com

Lawyers for Deloitte Restructuring Inc.
in its capacity as Receiver

SERVICE LIST
(motion returnable April 23, 2014)

TO: THORNTON GROUT FINNIGAN LLP
Suite 3200, 100 Wellington Street West
P. O. Box 329, Toronto-Dominion Centre
Toronto, ON M5K 1K7

Grant B. Moffat
Tel: (416) 304-0599
Fax: (416) 304-1313
E-mail: gmoffat@tgf.ca

Danny N. Nunes
Tel: (416) 304-0592
Fax: (416) 304-1313
E-mail: dnunes@tgf.ca

Lawyers for Firm Capital Mortgage Fund Inc.

AND TO: DEREK LEE
Barrister and Solicitor
7100 Woodbine Avenue, Suite 111
Markham, ON L3R 5J2

Tel: (416) 301-1124
Fax: (905) 248-2888
E-mail: derek.lee@thelandmarkcanada.com

**Lawyers for 2811 Development Corporation, 1651226 Ontario Inc.,
Perrybing Investment Ltd., Terry Ho-Wing Yiu and Charles B. Chan**

AND TO: GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue
Suite 1600
Toronto, ON M5G 1V2

Howard Sloan
Tel: (416) 597-3380
Fax: (416) 597-3370
E-mail: sloan@gsnh.com

Brendan Bissell
Tel: (416) 597-6489
Fax: (416) 597-3370
E-mail: bissell@gsnh.com

Lawyers for Key Pendragon Enterprises Inc., White Bear Developments Inc. and Markham Steeles Realty Inc.

AND TO: ROBINS APPLEBY LLP
120 Adelaide Street West
Suite 2600
Toronto, ON M5H 1T1

Irving Marks
Tel: (416) 360-3329
Fax: (416) 868-0306
E-mail: Imarks@robapp.com

Dominique Michaud
Tel: (416) 360-3795
Fax: (416) 868-0306
E-mail: dmichaud@robapp.com

Lawyers for Lombard General Insurance Company of Canada

AND TO: STEVENSON LLP
7501 Keele Street
Suite 200
Vaughan, ON L4K 1Y2

Ed Hiutin
Tel: (905) 760-2794
Fax: (905) 760-2795
E-mail: ehiutin@stevensonlaw.net

Lawyers for Con-Drain Company (1983) Limited

AND TO: MILLER CANFIELD P.L.C.
Suite 400, 144 Front Street West
Toronto, ON M5J 2L7
Suite 300, 443 Ouellette Avenue
Windsor, ON N9A 6R4

John D. Leslie
Tel: (519) 561-7422/ (647) 339-3209
Fax: (519) 977-1565/ (647) 599-7800
E-mail: leslie@millercanfield.com

Angela D'Alessandro
Tel: (519) 561-7447
Fax: (519) 977-1565
E-mail: dalessandro@millercanfield.com

Lawyers for Mady Development Corporation and Mady Contract Division Ltd.

AND TO: HENRY K. HUI & ASSOCIATES
Barristers & Solicitors
350 Highway 7 East, Suite 301
Richmond Hill, ON L4B 3N2
Kenneth MacDonald
Tel.: (905) 881-7722
Fax.: (905) 881-1222
E-mail: kenmacdonald@hkhlawyers.com

Lawyers for 1666403 Ontario Inc. and 6563864 Canada Ltd.

AND TO: DEPARTMENT OF JUSTICE CANADA
The Exchange Tower
130 King Street West
Suite 3400, P.O. Box 36
Toronto, ON M5X 1K6

Diane Winters
Tel: (416) 973-3172
Fax: (416) 973-0810
Email: diane.winters@justice.gc.ca

Lawyers for Canada Revenue Agency

AND TO: ONTARIO MINISTRY OF FINANCE
Office of Legal Services
33 King Street West, 6th Floor
Oshawa, ON L1H 8H5

Kevin J. O'Hara
Tel: (905) 433-6934
Fax: (905) 436-4510
Email: kevin.ohara@ontario.ca

Lawyers for Ministry of Finance (Ontario)

AND TO: CITY OF TORONTO
Legal Services
26th Floor, Metro Hall, Stn. 1260
55 John Street
Toronto, ON M5V 3C6

David Gourlay
Tel: (416) 338-6970
Fax: (416) 397-5624
Email: dgourla@toronto.ca

Lawyers for the City of Toronto

AND TO: CITY OF TORONTO
Corporate Finance Division
City Hall, 7th Floor, East Tower
100 Queen St. West
Toronto, ON M5H 2N2

Joe Farag
Tel: 416-392-8108
Fax: 416-397-4555
Email: jfarag@toronto.ca

R. Robinson
Email: rrobins2@toronto.ca

AND TO: HARRIS SHEAFFER LLP
610-4100 Yonge St.
North York, ON
M2P 2B5

Gary Harris
Tel: (416) 250-2860
Fax: (416) 250-5300
Email: gharris@harris-sheaffer.com

TOR01: 5548157: v1

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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 RESTRUCTURING INC. (formerly known as 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 Wednesday, the 23rd day of April, 2014 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 order attached as Schedule "A" hereto:

- (a) if necessary, abridging the time for service of this motion so that it is properly returnable on Wednesday, April 23, 2014 and dispensing with further service thereof;
- (b) approving the Fourth Report of the Receiver dated December 1, 2011, the Fifth Report of the Receiver dated December 20, 2011 and the Sixth Report of the Receiver dated April 7, 2014 (the "**Sixth Report**") and the activities of the Receiver described therein;
- (c) approving the statement of receipts and disbursements appended to the Sixth Report;
- (d) approving the Receiver's fees and disbursements as set forth in the Sixth Report;
- (e) authorizing and approving the distribution of the proceeds in the hands of the Receiver and of the law firm of Harris Sheaffer LLP as more particularly described in the Sixth Report and the draft order attached hereto as Schedule "A";
- (f) discharging Deloitte Restructuring Inc. as Receiver of the undertaking, property and assets of the Debtor; and
- (g) such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) Deloitte Restructuring Inc. (formerly Deloitte & Touche Inc.) was appointed Receiver of the Lands by Order of the Honourable Mr. Justice C. L. Campbell herein dated June 29, 2011 (the “**Appointment Order**”);
- (b) the order of The Honourable Mr. Justice Morawetz dated August 10, 2011 approved a marketing and sale process with respect to the Lands;
- (c) the Receiver completed the sale process and sold the Lands with the approval of the court pursuant to the order of the Honourable Mr. Justice Morawetz dated November 15, 2011;
- (d) subject to the final distribution of the remaining proceeds of sale of the Lands held by the Receiver and certain other funds referred to in the Receiver’s Sixth Report dated April 7, 2014 and filed in support of this motion, the Receiver has completed its duties in accordance with the provisions of the Appointment Order; and
- (n) 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 Sixth Report of the Receiver dated April 7, 2014 and the appendices attached thereto;
- (b) the fee affidavit of Catherine Hristow sworn April 7, 2014 and the exhibits attached thereto;

(c) the fee affidavit of John D. Marshall sworn April 1, 2014 and the exhibits attached thereto; and

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

Date: April 7, 2014

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
Scotia Plaza, 40 King Street West
Toronto, Ontario M5H 3Y4

John Marshall (LSUC#: 16960Q)
Tel.: (416) 367-6024
Fax: (416) 361-2763
jmarshall@blg.com

Lawyers for Deloitte Restructuring Inc.,
in its capacity as Receiver

**TO:
SERVICE LIST**

TAB A

SCHEDULE "A"

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE

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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**”), Con-Drain Company (1983) Limited (“**Con-Drain**”), the City of Toronto and Harris Sheaffer LLP, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Catherine 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 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 authorized and directed to pay to the Receiver, notwithstanding its discharge, any City L/C Surplus Funds as defined in the Sixth Report if and when they become available and hereby authorizes and directs the Receiver upon receipt of any such City L/C Surplus Funds to distribute them, 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.

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 Lombard the balance of the Remaining Trust Deposits as defined in the Sixth Report in their possession after December 20, 2013.

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 8 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.

TAB 2

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

**SIXTH REPORT OF THE RECEIVER
DATED APRIL 7, 2014**

INTRODUCTION

1. By Order of the Court dated June 29, 2011 (the "**Appointment Order**"), Deloitte & Touche Inc.¹ 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**" or "**2811**") 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"**.

¹Deloitte & Touche Inc. has since changed its name to Deloitte Restructuring Inc.

2. Unless otherwise provided, capitalized terms not otherwise defined in this Sixth Report are as defined in the Appointment Order.
3. At the time of the Appointment Order the Lands consisted of vacant, but serviced, commercial/industrial land comprising approximately 39 acres on Steeles Ave. E. in the City of Toronto. The Lands were divided by the Debtor into 3 sections, the largest being intended for the development of a retail mall (referred to as "The Landmark") with the other 2 intended for retail pads and future industrial development respectively.
4. While construction of the retail mall had not been commenced, the Debtor had entered into approximately 400 agreements of purchase and sale with respect to retail condominium units to be located in The Landmark (the "Unit Purchase Agreements"). The purchasers of the units (the "Unit Purchasers") paid deposits to the Debtor which were initially held in trust by the law firm of Harris Sheaffer LLP as the retail mall was subject to the provisions of the Ontario *Condominium Act, 1998* (the "**Condominium Act**").
5. As explained in more detail in the Receiver's Third and Fifth Reports, prior to the receivership the Debtor arranged for the release to it of a significant portion of the Unit Purchasers' trust deposits by providing security by way of an insurance policy issued by Lombard General Insurance Company of Canada ("**Lombard**")² in accordance with subsection 81(7)(b) of the *Condominium Act*. The Debtor indemnified Lombard and as security for that indemnity Lombard took 3 mortgages registered against title to the Lands which are referred to below. Under the terms of the Lombard insurance policy Unit Purchasers were entitled to the return of their deposits from Lombard in the event the Debtor defaulted under its purchase agreements.
6. Following the receivership the Debtor could not complete any of the agreements of purchase and sale and the full amount of the released deposits became subject to refund claims by the Unit Purchasers. Lombard thereby became liable to reimburse the Unit Purchasers under its insurance policy and, as the Debtor had no funds with which to

² Lombard has since changed its name to Northbridge General Insurance Corporation but for ease of reference this Report will continue to refer to "Lombard".

reimburse Lombard, the Lombard mortgages became enforceable. The total amount of Lombard's liability under the deposit insurance policy was approximately \$12,700,000.

7. The Lands were subject to nine mortgages and one construction lien which, in order of priority, were in favour of the following parties:

- (a) First – Firm Capital Mortgage Fund Inc. (“**Firm Capital**”);
- (b) Second – White Bear Developments Inc. (“**White Bear**”);
- (c) Third – Key Pendragon Enterprises Inc. (“**Key Pendragon**”);
- (d) Fourth – Key Pendragon;
- (e) Fifth – Key Pendragon;
- (f) Sixth – Lombard;
- (g) Seventh – Lombard;
- (h) Eighth – Lombard;
- (i) Ninth – Con-Drain Company (1983) Limited (“**Con-Drain**”); and
- (j) Construction lien – Mady Contract Division Ltd. (“**MCD**”).

8. As has been previously reported to the Court, the Receiver obtained from Borden Ladner Gervais LLP (“**BLG**”), its independent legal counsel, security opinions that conclude that, subject to the qualifications and assumptions contained therein which the Receiver understands are customary in security opinions granted in a receivership context, that each of the above-listed mortgages and lien are valid and enforceable against the Property.

RECEIVER'S ACTIVITIES

9. On July 15, 2011, the Receiver issued its First Report to the Court in support of a 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.

10. On July 22, 2011 the Withheld Records Motion was heard and the Honourable Mr. Justice Perell ordered the Debtor and its senior officer to deliver up the Debtor's books and records requested by the Receiver (the "**Withheld Records Order**"). A copy of that order is attached hereto as **Appendix "B"**.
11. On July 20, 2011, the Receiver issued its Second Report to the Court (the "**Second Report**") in support of a motion returnable August 3, 2011 for an order approving the Receiver's proposed marketing process for the Property as set forth in the Second Report (the "**Marketing Process Approval Motion**").
12. On July 29, 2011, the Receiver filed with the Court a Supplement to the Second Report (the "**Supplement to the Second Report**") in support of an amended Marketing Process Approval Motion. The amended motion sought additional relief consisting of a contempt order based on the Debtor's failure to comply with the Withheld Records Order. The Receiver's Marketing Process Approval Motion was adjourned from August 3 to August 10, 2011. The amended additional relief with respect to a contempt order was not pursued. By an order dated August 10, 2011 (the "**Marketing Process Approval Order**") the Honourable Mr. Justice Morawetz authorized the Receiver to market the Property in accordance with the proposed Marketing Process and approved the Receiver's activities as set forth in the Second Report. A copy of the order is attached hereto as **Appendix "C"**.
13. On November 3, 2011, the Receiver issued its Third Report to the Court (the "**Third Report**") in support of its motion returnable November 15, 2011 (the "**Sale Approval Motion**") for an order, *inter alia*:
 - (a) authorizing and directing the Receiver to enter into and carry out the terms of a sale agreement entered into by the Receiver with Mady Development Corporation (the "**Mady Agreement**") and vesting title to the Lands in the purchaser upon closing; and

- (b) approving an interim distribution of a portion of the net proceeds of sale of the Property to certain of the mortgagees upon completion of the Mady Agreement.
- 14. On November 11, 2011, the Receiver filed with the Court a Supplement to the Third Report (the "**Supplement to the Third Report**") in connection with the Sale Approval Motion, which provided the Court with additional information with respect to the charges, mortgages and claims registered against the Lands. A copy of the Third Report (without attachments) is attached as **Appendix "D"**. A copy of the Supplement to the Third Report (without attachments) is attached as **Appendix "E"**.
- 15. By an order dated November 15, 2011, (the "**Sale Approval Order**") the Honourable Mr. Justice Morawetz approved the Mady Agreement and authorized the Receiver to complete the sale. A copy of the Sale Approval Order is attached as **Appendix "F"**.
- 16. At the request of Lombard, the Receiver's motion for an order approving an interim partial distribution of the net proceeds of sale was adjourned to December 5, 2011 to allow Lombard the opportunity to review, and if thought advisable, to challenge the quantum of the secured claims of Firm Capital, White Bear and Key Pendragon, being the parties holding the first through fifth mortgages on the Property.
- 17. On December 1, 2011, the Receiver issued its Fourth Report to the Court (the "**Fourth Report**"), a copy of which (without appendices) is attached as **Appendix "G"**, in support of its motion returnable December 5, 2011 for an order, *inter alia*:
 - (a) amending the Sale Approval Order by substituting Mady Steeles 2011 Ltd. ("**Mady Steeles**") as purchaser; and
 - (b) approving an interim partial distribution of the net proceeds of sale upon completion of the Mady Agreement.
- 18. On December 5, 2011, the Honourable Mr. Justice Morawetz granted an order amending the Sale Approval Order (the "**Amending Order**") which provided for the substitution of Mady Steeles as purchaser of the Property. The request for an interim partial distribution of the sale proceeds was adjourned to permit Lombard and the other secured parties to

negotiate an agreement with respect to the terms of any interim distribution order. A copy of the Amending Order is attached as **Appendix "H"**.

19. On December 7, 2011, The Honourable Mr. Justice Morawetz granted an interim partial distribution order that set out certain amounts to be distributed to the secured creditors that had been agreed to by Firm Capital, White Bear, Key Pendragon and Lombard (the "**Interim Distribution Order**") upon the closing of the sale transaction contemplated by the Mady Agreement, and directed the Receiver to maintain certain holdbacks pending determination of the outstanding disputes between Lombard and the other mortgagees with respect to their respective entitlements to the balance of the net proceeds of sale. A copy of the Interim Distribution Order is attached as **Appendix "I"**.
20. On December 15, 2011 the sale transaction contemplated by the Mady Agreement was completed and title to the Lands vested in Mady Steeles in return for net proceeds of sale of the Lands in the amount of \$42,507,837.78 (the "**Net Sale Proceeds**").
21. On December 20, 2011, the Receiver issued its Fifth Report to the Court (the "**Fifth Report**"), a copy of which (without appendices) is attached as **Appendix "J"**, in support of its motion returnable December 21, 2011 (the "**Second Interim Distribution Motion**") for an order, *inter alia*:
 - (a) authorizing a second interim distribution of a portion of the remaining Net Sale Proceeds (referred to in the Interim Distribution Order as the "Contested Amounts") to the secured lenders, as agreed upon by Firm Capital, White Bear, Key Pendragon, Lombard and Con-Drain ;
 - (b) approving the Receiver's release of the holdbacks referred to in paragraphs 4 and 5 of the Interim Distribution Order;
 - (c) authorizing the Receiver to distribute the balance of the Net Sale Proceeds to the law firm of Harris Sheaffer LLP, in trust (acting on behalf of Lombard), (referred to as the "**Unit Purchaser Deposit Trust Funds**") to be held in trust for the benefit of Unit Purchasers entitled to claim refunds of deposits paid to the Debtor or to any escrow agent holding purchaser deposits pursuant to agreements to

purchase condominium units from the Debtor as described in the Receiver's Fifth Report ("**Deposit Refund Claims**") and to be paid to Unit Purchasers only on written direction from Lombard to Harris Sheaffer LLP and as provided for in such direction without further inquiry, consent of the Receiver or further Court Order; and

- (d) authorizing the Receiver to retain from the Net Sale Proceeds a holdback or holdbacks in an amount or amounts entirely within the Receiver's unfettered discretion as a reserve for any outstanding or future claims, fees, disbursements or other costs that may be incurred prior to the discharge of the Receiver.

- 22. On December 21, 2011, The Honourable Mr. Justice Morawetz made an order (the "**Second Interim Distribution Order**") granting the relief referred to in paragraph 21 above. A copy of the Second Interim Distribution Order is attached as **Appendix "K"**.
- 23. A copy of all of the orders referred to above, as well as the Receiver's Reports and motion records, have been posted on the Receiver's website at www.deloitte.ca (located under related link title "Insolvency and Restructuring").

PURPOSE OF THIS SIXTH REPORT

- 24. The purpose of this sixth report of the Receiver (the "**Sixth Report**") is to:
 - (a) provide an update with respect to the distribution of the remaining Net Sale Proceeds and other assets of the estate;
 - (b) recommend the granting of an Order on motion by the Receiver:
 - (i) authorizing a final distribution by the Receiver of the Net Sale Proceeds, subject to the holdback referred to in paragraph 48 below, to Lombard and Con-Drain in proportions based on the formula agreed upon by Lombard and Con-Drain referred to in paragraph 31 below, or as they may direct;
 - (ii) authorizing and directing the Receiver to pay to the Minister of National Revenue ("**MNR**") the sum of \$6,000.00 from the "L/C Collateral

Interest” defined in paragraph 57 below on account of the MNR’s priority subrogated security interest over the current assets of the Debtor pursuant to section 36 of the *Wage Earner Protection Program Act*, S.C. 2005, C.47 (“WEPPA”) and subsection 81.4(4) of the *Bankruptcy and Insolvency Act* (the “BIA”) and to pay any balance thereof to Lombard and Con-Drain on the same basis as set forth in paragraph 24(b)(i) above;

- (iii) authorizing and directing the City of Toronto to pay to the Receiver any surplus funds remaining from the proceeds received by the City pursuant to 2 letters of credit issued by The Toronto-Dominion Bank for the account of the Debtor as described in more detail in paragraph 52 below (and defined therein as the “City L/C Surplus Funds”), and authorizing the Receiver to distribute the City L/C Surplus Funds to Lombard and Con-Drain, after payment of any fees and disbursements incurred by the Receiver in connection therewith, in proportions to be agreed upon by them or, failing such agreement, in proportions to be determined by the court upon motion by either Lombard or Con-Drain;
- (iv) authorizing and directing the law firm of Harris Sheaffer LLP to pay to the Receiver the “Excess Trust Interest” in its possession, as defined in paragraph 60 below, and authorizing the Receiver to distribute such funds to Lombard after deduction of any fees and disbursements incurred by the Receiver in connection therewith;
- (v) approving the Receiver’s Fourth Report, Fifth Report and Sixth Report and the activities of the Receiver described therein;
- (vi) approving the professional fees and disbursements of the Receiver and its independent counsel, Borden Ladner Gervais LLP (“BLG”), for the period from November 1, 2011 to March 28, 2014;
- (vii) authorizing the Receiver to pay the balance, if any, of the Holdback upon completion of any remaining duties required to complete the receivership

to Lombard and Con-Drain in proportions to be agreed upon by them or, failing such agreement, to pay any such balance into court to be distributed pursuant to a further order of this court on motion by either Lombard or Con-Drain; and

(viii) discharging the Receiver.

TERMS OF REFERENCE

25. In preparing this Sixth Report and making the comments contained herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Debtor's books and records, financial information prepared by the Debtor and its advisors, and discussions with management of the Debtor, as well as information from certain of the Debtor's creditors referred to below ("the **Information**"). Except as described below,

(a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and accordingly the Receiver expresses no opinion or other form of assurance in respect of the Information; and

(b) the Receiver has prepared this Sixth Report in its capacity as a court-appointed officer for the purposes of the motion referred to in paragraph 24 above and will make a copy of this Sixth Report available on the Receiver's website at www.deloitte.ca (Insolvency and Restructuring link) for purposes of transparency of the hearing of that motion. Parties using this Sixth Report other than for the purpose of the motion referred to in paragraph 24 above are cautioned that it may not be appropriate for their purposes.

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

MADY AGREEMENT AND SALE OF THE LANDS

27. As noted in the Receiver's Fifth Report, the sale of the Lands pursuant to the terms of the Mady Agreement was completed on December 15, 2011.
28. As also noted in the Fifth Report, the aggregate amount of \$42,507,837.78 was realized by the Receiver from the sale of the Lands under the Mady Agreement (the "Net Sale Proceeds").
29. The Net Sale Proceeds were sufficient to repay in full the debts secured by the Firm Capital, White Bear and Key Pendragon mortgages and the Receiver distributed those funds in full pursuant to previous orders of the court. There were also sufficient Net Sale Proceeds to repay in part the debts secured by the Lombard and Con-Drain mortgages. There were no funds available to repay any of MCD's construction lien.
30. With one minor exception, the Lombard mortgages were registered in priority to the Con-Drain mortgage. The exception relates to a registration defect. For Land Titles registration purposes, the Lands consisted of five parcels (i.e. PINs). On four of the five PINs the Lombard mortgages were registered in priority over the Con-Drain mortgage. However, the Lombard mortgages were not registered at all against the fifth PIN and the Con-Drain mortgage that was registered against that PIN therefore took priority over the Lombard mortgages with respect to that PIN.
31. Because the purchase price under the Mady Agreement was a global amount without allocation among the five PINs there was no clear method of calculating what portion of the Net Sale Proceeds should be attributed to the fifth PIN over which the Con-Drain mortgage was prior. In order to resolve that issue, Lombard and Con-Drain agreed upon a formula for allocation and distribution of the remaining Net Sale Proceeds. The Receiver distributed the remaining Net Sale Proceeds (subject to a holdback for future fees etc.) to Lombard and Con-Drain in accordance with the agreed-upon formula with the approval of the court.
32. The Receiver still holds the balance of the Net Sale Proceeds by way of the above-mentioned holdback. In the event there is any balance of Net Sale Proceeds after

payment of the Receiver's fees and disbursements, it proposes to distribute that balance to Lombard and Con-Drain in proportions based on the formula referred to in paragraph 31 above. Even if any remaining balance of Net Proceeds are distributed to both Lombard and Con-Drain, there will still be deficiencies on their secured indebtedness owing from the Company.

UNIT PURCHASERS – TRUST DEPOSITS

33. As noted in paragraphs 4 to 6 above, the Lombard mortgages secured the Debtor's obligation to indemnify Lombard with respect to trust deposits governed by the *Condominium Act*, which deposits were released to the Debtor and replaced by the Lombard insurance policy prior to the receivership. The Unit Purchasers whose deposits were released have recourse for recovery of their deposits directly from Lombard. The Receiver does not hold any trust funds in that regard. Pursuant to the Second Interim Distribution Order (Appendix "K") the Receiver has distributed the sum of \$2,423,482.93 directly to Lombard and the balance of \$7,950,000.00 to the law firm of Harris Sheaffer LLP, on Lombard's direction, to be held in trust to respond to those Unit Purchaser claims for refunds.
34. In co-ordination with Lombard, on December 20, 2011 the Receiver sent letters by ordinary mail to all known active condominium Unit Purchasers notifying them of the termination of their respective Unit Purchase Agreements, accompanied by copies of the Lombard Canada Ltd. Master Deposit Insurance Policy (Ontario) dated October 17, 2005 (together the "Notice"). A copy of the Notice is attached hereto as **Appendix "L"**.
35. The Notice informed the Unit Purchasers that the approved sale of the Lands to Mady effectively terminated their Unit Purchase Agreements because as a result of the sale the Debtor could not complete those agreements. The purpose of the Notice was simply to inform the Unit Purchasers of that fact and to allow them to proceed with their claims, if any, for trust deposit refunds pursuant to the Lombard policy.
36. The Receiver has been informed by Lombard that it has refunded to the appropriate Unit Purchasers the funds distributed to it by the Receiver referred to in paragraph 33 above.

The Receiver has also been informed by Harris Sheaffer LLP that it has refunded or released (with Lombard's concurrence) most of the trust deposit funds in its possession. However, Harris Sheaffer has informed the Receiver that it continues to hold in trust deposits amounting to approximately \$335,872.00, inclusive of interest earned on the original deposits, that for reasons unknown to Harris Sheaffer have not as yet been claimed by the appropriate Unit Purchasers. The Receiver has set forth below (para. 62 ff.) a recommendation as to how these remaining trust funds should be dealt with.

CANADA REVENUE AGENCY

(a) Deemed Trust – Source Deductions

37. As set out in the Receiver's First Report, the Debtor failed to provide the Receiver with access to and possession of its books, records and other pertinent documentation. As a result, an order was sought requiring the Debtor and its President to immediately provide the Receiver with all information requested by the Receiver so that the Receiver could determine, among other things, the names of the creditors and the Debtor's financial position. Notwithstanding that the Withheld Records Order was made by the Court on July 22, 2011, complete books and records were never provided to the Receiver.
38. As a result, the Receiver sought information directly from the Canada Revenue Agency ("CRA") in respect of unpaid source deductions to determine if CRA would be making a claim for a deemed trust.
39. Based on information previously obtained by it from the Debtor, CRA asserted an original deemed trust claim in the sum of \$162,919.52. CRA's claim did not, however, set out the periods to which these assessments related and when such alleged deemed trusts arose.
40. As the CRA trust examiner could also not obtain the payroll records directly from the Debtor or its directors, the Receiver had to accept CRA's internal records in support of its claim.

41. The Receiver noted that the deemed trust for employee source deductions under the *Income Tax Act (Canada)* (the "Act") does not take priority over any "prescribed security interest", which is defined in the regulations to the Act to mean a mortgage securing the performance of an obligation of the Debtor that encumbered the real property, where the mortgage was registered pursuant to the appropriate land registration system before the time the amount is deemed to be held in trust by the Debtor.
42. As such, it was necessary to provide CRA with the parcel registers evidencing the mortgages on the real property. In addition, the Receiver and its counsel then had to obtain from the mortgagees evidence of the dates of their loan advances.
43. Having provided the aforementioned information to CRA and after various correspondence and discussions with CRA representatives, a deemed trust in the sum of \$90,880.53 was determined to be outstanding. This amount was subsequently paid by the Receiver and a clearance certificate (letter) was received on October 9, 2012.

(b) Deemed Trust - GST/HST

44. CRA has advised the Receiver that it does not consider a deemed trust to exist with respect to the Debtor's GST/HST account. A copy of a letter dated February 22, 2013 from the CRA in that regard is attached as **Appendix "M"**.

(c) Wage Earners Protection Program Act ("WEPPA") Claims

45. Based on limited information provided by the Debtor, on July 14, 2011 the Receiver wrote to all known employees advising them that they remained the employees of the Debtor and that the Receiver had not terminated their employment. On June 4, 2012 and October 31, 2012 the Receiver wrote to all known employees again regarding potential WEPPA claims requesting that all potential WEPPA claims be submitted by no later than December 12, 2012.
46. Three WEPPA claims were received and the \$2,000.00 priority payment under Section 81.4 of the BIA was claimed by each former employee. As the Receiver was not then in possession of any current assets of the Debtor there were no assets to which the wage

claim priority security under s. 81.4 could attach and the employees therefore applied for, and received, payments from the Minister of National Revenue (the "MNR") pursuant to the Wage Earner Protection Program. However, since that time the Receiver has received payment of the sum of \$17,690.60 from The Toronto-Dominion Bank consisting of the "L/C Collateral Interest" as explained in paragraph 57 below. For reasons set forth in more detail below, the Receiver believes that the L/C Collateral Interest constitutes a current asset of the Debtor and is therefore subject to the MNR's \$6,000.00 secured WEPPA claim. The Receiver therefore proposes to pay that amount from the L/C Collateral Interest to the MNR on account of its priority secured subrogated claim under section 36 of the *Wage Earner Protection Program Act* and subsection 81.4 (4) of the BIA.

ONTARIO MINISTRY OF FINANCE - RST

47. The Ontario Ministry of Finance has informed the Receiver that there is no Provincial retail sales tax deemed trust owing by the Debtor. Correspondence in that regard is attached as **Appendix "N"**.

REMAINING DUTIES AND FINAL DISTRIBUTION OF RECEIVERSHIP PROCEEDS

48. The Receiver is currently holding the sum of \$227,735.79 consisting of the balance of the Net Sale Proceeds from the sale of the Lands and the L/C Collateral Interest defined in paragraph 57 below, before the accruals for the fees for the Receiver and its counsel and funds payable for WEPPA. The estate may also become entitled to certain contingent assets defined below as the "City L/C Surplus Funds" and the "Excess Trust Interest". The Receiver proposes to distribute the cash on hand and the contingent assets, should they materialize, as set forth in the following paragraphs, after deducting its fees and disbursements and those of its counsel referred to below and a holdback in the amount of \$40,000.00 (the "Holdback") to cover any additional fees and disbursements that may be incurred in connection with the distribution of those funds and the completion of the receivership.

REMAINING ASSETS**(a) City of Toronto L/C Surplus Funds**

49. Prior to the receivership, the Debtor arranged for the following 2 letters of credit to be issued by The Toronto-Dominion Bank ("**TD Bank**")³ in favour of the City of Toronto (the "**L/Cs**"):

- (a) L/C #1025-9324232-25 (L/C #1) dated July 30, 2008 with the beneficiary as the City of Toronto and with the last known face value being \$1,037,825; and
- (b) L/C #1025-9324232-17 (L/C#2) dated July 30, 2008 with the beneficiary as the City of Toronto and with the last known face value being \$81,000.

Copies of the L/Cs are attached hereto as **Appendices "O"** and **"P"** respectively.

50. As security for its obligation to reimburse TD Bank in the event the L/Cs were called on, the Debtor deposited cash collateral with TD Bank in an amount equal to the face value of the L/Cs (the "**Cash Collateral**"). The Cash Collateral remained under TD Bank's control so long as the L/Cs were outstanding and not cancelled. Upon payment to the beneficiary of the L/Cs, TD Bank was entitled to reimburse itself from the Cash Collateral. The L/Cs were issued to secure the obligations of the Debtor to the City of Toronto in connection with a development agreement dated July 27, 2006 entered into by the City with the Debtor and a number of other developers in connection with the overall development of the area in which the Lands are situate, and referred to as the "**Tapscott Core Services Agreement**." The initial expiry date of the L/Cs was July 30, 2009. The L/Cs provided that they were automatically renewed every year effective July 30th for a further one year term unless at least 60 days prior to any such future expiration date TD Bank gave written notice that the L/Cs would not be renewed. TD Bank informed the Receiver that such a non-renewal notice was delivered to the City on May 13, 2013. Accordingly, by letters dated July 16, 2013 the City demanded payment from TD Bank of

³ The relevant TD Bank branch is at 55 King St. W., TD Tower, 3rd Floor, Toronto ON, M5K 1A2

the full face amount of both L/Cs. Copies of the City's demand letters are attached hereto as **Appendix "Q"**.

51. TD Bank honoured the City's demand, paid the full face amounts of the L/Cs to the City and reimbursed itself from the Cash Collateral.
52. As noted above, the L/Cs were issued to secure the Debtor's obligations to the City pursuant to the Tapscott Core Services Agreement. In accordance with the terms of the L/Cs, the City's demand letters contained a confirmation that the funds drawn under the L/Cs would be retained and used by the City to meet obligations of the Debtor incurred, or to be incurred, in connection with the Tapscott Core Services Agreement. The City has informed the Receiver that completion of the Debtor's obligations under that agreement may not require the full amount drawn by the City under the L/Cs. While the City could not give any firm timelines or amounts, at some point in the future, after the completion of inspections by the City's engineers, it will determine the exact amount required to complete the Debtor's obligations and any funds received by the City under the L/Cs in excess of those requirements will be payable to the Receiver as an asset of the Debtor's estate. That potential excess is hereinafter referred to as the **"City L/C Surplus Funds."**
53. Both Lombard and Con-Drain claim to be entitled to the City L/C Surplus Funds. Those funds do not form part of the Net Sale Proceeds derived from the sale of the Lands. After consultation with its independent legal counsel, it is the Receiver's view that the City L/C Surplus Funds constitute a contingent account receivable of the Debtor. Both Lombard and Con-Drain held mortgage security on the Lands (which attached to the sale proceeds thereof by virtue of the Sale Approval Order) but neither holds a general security agreement or other security agreement that on its face would attach directly to the City L/C Surplus Funds.
54. However, Lombard's counsel has taken the position that it is entitled to the City L/C Surplus Funds by virtue of the application of the doctrine of marshalling, permitting it to be subrogated to the prior security held by Firm Capital with respect to the City L/C Surplus Funds. Unlike Lombard and Con-Drain, in addition to its mortgage on the Lands

Firm Capital also held a general security agreement ("GSA") containing a security interest in all of the Debtor's assets, which would include the City L/C Surplus Funds. Firm Capital's debt was repaid in full from the proceeds of sale of the Lands and it therefore did not have to rely on its GSA and look to the City L/C Surplus Funds for repayment of its secured debt. Lombard argues that had the City L/C Surplus Funds been available at the time of the sale of the Lands the court could have forced Firm Capital to look first to the City L/C Surplus Funds before receiving any distribution from the Net Sale Proceeds from the Lands in priority to Lombard. Had that occurred, the amount of the Net Sale Proceeds available to Lombard would have been correspondingly greater. Accordingly, Lombard asserts that it should be able to stand in Firm Capital's place and claim a security interest in the City L/C Surplus Funds if and when they become available.

55. After consultation with its independent legal counsel, the Receiver believes there is merit in Lombard's position. However, it is in the Receiver's view that the same marshalling principle would also apply to Con-Drain's claim. The question then arises as to whether Lombard's claim should have priority over Con-Drain's claim to the City L/C Surplus Funds or whether the claims should be pro-rated due to the priority issue relating to the fifth PIN explained in paragraphs 30 and 31 above. As the City L/C Surplus Funds do not form part of the Net Sale Proceeds, it is not clear whether the formula agreed upon between Lombard and Con-Drain with respect to the Net Sale Proceeds should apply to the City L/C Surplus Funds. For that reason the Receiver's counsel asked counsel to Lombard and Con-Drain to try to agree upon a method of sharing these funds in the event they become available. As of the date of this report Lombard and Con-Drain have apparently not agreed upon a formula.
56. The Receiver has substantially completed its duties with respect to the receivership and accordingly, there is no need for the Receiver to remain in place pending the uncertain recovery of the City L/C Surplus Funds. The Receiver therefore recommends that the court make an order authorizing and directing the City to pay to the Receiver, notwithstanding its discharge, any City L/C Surplus Funds if and when they become available and authorizing the Receiver, without the necessity of a further court order, to

distribute such funds after deduction of its fees and disbursements incurred in connection with such distribution, to Lombard and Con-Drain in proportions to be agreed upon by them or, failing such agreement, to pay the funds into court to the credit of this proceeding to be distributed by further court order upon motion by either Lombard or Con-Drain.

(b) Excess Interest on L/C Collateral

57. The Cash Collateral held by TD Bank continued to earn interest until the City's demands for payment under the L/Cs were received. As of the date of the City's demands the accrued interest amounted to \$17,690.60. As the City's entitlement under the L/Cs was limited to the principal (face) amount of the L/Cs TD Bank paid the accrued interest (the "L/C Collateral Interest") to the Receiver as part of the Debtor's estate. In the Receiver's view the L/C Collateral Interest constitutes a current asset of the Debtor. As such it would be subject to the MNR's subrogated priority secured claim under section 36 of WEPPA and subsection 81.4(4) of the BIA. The Receiver therefore proposes to pay the WEPPA claim of \$6,000.00 to the MNR from the L/C Collateral Interest.
58. The Receiver further recommends that any balance of the L/C Collateral Interest, subject to the Receiver's charge, be distributed to Lombard and Con-Drain on the same basis, and for the same reasons, as set forth above in paragraph 56 with respect to the City L/C Surplus Funds.

(c) Unclaimed Unit Purchaser trust deposits

(i) Excess interest on trust deposits

59. As noted in paragraphs 4 to 6 above, most of the deposits paid by condominium unit purchasers and initially held in trust by Harris Sheaffer LLP were released to the Debtor and replaced by the Lombard insurance policy. However, Harris Sheaffer LLP has informed the Receiver that not all of the deposits were so released and Harris Sheaffer LLP continued to hold the balance of deposits, together with accrued interest thereon, in trust. Harris Sheaffer LLP has informed the Receiver that it has refunded or released (with Lombard's concurrence) most of the trust deposits in their possession but still hold

in trust deposits amounting to approximately \$335,872.00 (the “**Remaining Trust Deposits**”). That figure apparently includes the original principal amount of the deposits as well as interest earned thereon while in the possession of Harris Sheaffer LLP.

60. Under the provisions of the *Condominium Act*, purchasers are entitled to interest accrued on their deposits at a statutory rate. If the interest on the deposits actually accrues at a rate higher than the statutory rate, the owner (i.e. the Debtor) is entitled to any excess. Harris Sheaffer LLP has informed the Receiver that it currently holds such excess interest (the “**Excess Trust Interest**”) but has not provided the exact amount thereof. Additional excess interest may also continue to accrue on the Remaining Trust Deposits until they are refunded to the entitled purchasers or otherwise dealt with.
 61. The Excess Trust Interest therefore constitutes an asset of the Debtor’s estate. As those funds do not form part of the Net Sale Proceeds from the sale of the Lands they are not expressly subject to the mortgage security held by Lombard and Con-Drain. However, as noted in more detail in paragraph 63 below, Lombard claims a specific security interest in any interest the Debtor may have in the trust deposits and all interest earned thereon. Accordingly, the Receiver recommends that the court authorize and direct Harris Sheaffer LLP to pay all Excess Trust Interest to the Receiver and authorize the Receiver to distribute those funds directly to Lombard, after deduction of any fees and disbursements incurred by the Receiver in connection with such payment and distribution, without the necessity of a further court order.
- (ii) **Unclaimed trust deposits**
62. Harris Sheaffer LLP has held the Remaining Trust Deposits for more than 2 years. As noted above, on December 20, 2011 the Receiver sent letters to all known Unit Purchasers notifying them of their right to claim deposit refunds due to the termination of their Unit Purchase Agreements. The *Condominium Act* does not contain any express provisions governing the disposition of unclaimed trust deposits in these circumstances.

63. Lombard claims a specific security interest in the unclaimed trust deposits (and interest earned thereon) pursuant to Article 3.3 of a Deposit Trust Agreement entered into between it and the Debtor when the Lombard trust deposit insurance policy was issued. That Article grants to Lombard a security interest in the Debtor's "ownership of (or beneficial interest in) all deposits received together with all interest earned or accrued thereon...." A copy of the Deposit Trust Agreement is attached as **Appendix "R"**. Lombard registered a financing statement pursuant to the PPSA with respect to that agreement, a copy of which is included at Appendix "R".
64. As far as the Receiver is aware, Con-Drain has no security interest in the trust deposits (or the interest earned thereon). Accordingly, in view of Lombard's specific security and after consultation with its independent legal counsel, it is the Receiver's view that the doctrine of marshalling referred to above would not apply to the Remaining Trust Deposits or the Excess Trust Interest.
65. The Receiver therefore recommends that the court authorize and direct Harris Sheaffer LLP to pay to the Receiver any balance of the Remaining Trust Deposits still in the possession of Harris Sheaffer LLP after December 20, 2013 (being the expiry of the 2 year period following the sending of the notices referred to in paragraph 62 above) and further authorize the Receiver to distribute any such funds to Lombard, after deduction of any fees and disbursements incurred by the Receiver in connection with such payment and distribution.

NOTICES PURSUANT TO SECTION 246(2) OF THE BANKRUPTCY AND INSOLVENCY ACT

66. Based on the best information to date, the Receiver has filed with the Office of the Superintendent of Bankruptcy all statutory reports to December 29, 2013, pursuant to Section 246(2) and Rule 126 of the BIA.
67. The Receiver will file its final statutory subsection 246(3) Report upon discharge.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

68. Attached as **Appendix "S"** is the Receiver's Final Statement of Receipts and Disbursements for the period from December 29, 2011 to March 28, 2014 showing before the Holdback, an excess of receipts over disbursements of \$205,065.80 (after applying accruals for fees for the Receiver and its legal counsel, and for the WEPPA claim).

PROFESSIONAL FEES

69. The Receiver and its counsel BLG 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.

70. The total fees of the Receiver during the period from May 25, 2011 to March 28, 2014 amount to \$698,123.50, together with expenses and disbursements in the sum of \$5,890.49 and Harmonized Sales Tax ("HST") in the amount of \$91,521.84, totalling \$795,535.83 (the "**Receiver's Fees**"). The time spent by the Receiver is more particularly described in the affidavit of Catherine Hristow of Deloitte sworn April 7, 2014 (the "**Hristow Affidavit**") attached hereto as **Appendix "T"**.

71. The total legal fees incurred by the Receiver during the period November 1, 2011 to March 28, 2014, for services provided by BLG as the Receiver's independent legal counsel amount to \$433,571.00, together with disbursements in the sum of \$8,733.57 and HST in the amount of \$57,420.17, totalling \$499,724.74. The time spent by BLG personnel is more particularly described in the affidavit of John Marshall, partner of BLG, sworn April 1, 2014 (the "**Marshall Affidavit**") attached hereto as **Appendix "U"**.

SUMMARY OF RECEIVER'S RECOMMENDATIONS

72. For the reasons set out above, the Receiver recommends that the Court make an Order:
- (a) authorizing a final distribution of the Net Sale Proceeds to Lombard and Con-Drain as set forth in paragraphs 31 and 32 above, subject to the holdback referred to in clause (b) below;
 - (b) authorizing the Receiver to hold back the sum of \$40,000.00 from the Net Sale Proceeds to cover any additional fees and disbursements that may be incurred by it in connection with the completion of the receivership, including the costs of its discharge motion and to pay any balance of such holdback, after the payment of such costs, to Lombard and Con-Drain as set forth in paragraphs 31 and 32 above;
 - (c) authorizing and directing the City of Toronto to pay the City L/C Surplus Funds to the Receiver and further authorizing the Receiver to distribute such funds to Lombard and Con-Drain or pay them into court in accordance with paragraph 56 above;
 - (d) authorizing and directing the Receiver to pay to the Minister of National Revenue the sum of \$6,000.00 from the L/C Collateral Interest, and to pay the balance thereof to Lombard and Con-Drain as recommended in paragraphs 57 and 58 above;
 - (e) authorizing and directing Harris Sheaffer LLP to pay the Excess Trust Interest to the Receiver forthwith, to be distributed by the Receiver, after deducting any fees and expenses incurred by it with respect to such distribution, to Lombard in accordance with paragraph 61 above;
 - (f) authorizing and directing Harris Sheaffer LLP to pay to the Receiver any balance of the Remaining Trust Deposits in their possession after December 20, 2013 and further authorizing the Receiver to distribute any such funds, after deduction of any fees and disbursements incurred by the Receiver in connection with such payment and distribution, to Lombard, in accordance with paragraph 65 above;

- (g) approving the activities of the Receiver to date as described in the Receiver's Fourth, Fifth and Sixth Reports and the Receiver's Final Statement of Receipts and Disbursements attached to this Sixth Report;
- (h) approving the professional fees and disbursements of the Receiver and its legal counsel set out in the Hristow Affidavit and the Marshall Affidavit, and authorizing the Receiver to pay all such fees and disbursements; and
- (i) discharging the Receiver.

All of which is respectfully submitted at Toronto, Ontario this 7th day of April, 2014.

Deloitte Restructuring 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:



Adam Bryk
Senior Vice President

TAB 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 th |
| |) | |
| JUSTICE CAMPBELL |) | DAY OF JUNE, 2011 |

BETWEEN:

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.

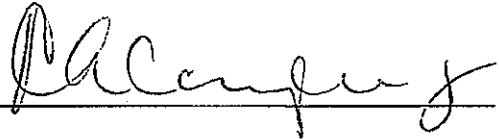
28. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is 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 (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.



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:

TAB B

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.) FRIDAY, THE 22nd
)
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 ^{money award of the cause from the estate in} forthwith. _{receivership.}

Panel, J

FIRM CAPITAL MORTGAGE FUND INC.

and

Applicant

2811 DEVELOPMENT CORPORATION

Respondent

Court File No.: CV11-9242-00CL

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

Proceedings commenced at Toronto

ORDER

Thornton Grout 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

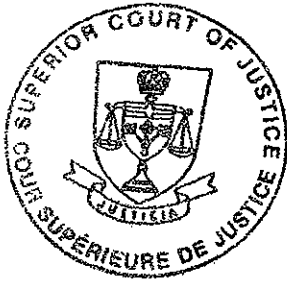
Lawyers for the Receiver, Deloitte & Touche Inc.

July 22, 2011

On June 29, 2011, Justice Campbell appointed Belotte & Touche Inc. ("Belotte") Receiver. Under the Receivership Order, Belotte is obliged to give notice of the receivership to creditors of the respondent mortgagee 2811 Development Corp. Belotte brings a motion to have 2811 Development and its president Charles Chan provide it with the contact information it needs to give the notices. This motion is supported by a subsequent mortgage. The motion is opposed by 2811 Development because they say that giving notice to the creditors may impede a joint venture agreement just signed that if closed would see the redemption of the mortgages on the property and the payment of the notices, along with the discharge of the Receiver. The Receiver replies that the receivership should continue and run parallel with the ~~completion~~ completion of the steps necessary to close the joint venture agreement. I agree with the Receiver's position. The receivership, in effect, is a power of sale proceeding and the ~~mortgagee's~~ mortgagee's request is, in effect, a request to enjoin the progress of the receivership. The law, however, is that a power of sale is rarely enjoined ~~on a stay order~~ unless the mortgagee redeems, which in this case the mortgagee aspires to do, but has not yet done. The fact that the mortgagee is concerned about the effect of notice being given to the creditors suggests to me that the joint venture prospects are far from firm and thus redemption is problematic. Accordingly, I grant the motion. I have signed the Order.

Paul J.

TAB C



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.



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

AUG 11 2011.

PER/PAR: 

TAB D

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

**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, 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:

| Creditor | Amount of Charge Against Property | Nature of Obligation |
|--|-----------------------------------|---|
| Firm Capital Mortgage Fund Inc. ("Firm Capital") | \$17,500,000 | First Mortgage Loan |
| White Bear Developments Inc. ("White Bear") | \$1,500,000 | Conventional Mortgage |
| Key Pendragon Enterprises Inc. ("Pendragon") | \$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 ("Con-Drain") | \$1,500,000 | Originally a construction lien, converted to a conventional mortgage. |
| Mady Contract Division Ltd. ("MCD") | \$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:

| Creditor | Collateral Classifications |
|----------------------------------|---|
| Firm Capital | Inventory, Equipment, Accounts, Other |
| The Toronto-Dominion Bank ("TD") | 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) White Bear has a valid and enforceable charge/mortgage against the Lands; and
 - (c) Pendragon has valid and enforceable charges/mortgages against the Lands.
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, White Bear 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, White Bear 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

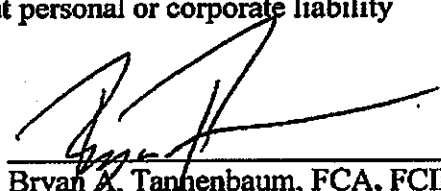
61. For the reasons set out above, the Receiver recommends that the Court make an Order:
- (a) authorizing and directing the Receiver to enter into and carry out the terms of the Mady Agreement, together with any amendments thereto deemed necessary by the Receiver in its sole opinion and vesting title 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 event 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

TAB 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**

BETWEEN:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent

**SUPPLEMENT TO THE THIRD REPORT OF THE RECEIVER
DATED NOVEMBER 11, 2011**

PURPOSE OF THIS REPORT

1. By Order of the Court dated June 29, 2011, 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 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.
2. As set out in the Third Report of the Receiver dated November 3, 2011 (the "Third Report"), the Receiver is recommending, in a motion to be heard on November 15, 2011, that the Court grant an order, *inter alia*, authorizing and directing the Receiver to enter into and carry out the terms of the Mady Agreement 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.

3. The purpose of this Supplement to the Third Report (the "Supplementary Report") is to:
 - (a) provide further information to the Court with respect to the charges, mortgages and claims registered against the Property; and
 - (b) recommend that, in the event that the Mady Agreement is approved by the Court and the Receiver's Certificate filed with the Court, the Court authorize and direct the Receiver to send a letter, substantially in the form of the draft attached as Appendix "A" hereto, to each of the Unit Purchasers at their last known addresses based on the books and records of the Debtor, in connection with the Unit Purchasers' potential rights to recover their deposits under the Lombard deposit insurance facility.

TERMS OF REFERENCE

4. In preparing the Supplementary 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 Supplementary Report.
5. Unless otherwise provided, all capitalized terms not otherwise defined in this Supplementary Report are as defined in the Third Report.
6. The Supplemental Report should be read in conjunction with the Third Report.

CLAIMS AGAINST THE LANDS

- 7. As set out in greater detail in the Third Report, Firm Capital, White Bear, Pendragon, Lombard, Con-Drain and MCD have registered charges/mortgages or claims against title to the Lands or against portions of the Lands as of October 26, 2011.
- 8. The Receiver has been informed by these secured creditors that the following aggregate amounts are due to them for outstanding principal, interest, fees and other amounts as of November 15, 2011, unless otherwise stated:

| Creditor | Outstanding Amount |
|-----------------|--|
| Firm Capital | \$18,239,434.72 |
| White Bear | \$ 2,347,200.33 ¹ |
| Pendragon | \$ 7,801,962.99 ² |
| Pendragon | \$ 1,405,631.72 ³ |
| Pendragon | \$ 1,239,776.35 ⁴ |
| Lombard | \$12,727,872.80 (as of November 2, 2011) |
| Con-Drain | \$ 1,743,008.13 |
| MCD | \$ 429,190.00 ⁵ |
| TOTAL | \$45,934,077.04 |

- 9. The Receiver, through its counsel, has requested that each of the above-noted parties provide an affidavit confirming the amounts outstanding under their respective mortgages/claims. As the Receiver is seeking Court authorization to make certain disbursements to Firm Capital, Pendragon and White Bear, it has requested that such

¹ This amount is exclusive of legal fees that have been incurred by the creditor/mortgagee since September 10, 2011.

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

⁵ This amount is an estimate, as MCD's legal counsel has not rendered invoices with respect to services provided to date. An amount of \$40,000 is included as an estimate of unbilled legal fees incurred.

parties provide sworn affidavits prior to the hearing of the Receiver's motion scheduled for November 15, 2011.

THE UNIT PURCHASERS

10. As set out in greater detail in the Third Report, the Debtor entered into approximately 330 Landmark Sale Agreements prior to the date of the Appointment Order, pursuant to which each Unit Purchaser agreed to purchase un-built condominium units in the Debtor's project at the Lands "B".
11. The Receiver has been informed by the Debtor that: (i) all Unit Purchasers paid deposits to the Debtor upon execution of their respective Landmark Sale Agreement; (ii) the deposits were paid to the Debtor's solicitors to be held in trust pursuant to the provisions of the Condominium Act; (iii) the Debtor was entitled to withdraw from trust and use the deposits of the Unit Purchasers, as the Debtor obtained from Lombard a condominium deposit insurance policy securing the deposits; and (iv) the Lombard insurance policy protects the rights of the Unit Purchasers to a return of the deposit paid under their respective Landmark Sale Agreement in the event that the agreements are terminated.
12. In the event that the Mady Agreement is approved by this Honourable Court, all of the Debtor's right, title and interest in the Lands will vest in Mady, or such party that Mady directs in writing, upon the delivery of the Receiver's Certificate. As a result, following the completion of the Mady sale transaction, the Debtor will no longer have any interest in the Lands, and will no longer be in a position to perform the obligations owed to the Unit Purchasers under the Landmark Sale Agreements.
13. As part of the Mady Agreement, Mady has elected not to take an assignment of the Debtor's rights under the Landmark Sale Agreements. As a result, the Receiver is of the view that the Unit Purchasers should be notified of the sale of the Lands to Mady following the closing of the sale transaction and be made aware of the claims they may have for a return of their deposits under the Lombard insurance policy. Attached hereto as **Appendix "A"** is a draft form of letter that the Receiver proposes to send to the Unit Purchasers following the closing of the sale transaction with respect thereto.

14. As has been previously reported to this Court, the Receiver obtained the last known addresses of the Unit Purchasers from the books and records of the Debtor so that it could send to the Unit Purchasers, in accordance with the Marketing Order, the statutorily required notice under section 245 of the BIA. The Receiver proposes to send a copy of the draft letter attached hereto to the same addresses to which it sent the BIA notice.

RECEIVER'S RECOMMENDATIONS

15. For the reasons set out above, the Receiver recommends that the Court make an order, in the event that the Mady Agreement is approved by the Court and the Receiver's Certificate filed with the Court, authorizing and directing the Receiver to send a letter following the closing of the sale transaction, substantially in the form of the draft attached as Appendix "A" hereto, to each of the Unit Purchasers at their last known addresses based on the books and records of the Debtor.

All of which is respectfully submitted at Toronto, Ontario this 11th 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

APPENDIX "A"

[LETTERHEAD OF DELOITTE & TOUCHE INC.]

•, 2011

DELIVERED BY REGULAR MAIL

TO THE PARTIES LISTED ON SCHEDULE "A" HERETO

Dear Sirs/Mesdames,

**Re: Firm Capital Mortgage Fund Inc. v. 2811 Development Corporation
Court File No. CV11-9242-00CL (the "Receivership Proceeding")**

And Re: The Landmark Unit Condominiums

On June 29, 2011, Deloitte & Touche Inc. was appointed by the Ontario Superior Court of Justice (Commercial List) (the "Court") in the Receivership Proceeding 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, commonly known as "The Landmark". A notice of the Receivership Proceeding was previously sent to you. Additional information with respect to the Receivership Proceeding can be found on the Receiver's website at www.deloitte.ca, and more specifically located under the related links titles of "Services", then "Financial Advisory", then "Insolvency and Restructuring".

We write to you in connection with your agreement to purchase a Landmark condominium unit from 2811 Development Corporation ("2811"). On November 15, 2011, the Court granted an Order in the Receivership Proceeding approving the sale of The Landmark to Mady Development Corporation ("Mady"). The sale of The Landmark to Mady was completed on •, 2011. As a result of the sale, 2811 no longer has any ownership interest in The Landmark and will not be in a position to satisfy its obligations to you under your purchase agreement.

In connection with your purchase agreement, you were required to provide a deposit to 2811. As you should be aware, 2811 obtained a condominium deposit insurance policy from Lombard General Insurance Company of Canada ("Lombard"), a copy of which is enclosed herewith (the "Policy"). The Receiver wishes to inform you that the deposit you paid to 2811 may be insured under the terms of the Policy and you may have the ability to recover your deposit by filing a proof of loss under the terms of the Policy with Lombard.

You may obtain further information directly from Lombard by contacting Mr. Ron Perfetti, National Director – Risk Solutions, at (416) 350-4449.

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:

Ira Gerstein, CA, CIRP
Vice-President

TAB F

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



THE HONOURABLE MR.
JUSTICE MORAWETZ

)
)
)

TUESDAY THE 15th DAY
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, *inter alia*, 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 the Supplement to the Third Report of the Receiver dated November 11, 2011 (the "**Supplementary Report**") and the appendices attached thereto, 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 Marie Pacheco sworn November 4, 2011, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Amended Notice of Motion, the Motion Record dated November 3, 2011 and the Supplementary Motion Record dated November 11, 2011 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL AND VESTING

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 Mr. 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 (iv) any other Claims registered or arising between November 13, 2011 and the registration of this Order (the "Additional Encumbrances") and, for greater certainty, this Court orders that all of the Encumbrances and Additional 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).

APPROVAL OF FEES AND ACTIVITIES

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, the Third Report of the Receiver dated November 3, 2011 and the Supplement to the Third Report dated November 11, 2011, 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.

DISBURSEMENTS

12. **THIS COURT ORDERS** that upon completion of the Transaction the Receiver is hereby authorized to disburse from the proceeds of sale of the Assets the full amount of the Receiver's fees and disbursements, including its legal fees and disbursements, as approved herein and described in greater detail in the Third Report. The Receiver shall continue to hold the balance of the sale proceeds pending further order of this court.

SEALING

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.

NOTICE TO THE UNIT PURCHASERS

14. **THIS COURT ORDERS** that the Receiver is directed, following the filing of the Receiver's Certificate with the Court as provided for in paragraph 6 hereof, to forthwith send a letter substantially in the form attached as Appendix "A" to the Supplementary Report to each of the Unit Purchasers (as such term is defined in the Third Report) at the last known addresses of the Unit Purchasers according to the books and records of the Debtor.

AID AND RECOGNITION

15. **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.



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

NOV 15 2011

PER/PAR: 

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)

| 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. |

| 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 |

| Reg. Num. | Date | Instrument Type | Amount | Parties From | Parties To |
|-----------|------------|--|-------------|---|--------------------------------------|
| 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. |
| AT2864312 | 2011/11/08 | Application to Change Name | | Vector Financial Services Limited | Vector Financial Services Limited |

(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 | | Lombard General | Firm Capital Mortgage |

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|-----------|------------|---|-------------|---|---------------------------------|
| | | (AT974288 to AT1842029 & AT1842030) | | Insurance Company of Canada | 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 |
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|-----------|------------|---|-------------|---|--------------------------------------|
| 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 | | Lombard General Insurance Company of | Vector Financial Services Limited |

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|-----------|------------|--|-------------|---|--------------------------------------|
| | | AT2259133) | | Canada | |
| 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 | | Lombard General Insurance Company of | Key Pendragon Enterprises Inc. |

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|-----------|------------|---|-------------|--|---|
| | | AT2449883) | | Canada | |
| 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. |
| AT2864312 | 2011/11/08 | Application to Change Name | | Vector Financial Services Limited | Vector Financial Services Limited |

(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. |

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|-----------|------------|---|-------------|---|-----------------------------------|
| 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 | | Lombard General | Key Pendragon |

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|-----------|------------|----------------------------|-------------|---|--|
| | | (AT1187188 to AT2449883) | | Insurance Company of Canada | 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. |
| AT2864312 | 2011/11/08 | Application to Change Name | | Vector Financial Services Limited | Vector Financial Services Limited |

(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 |
| | | | | | |

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|-----------|------------|--|--------------|---|---|
| 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. |
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|-----------|------------|---|-------------|---|--------------------------------------|
| 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 |

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|-----------|------------|--|-------------|---|--------------------------------------|
| 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. |
| AT2864312 | 2011/11/08 | Application to Change Name | | Vector Financial Services Limited | Vector Financial Services Limited |

(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. |
| AT2864312 | 2011/11/08 | Application to Change Name | | Vector Financial Services Limited | Vector Financial Services Limited |

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 26th day of July 2007.
2. Unregistered Amending Agreement between 2811 Development Corporation and the City of Toronto dated the 18th day of September 2008 amending certain provisions of the Subsection 37(1) agreement dated July 26th, 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 | | |

| 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 | | |

| Reg. Num. | Date | Instrument Type | Parties From | Parties To |
|------------------|-------------|--|------------------------------|------------------------------|
| 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 | | |

TAB 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

**FOURTH REPORT OF THE RECEIVER
DATED DECEMBER 1, 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. On November 3, 2011, the Receiver issued its Third Report to the Court (the "**Third Report**") in support of its sale approval motion (the "**Sale Approval Motion**") returnable November 15, 2011 for an order, *inter alia*:
 - a) 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 Lands in Mady upon closing of the Mady Agreement and the delivery of the Receiver's Certificate to Mady; and
 - b) approving an interim distribution of certain of the net proceeds of sale of the Lands to the Applicant and other secured lenders, as more fully described therein, in the event that the sale transaction contemplated by the Mady Agreement was completed.
3. On November 11, 2011, the Receiver filed with the Court a Supplement to the Third Report in connection with the Sale Approval Motion (the "**Supplement to the Third Report**"), which provided the Court with additional information with respect to the charges, mortgages and claims registered against the Property. A copy of the Third Report (without attachments) is attached as **Appendix "B"**. A copy of the Supplement to the Third Report (without attachments) is attached as **Appendix "C"**.
4. On November 15, 2011 the Honourable Justice Morawetz granted the Approval, Vesting and Interim Disbursement Order (the "**AVID Order**") authorizing the Receiver to, among other things, enter into and carry out the terms of the Mady Agreement. A copy of the AVID Order is attached as **Appendix "D"**.
5. At the request of Lombard Insurance Company of Canada ("**Lombard**"), the 6th ranking mortgagee over certain of the Lands, the Receiver's motion for an order approving an interim distribution of certain net proceeds was adjourned to December 5, 2011 to allow Lombard the opportunity to review the secured claims of Firm Capital Mortgage Fund Inc. ("**Firm Capital**"), White Bear Development Inc. ("**White Bear**") and Key

Pendragon Enterprises Inc. ("**Pendragon**"), being the parties holding the 1st through 5th mortgages on certain of the Lands.

PURPOSE OF THIS FOURTH REPORT

6. The Receiver understands that Lombard is still in the process of reviewing the claims of Firm Capital, White Bear and Pendragon and is partially satisfied with the quantum of those claims. The purpose of this fourth report of the Receiver (the "**Fourth Report**") is to:

- a) provide a summary of the outstanding secured claims against the Lands; and
- b) recommend the granting of an order:
 - i) authorizing an interim distribution of certain of the net proceeds of sale of the Lands to the Applicant and other secured lenders as agreed upon by Firm Capital, White Bear, Pendragon and, Lombard as more fully described herein and in the event that the sale transaction contemplated by the Mady Agreement is completed; and
 - ii) amending the AVID Order to vest title in Mady Steeles 2011 Ltd. ("**Mady Steeles**").

TERMS OF REFERENCE

7. In preparing the Fourth 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 Fourth Report.
8. Unless otherwise stated, all dollar amounts contained in the Fourth Report are expressed in Canadian dollars.

9. Unless otherwise provided, all other capitalized terms not otherwise defined in this Fourth Report are as defined in the Appointment Order or previous reports of the Receiver.

CLAIMS AGAINST THE LANDS AND PROPOSED INTERIM DISTRIBUTION

10. As set out in greater detail in the Third Report, Firm Capital, White Bear, Pendragon, Lombard, Con-Drain Company (1983) Limited ("**Con-Drain**") and Mady Contract Division Ltd. ("**MCD**") (Collectively the "**Secured Creditors**") have registered charges/mortgages or claims against title to the Lands or against portions of the Lands.
11. As noted in the Supplement to the Third Report, the Receiver was informed by the Secured Creditors that the aggregate amounts due to them for outstanding principal, interest, fees and other amounts as at November 15, 2011 are as follows:

| Creditor | Outstanding Amount |
|-----------------|--|
| Firm Capital | \$18,239,434.72 |
| White Bear | \$2,347,200.33 |
| Pendragon | \$7,801,962.99 |
| Pendragon | \$1,405,631.72 |
| Pendragon | \$1,239,776.35 |
| Lombard | \$12,727,872.80 (as of November 2, 2011) |
| Con-Drain | \$1,743,008.13 |
| MCD | \$429,190.00 |
| Total | \$45,934,077.04 |

12. On or before November 15, 2011, at the request of the Receiver through its legal counsel, the Receiver received sworn affidavits from Firm Capital, White Bear and Pendragon as to the amounts owing by 2811 in respect of its indebtedness to each of Firm Capital, White Bear and Pendragon. The amounts set out in the sworn affidavits are the same as those amounts set out above. Attached as **Appendix "E"** is a copy of each of Firm Capital's, White Bear's and Pendragon's sworn affidavits.
13. As noted above, the Receiver's motion for an interim distribution was adjourned to December 5, 2011 pending a review by Lombard of the other Secured Creditors' claims.
14. The Receiver understands that since November 15, 2011, as a result of Lombard's review of the claims, Lombard may challenge the ability of Firm Capital, White Bear and Pendragon to obtain payment for certain amounts in priority to the claims of Lombard. As at the date of this Fourth Report, the Receiver is not aware of what amounts have been agreed to between Lombard, Firm Capital, White Bear and Pendragon.
15. Although the Receiver is not aware of the exact amounts, the Receiver does understand that there are undisputed amounts owing to Firm Capital, White Bear and Pendragon that Lombard acknowledges are claims that stand in priority to its claims against the Lands. These undisputed amounts could therefore be distributed after the Mady Agreement is completed.
16. The Receiver proposes that the Court grant the Receiver the authority to, in its discretion, make distributions of undisputed amounts owing to Firm Capital, White Bear and Pendragon on account of their claims against the Property and upon receiving written confirmation from Lombard, Firm Capital, and Pendragon as to their agreement of the undisputed amounts.
17. The Receiver will report to this Honourable Court following the closing of the Mady Agreement as to the amounts distributed to such creditors.
18. In the Third Report, the Receiver noted that Borden Ladner Gervais LLP ("BLG"), legal counsel to the Receiver, was not in a position to provide a definitive opinion with respect

to the White Bear charge/mortgage. The reason for this was that there was an inconsistency (being the inclusion of a period) between the chargee's name listed on the White Bear charge in the amount of \$1,500,000 registered on December 16, 2009, being "Vector Financial. Services Limited", and the name of the transferor on the Transfer of Charge registered on November 30, 2010 in favour of White Bear, being "Vector Financial Services Limited".

19. The Receiver understands that on November 8, 2011, an Application to Change Name-Instrument was registered on title to the Lands as instrument no. AT2864312, wherein it is indicated that the listing of "Vector Financial. Services Limited" as chargee under the charge was a typographical error and the name of the chargee was properly "Vector Financial Services Limited".
20. In a letter dated November 10, 2011, BLG wrote to counsel to White Bear, Pendragon, Lombard, Con-Drain and MCD and confirmed its view that the typographical error did not affect the validity or priority of the White Bear charge. However, BLG requested that the parties confirm in writing whether they took any issue with the amendment to the White Bear charge. A copy of the November 10, 2011 letter is attached as **Appendix "F"**.
21. The Receiver reports that none of the parties have indicated that they take issue with the amendment filed by White Bear.
22. As noted in the Third Report, the Receiver is of the view that upon the completion of the Mady Agreement, and the proposed distribution set out above, it will have sufficient funds in its possession to address and make payment of any other potential claims, such as those noted in the Third Report, to the extent that such claims are valid and have priority to the claims of Firm Capital, White Bear, Pendragon and Lombard.

AMENDMENT OF THE AVID ORDER

23. The Receiver understands that Mady has requested that the Mady Agreement be assigned to Mady Steeles pursuant to paragraph 6.22 of the Mady Agreement.

24. The Receiver has no objection to the assignment, however the AVID Order does not contemplate vesting title of the Lands to any person or entity other than Mady.
25. Accordingly, the Receiver respectfully requests that this Honourable Court amend the AVID Order allowing title to the Lands to be vested in Mady Steeles, in accordance with the terms of the Mady Agreement.

RECEIVER'S RECOMMENDATIONS

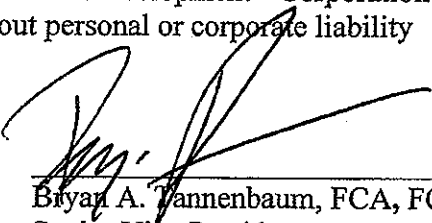
26. For the reasons set out above, the Receiver recommends that the Court make an Order:
- a) authorizing an interim distribution of certain of the net proceeds of sale of the Property to the Applicant and other secured lenders as agreed upon by Firm Capital, White Bear, Pendragon and Lombard in the event that the sale transaction contemplated by the Mady Agreement is completed; and
 - b) amending the AVID to vest title in Mady Steeles.

All of which is respectfully submitted at Toronto, Ontario this 1st day of December, 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. Vannenbaum, FCA, FCIRP
Senior Vice-President

TAB H



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE MORAWETZ

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MONDAY THE 5th DAY
OF DECEMBER, 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 AMENDING THE APPROVAL, VESTING and INTERIM
DISBURSEMENT ORDER DATED NOVEMBER 15, 2011**


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**"), including the Lands described in Schedule "A" attached hereto, granted pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, for the relief set forth below was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Approval, Vesting and Interim Disbursement Order herein of the Honourable Mr. Justice Morawetz dated November 15, 2011 (the "**Vesting Order**"), the Fourth

Report of the Receiver dated December 1, 2011 (the "**Fourth Report**"), and on hearing the submissions of counsel for the Receiver, the Debtor, Firm Capital Mortgage Fund Inc., Key Pendragon Enterprises Inc., White Bear Developments Inc., Lombard General Insurance Company of Canada, Con-Drain Company (1983) Limited, Mady Contract Division Ltd., Terracap Investments Inc. and Mady Development Corporation, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Chun Ying Wang sworn December 2, 2011, filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record dated December 2, 2011 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Vesting Order be and it is hereby amended by deleting the words "the Purchaser" as they appear in paragraphs 3, 4 and 8 of the Vesting Order and replacing them with "Mady Steeles 2011 Ltd."



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

DEC 06 2011

PER/FAR:

NB

Schedule A

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

TAB I

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



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE MORAWETZ

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WEDNESDAY THE 7th DAY
OF DECEMBER, 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

INTERIM DISTRIBUTION 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 (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 Approval, Vesting and Interim Disbursement Order of the Honourable Mr. Justice Morawetz dated November 15, 2011 (the

“**Vesting Order**”), the Third Report of the Receiver dated November 3, 2011 (the “**Third Report**”), the Supplement to the Third Report dated November 11, 2011 (the “**Supplementary Report**”) the Fourth Report of the Receiver dated December 1, 2011 (the “**Fourth Report**”), and on hearing the submissions of counsel for the Receiver, Firm Capital Mortgage Fund Inc. (“**Firm Capital**”), Key Pendragon Enterprises Inc. (“**Key Pendragon**”), White Bear Developments Inc. (“**White Bear**”), Lombard General Insurance Company of Canada, Con-Drain Company (1983) Limited (“**Lombard**”) and Mady Contract Division Ltd., no one appearing for any other person on the service list, although properly served as appears from the affidavit of Chun Ying Wang sworn December 2, 2011, filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record dated December 2, 2011 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the capitalized words herein shall have the meaning attributed to them in the Vesting Order, the Third Report, the Supplementary Report and the Fourth Report.

3. **THIS COURT ORDERS** that upon completion of the Transaction the Receiver is hereby authorized to distribute the following amounts from the proceeds of sale of the Assets after payment of all costs and disbursements related to the completion of the Transaction (the “**Net Sale Proceeds**”):

(a) to Firm Capital the amount of \$17,749,273.05 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the Contested Amounts referred to in subparagraph 4(a) below, and secured by Firm Capital’s first mortgage on the Assets registered as Instrument no. AT1842029 (the “**Firm Capital First Mortgage**”), plus \$5,302.90 per day from and including December 9, 2011 to the date of payment;

(b) to White Bear the amount of \$1,972,566.68 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the Contested Amounts referred to in subparagraph 4(b) below, and secured by White Bear’s second mortgage on the Assets registered

as Instrument no. AT2259133 (the "**White Bear Second Mortgage**"), plus \$ 1,080.86 per day from and including December 10, 2011 to the date of payment;

(c) to Key Pendragon the amount of \$7,401,274.40 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the Contested Amounts referred to in subparagraph 4(c) below, and secured by Key Pendragon's third mortgage on the Assets registered as Instrument no. AT1903983 (the "**Key Pendragon Third Mortgage**"). plus \$2,838.84 per day from and including December 10, 2011 to the date of payment:

(d) to Key Pendragon the amount of \$1,326,794.71 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the Contested Amounts referred to in subparagraph 4(d) below, and secured by Key Pendragon's fourth mortgage on the Assets registered as Instrument no. AT2357840 (the "**Key Pendragon Fourth Mortgage**"), plus \$436.21 per day from and including December 10, 2011 to the date of payment; and

(e) to Key Pendragon the amount of \$1,170,234.69 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the Contested Amounts referred to in subparagraph 4(e) below, and secured by Key Pendragon's fifth mortgage on the Assets registered as Instrument no. AT2449883 (the "**Key Pendragon Fifth Mortgage**"), plus \$384.73 per day from and including December 10, 2011 to the date of payment.

4. **THIS COURT ORDERS** that subject to the distributions authorized by paragraph 3 above the Receiver shall hold back from the Net Proceeds the following amounts (the "**Contested Amounts**");

(a) with respect to the Firm Capital First Mortgage the sum of \$659,148.00 on account of a loan renewal fee and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by Firm Capital pursuant to the Firm Capital First Mortgage that are contested by Lombard.

(b) with respect to the White Bear Second Mortgage:

- (i) the sum of \$342,141.28 on account of forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by White Bear pursuant to the White Bear Second Mortgage that are contested by Lombard; and
 - (ii) the sum of \$12,500.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Lombard with respect to this proceeding, including without limitation the Contested Amounts Motion referred to in paragraph 6 below (the "**Contested Amounts Motion**").
- (c) with respect to the Key Pendragon Third Mortgage:
 - (i) the sum of \$478,690.98 on account of forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by Key Pendragon pursuant to the Key Pendragon Third Mortgage and that are contested by Lombard; and
 - (ii) the sum of \$12,500.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Lombard with respect to this proceeding, including without limitation the Contested Amounts Motion;
- (d) with respect to the Key Pendragon Fourth Mortgage:
 - (i) the sum of \$78,466.96 on account of forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by Key Pendragon pursuant to the Key Pendragon Fourth Mortgage that are contested by Lombard; and
 - (ii) the sum of \$12,500.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Lombard with respect to this proceeding, including without limitation the Contested Amounts Motion; and
- (e) with respect to the Key Pendragon Fifth Mortgage:
 - (i) the sum of \$67,390.53 on account of forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by Key Pendragon

pursuant to the Key Pendragon Fifth Mortgage that are contested by Lombard:
and

(ii) the sum of \$12,500.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Lombard with respect to this proceeding, including without limitation the Contested Amounts Motion; and

5. ^{AO} ~~THIS COURT ORDERS that subject to the distributions authorized by paragraph 3 above~~ the Receiver shall hold back from the Net Sale Proceeds the following amounts:

(a) the sum of \$100,000.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Firm Capital with respect to this proceeding, including without limitation the Contested Amounts Motion; and

(b) the sum of \$50,000 as a reserve for legal fees and disbursements and other costs that may be incurred by White Bear and Key Pendragon with respect to this proceeding including without limitation the Contested Amounts Motion.

6. **THIS COURT ORDERS** that the entitlement, if any, of Lombard and the mortgagees referred to in paragraph 4 above to the Contested Amounts shall be determined on a further motion (the "**Contested Amounts Motion**") to be made by any of the Receiver, Firm Capital, White Bear, Key Pendragon or Lombard on a date to be scheduled by a judge presiding over the Commercial List.


7. **THIS COURT ORDERS** that the Receiver shall hold the balance of the Net Sale Proceeds in accordance with the Appointment Order subject to further order of this court.

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TAB J

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

**FIFTH REPORT OF THE RECEIVER
DATED DECEMBER 20, 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. On November 3, 2011, the Receiver issued its Third Report to the Court (the "**Third Report**") in support of its sale approval motion returnable November 15, 2011 (the "**November 15 Motion**") for an order, *inter alia*:
 - (a) authorizing and directing the Receiver to enter into and carry out the terms of the Mady Agreement (as defined below) together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Lands in Mady (as defined below) upon closing of the Mady Agreement and the delivery of the Receiver's Certificate (as defined below) to Mady; and
 - (b) approving an interim distribution of certain of the net proceeds of sale of the Lands to the Applicant and other secured lenders, in the event that the sale transaction contemplated by the Mady Agreement was completed.
3. On November 11, 2011, the Receiver filed with the Court a Supplement to the Third Report (the "**Supplement to the Third Report**") in connection with the November 15 Motion, which provided the Court with additional information with respect to the charges, mortgages and claims registered against the Property. A copy of the Third Report (without attachments) is attached as **Appendix "B"**. A copy of the Supplement to the Third Report (without attachments) is attached as **Appendix "C"**.
4. On November 15, 2011, The Honourable Justice Morawetz granted the Approval, Vesting and Interim Disbursement Order (the "**AVID Order**") authorizing the Receiver to, among other things, enter into and carry out the terms of the Mady Agreement. A copy of the AVID Order is attached as **Appendix "D"**.
5. At the request of Lombard Insurance Company of Canada ("**Lombard**"), the Receiver's motion for an order approving an interim distribution of certain net proceeds was adjourned to December 5, 2011 to allow Lombard the opportunity to review the secured claims of Firm Capital Mortgage Fund Inc. ("**Firm Capital**"), White Bear Developments Inc. ("**White Bear**") and Key Pendragon Enterprises Inc. ("**Pendragon**"), being the parties holding the first through fifth mortgages on the Lands.

6. On December 1, 2011, the Receiver issued its Fourth Report to the Court (the "**Fourth Report**"), a copy of which (without appendices) is attached as **Appendix "E"**, in support of its motions returnable December 5, 2011 (the "**December 5 Motion**"), for orders, *inter alia*:
 - (a) authorizing an interim distribution of certain of the net proceeds of sale of the Lands to Firm Capital and other secured lenders, as agreed upon by Firm Capital, White Bear, Pendragon and Lombard, in the event that the sale transaction contemplated by the Mady Agreement is completed; and
 - (b) amending the AVID Order to vest title in Mady Steeles (as defined below).
7. On December 5, 2011, The Honourable Justice Morawetz granted the Order Amending the Approval, Vesting and Interim Disbursement Order dated November 15, 2011 (the "**Amending Order**"), which provided that title to the Lands would vest in Mady Steeles upon the closing of the sale transaction contemplated by the Mady Agreement. A copy of the Amending Order is attached as **Appendix "F"**.
8. Prior to and during the hearing of the motion with respect to a proposed interim distribution, Lombard confirmed that it may challenge the ability of Firm Capital, White Bear and Pendragon to obtain payment for certain amounts in priority to the claims of Lombard with respect to certain portions of the Lands. The parties agreed to continue to negotiate the terms of a draft interim distribution order that would provide for payment of amounts owing to Firm Capital, White Bear and Pendragon that Lombard acknowledged were claims that stood in priority to its claims against certain portions of the Lands.
9. On December 7, 2011, The Honourable Justice Morawetz granted an interim distribution order that set out certain amounts to be distributed to the secured creditors and that had been agreed to by Firm Capital, White Bear, Pendragon and Lombard (the "**Interim Distribution Order**") upon the closing of the sale transaction contemplated by the Mady Agreement, and established certain holdbacks. A copy of the Interim Distribution Order is attached as **Appendix "G"**.

PURPOSE OF THIS FIFTH REPORT

10. The purpose of this fifth report of the Receiver (the "**Fifth Report**") is to:
- (a) provide an update on the status of the Mady Agreement;
 - (b) provide an update with respect to distribution matters and the discussions amongst Lombard, Firm Capital, White Bear, Pendragon and Con-Drain Company (1983) Limited ("**Con-Drain**") since the granting of the Interim Distribution Order; and
 - (c) recommend the granting of an order:
 - (i) authorizing a second interim distribution of certain of the Net Sale Proceeds (as defined below) to the Applicant and other secured lenders, as more fully described herein; and
 - (ii) authorizing a distribution of certain of the Net Sale Proceeds to the law firm of Harris Sheaffer LLP, in trust, on the terms more fully described herein.

TERMS OF REFERENCE

11. In preparing the Fifth 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 Fifth Report.
12. Unless otherwise stated, all dollar amounts contained in the Fifth Report are expressed in Canadian dollars.

MADY AGREEMENT AND SALE OF THE LANDS

13. As is described in greater detail in the Third Report, following the completion of a Court-approved marketing process, the Receiver entered into an agreement of purchase and sale for the Lands with Mady Development Corporation (“Mady”) dated October 3, 2011 (the “Mady Agreement”). The Mady Agreement was conditional upon obtaining approval of this Honourable Court.
14. Pursuant to the terms of the AVID Order, this Honourable Court approved the sale of the Lands by the Receiver to Mady and the execution of the Mady Agreement by the Receiver. The transfer of the Debtor’s right, title and interest in and to the Assets (as defined in the AVID Order) would vest in Mady free and clear of all claims and encumbrances upon the delivery to Mady by the Receiver of a certificate substantially in the form attached as a schedule to the AVID Order (the “Receiver’s Certificate”).
15. In connection with the Receiver’s motion seeking approval of the Mady Agreement, the Receiver: (i) filed with the Court a redacted copy of the Mady Agreement, (ii) filed an unredacted copy of the Mady Agreement, among other documents, with the Court on a confidential basis, and (iii) sought a sealing order with respect to the unredacted Mady Agreement and other documents. The key provision of the Mady Agreement that had been redacted in the publicly filed copy of the agreement filed with the Court was the purchase price.
16. Pursuant to the terms of the AVID Order, the unredacted Mady Agreement, among other documents, were sealed by the Court pending the filing of the Receiver’s Certificate or further order of the Court.
17. On November 18, 2011, the Debtor served a notice of appeal with respect to the AVID Order. Counsel to the Receiver informed counsel to the Debtor that it was the Receiver’s intention to complete the sale contemplated in the Mady Agreement on December 8, 2011 unless the Debtor obtained an order staying the AVID Order and completion of the sale transaction before that date. The Debtor has not to date brought a motion seeking an order staying the enforcement of the AVID Order.

18. Following the granting of the AVID Order, Mady requested that the Lands vest in its affiliate, Mady Steeles 2011 Ltd. ("Mady Steeles"), under the AVID Order. As a result, the Receiver brought the December 5 Motion seeking, among other things, an amendment to the AVID Order to provide that the Lands vest in Mady Steeles upon the delivery of the Receiver's Certificate. On December 5, 2011, the Amending Order was granted by The Honourable Justice Morawetz, providing for the requested amendment to the AVID Order.
19. The Receiver previously reported to the Court during the November 15 Motion that the Mady Agreement was expected to close on or before December 8, 2011. Mady subsequently requested that the closing date be extended to December 14, 2011, which the Receiver agreed to. However, on December 14, 2011, due to a technical issue with regard to delivery of funds by Mady, the closing of the transaction occurred on December 15, 2011. Counsel to the Receiver informed counsel to the Debtor that the Mady Agreement sale transaction was set to close on December 15, 2011.
20. The Receiver reports to this Honourable Court that, on December 15, 2011, the sale of the Lands pursuant to the terms of the Mady Agreement was completed and the Receiver's Certificate was delivered to Mady and Mady Steeles. A copy of the Receiver's Certificate was also filed with the Court on December 15, 2011. The Receiver's Certificate, the AVID Order and the Amending Order have been registered against title to the Lands, as set out in the Application for Vesting Order registered against the Lands on December 15, 2011 as instrument AT2897037, a copy of which is attached as Appendix "H".
21. As noted above, the purchase price under the Mady Agreement was sealed pursuant to the AVID Order until the filing of the Receiver's Certificate. As the Receiver's Certificate was delivered to Mady and Mady Steeles and filed with the Court on December 15, 2011, the Receiver reports that the purchase price for the Lands under the Mady Agreement was \$42,500,000. The Receiver further reports that, as a result of certain adjustments, the amounts received by the Receiver in respect of the Mady

Agreement was \$42,513,159.60, which includes the deposit of \$4,250,000 previously paid by Mady to the Receiver.

- 22. In connection with the completion of the sale of the Lands under the Mady Agreement, an aggregate amount of \$5,321.82 was paid to the Treasurer of the City of Toronto with respect to outstanding real property taxes on the Lands.
- 23. As a result, the aggregate amount of \$42,507,837.78 was realized by the Receiver in connection with the sale of the Lands under the Mady Agreement (the "Net Sale Proceeds").

CLAIMS AGAINST THE LANDS

- 24. As set out in further detail in the Third Report, the Supplement to the Third Report and the Fourth Report, Firm Capital, White Bear, Pendragon, Lombard, Con-Drain and Mady Contract Division Ltd. ("MCD") have registered charges/mortgages or claims against title to the Lands or against portions of the Lands.
- 25. The Receiver has been informed by these creditors that the following aggregate amounts were due to them for outstanding principal, interest, fees and other amounts:

| Creditor | Outstanding Amount |
|-----------------|------------------------------|
| Firm Capital | \$18,408,421.05 ¹ |
| White Bear | \$2,327,207.96 ² |
| Pendragon | \$7,892,465.38 ³ |
| Pendragon | \$1,417,761.67 ⁴ |
| Pendragon | \$1,250,125.22 ⁵ |

¹ Amount owing as of December 8, 2011, with per diem of \$5,302.90 from and including December 9, 2011 to date of payment.

² Amount owing as of December 9, 2011, with per diem of \$1,080.86 per day from and including December 10, 2011 to date of payment.

³ Amount owing as of December 9, 2011, with per diem of \$2,838.84 per day from and including December 10, 2011 to date of payment.

⁴ Amount owing as of December 9, 2011, with per diem of \$436.21 per day from and including December 10, 2011 to date of payment.

| | |
|--------------|------------------------------|
| Lombard | \$12,727,872.80 ⁶ |
| Con-Drain | \$1,743,008.13 |
| MCD | \$429,190.00 ⁷ |
| TOTAL | \$46,196,052.21 |

26. As has been reported to the Court, the Receiver previously obtained from BLG, its independent legal counsel, security opinions that provide, subject to the qualifications and assumptions contained therein, which the Receiver understands are customary in security opinions granted in a receivership context, that each of Firm Capital, White Bear and Pendragon have valid and enforceable charges/mortgages against the Lands.

Lombard

27. As has previously been reported to the Court, Lombard provided a deposit insurance facility to the Debtor in connection with parts of the Lands pursuant to deposit insurance facility commitment letters dated May 3, 2005, February 27, 2006 and June 30, 2006 between Lombard and the Debtor (collectively, the "DIF Commitment"). In connection with the DIF Commitment, Lombard agreed to insure the purchasers of un-built condominium units (collectively, the "Unit Purchasers") in respect of the deposit funds delivered by the Unit Purchasers to the Debtor and subsequently released to the Debtor, pursuant to a Master Deposit Insurance Policy (Ontario) dated October 17, 2005 and executed by the Debtor and Lombard (the "Deposit Insurance Policy"). Copies of the DIF Commitment and the Deposit Insurance Policy are attached respectively as Appendix "I" and Appendix "J".

28. Lombard has filed affidavits in these proceedings confirming that, as of November 1, 2011, the aggregate amount of \$12,031,976.15 in deposit funds have been released to the Debtor, and that the total indebtedness owed to Lombard by the Debtor was in the

⁵ Amount owing as of December 9, 2011, with per diem of \$384.73 per day from and including December 10, 2011 to date of payment.

⁶ Amount owing as of November 1, 2011.

⁷ This amount is an estimate, as MDC's legal counsel has not rendered invoices with respect to services provided to date. An amount of \$40,000 is included as an estimate of unbilled legal fees incurred.

aggregate amount of \$12,727,872.80 as of November 1, 2011. Additionally, Lombard has confirmed that, as of November 29, 2011, Lombard has paid \$2,007,143.86 to Unit Purchasers pursuant to its obligations owing to the Unit Purchasers under the DIF Commitment and the Deposit Insurance Policy.

29. The Receiver understands that the Debtor is required to indemnify Lombard with respect to payment of amounts under the DIF Commitment and the Deposit Insurance Policy by Lombard, among other amounts, pursuant to the terms of the DIF Commitment, the Deposit Insurance Policy, and an indemnity agreement dated August 8, 2006 made in favour of Lombard by 2811, among others (the "Indemnity"). A copy of the Indemnity is attached as Appendix "K".
30. The Receiver understands that in connection with the DIF Commitment and the Indemnity, Lombard was granted the following mortgages over certain portions of the Lands (collectively, the "Lombard Charges"), copies of which are attached as Appendix "L":
- (a) Charge/Mortgage of Land with respect to PIN 06050-0199 (LT) and PIN 06050-0266 (LT) of the Lands in favour of Lombard registered in the Land Registry Office for The Land Titles Division of the Toronto Registry Office No. 66 as instrument no. AT974288 on November 9, 2005 in the principal amount of \$75,000,000, and the schedules attached thereto (the "\$75,000,000 Lombard Charge");
 - (b) Charge/Mortgage of Land with respect to PIN 06050-0199 (LT), PIN 06050-0266 (LT) and PIN 06050-0264 (LT) of the Lands in favour of Lombard registered in the Land Registry Office for The Land Titles Division of the Toronto Registry Office No. 66 as instrument no. AT1085822 on March 14, 2006 in the principal amount of \$750,000, and the schedules attached thereto (the "\$750,000 Lombard Charge"); and
 - (c) Charge/Mortgage of Land with respect to PIN 06050-0199 (LT), PIN 06050-0266 (LT), PIN 06050-0263 and PIN 06050-0264 (LT) of the Lands in favour of

Lombard registered in the Land Registry Office for The Land Titles Division of the Toronto Registry Office No. 66 as instrument no. AT1187188 on June 30, 2006 in the principal amount of \$1,560,127, and the schedules attached thereto (the "**\$1,560,127 Lombard Charge**").

31. The Receiver requested BLG, as its independent legal counsel, to review the validity and enforceability of the Lombard Charges registered against title to certain portions of the Lands. The Receiver reports that, subject to the qualifications and assumptions contained in the opinion 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 the Lombard Charges are valid and enforceable charges against the portions of the Lands that they are registered against.
32. The Receiver further understands that, as a result of postponements granted by Lombard:
 - (a) the \$75,000,000 Lombard Charge, the \$750,000 Lombard Charge and the \$1,560,127 Lombard Charge are the effective sixth-in-time, seventh-in-time and eighth-in-time charges/mortgages against PIN 06050-0199 (LT) and PIN 06050-0266 (LT) of the Lands, as they are subsequent to the charges registered in favour of Firm Capital, White Bear and Pendragon;
 - (b) the \$1,560,127 Lombard Charge is the effective sixth-in-time charge/mortgage against PIN 06050-0263 (LT) of the Lands, as it is subsequent to the charges registered in favour of Firm Capital, White Bear and Pendragon;
 - (c) the \$750,000 Lombard Charge and the \$1,560,127 Lombard Charge are the effective sixth-in-time and seventh-in-time charges/mortgages against PIN 06050-0264 (LT) of the Lands, as they remain subsequent to the charges registered in favour of Firm Capital, White Bear and Pendragon; and
 - (d) none of the Lombard Charges were registered against PIN 06050-0272 (LT) of the Lands.

Con-Drain

33. The Receiver understands that, pursuant to agreements dated October 31, 2006, June 22, 2007, February 2008, September 2009 and March 10, 2009 between the Debtor and Con-Drain, among others (collectively, the “Con-Drain Servicing Agreement”), Con-Drain supplied certain services and materials to the Debtor in connection with underground services and roadworks for the Lands. The Receiver further understands that, as collateral security for the payment of amounts due and owing to Con-Drain by the Debtor under the Con-Drain Servicing Agreement, the Debtor granted to Con-Drain a Charge/Mortgage of Land with respect to PIN 06050-0199 (LT), PIN 06050-0266 (LT), PIN 06050-0263 (LT), PIN 06050-0264 (LT) and PIN 06050-0272 (LT) of the Lands in favour of Con-Drain registered in the Land Registry Office for The Land Titles Division of the Toronto Registry Office No. 66 as instrument no. AT2561525 on November 26, 2010 in the principal amount of \$1,500,000, and the schedules attached thereto (the “Con-Drain Charge”). A copy of the Con-Drain Charge is attached as Appendix “M”.
34. The Receiver has been informed by Con-Drain that, as of November 11, 2011, the total indebtedness owed to Con-Drain by the Debtor, inclusive of principal, interest and applicable fees, was in the aggregate amount of \$1,743,008.13.
35. The Receiver requested BLG, as its independent legal counsel, to review the validity and enforceability of the Con-Drain Charge registered against title to the Lands. The Receiver reports that, subject to the qualifications and assumptions contained in the opinion 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 the Con-Drain Charge is a valid and enforceable charge against the Lands.
36. The Receiver further understands that the Con-Drain Charge is the effective:
 - (a) ninth-in-time charge/mortgages against PIN 06050-0199 (LT) and PIN 06050-0266 (LT) of the Lands, as it is subsequent to the charges registered in favour of Firm Capital, White Bear, Pendragon and Lombard;

- (b) seventh-in-time charge/mortgage against PIN 06050-0263 (LT) of the Lands, as it is subsequent to the charges registered in favour of Firm Capital, White Bear and Pendragon and the \$1,560,127 Lombard Charge;
- (c) eighth-in-time charge/mortgage against PIN 06050-0264 (LT) of the Lands, as it is subsequent to the charges registered in favour of Firm Capital, White Bear and Pendragon and the \$750,000 Lombard Charge and the \$1,560,127 Lombard Charge; and
- (d) sixth-in-time charge/mortgage against PIN 06050-0272 (LT) of the Lands, as it is subsequent to the charges registered in favour of Firm Capital, White Bear and Pendragon.

DISTRIBUTION MATTERS

- 37. As described above and in greater detail in the Third Report, the Supplement to the Third Report, and the Fourth Report, the Receiver's original motion seeking an order approving an interim distribution was adjourned to December 5 and 7, 2011 to allow Lombard the opportunity to review the secured claims of Firm Capital, White Bear and Pendragon, being the parties holding the 1st through 5th mortgages on the Lands.
- 38. Lombard confirmed that it may challenge the ability of Firm Capital, White Bear and Pendragon to obtain payment, in priority to Lombard, on account of loan renewal fees, forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act*. However, Lombard did not challenge the majority of the amounts claimed to be secured by the charges held by Firm Capital, White Bear and Pendragon.
- 39. The parties negotiated an order, subsequently granted by the Honourable Justice Morawetz on December 7, 2011 as the Interim Distribution Order, which provided that, upon completion of the Mady Agreement, the Receiver was authorized to distribute the following amounts from the proceeds of sale after payment of all costs and disbursements related to the completion of the sale transaction:

- (a) to Firm Capital the amount of \$17,749,273.05 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the applicable Contested Amounts (defined below), plus \$5,302.90 per day from and including December 9, 2011 to the date of payment;
 - (b) to White Bear the amount of \$1,972,566.68 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the applicable Contested Amounts, plus \$1,080.86 per day from and including December 10, 2011 to the date of payment;
 - (c) to Pendragon the amount of \$7,401,274.40 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the applicable Contested Amounts, and secured by Pendragon's third mortgage on the Lands, plus \$2,838.84 per day from and including December 10, 2011 to the date of payment;
 - (d) to Pendragon the amount of \$1,326,794.71 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the applicable Contested Amounts, and secured by Pendragon's fourth mortgage on the Lands, plus \$436.21 per day from and including December 10, 2011 to the date of payment; and
 - (e) to Pendragon the amount of \$1,170,234.69 on account of the indebtedness owing to it by the Debtor for principal, interest and costs, net of the Contested Amounts, and secured by Pendragon's fifth mortgage on the Lands, plus \$384.73 per day from and including December 10, 2011 to the date of payment.
40. Pursuant to the terms of the Interim Distribution Order, the Receiver was required to hold back the following amounts (the "Contested Amounts"):
- (a) with respect to the Firm Capital charge the sum of \$659,148.00 on account of a loan renewal fee and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by Firm Capital pursuant to the Firm Capital charge;
 - (b) with respect to the White Bear charge:

- (i) the sum of \$342,141.28 on account of forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by White Bear pursuant to the White Bear charge; and
 - (ii) the sum of \$12,500.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Lombard with respect to this proceeding;
- (c) with respect to the Pendragon third mortgage:
- (i) the sum of \$478,690.98 on account of forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by Pendragon pursuant to the Pendragon third charge; and
 - (ii) the sum of \$12,500.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Lombard with respect to this proceeding;
- (d) with respect to the Pendragon fourth charge:
- (i) the sum of \$78,466.96 on account of forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by Pendragon pursuant to the Pendragon fourth charge; and
 - (ii) the sum of \$12,500.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Lombard with respect to this proceeding;
- (e) with respect to the Pendragon fifth charge:
- (i) the sum of \$67,390.53 on account of forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by Pendragon pursuant to the Pendragon fifth charge; and

- (ii) the sum of \$12,500.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Lombard with respect to this proceeding;
 - (f) the sum of \$100,000.00 as a reserve for legal fees and disbursements and other costs that may be incurred by Firm Capital with respect to this proceeding, and
 - (g) the sum of \$50,000 as a reserve for legal fees and disbursements and other costs that may be incurred by White Bear and Pendragon with respect to this proceeding.
- 41. The Receiver reports that, following the closing of the Mady Agreement on December 15, 2011, the following amounts (inclusive of per diem interest to the date of payment) were distributed to Firm Capital, White Bear and Pendragon from the Net Sale Proceeds in accordance with the Interim Distribution Order:
 - (a) to Firm Capital, the amount of \$17,781,090.45, with respect to the Firm Capital charge;
 - (b) to White Bear, the amount of \$1,977,970.98, with respect to the White Bear Charge;
 - (c) to Pendragon, the aggregate amount of \$9,916,602.70, with respect to the Pendragon third mortgage, fourth mortgage and fifth mortgage.
- 42. Following the granting of the Interim Distribution Order, the Receiver, Firm Capital, Lombard, White Bear, Pendragon and Con-Drain engaged in discussions regarding further distributions and the positions of the parties with respect to the Contested Amounts.
- 43. The Receiver reports that, as a result of discussions amongst the parties, the following distributions have been agreed to:
 - (a) a further distribution to Firm Capital, in the amount of \$329,574.00, in full satisfaction of its claims with respect to the loan renewal fee and interest pursuant

- to section 17 of the Ontario *Mortgages Act* referred to in subparagraph 4(a), and the legal fees and disbursements and other costs referred to in subparagraph 5(a), of the Interim Distribution Order;
- (b) a further distribution to White Bear, in the amount of \$156,024.24, in full satisfaction of its claims with respect to the forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* referred to in clause 4(b)(i), and the legal fees and disbursements and other costs referred to in subparagraph 5(b), of the Interim Distribution Order;
- (c) a further distribution to Pendragon, in the amount of \$288,512.31, in full satisfaction of its claims with respect to the forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* referred to in clauses 4(c)(i), 4(d)(i) and 4(e)(i), and the legal fees and disbursements and other costs referred to in subparagraph 5(b), of the Interim Distribution Order;
- (d) a distribution to Lombard, in the amount of \$2,253,345.74, on account of the indebtedness owing to it by the Debtor for principal, interest and costs as of November 2, 2011 secured by the Lombard Charges registered against certain of the Lands, plus interest thereon up to the date of payment; and
- (e) a distribution to Con-Drain, in the amount of \$57,314.12 on account of the indebtedness owing to it by the Debtor and secured by the Con-Drain Charge registered against the Lands.
44. In addition to the agreed upon distribution amounts, the parties have agreed that the Receiver shall no longer be obliged to maintain the holdbacks referred to in paragraphs 4 and 5 of the Interim Distribution Order.
45. With respect to distributions to Lombard, as noted above, the total indebtedness owed to Lombard by the Debtor was in the aggregate amount of \$12,727,872.80 as of November 1, 2011 and, as of November 29, 2011, Lombard has paid \$2,007,143.86 to Unit Purchasers pursuant to its obligations owing to the Unit Purchasers under the DIF Commitment and the Deposit Insurance Policy.

46. It is anticipated that Lombard will continue to receive claims from the Unit Purchasers for repayment of deposits under the terms of the DIF Commitment and the Deposit Insurance Policy.
47. At this time, the Receiver proposes that it be authorized by this Honourable Court to distribute the balance of the Net Sale Proceeds, subject to the creation of reserves by the Receiver for any outstanding or future claims, Receiver's fees and disbursements and the fees and disbursements of the Receiver's counsel or other costs that may be incurred prior to the discharge of the Receiver, to the law firm of Harris Sheaffer LLP, in trust, on the following terms:
 - (a) all funds received by Harris Sheaffer LLP (the "**Unit Purchaser Deposit Trust Funds**") will be held in trust for the benefit of Unit Purchasers entitled to claim refunds of deposits paid to the Debtor pursuant to the DIF Commitment and the Deposit Insurance Policy (the "**Deposit Refund Claims**").
 - (b) the Unit Purchaser Deposit Trust Funds will also be held in trust for the benefit of Lombard to the extent that Lombard becomes entitled thereto as a result of its payment to Unit Purchasers of any Deposit Refund Claims pursuant to the Deposit Insurance Policy. The terms and conditions governing payments to be made from the Unit Purchaser Deposit Trust Funds to Lombard shall be agreed upon between Lombard and Harris Sheaffer LLP without requiring further approval of the Receiver or this Honourable Court.
 - (c) If, upon the expiry of the period of two (2) years following the date that notices are sent by the Receiver to the Unit Purchasers in accordance with paragraph 14 of the AVID Order, there are Unit Purchaser Deposit Trust Funds remaining in the possession of Harris Sheaffer LLP after the payment of all legitimate Deposit Refund Claims made prior to the expiry of that 2-year period (the "**Trust Surplus**"), Lombard shall make a motion to this Court for directions respecting the distribution of the Trust Surplus, with such motion to be made on notice to the Receiver (if not then discharged), Con-Drain, MCD, the Debtor and any other person appearing to have an interest in, or claim to, the Trust Surplus, and Harris

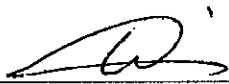
Sheaffer LLP shall hold the Trust Surplus and not distribute any portion thereof except in accordance with such directions or further order of this Honourable Court.

RECEIVER'S RECOMMENDATIONS

48. For the reasons set out above, the Receiver recommends that the Court make an order:
- (a) authorizing a second interim distribution of certain of the Net Sale Proceeds to the Applicant and other secured lenders as agreed upon by Firm Capital, White Bear, Pendragon, Lombard and Con-Drain; and
 - (b) authorizing a distribution of the Net Sale Proceeds, after creation of reserves by the Receiver for any outstanding or future claims, Receiver's fees and disbursements and fees and disbursements of the Receiver's legal counsel or other costs that may be incurred prior to the discharge of the Receiver, to Harris Sheaffer LLP, in trust, on the terms more fully described herein; and

All of which is respectfully submitted at Toronto, Ontario this 20th day of December, 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: 
for Bryan A. Tannenbaum, FCA, FCIRP
Senior Vice-President

TAB K

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



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE MORAWETZ

)
)
)

WEDNESDAY THE 21st DAY
OF DECEMBER, 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

SECOND INTERIM DISTRIBUTION 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 (the "**Assets**") of 2811 Development Corporation (the "**Debtor**"), for directions respecting (i) certain disputes between Lombard General Insurance Company of Canada ("**Lombard**"), Firm Capital Mortgage Fund Inc. ("**Firm Capital**"), White Bear Developments Inc. ("**White Bear**") and Key Pendragon Enterprises Inc. ("**Key Pendragon**"), (ii) distribution of the proceeds of sale of the

Assets, and (iii) other relief as 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 Approval, Vesting and Interim Disbursement Order of the Honourable Mr. Justice Morawetz dated November 15, 2011 (the "**Vesting Order**"), the Third Report of the Receiver dated November 3, 2011 (the "**Third Report**"), the Supplement to the Third Report dated November 11, 2011 (the "**Supplementary Report**") 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 affidavits of Anthony O'Brien sworn November 2, 2011 and December 2, 2011 respectively, and on hearing the submissions of counsel for the Receiver, Firm Capital, Key Pendragon, White Bear, Lombard, and Con-Drain Company (1983) Limited ("**Con-Drain**"), no one appearing for any other person on the service list, although properly served as appears from the affidavit of Sam P. Rappos sworn December 20, 2011, filed, and having been advised that Lombard, Firm Capital, White Bear and Key Pendragon have settled their disputes and the Contested Amounts Motion contemplated in paragraph 6 of the Interim Distribution Order will therefore not proceed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record dated December 20, 2011 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the capitalized words herein shall have the meaning attributed to them in the Vesting Order, the Interim Distribution Order and the Fifth Report.

3. **THIS COURT ORDERS** that the Receiver is hereby authorized to distribute the following amounts from the Net Sale Proceeds as defined in the Interim Distribution Order:

(a) to Firm Capital the amount of \$329,574.00 in full satisfaction of its claims with respect to the loan renewal fee and interest pursuant to section 17 of the Ontario *Mortgages Act*

referred to in subparagraph 4(a), and the legal fees and disbursements and other costs referred to in subparagraph 5(a), of the Interim Distribution Order,

(b) to White Bear the amount of \$156,024.24 in full satisfaction of its claims with respect to the forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* referred to in clause 4(b)(i), and the legal fees and disbursements and other costs referred to in subparagraph 5(b), of the Interim Distribution Order;

(c) to Key Pendragon the amount of \$288,512.31 in full satisfaction of its claims with respect to the forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* referred to in clauses 4(c)(i), 4(d)(i) and 4(e)(i), and the legal fees and disbursements and other costs referred to in subparagraph 5(b), of the Interim Distribution Order,;

(d) to Lombard the amount of \$ 2,365,291.42 on account of the indebtedness owing to it by the Debtor for principal, interest and costs secured by the Lombard mortgages registered against title to the Assets as Instrument No.s AT974288, AT1085822 and AT1187188 plus interest thereon in the amount of \$1,141.01 per day from and including November 2, 2011 to the date of payment.

(e) to Con-Drain the amount of \$57,314.12 on account of the indebtedness owing to it by the Debtor and secured by the Con-Drain mortgage registered against title to the Assets as Instrument No. AT2561525.

4. **THIS COURT ORDERS** that the Receiver shall no longer be obliged to maintain the holdbacks referred to in paragraphs 4 and 5 of the Interim Distribution Order.

5. **THIS COURT ORDERS** that subject to the holdbacks referred to in paragraph 6 below the Receiver is hereby authorized to distribute the balance of the Net Sale Proceeds to the law firm of Harris, Sheaffer LLP, in trust on the following terms.

(a) All funds received by Harris, Sheaffer LLP pursuant to this order (the "**Unit Purchaser Deposit Trust Funds**") shall be held in trust for the benefit of Unit Purchasers entitled to claim refunds of deposits paid to the Debtor or any escrow agent holding purchaser deposits pursuant to agreements to purchase condominium units from the Debtor as described in

the Receiver's Fifth Report ("**Deposit Refund Claims**") and shall be paid to Unit Purchasers only on written direction from Lombard to Harris, Sheaffer LLP and as provided for in such direction without further inquiry, consent of the Receiver or further court order.

(b) The Unit Purchaser Deposit Trust Funds shall also be held in trust for the benefit of Lombard to the extent that Lombard becomes entitled thereto as a result of its payment to Unit Purchasers of any Deposit Refund Claims pursuant to the Deposit Insurance Policy issued by Lombard and referred to in the Fifth Report. Payments to be made from the Unit Purchaser Deposit Trust Funds to Lombard shall be made only on written direction from Lombard to Harris, Sheaffer LLP and as provided for in such direction without further inquiry, consent of the Receiver or further court order.

(c) Harris, Sheaffer LLP shall provide Con-Drain's lawyers, Stevensons LLP, with copies of letters to Lombard or Unit Purchasers enclosing payments.

(d) The amount or amounts and timing of any distribution hereunder by the Receiver to Harris, Sheaffer LLP shall be entirely within the unfettered discretion of the Receiver in order to permit the Receiver to maintain sufficient reserves from the Net Sale Proceeds to cover any claims, fees, costs and disbursements that may be incurred prior to the discharge of the Receiver.

(e) If upon the expiry of the period of 2 years following the date of notice given to condominium purchasers as contemplated at paragraph 14 of the Vesting Order of the Honourable Mr. Justice Morawetz herein dated November 15, 2011 there are Unit Purchaser Deposit Trust Funds, and after payment of all of Lombard's reasonable expenses to administer Refund Claims, the Unit Purchaser Deposit Trust Funds remaining in the possession of Harris, Sheaffer LLP after the payment of all legitimate Deposit Refund Claims made prior to the expiry of that 2 year period (the "**Trust Surplus**") is in excess of \$50,000, Lombard shall make a motion to this court for directions respecting the distribution of the Trust Surplus, such motion to be made on notice to the Receiver (if not then discharged), Con-Drain, Mady Contract Division Ltd., the Debtor and any other person appearing to have an interest in, or claim to, the Trust Surplus, and Harris, Sheaffer LLP shall hold the Trust Surplus and not distribute any portion thereof except in accordance with such directions or further order of this Court.

(f) If, upon the expiry of the period of 2 years following the date of notice given to condominium purchasers as contemplated at paragraph 14 of the Vesting Order of the Honourable Mr. Justice Morawetz herein dated November 15, 2011 the Trust Surplus contemplated in paragraph 5(e) above is \$50,000 or less, the Court directs Lombard to give written notice to Harris, Sheaffer LLP to pay the full amount of the Trust Surplus remaining in Harris, Sheaffer LLP's trust account to Con-Drain directly, and Lombard shall give notice of such payment to the Receiver (if not then discharged), Mady Contract Division Ltd., the Debtor and any other person appearing to have an interest in, or claim to, the Trust Surplus. Harris, Sheaffer LLP may rely on written notice from Lombard to make the payment to Con-Drain without further inquiry, consent of the Receiver or further court order.

6. **THIS COURT ORDERS** that the Receiver is hereby authorized to retain from the Net Sale Proceeds a holdback or holdbacks in an amount or amounts entirely within its unfettered discretion as a reserve for any outstanding or future claims, fees, disbursements or other costs that may be incurred prior to the discharge of the Receiver.

7. **THIS COURT ORDERS** that clause 4 (b)(i) of the Interim Disbursement Order be amended to read as follows:

“(i) the sum of \$382,141.28 on account of forbearance fees and interest pursuant to section 17 of the Ontario *Mortgages Act* claimed by White Bear pursuant to the White Bear Second Mortgage that are contested by Lombard; and”



TOR01: 4800518: v6

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

DEC 21 2011

PER/PAR:



TAB L

**IN THE MATTER OF THE RECEIVERSHIP
OF CERTAIN ASSETS, UNDERTAKINGS AND PROPERTIES OF
2811 DEVELOPMENT CORPORATION
(THE "DEBTOR")**

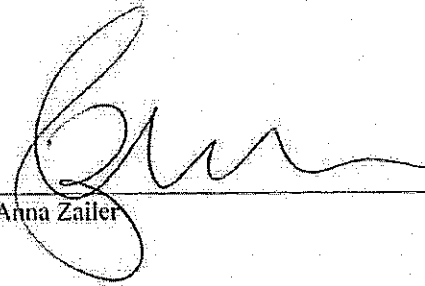
**AFFIDAVIT OF ANNA ZAILER
(Sworn December 21, 2011)**

I, ANNA ZAILER OF THE Town of Witchurch – Stouffville, in the Province of Ontario, MAKE OATH AND SAY:


- 1. THAT on the 20th day of December, 2011, I caused to be mailed from the General Post Office in the City of Toronto, in the Province of Ontario, by prepaid regular post, to all known active condominium unit purchasers of the above estate the notice of their respective agreement termination and a copy of the Lombard Canada Ltd. Master Deposit Insurance Policy (Ontario) dated October 17, 2005 (together the "Notice"); a true copy of which is attached to this Affidavit and marked as Exhibit "A". A list of the active purchasers to whom the mailing was sent is attached to this Affidavit and marked as Exhibit "B";

Dated at Toronto, Ontario this 21st day of December, 2011.

SWORN before me at the City of Toronto in the Province of Ontario, this 21st day of December, 2011.)
)
)
)

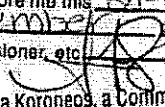


Anna Zailer



A Commissioner, etc.

Anna Koroneos, 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 Anna Koroneos
Sworn before me this 21st day of
December 20 11
A Commissioner, etc.

Anna Koroneos, a Commissioner, etc.,
Province of Ontario
for Deloitte & Touche Inc.,
Trustee in Bankruptcy,
Expires June 5, 2014.

Deloitte & Touche Inc.
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-775-7276
Fax: 416-601-6690
www.deloitte.ca

December 20, 2011

Via regular mail

«First_Name» «Last_Name»
«Company»
«Street »
«City» «Prov» «Postal»
«Country»

Dear Sirs/Mesdames,

**Subject: Firm Capital Mortgage Fund Inc. v. 2811 Development Corporation
Court File No. CV11-9242-00CL (the "Receivership Proceeding")**

And Re: The Landmark Unit Condominiums

On June 29, 2011, Deloitte & Touche Inc. was appointed by the Ontario Superior Court of Justice (Commercial List) (the "Court") in the Receivership Proceeding 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, commonly known as "The Landmark". A notice of the Receivership Proceeding was previously sent to you. Additional information with respect to the Receivership Proceeding can be found on the Receiver's website at www.deloitte.ca, and more specifically located under the related links titles of "Services", then "Financial Advisory", then "Insolvency and Restructuring".

We write to you in connection with your agreement to purchase a Landmark condominium unit from 2811 Development Corporation ("2811"). On November 15, 2011, the Court granted an Order in the Receivership Proceeding, as amended pursuant to an Order dated December 5, 2011, approving the sale of The Landmark to Mady Steeles 2011 Ltd. ("Mady"). The sale of The Landmark to Mady was completed on December 15, 2011. As a result of the sale, 2811 no longer has any ownership interest in The Landmark and will not be in a position to satisfy its obligations to you under your purchase agreement, and thus the Receiver considers your purchase agreement to be terminated.

In connection with your purchase agreement, you were required to provide a deposit to 2811. As you should be aware, 2811 obtained a condominium deposit insurance policy from Lombard General Insurance Company of Canada ("Lombard"), a copy of which is enclosed herewith (the "Policy"). The Receiver wishes to inform you that the deposit you paid to 2811 may be insured under the terms of the Policy and you may have the ability to recover your deposit by promptly filing a proof of loss under the terms of the Policy with Lombard.

December 20, 2011

Page 2

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You may obtain further information directly from Lombard by promptly contacting Mr. Ron Perfetti,
National Director – Risk Solutions, at (416) 350-4449.

Yours truly,

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

Ira Gerstein, CA•CIRP, CIRP
Vice President

Enclosure (Policy)



Lombard Canada Ltd.
105 Adelaide Street West
Toronto, Ontario M5H 1P9

MASTER DEPOSIT INSURANCE POLICY (ONTARIO)

VENDOR: 2811 DEVELOPMENT CORPORATION

POLICY NO.: 3530115

This Policy shall only become effective on the date that it is duly executed by Authorized Representatives of Lombard General Insurance Company of Canada (the "Surety").

INSURED: Each of the unit purchasers, for the Deposits and Upgrade Monies (as defined on the reverse hereof) noted in the attached schedule or schedules, which may be amended, updated or added to from time to time by the Surety.

CONDOMINIUM PROJECT: The Landmark, Phase I
5789, 5827, 5883 Steeles Avenue East
Markham, Ontario

Dated: October 17, 2005

2811 DEVELOPMENT CORPORATION

Per:


(Signature) Lawrence Wong, Secretary
I have the authority to bind the corporation.

INSURANCE AGREEMENT

In consideration of the Vendor's undertaking to pay to the Surety, on behalf of the Insured, the premium for this Policy and subject to the terms and conditions hereof (including the Conditions set forth on the reverse hereof), the Surety hereby insures the Insured in respect of the Deposits and Interest thereon (as defined on the reverse hereof) and any Upgrade Monies (as defined on the reverse hereof), which shall become owing by the Vendor to the Insured upon due termination of the Purchase Agreement and which the Vendor shall fail to pay to the Insured in accordance with the terms of the Purchase Agreement.

In witness whereof the Surety has duly executed this Policy on the 16th day of September, 2005.

LOMBARD GENERAL INSURANCE COMPANY OF CANADA



R.A. Ewen, Vice President



Jim Emanolidis, National Manager

CONDITIONS**1. INTERPRETATION**

- 1.1 Definitions** - In this Policy, unless the context otherwise requires, the following expressions shall have the following meanings:
- (a) "Act" means the Condominium Act, 1998, S.O. 1998, c.19 as amended and supplemented from time to time and any reference herein to any section or subsection thereof shall be deemed to be a reference to the section or subsection as at the time in question amended or supplemented or to the successor thereof if the same has been repealed.
- (b) "Deposits" means all money received, by the trustee or Vendor's solicitor from each insured on account of the Purchase Agreement or with respect to reserving a right to enter into a Purchase Agreement before the Registration Date, other than:
- (i) money paid thereunder as rent or as an occupancy charge, and
- (ii) money credited against the purchase price pursuant to subsection (2) of section 81 of the Act.
- (c) "Insured" means the insured identified or referenced on the face hereof and includes his or their heirs, executors, administrators, other personal representatives, assigns and successors.
- (d) "Interest" means the interest, at the rate or rates prescribed under the Act, which is required by the Act to be paid by the Vendor to the Insured on the Deposits.
- (e) "Policy", "hereto", "herein", "hereby" and similar expressions mean or refer to this policy and any schedule(s), endorsement or other instrument supplemental or ancillary hereto.
- (f) "Purchase Agreement" means the agreement between the Vendor and the Insured, described as such on the face hereof, as amended and supplemented from time to time.
- (g) "Registration Date" means the date on which the declaration and description required by the Act are duly registered in the proper land registry office.
- (h) "Upgrade Monies" means all monies received by the trustee or Vendor's solicitor from the Insured on account of the Purchase Agreement or by way of a separate agreement for upgrades or extras, which monies are not considered to be Deposits, nor on which monies is interest required to be paid under the Act.
- (i) "Vendor" means the person named as such on the face hereof and includes its successors and assigns.
- 1.2 Extended Meanings** - Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.
- 1.3 Headings** - The insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Policy.

2. TERM OF POLICY AND EXECUTION THEREOF

This Policy shall become effective on the date it is duly executed by the Surety and accepted by the Vendor as provided on the face hereof and has been delivered to the trustee or Vendor's solicitor holding the money for which the Policy is being provided as security and shall remain in full force and effect, subject to the provisions of paragraph 6 hereof.

It is expressly acknowledged and agreed that the execution of this Schedule, the Terms and Conditions letter and other Schedules that form part of the agreement contemplated by the Terms and Conditions letter (collectively referred to as the "Agreement") may 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.

Each of the parties hereto further acknowledges and agrees that this Policy may be executed via telefax transmission (and the execution of a telefaxed version hereof by any or all of the parties hereto shall have the same force and effect as if same were originally executed), and that a photocopy or telefaxed copy of this executed Policy may be relied upon by all of the parties hereto and the Insured to the same extent as if it were an original executed version addressed specifically to each of them.

3. DEPOSITS & UPGRADE MONIES

It is acknowledged and agreed that this Policy shall extend and apply only to the portion of the Deposits and Upgrade Monies actually received by the trustee or Vendor's solicitor as shown on the face hereof or schedule(s) hereto before the Registration Date, notwithstanding that Deposits and Upgrade Monies may exceed the amounts shown on the face hereof.

4. CLAIMS

- 4.1 Notice of Default and Proof of Loss** - If the Deposits and Interest thereon and Upgrade Monies shall become properly owing by the Vendor to the Insured upon due termination of the Purchase Agreement and if the Vendor shall fail to pay the same to the Insured in accordance with the terms of the Purchase Agreement, the Insured shall give prompt written notice thereof to the Surety referring to this Policy by number, identifying the Condominium Project and briefly describing the nature of the default by the Vendor. The Surety, immediately upon receipt of such notice, shall furnish to the Insured forms upon which to make the proof of loss hereunder.
- 4.2 Disputes Between Vendor and Insured** - In the event of any dispute between the Vendor and Insured as to the liability of the Vendor to pay any Deposits herein mentioned and/or Interest thereon and Upgrade Monies, resulting in the withholding by the Vendor of any payment on account of Deposits or Interest thereon or Upgrade Monies or resulting in the Vendor claiming set-off or similar legal right, no claim by the Insured shall be paid hereunder unless and until such dispute shall have been finally resolved.
- 4.3 Payment of Claims** - Subject to the provisions of paragraph 4.2, any claim by the Insured hereunder shall be paid by the Surety within sixty days after proof of loss has been submitted to and accepted by the Surety. Such proof of loss shall consist of such evidence as the Surety may reasonably require as to the payment of Deposits by the Insured under the Purchase Agreement, the payment by the Insured of Upgrade Monies and the termination of the Purchase Agreement, as well as the failure of the Vendor to pay the Deposits and Interest thereon and Upgrade Monies to the Insured and the amount thereof in default.

5. RIGHTS OF SUBROGATION

Upon payment by the Surety of any claim hereunder, the Surety shall be subrogated to all rights of the Insured against the Vendor for recovery thereof and the Insured shall execute and deliver such instruments and do such acts and things as may be necessary or desirable to give effect thereto.

6. CESSATION OF LIABILITY

The Surety shall cease to be liable under this Policy from and after:

- (a) the delivery to the Insured of a registrable deed or transfer of the unit(s) being purchased under the Purchase Agreement;
- (b) the termination of the Purchase Agreement and the payment to or on behalf of the Insured of the Deposits and Interest thereon and Upgrade Monies due to him;
- (c) the payment by the Surety of the Deposits and Interest thereon and Upgrade Monies due under any claim arising from any default by the Vendor, written notice of which is given as required by paragraph 4.1;
- (d) the Insured acknowledges in writing that he is not entitled to payment of Deposits and Interest thereon and Upgrade Monies;
- (e) the Insured acknowledges in writing that the Surety is no longer liable under the policy; or
- (f) a court of competent jurisdiction has made a final determination that the Insured is not entitled to the Deposits and Interest thereon and Upgrade Monies in respect of the unit being purchased under the Purchase Agreement.

NOTICES

All notices required or permitted to be given hereunder to the Surety or the Insured shall be sufficiently given if sent by prepaid ordinary mail or by facsimile addressed to the address shown on the face of this Policy for such party or to such other address as such party may from time to time designate by notice in writing to the other. Every notice so mailed shall be conclusively deemed to have been given on the first business day following the date of such mailing.

This is Exhibit B referred to in the Affidavit of Anna Koroneos dated 21st day of February 2014.

| Suite Number | First Name | Last Name | Company | Street | City | Province | Country | Postal Code | Mailed on |
|--------------|-------------------|-------------|---|----------------------------|---------------|----------|---------|-------------|-----------|
| 1 | Alitun | Omar | | 33 Addington Sq | Markham | Ontario | Canada | L3R 7N3 | duplicate |
| 2 | Adnan | OMAR | | 33 Addington Sq | Markham | Ontario | Canada | L3R 7N3 | duplicate |
| 3 | Adnan | OMAR | | 33 Addington Sq | Markham | Ontario | Canada | L3R 7N3 | duplicate |
| 4 | Adnan | OMAR | | 33 Addington Sq | Markham | Ontario | Canada | L3R 7N3 | duplicate |
| 5 | Al Hua | Chen | | 15 Challdean Street | Scarborough | Ontario | Canada | M1W 2H6 | duplicate |
| 6 | Ali M | Omar | | 25 Brice Dr. | Ajax | Ontario | Canada | L1Z 0A6 | duplicate |
| 7 | Alice Y | YU | | 41 - 671 Huntingwood Drive | Scarborough | Ontario | Canada | M1W 1H6 | duplicate |
| 8 | Alice Y | YU | | 41 - 671 Huntingwood Drive | Scarborough | Ontario | Canada | M1W 1H6 | duplicate |
| 9 | Annanda | Yiu | | 521 Davenport Road | Toronto | Ontario | Canada | M5R 3R5 | duplicate |
| 10 | Annanda | Yiu | | 521 Davenport Road | Toronto | Ontario | Canada | M5R 3R5 | duplicate |
| 11 | Anwarul Sineh | Parmar | 7884168 Canada Inc. | 131 Miles Farm Road | Markham | Ontario | Canada | L3S 1Z9 | duplicate |
| 12 | Asim | MALIK | | 1 Renfremont Cres. | Markham | Ontario | Canada | L3S 3C7 | duplicate |
| 13 | Balaar Singh | BRAR | | 156 Oakborough Dr. | Markham | Ontario | Canada | L6B 0G5 | duplicate |
| 14 | Basem Isa Mohamed | Naser | Basem Isa Mohamed Naser In Trust For A Company To Be Incorporated | | | | | | |
| 15 | Bicant | Kisanu | | 123 Eastville Ave. | Scarborough | Ontario | Canada | M1M 2P2 | duplicate |
| 16 | Behrad | Hosseinpour | | 199 Badessa Circle | Thornhill | Ontario | Canada | L4J 6C9 | duplicate |
| 17 | Behzad | Hosseinpour | | 162 Berwick Crescent | Richmond Hill | Ontario | Canada | L4C 0B4 | duplicate |
| 18 | Bhupinder | Singh | Bhupinder Singh In Trust For A Company To Be Incorporated | 162 Berwick Crescent | Richmond Hill | Ontario | Canada | L4C 0B4 | duplicate |
| 19 | Bik Kwail | Tong | | 88 Yuile Court | Brampton | Ontario | Canada | L6Y 5J4 | duplicate |
| 20 | Bik Nayan | Tong | Bik-Kwan Tong in trust for a company to be incorporated | 205 Willowbrook Road | Thornhill | Ontario | Canada | L3T 5L7 | duplicate |
| 21 | Bo | Cul | Winco Investech Inc. | 21 Townson Rd | Markham | Ontario | Canada | L6C 1T3 | duplicate |
| 22 | Bradley | Walker | Bradley Walker in trust for a company to be incorporated | 54 Pollard Crescent | Ajax | Ontario | Canada | L1T 3N8 | duplicate |
| 23 | Bradley | Walker | Bradley Walker in trust for a company to be incorporated | 54 Pollard Crescent | Ajax | Ontario | Canada | L1T 3N8 | duplicate |
| 24 | Bradley | Walker | Bradley Walker in trust for a company to be incorporated | 54 Pollard Crescent | Ajax | Ontario | Canada | L1T 3N8 | duplicate |
| 25 | Bradley | Walker | Bradley Walker in trust for a company to be incorporated | 54 Pollard Crescent | Ajax | Ontario | Canada | L1T 3N8 | duplicate |
| 26 | Bradley | Walker | Bradley Walker in trust for a company to be incorporated | 54 Pollard Crescent | Ajax | Ontario | Canada | L1T 3N8 | duplicate |
| 27 | Brijesh Singh | Gill | | 54 Pollard Crescent | Ajax | Ontario | Canada | L1T 3N8 | duplicate |
| 28 | Can | Zarakol | | 46 Reginald Lamb Cres | Markham | Ontario | Canada | L6B 0B5 | duplicate |
| 29 | Chan Dong | LEE | | 1613-3 Everson Drive | North York | Ontario | Canada | M2N 7C2 | duplicate |
| 30 | Chan Dong | LEE | | 15 Stammers Rd | Egbert | Ontario | Canada | M8Z 1Y1 | duplicate |
| 31 | Chenik Man | Chan | Lean International | 45 Stammers Rd | Egbert | Ontario | Canada | M8Z 1Y1 | duplicate |
| 32 | Cheung Ying | Lau | | 17 Baynes Crescent | Toronto | Ontario | Canada | M1V 3V6 | duplicate |
| 33 | Chi Ping / Ian | Kai | | 1 Slender Fernway | Toronto | Ontario | Canada | M2J 4N9 | duplicate |
| 34 | Chi Wai | GUO | 1498004 Ontario Inc. | 358 Greenfield Avenue | Toronto | Ontario | Canada | M2N 3E8 | duplicate |
| 35 | Chi Wai | Yau | Chi Wai GUO In Trust For A Company To Be Incorporated | 76 Galt Ave. | Toronto | Ontario | Canada | M4M 2Z1 | duplicate |
| 36 | Chin Wai | GHOW | | 193 Valentina Drive | Markham | Ontario | Canada | L3R 4R8 | duplicate |
| 37 | Ching Fung | Kong | | 609 Country Glen Rd | Markham | Ontario | Canada | L6B 1H2 | duplicate |
| 38 | Chong He | Ma | | 90 Maris Sherway | North York | Ontario | Canada | M2J 4S2 | duplicate |
| 39 | Chow-Chong Derek | CHAN | | 108 Queen St. S | Kitchener | Ontario | Canada | N2G 1V9 | duplicate |
| 40 | Chow-Chong/Derek | Chan | | 33 Scott Dr | Richmond Hill | Ontario | Canada | L4C 6V7 | duplicate |
| | | | | 33 Scott Dr | Richmond Hill | Ontario | Canada | L4C 6V5 | duplicate |

| | | | | | | | | | | | |
|-------|-------|----------------|----------|--|---|----------------------------------|---------------|---------|--------|---------|-----------|
| ##### | 500 | Xue Hong | XU | | | 41 Ambleside Cres. | Markham | Ontario | Canada | L3R 7T3 | duplicate |
| ##### | 527 | Xue Hong | XU | | | 41 Ambleside Cres. | Markham | Ontario | Canada | L3R 7T3 | y |
| ##### | 125 | Yan Qing | ZHANG | | Yan Qing Zhang In Trust For A Company To Be Incorporated | | Richmond Hill | Ontario | Canada | L4C 8N7 | duplicate |
| ##### | 467 | Yan Qing | ZHANG | | Yan Qing Zhang In Trust For A Company To Be Incorporated | | Richmond Hill | Ontario | Canada | L4C 8N7 | y |
| ##### | 5060 | Yan Stephanie | Zhao | | Yan Stephanie Zhao in trust for a company to be incorporated | 210 Aldergrove Drive | Markham | Ontario | Canada | L3R 5E6 | duplicate |
| ##### | 5068 | Yan Stephanie | Zhao | | Yan Stephanie Zhao in trust for a company to be incorporated | 210 Aldergrove Drive | Markham | Ontario | Canada | L3R 5E6 | duplicate |
| ##### | 5070 | Yan Stephanie | Zhao | | Yan Stephanie Zhao in trust for a company to be incorporated | 210 Aldergrove Drive | Markham | Ontario | Canada | L3R 5E6 | duplicate |
| ##### | 5058B | Yan Stephanie | Zhao | | Yan Stephanie Zhao in trust for a company to be incorporated | 210 Aldergrove Drive | Markham | Ontario | Canada | L3R 5E6 | duplicate |
| ##### | 381 | Yasmin | PERVEZ | | Yasmin PERVEZ and Syed K PERVEZ In Trust For A Company To Be Incorporated | 29 Green Meadows Cr. | Toronto | Ontario | Canada | M2J 5G6 | y |
| ##### | 383 | Yasmin | PERVEZ | | Yasmin PERVEZ and Syed K PERVEZ In Trust For A Company To Be Incorporated | 29 Green Meadows Cr. | Toronto | Ontario | Canada | M2J 5G6 | duplicate |
| ##### | 6084 | Yeung | Lai | | | 43 Highway Crescent | Richmond Hill | Ontario | Canada | L4B 2T9 | y |
| ##### | 1029 | Yi Hang | SHAO | | | 80 Faithful Way | Markham | Ontario | Canada | L3R 1A1 | duplicate |
| ##### | 1027A | Yi Hang | SHAO | | | 80 Faithful Way | Markham | Ontario | Canada | L3R 1A1 | y |
| ##### | 329 | Yin Hao | LI | | | 77 Wharton Sq. | Scarborough | Ontario | Canada | M1V 4N6 | y |
| ##### | 4029 | Yinghong | Chen | | | 30 Cranleigh Drive | Markham | Ontario | Canada | L3R 8M2 | duplicate |
| ##### | 4031 | Yinghong | Chen | | | 30 Cranleigh Drive | Markham | Ontario | Canada | L3R 8M2 | y |
| ##### | 595A | Yong Lee | SONG | | | 573 Conacher Drive | Toronto | Ontario | Canada | M2M 3M6 | duplicate |
| ##### | 609 | You Gan | WEI | | | 4 Glencove Drive | Markham | Ontario | Canada | L3R 7N9 | duplicate |
| ##### | 609A | You Gan | WEI | | | 4 Glencove Drive | Markham | Ontario | Canada | L3R 7N9 | y |
| ##### | 1008 | You Long | Fang | | | 39 Bur Oak Avenue | Markham | Ontario | Canada | L6C 2E4 | y |
| ##### | 161 | Yu Feng | BAI | | | 81 Merbank Dr. | Toronto | Ontario | Canada | M1V 2M1 | y |
| ##### | 286 | Yu Long | JING | | | 258 Upper Highland Cres. | North York | Ontario | Canada | M2P 1V3 | y |
| ##### | 3105 | Yu Sum | Chan | | Yu Sum Chan and Shau Chin Wang In Trust for a company to be Incorporated | 18395 Keele Street, R2 Stn. Main | Newmarket | Ontario | Canada | L3Y 4V9 | y |
| ##### | 4049 | Yu Yun | Lin | | | 117 Blake Street | Toronto | Ontario | Canada | M4J 3E2 | duplicate |
| ##### | 4051 | Yu Yun | Lin | | | 117 Blake Street | Toronto | Ontario | Canada | M4J 3E2 | y |
| ##### | 6078 | Yung Ni | Chu-Kung | | | P11 22 - 2020 McNicoll Ave | Scarborough | Ontario | Canada | M1V 0B5 | duplicate |
| ##### | 6127 | Yung Ni | Chu-Kung | | | P11 22 - 2020 McNicoll Ave | Scarborough | Ontario | Canada | M1V 0B5 | y |
| ##### | 565 | Yung Ting | CHEN | | | 17 Bittersweet St | Markham | Ontario | Canada | L6B 1L6 | y |
| ##### | 103 | Yvonne Man Yee | CHIEN | | | 40 Campden Place | Markham | Ontario | Canada | L6C 2I8 | y |

TAB M



Toronto East Tax Services Office
Scarborough ON M1P 4Y3

February 22, 2013

ATTENTION: CATHERINE HRISTOW
DELOITTE & TOUCHE INC.
BROOKFIELD PLACE
181 BAY STREET
SUITE 1400
TORONTO ON M5J 2V1

Dear Sir/Madam:

Re: 2811 Development Corporation
862595832RT0001

Further to our telephone conversation of February 22, 2013, please be advised that Canada Revenue Agency does not consider a deemed trust to exist with respect to the GST/HST account noted above for 2811 Development Corporation.

We trust this letter is satisfactory.

Yours truly,

P. Dayey
Collection Officer (1261)



200 Town Centre Court
Suite 475
Scarborough ON M1P 4Y3

Local : 905-725-5325
Toll Free : 1-866-451-2560
Fax : 905-725-5438
Web site : www.cra.gc.ca

TAB N

MAR 22 2013

164

Ministry of Finance

Collections Branch
6-33 King St W
PO Box 627
Oshawa ON L1H 8H5
Tel.: 1-866-668-8297
Fax: 905 436-4524

Ministère des Finances

Direction de la Perception
6-33, rue King O
C.P. 627
Oshawa ON L1H 8H5
Tél. : 1-866-668-8297
Télééc. : 905 436-4524



FEB 20 2013

Deloitte & Touche Inc.,
Brookfield Place
181 Bay Street
Suite 1400
TORONTO ON M5J 2V1

February 15, 2013
S.Gerkes
1-866-668-8297 ext. 18578

RE: 2811 Development Corporation
Business number 862595832

It is our understanding that you have seized the assets of the subject entity.

The Ministry of Finance does not have a Retail Sales Tax vendor permit for 2811 Development Corporation.

Businesses that sold tangible property or serviced tangible property are required to obtain a vendor permit to collect and remit retail sales tax up to and including June 30, 2010.

In the event that you believe that this business collected retail sales tax or should have collected it, kindly advise the Ministry at the number shown above.

At this time, there are no Deemed Trust debts.

Should you have any other questions or concerns, please contact the S.Gerkes at the above number.

Yours truly

A handwritten signature in black ink, appearing to read "Breccan Nason", written over a circular stamp or seal.

Breccan Nason
Manager Insolvency

TAB O

Creekside Credit Administration Services
Commercial Group
4720 Tahoe Blvd., Bldg. #1, 4th Floor
Mississauga, Ontario L4W 5P2
T: 905-214-0553 F: 905-214-3285

IRREVOCABLE COMMERCIAL LETTER OF CREDIT

Letter of Credit # 1025-9324232-25
Date: July 30, 2008

Beneficiary:
City of Toronto, City Hall
100 Queen Street West
5th Floor, East Tower
Toronto, Ontario M5H 2N2

Applicant:
2811 Development Corporation
7100 Woodbine Ave., Suite 108
Markham, Ontario L3R 5J2

Amount: **Two Million Seven Hundred Sixty Four Thousand Two Hundred Eighty Two Canadian Dollars (\$2,764,282.00)**

We hereby authorize you, the City of Toronto, to draw on The Toronto-Dominion Bank, 55 King Street West, TD Tower, 3rd Floor, Toronto, Ontario, M5K 1A2, for the account of 2811 Development Corporation up to an aggregate amount of **Two Million Seven Hundred Sixty Four Thousand Two Hundred Eighty Two Canadian Dollars (\$2,764,282.00)** available on demand up to **July 30, 2009** or a subsequent anniversary date, and is hereby given to you pursuant to an Agreement between the City of Toronto and Tapscott Industrial Landowners Group Inc. with respect to Core Services Agreement dated July 27, 2006.

Pursuant to the request of our customer, the Bank hereby establishes in your favour and gives to you an Irrevocable Standby Letter of Credit in the Credit Amount on which you may draw in whole or in part at any time and from time to time, subject to the terms herein.

Any drawing under this Letter of Credit shall be made by you presenting to the bank, at the address noted below, a demand in writing authorized by the City Treasurer or delegate.

Partial drawings are permitted.

Upon receipt of said demand, the Bank shall pay to you the amount stated in the demand, to be payable to you without inquiring whether you have a right as between yourself and the Customer to make such demand, and without recognizing any claim of the Customer or objection by the Customer to payment by the Bank.

This Letter of Credit will continue up to the Initial Expiry Date but shall be subject to the condition that it shall be deemed to be **automatically extended without amendment for one (1) year from the present or any future expiration date hereof, unless at least sixty (60) days** prior to any such future expiration date the Bank notifies you by notice in writing delivered to the City Treasurer by courier that it shall not renew this Letter of Credit for any such additional period. Upon receipt by you of such notice, you may draw hereunder, for the available balance of this Letter of Credit by presenting a written demand together with confirmation that the amounts drawn will be retained and used by you to meet obligations incurred or to be incurred in connection with the Agreement. The demand must be authorized by the City Treasurer or delegate.

This Letter of Credit is issued subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), ICC Publication, No. 600.

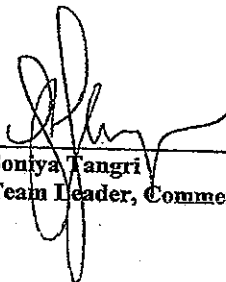
LETTER OF CREDIT #1025-9324232-25

DATE: July 30, 2008

FOR: THE TORONTO-DOMINION BANK



Christina Tse T665
Credit Compliance Officer
Commercial Group



Soniya Tangri T1400
Team Leader, Commercial Group



Credit Administration Services Centre
 Commercial Group
 4720 Tahoe Blvd., Bldg. #1, 4th Floor
 Mississauga, Ontario L4W 5P2
 T: 905-214-0663
 F: 905-214-3285

October 8, 2009

City of Toronto
 City Hall, 5th Floor, East Tower
 100 Queen Street West
 Toronto, ON
 M5H 2N2
 Attention: Alice C. Fernandes

Dear Ms Fernandes:

Re: Letter of Credit No.: 1025-9324232-25 [Issued by The Toronto-Dominion Bank 55 King Street West, Toronto, Ontario MSK 1A2]


| | |
|-------------------|------------------------------|
| Applicant: | 2811 Development Corporation |
| Previous Balance: | \$2,764,282.00 |
| Current Balance: | \$1,444,956.00 |

Pursuant to your letter dated October 1, 2009, requesting a reduction of the subject Letter of Credit, we hereby confirm that the outstanding balance has been reduced from \$2,764,282.00 to a new balance of \$1,444,956.00 representing a reduction of \$1,319,326.00.

All other terms and conditions remain unchanged.

Yours truly,


 Marcin Glezewski No. G1735
 Commercial Fulfillment Officer


 Bhanu Sundrelingam No. S2961
 Commercial Operations Leader

c.c. 2811 Development Corporation
 Firm Capital Corporation

No. 6932 P. 2/3

Nov. 12. 2009 3:18PM TD Small Business 9052143495

Credit Administration Services Centre
Commercial Group
4720 Tahoe Blvd., Bldg. #1, 4th Floor
Mississauga, Ontario L4W 5P2
T: 905-214-0663
F: 905-214-3285

September 30, 2010

City of Toronto, City Hall
100 Queen Street West
5th Floor, East Tower
Toronto, Ontario
M5H 2N2

Attention: Alice. C. Fernandes

Dear Sir/Madam:

Re: **Letter of Credit No.:1025-9324232-25 -Issued by The Toronto-Dominion Bank, 55 King Street West, Toronto, Ontario M5K 1A2**

Previous Balance: \$1,444,956.00
Current Balance: \$1,037,825.15
Your File No. N/A

Pursuant to your letter dated September 24, 2010, requesting a reduction of the subject Letter of Credit, we hereby confirm that the outstanding balance has been reduced from \$1,444,956.00 to a new balance of \$1,037,825.15 representing a reduction of \$407,130.85.

All other terms and conditions remain unchanged.

Yours truly,

Thagewantie Ramsameer R0711
Credit Fulfillment Officer

Bhanu Sundrelingam S2961
Commercial Operations Leader

c.c. **2811 Development Corporation**
C/O Firm Capital Corporation
1244 Caledonia Road
Toronto, Ontario
M6A 2X5

TAB P



Creekside Credit Administration Services
 Commercial Group
 4720 Tahoe Blvd., Bldg. #1, 4th Floor
 Mississauga, Ontario L4W 5P2
 T: 905-214-0553 F: 905-214-3285

IRREVOCABLE COMMERCIAL LETTER OF CREDIT

Letter of Credit # 1025-9324232-17
 Date: July 30, 2008

Beneficiary:
 City of Toronto, City Hall
 100 Queen Street West
 5th Floor, East Tower
 Toronto, Ontario M5H 2N2

Applicant:
 2811 Development Corporation
 7100 Woodbine Ave., Suite 108
 Markham, Ontario L3R 5J2

Amount: Eighty One Thousand Canadian Dollars (\$81,000.00)

We hereby authorize you, the City of Toronto, to draw on The Toronto-Dominion Bank, 55 King Street West, TD Tower, 3rd Floor, Toronto, Ontario, M5K 1A2, for the account of 2811 Development Corporation up to an aggregate amount of Eighty One Thousand Canadian Dollars (\$81,000.00) available on demand up to July 30, 2009 or a subsequent anniversary date, and is hereby given to you pursuant to an Agreement between the City of Toronto and Tapscott Industrial Landowners Group Inc. with respect to Core Services Agreement dated July 27, 2006.

Pursuant to the request of our customer, the Bank hereby establishes in your favour and gives to you an Irrevocable Standby Letter of Credit in the Credit Amount on which you may draw in whole or in part at any time and from time to time, subject to the terms herein.

Any drawing under this Letter of Credit shall be made by you presenting to the bank, at the address noted below, a demand in writing authorized by the City Treasurer or delegate.

Partial drawings are permitted.

Upon receipt of said demand, the Bank shall pay to you the amount stated in the demand, to be payable to you without inquiring whether you have a right as between yourself and the Customer to make such demand, and without recognizing any claim of the Customer or objection by the Customer to payment by the Bank.

This Letter of Credit will continue up to the Initial Expiry Date but shall be subject to the condition that it shall be deemed to be automatically extended without amendment for one (1) year from the present or any future expiration date hereof, unless at least sixty (60) days prior to any such future expiration date the Bank notifies you by notice in writing delivered to the City Treasurer by courier that it shall not renew this Letter of Credit for any such additional period. Upon receipt by you of such notice, you may draw hereunder, for the available balance of this Letter of Credit by presenting a written demand together with confirmation that the amounts drawn will be retained and used by you to meet obligations incurred or to be incurred in connection with the Agreement. The demand must be authorized by the City Treasurer or delegate.

This Letter of Credit is issued subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), ICC Publication, No. 600.

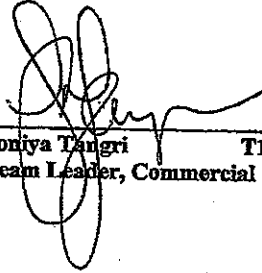
LETTER OF CREDIT #1025-9324232-17

DATE: July 30, 2008

FOR: THE TORONTO-DOMINION BANK



Christina Tse T665
Credit Compliance Officer
Commercial Group



Soniya Tangri T1400
Team Leader, Commercial Group

TAB Q



Joe Farag
Director

Corporate Finance Division
City Hall, 7th Floor, East Tower
100 Queen Street West
Toronto, Ontario M5H 2N2

Tel: 416-392-8108
Fax: 416-397-4555
jfarag@toronto.ca
www.toronto.ca

Reply attention to: Alice C. Fernandes
Administrator Letters of Credit
Tel: 416-392-8091
Email: afernand@toronto.ca

July 16, 2013

The Manager,
Toronto-Dominion Bank
Credit Compliance Group
4720 Tahoe Blvd., Building 1, 4th Floor
Mississauga, ON
L4W 5P2

Dear Sir/Madam:

Re: Irrevocable Standby Letter of Credit Number 1025-9271062-01
(Old LC No : 1025-9324232-17 In the original amount of \$81,000.00
issued on July 30, 2008 Re : Landmark Properties 5789-5951 Steeles
Avenue between 2811 Development Corporation and the City of Toronto
Full Draw on Letter of Credit

The City of Toronto currently has in safekeeping Toronto-Dominion Bank Letter of Credit
Number 1025-9271062-01 in the amount of \$81,000.00 to guarantee completion of the terms and
obligation of the above-mentioned agreement.

We hereby demand a full draw on the above mentioned Letter of Credit. Kindly submit a
certified cheque payable to the Treasurer the City of Toronto in the amount of CAD \$81,000.00
under Irrevocable Standby Letter of Credit Number 1025-9271062-01.

We confirm that monies drawn pursuant to this Irrevocable Standby Letter of Credit will be
retained and used to meet obligations incurred or to be incurred in connection with an Agreement
between the City of Toronto and Tapscott Industrial Landowners Group Inc. with respect to Core
Services Agreement dated July 27, 2006. Upon receipt of the certified cheque, the City will
return the original Letter of Credit to the Bank.

Yours truly,

Martin Willschick
Manager, Capital Markets
Delegate of the City of Toronto
MW/ACF

cc : Ieuan Jones-Ashton – Development Engineering
2811 Development Corporation, 7100 Woodbine Ave, Suite 108, Markham, ON L3R 5J2



Joe Farag
Director

Corporate Finance Division
City Hall, 7th Floor, East Tower
100 Queen Street West
Toronto, Ontario M5H 2N2

Tel: 416-392-8108
Fax: 416-397-4555
jfarag@toronto.ca
www.toronto.ca

Reply attention to: Alice C. Fernandes
Administrator Letters of Credit
Tel: 416-392-8091
Email : afeman@toronto.ca

July 16, 2013

The Manager,
Toronto-Dominion Bank
Credit Compliance Group
4720 Tahoe Blvd., Building 1, 4th Floor
Mississauga, ON
L4W 5P2

Dear Sir/Madam:

Re: Irrevocable Standby Letter of Credit Number 1025-9271062-02
(Old Lc No : 1025-9324232-25) In the original amount of \$2,764,282.00
issued on July 30, 2008 Re : Tapscott lands between 2811 Development Corporation
and the City of Toronto - File Reference: Core Services Agreement
Full Draw on Letter of Credit

The City of Toronto currently has in safekeeping Toronto-Dominion Bank Letter of Credit
Number 1025-9271062-02 in the amount of \$1,037,825.15 to guarantee completion of the terms
and obligation of the above-mentioned agreement.

We hereby demand a full draw on the above mentioned Letter of Credit. Kindly submit a
certified cheque payable to the Treasurer the City of Toronto in the amount of CAD
\$1,037,825.15 under Irrevocable Standby Letter of Credit Number 1025-9271062-02.

We confirm that monies drawn pursuant to this Irrevocable Standby Letter of Credit will be
retained and used to meet obligations incurred or to be incurred in connection with an Agreement
between the City of Toronto and Tapscott Industrial Landowners Group Inc. with respect to Core
Services Agreement dated July 27, 2006. Upon receipt of the certified cheque, the City will
return the original Letter of Credit to the Bank.

Yours truly,

Martin Willschick
Manager, Capital Markets
Delegate of the City of Toronto
MW/ACF

cc : Ieuan Jones-Ashton – Development Engineering
2811 Development Corporation, 7100 Woodbine Ave, Suite 108, Markham, ON L3R 5J2

TAB R

DEPOSIT TRUST AGREEMENT
(issued in triplicate)

THIS AGREEMENT is effective as of September 29, 2010.

AMONGST:

2811 DEVELOPMENT CORPORATION
(hereinafter referred to as the "Principal")

OF THE FIRST PART

- and -

LOMBARD GENERAL INSURANCE COMPANY OF CANADA
(hereinafter referred to as the "Surety")

OF THE SECOND PART

- and -

HARRIS, SHEAFFER LLP, BARRISTERS & SOLICITORS
(hereinafter referred to as the "Escrow Agent")

OF THE THIRD PART

WHEREAS

- A) The Principal intends to construct and develop a multi unit commercial condominium complex located at 5789 to 5951 Steeles Avenue East in the City of Toronto, Ontario and marketed or known as "The Landmark" (hereinafter referred to as the "Project");
- B) Purchasers of Units have paid (or will pay) Deposits to the Principal's solicitor or a prescribed trustee pursuant to the provisions of the Purchase Agreements, in accordance with Section 81(1) of the Condominium Act 1998, S.O. 1998, as amended;
- C) Section 81(7) of the Condominium Act 1998, S.O. 1998, as amended, requires the declarant's solicitor or a prescribed trustee to hold the Deposits in trust, until delivery of prescribed security to the Purchasers for repayment of their respective Deposits;
- D) Deposit receipts executed by the Warranty Corporation that provide for compensation to Purchasers in accordance with Section 22 of Ontario Regulation 48/01, constitute prescribed security pursuant to subsection 20(2)(2) of Ontario Regulation 48/01 to the Condominium Act 1998, S.O. 1998, as amended;
- E) Under the combined Vendor/Builder Agreement or either of the Vendor Agreement or the Builder Agreement heretofore entered into with the Warranty Corporation, the Principal has agreed to perform diligently (or cause to be performed) certain obligations imposed on the Principal under the Act and the Plan, including all obligations imposed under any agreement made by the Principal with the Warranty Corporation;
- F) The Principal has requested the Surety to issue either a Taron Warranty Corporation Bond (hereinafter referred to as the "Bond") and/or Excess Condominium Deposit Insurance Policies (hereinafter collectively referred to as the "ECDI");
- G) For the purposes of evidencing and securing the obligations of the Principal to the Surety arising under (or in connection with) the Bond and/or the ECDI, the Principal and one or more indemnitors have entered into (or will hereafter enter into) an agreement pursuant to which they jointly and severally agree to indemnify the Surety (hereinafter referred to as the "Indemnity Agreement") from and against any and all losses, claims, expenses and/or liabilities which the Surety may incur or sustain in respect of the Bond and/or the ECDI;
- H) The Principal covenants and agrees that all monies heretofore or hereafter payable or owing on account of an agreement of purchase and sale of a proposed unit in the Project shall be made payable to the Escrow Agent, and shall correspondingly be delivered by or on behalf of the Principal to the Escrow Agent forthwith following the expiry of the applicable rescission period contemplated under section 73 of the Condominium Act 1998, S.O. 1998, as amended, and all such monies (together with all interest earned or accrued thereon) shall be held in trust by the Escrow Agent in a separate trust account in Ontario at a bank listed in Schedule I or II to the Bank Act (Canada) R.S.C. 1990, as amended, as may be designated by the Principal with the consent of the Surety (hereinafter referred to as the "Designated Trust Account"), in conformity with the provisions of section 80(4) of the Condominium Act 1998, S.O. 1998, as amended, and all such monies (together with all interest earned or accrued thereon) shall continue to be held by the Escrow Agent in trust for the Surety and the Principal in accordance with the terms and provisions of this Agreement;
- I) The Principal covenants and agrees that the Excess Closing Proceeds shall be made payable to the Escrow Agent, if required by the Surety, and all such monies shall be held in the Designated Trust Account in accordance with the terms and conditions of this Agreement; and

J) The Escrow Agent hereby confirms that it is qualified to act as an escrow agent for Deposits with respect to the Project pursuant to section 20(1) of Ontario Regulation 48/01, for the purpose of complying with subsections 81(1) and (6) of the Condominium Act 1998, S.O. 1998, as amended, and the Escrow Agent has agreed to hold all monies received on account of an agreement of purchase and sale of a proposed unit in the Project entered into between the Principal and each of the respective unit purchasers (together with all interest earned or accrued thereon) as well as any Excess Closing Proceeds that are available in the Designated Trust Account in trust, as a general and continuing collateral security to the Surety for the payment of the present and future indebtedness and liabilities of the Principal to the Surety arising out of (or in connection with) the Indemnity Agreement, the Bond and/or the ECDI.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the sum of Ten (\$10.00) Dollars of lawful money of Canada now paid by each of the parties hereto to the other, and for other good and valuable consideration (the receipt and sufficiency of which is hereby expressly acknowledged), the Principal hereby confirms the veracity and accuracy of the foregoing recitals, and the parties hereto hereby covenant and agree, to and with each other, as follows:

SECTION I - INTERPRETATION

1.1 Definitions

In addition to those words, terms or phrases specifically defined elsewhere in this Agreement, the words, terms or phrases set out below shall have the meanings respectively ascribed to them as follows, whenever same are used or referred to in the recitals or elsewhere in this Agreement;

- a) "Act" means The Ontario New Home Warranties Plan Act R.S.O. 1990, or any amendment thereto or substitution therefore;
- b) "Agreement" means this agreement and any other agreement(s) which supplement(s), amend(s) or confirm(s) this agreement;
- c) "Builder Agreement" means any outstanding agreement entered into between the Warranty Corporation and the Principal (in the Principal's capacity as a builder, as such term is defined in the Act), pertaining to the obligations of the Principal under the Act, the regulations promulgated there under, and any bulletins issued by the Warranty Corporation from time to time which may be applicable to the Principal;
- d) "Certificate of Completion and Possession" has the meaning ascribed to it in Part I(1) of Regulation 892 to the Act;
- e) "Deposit" or "Deposits" shall respectively have the meaning ascribed to the term "Deposit" in Part I (1) of Regulation 892 to the Act;
- f) "Deposit Receipt" means a deposit receipt executed by the Warranty Corporation in accordance with Section 22 of Ontario Regulation 48/01 to the Condominium Act 1998, S.O. 1998, or any amendment thereto or substitution therefore;
- g) "Excess Closing Proceeds" means all monies which are received from Purchasers on the final closing of the unit sales and any accrued interest earned thereon and which remain after the mortgagees with security interest in priority to the Surety's are paid off, and which monies shall be in an amount in aggregate as designated by the Surety as required to cover all present and future indebtedness and liabilities of the Principal to the Surety arising out of (or in connection with) the Indemnity Agreement, the Bond and/or the ECDI.
- h) "Excess Condominium Deposit Insurance Policy or "ECDI" means the policy of insurance referred to or contemplated in Section 20(2)(1) and Section 21 of Ontario Regulation 48/01 to the Condominium Act 1998, S.O. 1998, or any amendment thereto or substitution therefore, which insures all deposit monies paid under an agreement of purchase and sale with respect to the acquisition of one or more units in the Project in excess of \$20,000.00 (or in excess of any other amount which may hereafter be covered by the Warranty Corporation under a Deposit Receipt);
- i) "hereof", "hereto", "hereunder" and similar terms mean and refer to this Agreement as a whole, and not to any particular section or subsection;
- j) "Plan" means the Ontario New Home Warranties Plan;
- k) "Purchase Agreement" has the meaning ascribed to it in Part I(1) of Regulation 892 to the Act;
- l) "Purchaser" has the meaning ascribed to it in Part I(1) of Regulation 892 to the Act;
- m) "Section" or "Subsection" followed by a number, means and refers to the specified section or subsection hereof;
- n) "Unit" has the meaning ascribed to it in Section 1(1) of the Condominium Act 1998, S.O. 1998, or any amendment thereto or substitution therefore;
- o) "Vendor Agreement" means any outstanding agreement entered into between the Warranty Corporation and the Principal (in the Principal's capacity as a vendor, as such term is defined in the Act), pertaining to the obligations of the Principal under the Act, the regulations promulgated there under, and any bulletins issued by the Warranty Corporation from time to time which may be applicable to the Principal;
- p) "Vendor/Builder Agreement" means any outstanding agreement entered into between the Warranty Corporation and the Principal (in the Principal's capacity as a vendor and/or a builder, as such terms are respectively defined in the Act), pertaining to the obligations of the Principal under the Act, the regulations promulgated there under, and any bulletins issued by the Warranty Corporation from time to time which may be applicable to the Principal; and

q) "Warranty Corporation" means Tarion Warranty Corporation.

1.2 Plural Etc.

In this Agreement, the singular includes the plural, and vice versa.

1.3 Headings

Headings of sections or subsections are provided for convenience of reference only, and do not define, limit or enlarge the construction or interpretation hereof.

1.4 Currency

All references to monetary amounts are references to Canadian Dollars.

1.5 Schedules

Schedule "A" annexed hereto forms an integral part of this Agreement.

1.6 Recitals

The Principal hereby covenants and agrees that the Recitals are true and correct and shall be incorporated into this Agreement.

SECTION 2 - REPRESENTATION AND WARRANTIES

2.1 Representations of the Principal

The Principal hereby represents and warrants to the Surety that, as of the date hereof;

- a) it is a registered builder and/or vendor under the Act, or has applied to become a registered builder and/or vendor under the Act;
- b) Schedule "A" contains a full and complete record of all the names of all of the Purchasers of Units in the Project, the Units purchased, the dates of all Purchase Agreements, the amount of all Deposits received by the Principal from such Purchasers with respect to such Units in accordance with their respective Purchase Agreements, and the purchase price with respect to each of such Units;
- c) the Principal has received value from the Surety;
- d) no other creditor of the Principal has any security interest or other claim in or to the Deposits or Excess Closing Proceeds (except in the case of Excess Closing Proceeds, a creditor approved by the Surety) ranking prior to or *pari passu* with the security interests granted to the Surety pursuant to this Agreement, and the Principal will obtain and deliver to the Surety from time to time, upon request of the Surety, acknowledgments or postponements, in form and substance satisfactory to the Surety, from creditors of the Principal evidencing that any security interest or other claims of such creditors do not attach or pertain to the Deposits or Excess Closing Proceeds, or rank behind the security interests of the Surety in and to the Deposits or Excess Closing Proceeds; and
- e) the Principal has (or will have) prior to delivery of any amounts in respect thereof to the Escrow Agent, rights in and to the Deposits and Excess Closing Proceeds.

2.2 Survival of Warranties

The representations and warranties contained in Section 2.1 hereof shall survive and continue in full force and effect for the benefit of the Surety, for so long as the Surety has any outstanding obligation or liability (whether vested, contingent or otherwise) to the Warranty Corporation arising under the Bond and/or the ECDI.

SECTION 3 - THE DESIGNATED TRUST ACCOUNT

3.1 Reports Etc.

The Principal hereby covenants and agrees with the Surety that:

- a) as soon as the Principal has received any funds representing a Deposit in respect of any Purchase Agreement, and the corresponding statutory 10-day rescission period with respect thereto (and arising pursuant to Section 73 of the Condominium Act 1998, S.O. 1998, as amended) has expired without the Principal or its solicitor having received any notice of rescission in connection therewith, the Principal shall forthwith deliver such funds to the Escrow Agent for immediate deposit into the Designated Trust Account and to thereafter be held in accordance with the terms of this Agreement;

It is hereby understood and agreed that any default in respect of the foregoing obligation shall constitute a breach or an event of default under the security documentation and instruments now or hereafter executed by the Principal to and in favour of the Surety (which security documentation and instruments are hereinafter collectively referred to as the "Collateral Security Instruments").

- b) upon the Surety's request, and in any event every month commencing from and after the effective date of this Agreement, and continuing throughout the duration of this Agreement, the Principal shall provide to the Surety an up-to-date report confirming the amount of all Deposits received by the Principal since the previous monthly report, including all Deposits remitted to the Escrow Agent for deposit in the Designated Trust Account, and which up-dated monthly report shall contain all of the details specified in Subsection 2.1(b) hereof;
- c) the Principal shall provide to the Surety copies of all Deposit Receipts issued with respect to the Project under the Act, forthwith after receipt by the Principal thereof; and

- d) The Principal shall direct all Excess Closing Proceeds to be payable to the Escrow Agent for deposit into the Designated Trust Account, if required by the Surety, and to thereafter be held in accordance with the terms of this Agreement. It is hereby understood and agreed that any default in respect of the foregoing obligations shall constitute a breach or an event of default under the Collateral Security Documents.

The Escrow Agent hereby covenants and agrees with the Surety that:

- e) as soon as the Escrow Agent has received any funds representing a Deposit delivered to it by or on behalf of the Principal in accordance with Section 3.1(a) hereof, the Escrow Agent shall forthwith deposit and retain such funds in the Designated Trust Account at Canadian Imperial Bank of Commerce (having account number 00412-17-47215), and within 10 days of depositing any such monies in the Designated Trust Account the Escrow Agent shall, on behalf of the Principal and in accordance with the provisions of subsection 81(6) of the Condominium Act 1998, S.O. 1998, as amended, provide to the person or persons who paid such monies written evidence of compliance with subsections 81(1) and (4) of the Condominium Act 1998, S.O. 1998, as amended, by completing and delivering to each of them within said time frame a Form 4, as prescribed by Section 39 of Ontario Regulation 49/01 to the Condominium Act 1998, S.O. 1998, as amended.

The Surety hereby consents to the Escrow Agent placing the funds referred to in Section 3.1(e) hereof in a term deposit or guaranteed investment certificate, if so instructed by the Principal, provided that such placement of funds does not contravene the overriding requirement of Section 81(4) of the Condominium Act 1998, S.O. 1998, as amended [in terms of such monies still constituting trust monies held in a separate trust account at a bank listed in Schedule I or II of The Bank Act (Canada)]. The Principal shall be solely responsible for any shortfall in interest required to be repaid to any of the Purchasers, in the event that the Project is cancelled and the Deposits, together with all interest accrued thereon as prescribed by the Condominium Act 1998, S.O. 1998, as amended, are to be refunded to any of the Purchasers.

3.2 Trust

The Escrow Agent hereby agrees with the Surety to retain and hold all amounts now or at any time hereafter deposited in the Designated Trust Account (currently amounting to \$562,510.50), on the express understanding that the Designated Trust Account shall be opened and maintained in the name of the Escrow Agent, and whose signing authority for authorizing withdrawals therefrom resides exclusively with the Escrow Agent (and specifically two or more solicitors who are employees, associates or partners of the law firm comprising the Escrow Agent). It is also agreed that the Escrow Agent shall only be required to retain and hold the Deposits received by it, together with all interest earned or accrued thereon, less those funds released in accordance with the provisions of Section 4 hereof.

3.3 Security Interest

The Principal hereby grants to the Surety a security interest in its ownership of (or beneficial interest in) all Deposits received, together with all interest earned or accrued thereon, plus any Excess Closing Proceeds less any funds released in accordance with the provisions of Section 4 hereof, which security interest shall be and constitute a general and continuing security for the payment and/or performance of all present and future indebtedness, liabilities and/or obligations of the Principal to the Surety incurred or arising under or pursuant to the Indemnity Agreement, the Bond, the ECDI and/or this Agreement.

The Principal hereby covenants and agrees that it shall not create or grant any security interest in the Deposits or Excess Closing Proceeds to or in favour of any third party or parties which would purport to claim priority over (or rank *pari passu* with) the Surety's security interests in and to the Deposits or Excess Closing Proceeds, and hereby expressly acknowledges and agrees that a breach of this covenant shall constitute a breach or an event of default under the Collateral Security Instruments. In respect of Excess Closing Proceeds, this shall not apply to any third party approved by the Surety.

The Principal and the Escrow Agent agree with the Surety that:

- a) if: (i) the Principal is in breach of any of its obligations contained in the Indemnity Agreement, the Bond, any of the Collateral Security Instruments, the ECDI and/or this Agreement; or
- (ii) A. the interest of the Principal in the Project shall at any time be seized or taken in execution by any creditor of the Principal, and such continues for a period of 10 days; or
- B. if an act of bankruptcy [as defined in the Bankruptcy and Insolvency Act (Canada), as amended or replaced from time to time] shall occur in respect of the Principal, or if the Principal shall become bankrupt or insolvent (in each case as defined in the Bankruptcy and Insolvency Act (Canada) as amended or replaced from time to time); or
- C. if the Principal shall make a general assignment for the benefit of its creditors, or shall liquidate or pass a resolution to liquidate or wind-up its business; or
- D. if a receiver or a receiver/manager in respect of the Principal (or with respect to any substantial part of the Principal's property and assets) is appointed, either with or without the consent or acquiescence of the Principal, and any such appointment shall remain unvacated and unstayed for a period of 30 days thereafter; or
- E. if any power of sale, foreclosure or judicial sale proceedings are commenced or initiated by any outstanding mortgagee or other encumbrancer (or by any receiver or manager on behalf of any outstanding mortgagee or other encumbrancer) in respect of the lands (or any portion thereof) upon which the Project is being developed (irrespective of whether such mortgagee or encumbrancer has a registered charge or other encumbrance in priority to, or subordinate to, the charge or other security interests of the Surety thereto), including without limitation, the issuance of any notice of sale under any such outstanding mortgage or other encumbrance affecting such lands or any portion thereof; or

F. if any construction lien (or any other claim for lien) is now or hereafter registered against the lands (or any portion thereof) upon which the Project is being developed, and such lien (together with any corresponding certificate of action, if applicable) has not been formally discharged or vacated from the title to such lands by a court order or a discharge/release from the lien claimant; or

G. if any instrument evidencing any claim, interest, restriction, covenant, deficiency notice, stop work order, notice of violation, judicial decree or court order, or any other encumbrance is now or hereafter registered against the lands (or any portion thereof) upon which the Project is being developed, and such instrument prohibits or restricts (or may likely prohibit or restrict) the development and/or completion of the Project on said lands, or the sale and final closing of the unit sale transactions in respect of the Project, in whole or in part;

then, in any of the foregoing circumstances or events, the security interest granted by the Principal to the Surety pursuant to this Agreement shall, at the sole option or discretion of the Surety (which shall not be challenged or questioned under any circumstances whatsoever), become immediately enforceable in accordance with the terms and provisions of this Agreement and the provisions of The Personal Property Security Act R.S.O. 1990, as amended;

- (b) in the event the security interest granted by the Principal to the Surety pursuant to this Agreement has become enforceable, all Deposits received, together with all interest earned or accrued thereon and Excess Closing Proceeds less any funds previously released in accordance with the provisions of Section 4 hereof (or any part thereof from time to time), shall be released in accordance with Section 4, as and when the Surety thinks fit, and without notice to the Principal, without prejudice to the Surety 's rights, powers and/or claims against the Principal for any deficiency;
- (c) the Principal shall not be entitled to withdraw any funds from the Designated Trust Account, by cheque or otherwise;
- (d) the Escrow Agent shall not pay or withdraw any funds from the Designated Trust Account without the prior written consent of the Surety;
- (e) the security created by this Agreement is in addition to, and without prejudice to, any other security now or hereafter held by the Surety; and
- (f) the Escrow Agent shall hold the funds in the Designated Trust Account on behalf of the Surety, for the purpose of perfecting the security interest granted to the Surety in respect of the Deposits, and Excess Closing Proceeds, and not as agent of or for the Principal.

3.4 **Signing Authority**

The Escrow Agent shall have the sole signing authority for withdrawals or cheques drawn on the Designated Trust Account.

3.5 **Condominium Act**

No transfer or withdrawal of funds representing any Deposit(s) shall be made (or be directed to be made by the Surety or the Principal) which would render the Escrow Agent liable to any of the Purchasers for a breach of Section 81 of the Condominium Act 1998, S.O. 1998, or any amendment thereto or substitution therefore.

SECTION 4 - RELEASE OF FUNDS

4.1 **Deposits Refunded to Purchaser(s) When Purchase Agreement(s) Rescinded or Terminated**

Upon request by the Principal made to the Surety in writing, stating that a Purchaser is entitled to a full or partial refund of his or her Deposit(s), and the production of such evidence as the Surety may reasonably require to confirm same, the Surety hereby agrees to promptly deliver a written direction to the Escrow Agent instructing the latter to issue a cheque drawn on the Designated Trust Account payable to the named Purchaser in the amount of such refund, together with all prescribed interest earned or accrued thereon. It will be a condition precedent to the delivery of such cheque to the Purchaser that the Purchaser sign a release in favour of the Principal, the Surety, the Warranty Corporation and the Escrow Agent, in a form approved by the Surety, unless the Purchaser's entitlement to the return of his or her Deposits is predicated on the exercise of the Purchaser's rescission rights pursuant to Section 73 of the Condominium Act 1998, S.O. 1998, as amended, in which case no formal release will be required but the Principal shall nevertheless be obliged to confirm in writing to the Surety and the Escrow Agent that such rescission rights have been duly exercised by the Purchaser. If any unit Purchaser is entitled to the return of monies paid to the Vendor, pursuant to the provisions of paragraph 12(a) of Tarion Warranty Corporation's mandatory addendum, then no formal release will be required to be executed by said Purchaser in such case, but a copy of the refund letter or cheque that is intended to be delivered by the Principal or the Escrow Agent to such Purchaser shall be provided to the Surety and to Tarion Warranty Corporation for their records.

In the event that a purchase and sale transaction has been terminated under circumstances entitling the Principal to retain the Deposit as its liquidated damages, then the Deposit shall nevertheless remain in the Designated Trust Account until such time as:

- (a) The Warranty Corporation has released the Bond for cancellation; or
- (b) The Principal has provided the Surety with a release evidencing or confirming such termination and the corresponding forfeiture of the Purchaser's Deposit(s) to and in favour of the Principal, duly executed by the Purchaser in favour of the Principal, the Surety, the Warranty Corporation and the Escrow Agent, in a form approved by the Surety.

4.2 Payment to the Warranty Corporation, any Purchaser(s) or the Surety for Claims and/or Costs

If at any time the Warranty Corporation calls upon the Surety to make a payment under (or in connection with) the Bond, then the Surety shall thereupon be entitled, without notice to (and without the consent of) the Principal, to deliver a written direction to the Escrow Agent instructing the latter to issue one or more cheques drawn on the Designated Trust Account payable directly to the Warranty Corporation in the amount so demanded by it. If at any time a Purchaser makes a claim for payment under (or in connection with) any excess condominium deposit insurance policy issued by the Surety on behalf of the Principal, then the Surety shall thereupon be entitled, without notice to (and without the consent of) the Principal, to deliver a written direction to the Escrow Agent instructing the latter to issue one or more cheques drawn on the Designated Trust Account payable to such Purchaser, in such amounts as may be directed by the Surety (but in no event exceeding the maximum insured amount under said policy). In addition, in the event that the Surety has already made a payment directly to the Warranty Corporation or to any such Purchaser (as the case may be), out of its own funds or resources, or in the event that the Surety has a claim against the Principal for unpaid premiums, legal fees, disbursements and/or any other outstanding expenses or charges incurred by the Surety in respect of the Bond, the ECDI, the Indemnity Agreement, any of the Collateral Security Instruments and/or this Agreement, then in each of such cases the Surety may likewise deliver a written direction to the Escrow Agent, without notice to (and without the consent of) the Principal, instructing the Escrow Agent to issue a cheque drawn on the Designated Trust Account payable to the Surety, in an amount sufficient to reimburse the Surety for all such payments, claims and/or expenses.

4.3 Deposits Released Into the Project

If the Principal and the Surety have heretofore agreed (or hereafter agree) that a portion of the Deposits, in respect of which the Surety has a security interest, may be released and withdrawn from the Designated Trust Account to assist the Principal in either funding approved project costs or repaying any outstanding indebtedness (in whole or in part) to any prior mortgagee(s) or encumbrancer(s) in respect of the Project, then provided the Principal is not in default of its obligations hereunder (nor with respect to any obligations of the Principal set out in the Indemnity Agreement or any of the Collateral Security Instruments), the Surety will issue an authorization to the Escrow Agent to release the said funds to the Principal (or to such other party or parties as may be directed in writing by the Principal) at such times and in such amounts as so agreed to by the Surety and the Principal. The Principal shall also be required to consent in writing to any such release of Deposits.

4.4 Collapsing the Designated Trust Account

If at any time the Surety ceases to be liable under the Bond and/or the ECDI in accordance with the terms of the Bond and/or the ECDI, then the Surety shall thereupon deliver a written direction to the Escrow Agent instructing the latter to issue:

- a) a cheque drawn on the Designated Trust Account made payable to the Surety, in an amount equivalent to the aggregate of all remaining or outstanding financial obligations of the Principal to the Surety, including without limitation, the amount of any unpaid fees or premiums payable to the Surety, and the Surety's out of pocket expenses incurred in obtaining and/or enforcing any security held by the Surety under (or in connection with) the Bond, the ECDI, the Indemnity Agreement, any of the Collateral Security Instruments and/or this Agreement; and
- b) a cheque drawn on the Designated Trust Account made payable to the Principal (or to whomsoever and in whatsoever manner the Principal may in writing further direct), in the amount of all funds remaining in the Designated Trust Account.

4.5 Compliance with Directions

The Escrow Agent shall promptly comply with all written directions given by the Surety pursuant to the foregoing provisions of this Section 4.

SECTION 5 - GENERAL

5.1 Further Assurances

Each of the Principal, the Escrow Agent and the Surety shall, forthwith upon the request of any party or parties hereto made from time to time, do, make and execute all such further documents, acts, matters and/or things as may be required in order to give effect to this Agreement and the transactions referred to herein.

5.2 Escrow Agent's Liability

In consideration of the Escrow Agent acting as the escrow agent hereunder and payment of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, each of the other parties hereto agrees to hold the Escrow Agent free, harmless and fully indemnified from and against all claims which may be made against the Escrow Agent arising out of (or in connection with) the performance of the duties of the Escrow Agent set out in this Agreement, including without limitation, all expenses incurred by the Escrow Agent in complying with the terms and provisions of this Agreement, provided that the Escrow Agent has acted honestly, in good faith and not negligently in the performance and fulfillment of such duties, and is not in breach of any terms or provisions of this Agreement.

5.3 Notices

Any notice or other communication required or desired to be given hereunder (a "notice") shall be in writing

and may be effectively given by delivering same by courier or personally at the addresses hereinafter set forth, or by sending the same by prepaid registered mail to the parties at such addresses, or by telefax transmission. Any notice so mailed shall be deemed to have been received on the third banking day next following the date of mailing/posting thereof, provided the postal service is in operation during such time, or on the next business day following the date of such personal delivery (or delivery by courier) or telefax transmission. During any interruption of postal service, all notices shall be delivered personally or by courier, or by telefax transmission. The addresses of the parties for the purposes hereof shall respectively be:

- (i) in the case of notice to the Principal
2811 DEVELOPMENT CORPORATION
 111-7100 Woodbine Ave.
 Markham, ON L3R 5J2
 Attention: Mr. Charles Chan Fax Number: (905) 248-2888
- (ii) in the case of notice to the Surety:
LOMBARD GENERAL INSURANCE COMPANY OF CANADA
 105 Adelaide Street West
- (iii) Toronto, ON M5H 1P9
 Attention: Developer Solutions Department Fax Number: (416) 369-7166
- (iii) in the case of notice to the Escrow Agent:
HARRIS, SHEAFFER LLP
 Barristers & Solicitors
 610-4100 Yonge Street
 North York, ON M2P 2B5
 Attention: Mr. Gary Harris Fax Number: (416) 250-5300

Any party hereto may from time to time notify each of the other parties hereto, in accordance with the foregoing provision hereof, of any change of address or fax number which thereafter, until changed by like notice, shall be the address or fax number (as the case may be) of such party, for all purposes of this Agreement.

5.4 Binding on Successors and Permitted Assigns

This Agreement shall be binding upon, and correspondingly enure to the benefit of, each of the parties hereto and their respective successors and assigns, provided however that neither the Principal nor the Escrow Agent shall be entitled to assign their respective rights and/or obligations under this Agreement to any party or parties without the express written consent of the Surety, and which consent may be denied or withheld arbitrarily and for any reason whatsoever.

5.5 Governing Law

This Agreement, the transactions referred to herein, and all other documents delivered hereunder shall be construed and interpreted in accordance with (and shall be correspondingly governed by) the laws of the Province of Ontario, and each of the parties hereto shall attorn to the jurisdiction of the Superior Court of Justice for the Province of Ontario.

5.6 Time

Time shall be the essence of this Agreement, and with respect to the performance and fulfillment of all obligations provided or contemplated herein.

5.7 Not Partners

Nothing contained herein shall be construed so as to make the Surety, the Escrow Agent and the Principal partners of one another.

5.8 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and, except as herein stated and in the documents to be executed and delivered pursuant hereto, this Agreement contains all of the representation, undertakings and agreements of the respective parties hereto.

There are no verbal representations, undertakings or agreements of any kind between or amongst the parties hereto with respect to the subject matter hereof, except as stated herein. This Agreement may not be modified or amended except with the written consent of all parties hereto.

5.9 Receipt of Copy

Each of the Principal and the Escrow Agent acknowledges receipt of an executed copy of this Agreement.

6.0 Electronic Execution of the Agreement

It is expressly acknowledged and agreed that the execution of this Agreement may 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.

Each of the parties hereto further acknowledges and agrees that this Agreement may be executed via telefax transmission (and the execution of a telefaxed version hereof by any or all of the undersigned parties shall have the same force and effect as if same were originally executed), and that a photocopy or telefaxed copy of this executed Agreement may be relied upon by all of the undersigned parties to the same extent as if it were an original executed version addressed specifically to each of them.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement and it becomes effective as of the day and year first above written.

2811 DEVELOPMENT CORPORATION

Per: [Signature]
Authorized Signing Officer CHARLES CHAN, DIRECTOR.
I have authority to bind the Corporation

LOMBARD GENERAL INSURANCE COMPANY OF CANADA

Per: [Signature]
Name: Sandy Ewen
Title: Vice President
I have authority to bind the Corporation

HARRIS, SHEAFFER.LLP, BARRISTERS & SOLICITORS

Per: [Signature]
Name: Gary H. Harris
Title:
I have authority to bind the firm acting as Escrow Agent

NAME OF PARTNER IN (OR PRINCIPAL SOLICITOR OF) ESCROW AGENT
(INCLUDING FIRST NAME, INITIAL AND LAST NAME)

GARY H. HARRIS

08/12/1950

BIRTHDATE: 1 (DAY,MONTH,YEAR)

HOME ADDRESS: 22 Bamboo Grove, Don Mills, ON M3B 2C5

SCHEDULE "A"

HARRIS, SHEAFFER TRUST

#100777 2811 Development Corporation - Landmark

CIBC

TERM DEPOSIT

Sept 27/10

| Unit # | Suite | Purchaser | Deposit Amount | Amount Released | Balance | Date | Release on UTD Amount | Taxion Release | Balance Retained | Balance in Unclosed Unit |
|---------|-------|----------------------|------------------|-----------------|-------------|------------|-----------------------|----------------|------------------|--------------------------|
| U37/L2 | 135 | Kisana | \$7,285.00 | | | Aug 18/10 | | | | |
| U37/L2 | 135 | Kisana | \$7,285.00 | | | Aug 18/10 | | | | |
| U37/L2 | 135 | Kisana | \$7,285.00 | | \$21,855.00 | Sept 13/10 | | | | \$21,855.00 |
| U46/L2 | 142 | Sandhu In Trust | \$9,336.50 | | | Aug 18/10 | | | | |
| U46/L2 | 142 | Sandhu In Trust | \$9,336.50 | | | Aug 18/10 | | | | |
| U46/L2 | 142 | Sandhu In Trust | (\$9,336.50) NSF | | | Aug 20/10 | | | | |
| U46/L2 | 142 | Sandhu In Trust | \$9,336.50 | | | Sept 2/10 | | | | |
| U360/L2 | 567 | Singh In Trust | \$14,350.00 | | \$18,673.00 | Aug 18/10 | | | | \$18,673.00 |
| U360/L2 | 567 | Singh In Trust | \$14,350.00 | | | Aug 18/10 | | | | |
| U360/L2 | 567 | Singh In Trust | \$14,350.00 | | | Aug 26/10 | | | | |
| U360/L2 | 567 | Singh In Trust | \$28,700.00 | | \$71,750.00 | Sept 27/10 | | | | \$71,750.00 |
| U365/L2 | 577 | Singh Basra In Trust | \$12,750.00 | | | Aug 18/10 | | | | |
| U365/L2 | 577 | Singh Basra In Trust | \$12,750.00 | | | Aug 18/10 | | | | |
| U365/L2 | 577 | Singh Basra In Trust | \$12,750.00 | | \$38,250.00 | Aug 26/10 | | | | \$38,250.00 |
| U116/L1 | 1112 | Gill | \$11,880.00 | | | Sept 24/10 | | | | |
| U116/L1 | 1112 | Gill | \$11,880.00 | | | Sept 24/10 | | | | |
| U117/L1 | 1114 | Aziz | \$12,320.00 | | \$23,760.00 | Aug 18/10 | | | | \$23,760.00 |
| U117/L1 | 1114 | Aziz | \$12,320.00 | | | Aug 26/10 | | | | |
| U117/L1 | 1114 | Aziz | \$12,320.00 | | | Sept 27/10 | | | | |
| U385/L1 | 4046 | Naser In Trust | \$17,037.50 | | \$36,960.00 | Aug 18/10 | | | | \$36,960.00 |
| U385/L1 | 4046 | Naser In Trust | \$17,037.50 | | | Aug 18/10 | | | | |
| U385/L1 | 4046 | Naser In Trust | \$17,037.50 | | \$51,112.50 | Sept 3/10 | | | | \$51,112.50 |
| U389/L1 | 4070 | Omar | \$34,075.00 | | | Aug 18/10 | | | | |
| U389/L1 | 4070 | Omar | \$34,075.00 | | \$68,150.00 | Sept 23/10 | | | | \$68,150.00 |
| U390/L1 | 4072 | Omar | \$32,725.00 | | | Aug 18/10 | | | | |
| U390/L1 | 4072 | Omar | \$32,725.00 | | \$65,450.00 | Sept 23/10 | | | | \$65,450.00 |
| U433/L1 | 5069 | Omar | \$34,075.00 | | | Aug 18/10 | | | | |
| U433/L1 | 5069 | Omar | \$34,075.00 | | \$68,150.00 | Sept 23/10 | | | | \$68,150.00 |
| U434/L1 | 5071 | Omar | \$33,075.00 | | | Aug 18/10 | | | | |
| U434/L1 | 5071 | Omar | \$33,075.00 | | \$66,150.00 | Sept 23/10 | | | | \$66,150.00 |
| U595/L1 | 6132 | Brar | \$10,750.00 | | | Aug 18/10 | | | | |
| U595/L1 | 6132 | Brar | \$10,750.00 | | | Aug 18/10 | | | | |

HARRIS, SHEAFFER TRUST
 #100777 2811 Development Corporation - Landmark

CIBC

TERM DEPOSIT

Sept 27/10

| Unit # | Suite | Purchaser | Deposit Amount | Amount Released | Balance | Date | Release on: Amount | Release on: Date | Tax on: Release | Balance Retained | Balance in: Unreleased Unit |
|-----------------------------------|-------|-----------|----------------|-----------------|--------------|------------|--------------------|------------------|--------------------|------------------|-----------------------------|
| U595/L1 | 6132 | Brat | \$10,750.00 | | \$32,250.00 | Sept 20/10 | | | | | \$32,250.00 |
| | | | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$562,510.50 |
| CIBC | | INTEREST | \$562,510.50 | \$0.00 | | | | | | | |
| | | | | | \$0.00 | | | | | | \$0.00 |
| | | | | | \$562,510.50 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$562,510.50 |
| | | | | | | | | | Add: Bal. Retained | | \$0.00 |
| Total Balance of Funds in Account | | | | | | | | | | | \$562,510.50 |

ACKNOWLEDGMENT

TO: LOMBARD GENERAL INSURANCE COMPANY OF CANADA

RE: Deposit Insurance Facility

Principal: 2811 Development Corporation (the "Corporation")

Project: 5789 to 5951 Steeles Avenue East, Toronto, Ontario
(known as "The Landmark")

The undersigned hereby acknowledges receiving a copy of the Financing Statement registered under the *Personal Property Security Act* attached hereto.

DATED this 5th day of October, 2010.

2811 DEVELOPMENT CORPORATION

Per: 

Name: Charles Chan

Title: President

I have authority to bind the Corporation

Verification Statement

184
Form
1C

Ontario: Financing Statement / Claim for Lien

| | | | | | | | | | | | | |
|---------------|----|--|--------------------------------|--------------------------------------|------------------------|--|---------|--|------------------------|------------------|---------------------------|---------------------------|
| | | Reference File No. 664832052 | | | | Registration No. 20100930153018622577 | | | | Expiry Date | | |
| 01 | | Cashion Filing | Page 1 | Total Page of 1 | Motor Vehicle Schedule | | | | | PPSA/RSLA P | Registration Period 10 | |
| Debtor | 02 | Individual Debtor | | Date of Birth | First Given Name | | Initial | Surname | | | | |
| | 03 | Business Debtor | | Name 2811 DEVELOPMENT CORPORATION | | | | | | | Ontario Corporation No. | |
| | | | Name cont'd. | | | | | | | | | |
| | 04 | Address SUITE 111, 7100 WOODBINE AVENUE | | | | City MARKHAM | | Prov. ON | Postal Code L3R 5J2 | | | |
| Debtor | 05 | Individual Debtor | | Date of Birth | First Given Name | | Initial | Surname | | | | |
| | 06 | Business Debtor | | Name | | | | | | | Ontario Corporation No. | |
| | | | Name cont'd. | | | | | | | | | |
| | 07 | Address | | | | City | | Prov. | Postal Code | | | |
| Secured Party | 08 | Secured Party LOMBARD GENERAL INSURANCE COMPANY OF CANADA | | | | | | | | | | |
| | 09 | Address 105 ADELAIDE STREET WEST | | | | City TORONTO | | Prov. ON | Postal Code M5H 1P9 | | | |
| Collateral | 10 | Section 1: Collateral Classification | | | | Section 2: Vehicle Included | | Section 3: Principal Amount Secured | | Section 4: | | |
| | | | Consumer Goods | Inventory | Equipment | Accounts | Other | Type 'X' if Motor Vehicle included | | Date of Maturity | | No Fixed Date of Maturity |
| | | | | | | X | X | | | | | |
| | | | Year | | Make | Model | | Vehicle Identification No. | | | | |
| | | | General Collateral Description | | | | | | | | | |
| | | | | | | | | | | | | |
| Agent | 16 | Registering Agent HARRIS, SHEAFFER LLP (GHH/LT - MATTER NO. 100776) | | | | | | | | | | |
| | 17 | Address SUITE 610, 4100 YONGE STREET | | | | City TORONTO | | Prov. ON | Postal Code M2P 2B5 | | | |

IMPORTANT INFORMATION

Due to the manner in which registrations are handled by the PPSR system, your original 3C Verification Statement ('Original Verification Statement') produced by the PPSR Registrar may contain warnings or error messages generated by the Ministry of Government Services, Companies and Personal Property Security Branch. Your Cyberbahn verification statement will NOT contain these messages, and Cyberbahn strongly recommends, in all cases, that you review your Original Verification Statement to ensure that you are aware of any potential errors or warnings generated by the PPSA system. Cyberbahn is not responsible for system errors.

Should you have any questions, please do not hesitate to contact Cyberbahn.

TAB S

Appendix "S"

**Deloitte Restructuring Inc. , Receiver
of 2811 Development Corporation
Statement of Receipts and Disbursements
For the period June 29, 2011 to March 28, 2014**

Receipts

| | | | |
|---|----|------------|----------------------|
| Cash on hand as at June 29, 2011 | | \$ | 4,342.46 |
| Sale of assets | | | 42,507,837.78 |
| Advance from Secured Creditor - Firm Capital Mortgage Fund Inc. | | | 70,600.19 |
| Property tax refunds (net) | | | 13,613.12 |
| Excess Interest earned on LC's | | | 17,690.60 |
| Interest earned | \$ | 15,066.07 | |
| Less: Interest paid on purchaser's deposits | | (5,868.49) | 9,197.58 |
| | | | <u>42,623,281.73</u> |
| Total cash receipts | | \$ | <u>42,623,281.73</u> |

Disbursements

| | | | |
|---|----|---------------|----------------------|
| Insurance | | | 3,359.00 |
| Appraisal Fees | | | 7,098.52 |
| Advertising | | | 2,997.88 |
| HST Paid on Disbursements exclusive of Receiver's & Legal fees | | | 1,315.14 |
| PST Paid on Disbursements exclusive of Receiver's & Legal fees | | | 268.72 |
| Bank Charges | | | 250.00 |
| Filing Fee Paid to Official Receiver | | | 70.00 |
| Courier charges | | | 20.07 |
| Legal Fees and Disbursements: | | | |
| Borden Ladner Gervais LLP (1) | \$ | 442,304.57 | |
| Thornton, Grout & Finnigan LLP | | 48,050.02 | |
| Meyers, Wasannar, Banach LLP | | 67,145.60 | \$ 557,500.19 |
| HST Paid on Legal Fees and disbursements (1) | | | 72,348.32 |
| Receiver's Fees and disbursements - Deloitte Restructuring Inc. (1) | | | 704,013.99 |
| HST Paid on Receiver's Fees and disbursements (1) | | | 91,521.84 |
| Deemed Trust Claim | | | 90,880.53 |
| CRA-WEPPA claims (1) | | | 6,000.00 |
| <u>Payments to Secured Creditors</u> | | | |
| Firm Capital Mortgage Fund Inc. | \$ | 18,110,664.45 | |
| Key Pendragon Enterprises Inc. | | 10,205,115.01 | |
| Harris, Sheaffer LLP | | 7,950,000.00 | |
| White Bear Development Inc. | | 2,133,995.22 | |
| Lombard General Insurance Company | | 2,423,482.93 | |
| Stevensons LLP in Trust - (Con-Drain) Company 1983 Limited | | 57,314.12 | 40,880,571.73 |
| | | | <u>42,418,215.93</u> |
| Total Disbursements | | \$ | <u>42,418,215.93</u> |
| Net Receipts | | \$ | 205,065.80 |
| Less: Holdback | | | 40,000.00 |
| Funds available for distribution | | \$ | <u>165,065.80</u> |

Note 1-includes accruals up to March 28, 2014

TAB T

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

**IN THE MATTER OF AN APPLICATION UNDER SECTION 116(1) 6
OF THE SOCIAL HOUSING REFORM ACT, 2000, S.O. 2000, c. 27**

BETWEEN:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent

**AFFIDAVIT OF CATHERINE HRISTOW
(Sworn April 7, 2014)**

I, CATHERINE HRISTOW, of the Town of Richmond Hill, in the Province of Ontario,

MAKE OATH AND SAY:


1. I am a Vice President of Deloitte Restructuring Inc. ("**Deloitte**"), (formerly Deloitte & Touche Inc.), the receiver ("**Receiver**") of 2811 Development Corporation, and as such have personal knowledge of the matters herein deposed.

On June 29, 2011, The Honourable Mr. Justice Campbell issued an order appointing Deloitte 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" to the Appointment Order (the "**Lands**") and all of the assets,

undertakings and properties of 2811 Development Corporation (the "Debtor" or "2811") acquired for, or used in relation to, the development of the Lands and construction of improvements thereon, including all proceeds thereof.

- 2. This affidavit is made in connection with the Receiver's motion for approval of the fees and disbursements of the Receiver for the period May 25, 2011 to March 28, 2014.
- 3. Attached hereto and marked as **Exhibit "A"** are true copies of the accounts rendered by Deloitte for the period May 25, 2011 to March 28, 2014.
- 4. Attached hereto as **Exhibit "B"** is a schedule summarizing each invoice in Exhibit "A".
- 5. Attached hereto and marked as **Exhibit "C"** is a summary of the staff and their respective hourly rates. The average hourly rate is \$556.14.
- 6. Attached as Exhibit "A" to the Affidavit of John D. Marshall of Borden Ladner Gervais LLP ("**BLG**") sworn and filed in support of the within motion are the full particulars of the fees and disbursements of BLG, counsel to the Receiver, which have been incurred during the period August 1, 2011 to March 31, 2014.
- 7. BLG rendered services throughout these proceedings in a manner consistent with instructions from the Receiver. The Receiver has approved all such accounts and I verily believe that the fees and disbursements of BLG are fair and reasonable in the circumstances.

SWORN before me)
 at the City of Toronto,)
 in the Province of Ontario,)
 this day of April 7, 2014)




 A Commissioner for Taking Affidavits, etc.

ELAINE MARGARET McKay
 A Commissioner, etc., City of Toronto,
 for Deloitte Restructuring Inc., Trustee
 in Bankruptcy and Deloitte LLP,
 Chartered Accountants.
 Expires March 19, 2015.



CATHERINE HRISTOW

This is Exhibit "A" referred
to in the affidavit of Catherine Hristow
Sworn before me this 7th day of April, 2014



ELAINE MARGARET MCKAY
A Commissioner, etc., City of Toronto,
for Deloitte Restructuring Inc., Trustee
in Bankruptcy and Deloitte LLP,
Chartered Accountants.
Expires March 19, 2015.

Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street
 Suite 1400
 Toronto ON M5J 2V1
 Canada

Tel: 416-601-6150
 Fax: 416-601-6690
 www.deloitte.ca

2811 Development Corporation
 c/o: Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street, Suite 1400
 Toronto, Ontario
 M5J 2V1

Date: November 3, 2011
 Invoice No: 2950808
 Client/Mandate No: 917327/1000000
 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 ("Harris Sheaffer") 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 ("HSBC"), Bank of Montreal ("BMO") and Royal Bank of Canada ("RBC") freezing accounts; e-mail to Mr. Warner providing update to status of process; e-mail to Ms. Patty Pfanzelt of Toronto Dominion Bank ("TD") 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 ("Marsh") 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. |

| Date | Professional | Narrative |
|-----------|--------------------------|---|
| 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 |
| Total hours and professional fees | | 188.5 | | \$ 103,892.00 |
| Disbursements: parking and mileage | | | | 282.33 |
| Total professional fees and disbursements | | | | \$ 104,174.33 |
| HST @13% | | | | 13,542.66 |
| Total Payable | | | | \$ 117,716.99 |

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
 Canada

Tel: 416-601-6150
 Fax: 416-601-6690
 www.deloitte.ca

2811 Development Corporation
 c/o: Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street, Suite 1400
 Toronto, Ontario
 M5J 2V1

Date: November 3, 2011
 Invoice No: 2950625
 Client/Mandate No: 917327/1000000
 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 ("Wagner") to arrange for an appraisal; telephone discussion with Chris Vardon of Cushman Wakefield ("Cushmans") 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 ("BLG") 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 ("BLG") 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 th 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. Moffatt 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

| Professional | Position | Hours | Rate | Amount |
|--|----------------------|---------------------|-------------|----------------------|
| 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 |
| Total hours and professional fees | | <u>263.3</u> | | \$ 133,624.50 |
| HST @13% | | | | <u>17,371.19</u> |
| Total Payable | | | | \$150,995.69 |

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
 Canada

Tel: 416-601-6150
 Fax: 416-601-6690
 www.deloitte.ca

2811 Development Corporation
 c/o: Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street, Suite 1400
 Toronto, Ontario
 M5J 2V1

Date: November 3, 2011
 Invoice No: 2950643
 Client/Mandate No: 917327/1000000
 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. Botting'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. |

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| 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. |

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| 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 (" Heenan ") 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. |

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| 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

| Professional | Position | Hours | Rate | Amount |
|--|-----------------|---------------------|-------------|---------------------|
| 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 |
| Total hours and professional fees | | <u>168.4</u> | | \$ 90,782.50 |
| Disbursements: postage and delivery | | | | 663.31 |
| Total professional fees and disbursements | | | | \$ 91,445.81 |
| HST @13% | | | | 11,887.96 |
| Total Payable | | | | \$103,333.77 |

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
 Canada

Tel: 416-601-6150
 Fax: 416-601-6690
 www.deloitte.ca

2811 Development Corporation
 c/o: Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street, Suite 1400
 Toronto, Ontario
 M5J 2V1

Date: November 3, 2011
 Invoice No: 2950705
 Client/Mandate No: 917327/1000000
 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 "Third Report") |
| 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 ("BLG"), Mr. I Gerstein and Ms. S. Botting to review offers received including telephone conference call with Mr. Joseph Fried of Meyers Wasanaar Banach LLP ("MWB"); 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 |
| Total hours and professional fees | | <u>74.5</u> | | <u>\$ 43,415.00</u> |
| Disbursements: printing | | | | 115.25 |
| Total professional fees and disbursements | | | | <u>\$ 43,530.25</u> |
| HST @13% | | | | 5,658.93 |
| Total Payable | | | | <u>\$ 49,189.18</u> |

Payable upon receipt to: Deloitte & Touche Inc.

Bryan A. Tannenbaum, FCA, FCIRP
 Senior Vice President

Deloitte.

Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street
 Suite 1400
 Toronto ON M5J 2V1
 Canada

Tel: 416-601-6150
 Fax: 416-801-6690
 www.deloitte.ca

2811 Development Corporation
 c/o: Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street, Suite 1400
 Toronto, Ontario
 M5J 2V1

Date: November 29, 2011
 Invoice No: 2986241
 Client/Mandate No: 917327/1000000
 Partner: Bryan A. Tannenbaum
 HST Registration No: 122893605

Invoice 5

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 16, 2011 to November 15, 2011:

| Date | Professional | Narrative |
|------------|-------------------|--|
| 10/17/2011 | Tannenbaum, Bryan | Telephone call from Mr. Jeff Slopen of Miller Canfield Paddock and Stone LLP, Windsor lawyer for Mady Development Corp ("Mady") regarding redemption issue and status; email from R. Ling LL.B. re prospective purchaser and response |
| 10/18/2011 | Tannenbaum, Bryan | Review e-mails and discuss with Mr. I. Gerstein timing of the Receiver's Third Report to Court (the "Third Report"). |
| 10/19/2011 | Tannenbaum, Bryan | Attendance on a conference call with Mr. Joseph Fried of Meyers Wasanaar Banach LLP ("MWB"), Mr. John Marshall of Borden Ladner Gervais ("BLG") and I. Gerstein re closing date, extension request, redemption issue, Snow mortgages, etc. |
| 10/20/2011 | Gerstein, Ira | To drafting the Third Report. |
| 10/21/2011 | Gerstein, Ira | To drafting the Third Report, including discussions with J. Marshall and B. Tannenbaum regarding same. |
| 10/24/2011 | Gerstein, Ira | To drafting the Third Report. |
| 10/25/2011 | Gerstein, Ira | To drafting the Third Report, telephone discussion with Mr. Anthony O'Brien of Lombard Insurance ("Lombard") regarding insurance claims; review report with B. Tannenbaum and send to J. Fried and J. Marshall for review and comments. |
| 10/25/2011 | Tannenbaum, Bryan | Telephone call from Streetwise Capital Partners regarding tax losses and shareholders; review the Third Report and comments, etc.; discuss same with I. Gerstein. |
| 10/26/2011 | Gerstein, Ira | Preparation of a schedule setting out the Receiver's proposed distribution to secured creditors; review of October Invoice; telephone conference call with J. Marshall, Mr. Sam Rappos of |

| Date | Professional | Narrative |
|------------|-------------------|---|
| | | BLG and B. Tannenbaum regarding the Third Report; e-mail to Mr. Chander Shakar of the Company requesting confirmation on outstanding priorities. |
| 10/26/2011 | Tannenbaum, Bryan | Review and prepare statements of accounts; conference call with J. Marshall, S. Rappos and I. Gerstein regarding the Third Report. |
| 10/27/2011 | Gerstein, Ira | Receipt and review revised Third Report from J. Marshall provide comments and e-mail to J. Marshall enclosing same with questions; telephone call with J. Fried regarding Mady's request for an amendment to the offer regarding closing date, discuss same with B. Tannenbaum; e-mail from S. Rappos regarding WEPPA issue and status of independent legal opinion; e-mail from C. Shakhar in response to questions regarding outstanding wages, HST and pension plan; subsequent telephone call with C. Shakhar regarding same; draft e-mail to J. Marshall and S. Rappos regarding response from 2811 regarding HST, outstanding wages etc.; telephone discussion with C. Shakhar regarding wages HST etc.; subsequent e-mail to C. Shakhar to confirm various items and receipt of e-mail from C. Shakhar in response to same; discussions with B. Tannenbaum regarding status of the Third Report; receipt and review comments on the Third Report from J. Fried; e-mail from/to S. Rappos regarding WEPPA claims and HST. |
| 10/27/2011 | Tannenbaum, Bryan | Receipt and review of e-mails regarding edits to the Third Report; discussion with I. Gerstein regarding outstanding matters of HST, WEPPA applicability, CRA, etc. |
| 10/28/2011 | Gerstein, Ira | Assemble appendices of the Third Report; draft e-mail to S. Rappos regarding the status of the Third Report; e-mail from C. Shakhar responding to queries regarding HST and outstanding wages, and forward same to Counsel. |
| 10/31/2011 | Gerstein, Ira | Receipt and review revised draft of the Third Report from S. Rappos; telephone discussion with J. Fried regarding same; arrange for a conference call to discuss draft Third Report; discuss same with B. Tannenbaum; preparation for and attendance on a conference call with S. Rappos, J. Marshall, J. Fried and B. Tannenbaum to discuss the Third Report, commence updating the Third Report based on comments. |
| 10/31/2011 | Tannenbaum, Bryan | Preparation for and attendance on a conference call with S. Rappos, J. Marshall, J. Fried and I. Gerstein to discuss the Third Report. |
| 11/1/2011 | Tannenbaum, Bryan | Discussion with I. Gerstein regarding conference call and status of changes to the Third Report; review and edit accounts; read further edits to the Third Report; discuss same with I. Gerstein. |
| 11/1/2011 | Gerstein, Ira | Update the Third Report based on J. Fried's and S. Rappos's comments; discussion with B. Tannenbaum regarding same; telephone discussion with Penny Davey of Canada Revenue Agency ("CRA") regarding the Receiver's request for the date upon which the deemed trust arose; discussions and e-mails with |

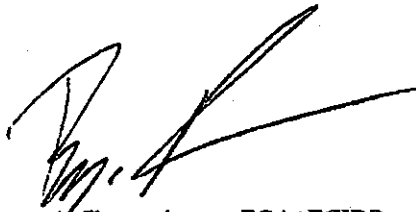
| Date | Professional | Narrative |
|------------|-------------------|--|
| | | J. Fried regarding the Third Report and status of Lombard regarding the Receiver's comments in the Third Report; e-mail from assistant of J. Fried requesting copies of tax bills and forward same. |
| 11/2/2011 | Zailer, Anna | Post Receiver's Reports to the external website. |
| 11/2/2011 | Weisz, Daniel | Quality Assurance review of the Third Report and meet with I. Gerstein on same. |
| 11/2/2011 | Gerstein, Ira | Proof edit update the Third Report; e-mails to/from S. Rappos regarding changes; conference call with J. Fried and Mr. Dominique Michaud of Robins, Appleby, & Taub LLP regarding wording in report for insurance on deposits; assist S. Rappos with appendices; discussion with D. Weisz regarding the Quality Assurance review of the Third Report; make changes to the Third Report and send to S. Rappos. |
| 11/3/2011 | Gerstein, Ira | Amend the Third Report based on additional comments from S. Rappos; discuss with B. Tannenbaum; deliver the Third Report and affidavits to S. Rappos; telephone call with legal counsel to a condo purchaser regarding the status of his client's deposit; conference call with S. Rappos and J. Marshall regarding potential issue with White Bear's security; discuss same with B. Tannenbaum; review changes to the Third Report and return to S. Rappos. |
| 11/3/2011 | Tannenbaum, Bryan | Sign the Third Report; various e-mails regarding minor adjustments due to qualification on the White Bear security; discussions with I. Gerstein regarding same. |
| 11/4/2011 | Zailer, Anna | Update Receiver's external website. |
| 11/7/2011 | Gerstein, Ira | Receipt and review e-mail from J. Marshall in response to an e-mail from Heenan Blakie LLP regarding its claim against 2811; e-mail from a condo purchaser and advise A. Zailer on how to respond. |
| 11/7/2011 | Zailer, Anna | E-mail to/from a condo purchaser, subsequent e-mail to/from I. Gerstein regarding same. |
| 11/9/2011 | Gerstein, Ira | E-mails from S. Rappos requesting address information on purchasers of condo units; discuss same with A. Zailer; e-mail from S. Rappos requesting Firm Capital Mortgage Fund Inc. ("Firm Capital") payout schedule and e-mail to Mr. Michael Warner of Firm regarding same; e-mail exchanges with J. Fried regarding timing of closing of sale. |
| 11/9/2011 | Zailer, Anna | Reconcile mailing list to the master list of active condo unit purchasers and prepare a merged address list. |
| 11/9/2011 | Brown, Rose M | Receiver's trust account banking administration - Prepare disbursement cheque. |
| 11/10/2011 | Gerstein, Ira | Telephone conference call with J. Marshall and S. Rappos regarding Supplementary Report to the Receiver's Third Report to Court (the "Supplementary Report") and issues related to the allocation of proceeds to the Property Index Number over which Con Drain has priority over Lombard; receipt and review |

| Date | Professional | Narrative |
|------------|-------------------|---|
| | | Supplementary Report. |
| 11/11/2011 | Weisz, Daniel | Quality Assurance review of the Supplementary Report and discussion with I. Gerstein regarding same. |
| 11/11/2011 | Gerstein, Ira | Review Quality Assurance changes from D. Weisz and insert into the Supplementary Report and send to S. Rappos for comments; update Supplementary Report; review letter to purchasers; e-mail letter to S. Rappos; review e-mail from S. Rappos regarding letter to Purchasers; discuss Supplementary Report with B. Tannenbaum. |
| 11/14/2011 | Zailer, Anna | Update to the Receiver's External Website. |
| 11/14/2011 | Gerstein, Ira | Receipt and review e-mail from J. Marshall to Mr. Edward Hiutin of Stevensons LLP, counsel for Con-drain regarding status of mortgage security; receipt and review e-mail from D. Michaud regarding Lombard's instructions to oppose a distribution pending receipt of affidavits from all secured creditors for review; receipt and review copy of notice of examination of A. O'Brien by Mr. Derek Lee of 2811; receipt and review copy of correspondence from D. Lee to J. Marshall regarding 2811's position on various matters related to the sale; review e-mail of S. Rappos to D. Michaud enclosing a revised version of the proposed draft letter to unit purchasers; receipt and review copy of affidavit of M. Warner regarding 2811's indebtedness to Firm Capital; receipt and review copy of affidavit of Mr. Charles Chan regarding his position regarding the sale of the Property. |
| 11/15/2011 | Tannenbaum, Bryan | Attend court for approval of Sale and Vesting Order; various discussions with counsel regarding issues, etc. |
| 11/15/2011 | Gerstein, Ira | Preparation for and attendance in Court in respect of the Receiver's motion for sale of the property, receipt and review correspondence from CRA regarding a request to file employee information returns and forward same to S. Rappos for comments. |

Summary of fees

| Professional | Position | Hours | Rate | Amount |
|--|----------------------|---------------------|-------------|---------------------|
| Bryan A. Tannenbaum, FCA, FCIRP | Partner | 19.1 | \$675.00 | \$ 12,892.50 |
| Daniel R. Weisz, CA-CIRP, CIRP | Partner | 2.3 | 675.00 | 1,552.50 |
| Ira Gerstein, CA-CIRP | Senior Manager | 89.1 | 575.00 | 51,232.50 |
| Rose M. Brown | Trust Administration | 0.3 | 100.00 | 30.00 |
| Anna Zailer | Administration | 2.4 | 100.00 | 240.00 |
| Total hours and professional fees | | <u>113.2</u> | | \$ 65,947.50 |
| Disbursements | | | | |
| Receiver's Data Site | | | | 3,570.00 |
| Parking & Mileage | | | | 65.30 |
| Total professional fees and disbursements | | | | \$ 69,582.80 |
| HST @13% | | | | 9,045.76 |
| Total Payable | | | | \$ 78,628.56 |

Payable upon receipt to: Deloitte & Touche Inc.



Bryan A. Tannenbaum, FCA, FCIRP
Senior Vice President

Deloitte.

Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street
 Suite 1400
 Toronto ON M5J 2V1
 Canada

Tel: 416-601-6150
 Fax: 416-601-6690
 www.deloitte.ca

2811 Development Corporation
 c/o: Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street, Suite 1400
 Toronto, Ontario
 M5J 2V1

Date: January 25, 2012
 Invoice No: 2994457
 Client/Mandate No: 917327/1000000
 Partner: Bryan A. Tannenbaum

HST Registration No: 122893605

Invoice 6

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 November 16, 2011 to December 31, 2011 as well as time not included on the previous billing:

| Date | Professional | Narrative |
|------------|-------------------|---|
| 11/14/2011 | Tannenbaum, Bryan | Review file. Receipt and review of emails with respect to a possible appeal of the Approval and Vesting Order; |
| 11/16/2011 | Weisz, Daniel | Discussion with I. Gerstein with respect to correspondence received from Canada Revenue Agency regarding requirement to prepare T4's and Summary; |
| 11/17/2011 | Zailer, Anna | Update website with Court documents; |
| 11/18/2011 | Zailer, Anna | Update website with Court documents; |
| 11/18/2011 | Tannenbaum, Bryan | Receipt and review notice of intention to appeal from counsel to the 2811 and subsequent telephone conference call with J. Marshall and S. Rappos of Borden Ladner Gervais LLP ("BLG"), J. Fried of Meyers Wasnauer Banach LLP ("MWB") regarding same; |
| 11/18/2011 | Gerstein, Ira | File organization, prepare referenced version of the supplement to the third report, receipt and review copy of notice of appeal from legal counsel to 2811 and telephone conference call with Receiver's legal counsel regarding same; discussions with respect to the notice of appeal by 2811 of the order of Justice Morawetz approving the sale, review various e-mails between legal counsel, continue to reference third report; |
| 11/21/2011 | Gerstein, Ira | E-mail from Sam Rappos enclosing affidavit of Greg Puklicz of Mady Development Corp with respect to 2811's indebtedness to Mady, as well as e-mails from legal counsel of Con-Drain Company (1983) Limited ("Con-Drain") setting |

| Date | Professional | Narrative |
|------------|-------------------|--|
| | | out 2811's indebtedness to Con-drain and review same, e-mail from Sam Rappos in response to the Receiver's request regarding its responsibility to complete T4's on behalf of 2811, review of various e-mail exchange between the Receiver's counsel and Mr. Sherkin, counsel for 2811 regarding its intended appeal of the Morawetz order. |
| 11/22/2011 | Gerstein, Ira | Review various e-mails from S. Rappos regarding status of application for stay of the J. Morawetz Approval and Vesting order. Review written decision of J. Morawetz on the Approval and Vesting Order, telephone call with S. Rappos and B. Tannenbaum with respect to the status of the application for stay of the Approval and Vesting Order; |
| 11/23/2011 | Gerstein, Ira | Email from S. Rappos enclosing sworn affidavit from Mady Development Corporation ("Mady") regarding its claim against the property and review same, review various e-mail exchanges between the Receiver's legal counsel and Levine Sherkin Boussidan regarding timing of the hearing with respect to 2811's appeal of Morawetz's order, e-mail from J. Fried regarding the issue of conditionality of the purchase and sale agreement with Mady. |
| 11/25/2011 | Gerstein, Ira | Commence drafting the Receiver's Fourth Report to Court (the "Fourth Report"), review various e-mail exchanges between Robbins Appleby Taub LLP and Goldman Sloan Nash LLP regarding documentary evidence of the indebtedness of 2811 to Key Pendragon and White Bear; |
| 11/28/2011 | Tannenbaum, Bryan | Review of several emails with respect to the status of the TD Bank letters of credit issued and its effect/ impact on the payout to the secured creditors; review of several emails with respect to the Dec. 5, 2011 motion for an interim distribution order; |
| 11/28/2011 | Gerstein, Ira | Receipt and review statement of adjustments and discuss same with J. Fried, update Fourth Report to court, e-mail to S. Rappos requesting copies of affidavits of Firm Capital Mortgage Fund Inc., White Bear and Key Pendragon, receipt of e-mail from S. Rappos enclosing same and review, e-mail from J. Fried enclosing cases regarding debtor's right of redemption prior to closing; e-mail from Peter L. May, counsel to a unit purchaser regarding his client's deposit and respond, receipt and review draft statements of adjustments in anticipation of the closing of the sale, review various correspondence between legal counsel to secured lenders and legal counsel to the Receiver regarding disputes in respect of certain secured creditor's claims; |
| 11/29/2011 | Gerstein, Ira | Preparation of the Receiver's Fourth Report to court, discussions with P. Pfanzelt of TD Bank with respect to issues related to the LC's, e-mails to and from S. Rappos regarding same, numerous e-mails between J. Marshall and J. Fried |

| Date | Professional | Narrative |
|------------|-------------------|---|
| | | regarding issue of LC's; receipt and review e-mail from S. Rappos to secured lenders counsel regarding the issue of holding back funds on contested amounts and allowing receiver to make interim distribution on non-contested amounts. receipt and review e-mail from J. Fried advising on the issue of taking title, e-mail exchanges between J. Fried and receiver's legal counsel regarding the issue of the Interim Distribution and Vesting Order not providing for the purchaser to take title, receipt and review property tax memo from J. Fried, receipt and review copy of closing agenda, receipt and review Purchaser's and Vendor's documents from J. Fried, receipt and review draft order amending the vesting order; |
| 11/30/2011 | Tannenbaum, Bryan | Review, edit and approve Fourth Report; receipt and review of emails with respect to Lombard Insurance Company of Canada's ("Lombard) agreeing to payouts of the non-disputed amounts and holdback amounts for the 1st to 5th mortgagees; edit Fourth Report; emails regarding closing preparations; |
| 11/30/2011 | Gerstein, Ira | update Fourth Report based on discussions with legal counsel, review of numerous e-mail exchanges between J. Fried and S. Rappos and between J. Fried and the City of Toronto regarding LC issues, telephone discussion with J. Fried regarding ability to assign to new purchaser; e-mail from S. Rappos enclosing a voice-mail message from D. Nunes of Thornton Grout Finnegan, counsel for Firm Cpaital indicating that Firm is agreeable to a holdback of the distribution, e-mail from J. Fried to D. Gourla of the City of Toronto requesting a contact person at the City to deal with regarding letters of credit. e-mail from S. Rappos advising of Lombard's position regarding contested amounts, e-mail from J. Fried to S. Rappos regarding conversations with the City on the letter of credit issue, receipt and review e-mail from J. Fried regarding comments on the fourth report, review e-mail from S. Rappos to Irv Marks of Robins Appleby Taub, counsel to Lombard with respect to issues related to holdbacks; |
| 12/1/2011 | Weisz, Daniel | Quality and Assurance review of the Fourth Report to court, meet with I. Gerstein on same; |
| 12/1/2011 | Tannenbaum, Bryan | Receipt and review of various emails with respect to holdbacks from distributions to secured lenders and emails to J. Marshall with respect to the Receiver's concerns; |
| 12/1/2011 | Gerstein, Ira | Proof edit update Fourth Report based on changes from S. Rappos, review correspondence from Lombard to White Bear Firm Capital and Key Pendragon with respect to Lombard's position regarding claims, telephone call with S. Rappos with respect to the Fourth Report and correspondence from Lombard, subsequent telephone call with J. Marshall and B. Tannenbaum with respect to the status of the interim |

| Date | Professional | Narrative |
|-----------|-------------------|--|
| | | distribution order and other legal matters holding up the distribution; receipt and review e-mail from J. Marshall to D. Nunes in response to D. Nunes's question regarding Mr. Chan's affidavit opposing any distribution to Lombard, receipt and review comments from S. Rappos on fourth report and incorporate same, receipt and review copy of correspondence from Lombard's counsel setting out Lombard's position regarding distribution, receipt and review e-mail from J. Fried to S. Rappos requesting that the distribution order include a clause allowing for title to pass free and clear of an execution, e-mail from J. Marshall setting out his discussions with the secured lenders regarding the distribution motion; |
| 12/2/2011 | Tannenbaum, Bryan | Receipt and review of emails on the status of the TD Bank's LCs and suggestion for filing a fifth Receiver's report; |
| 12/2/2011 | Gerstein, Ira | Review e-mail from J. Marshall to Grant Marshall regarding timing of distributions, e-mail from J. Marshall enclosing correspondence from Derek lee regarding letters addressed to White Bear Developments Inc. and Key Pendragon Enterprises Inc. regarding issues pertaining to forbearance fees and interest, receipt and review copy of second affidavit of Anthony O'Brien of Lombard, receipt and review e-mail from Gabriella of Meyers Wasanaar Banach enclosing closing documents for signature and review same, receipt and review revised interim distribution order |
| 12/5/2011 | Zailer, Anna | Update website with Court documents; |
| 12/5/2011 | Gerstein, Ira | Preparation for and attendance in court on the Receiver's motion for an amendment to the Approval and Vesting Order and an interim distribution order, receipt and review e-mail from Peter May, legal counsel to a unit purchaser requesting status of return of deposit and respond by e-mail. E-mails to A. Shinde regarding status of payments to Merrill Corporation regarding the data room; |
| 12/6/2011 | Gerstein, Ira | review numerous e-mail exchanges between legal counsel regarding the revised draft distribution order, telephone conference call with B. Tannenbaum, J. Fried and J. Marshall regarding Mady's request to extend closing of the sale transaction; |
| 12/6/2011 | Tannenbaum, Bryan | conference call with J. Marshall, J. Fried and I. Gerstein with respect to MDC's request for an extension of the closing of the sale transaction and logistics thereto; |
| 12/6/2011 | Gerstein, Ira | E-mail from J. Fried advising that he informed P. Spadafora of Robbins Appleby Taub about concerns of the Receiver extending the closing date, receipt and review copies of the motion records with respect to the interim distribution order and request A. Zailer to post on website |
| 12/7/2011 | Gerstein, Ira | receipt and review various e-mails from legal counsel regarding the interim distribution order, e-mail from J. |

| Date | Professional | Narrative |
|------------|-------------------|--|
| | | Marshall requesting the status of the LC who's beneficiary is Toronto Hydro and respond by e-mail; review e-mail from Dominique Michaud to Howard Sloan requesting Whitebear's and Key Pendragon's approval of the draft distribution order, receipt and review a copy of the issued and entered revised vesting order and have A. Zailer post to website, e-mail from J. Marshall requesting status of LC' review same and respond; |
| 12/8/2011 | Zailer, Anna | Update website with Court documents; |
| 12/8/2011 | Gerstein, Ira | receipt of e-mail from J. Fried enclosing and amending agreement to the purchase and sale agreement and review same, e-mail from S. Rappos enclosing an e-mail from C. Scalzi of Levine Sherkin Boussidan requesting whether the purchase and sale transaction closed, |
| 12/9/2011 | Tannenbaum, Bryan | Receipt and review of documentation received from J. Fried regarding Vendor's undertaking to readjust, Vendors acknowledgment, direction regarding funds, Vendor's certificate regarding representations and warranties, assignment agreement, execute and return with covering letter; |
| 12/9/2011 | Gerstein, Ira | receipt and review e-mail from J. Marshall setting out his discussion with C. Scalzi regarding 2811's desire to redeem security, e-mail from J. Marshall requesting an estimate of the Receiver's fees to completion based on a request from Lombard and respond, e-mail from J. Marshall requesting the quantum of CRA's claim for GST/HST and respond, review e-mail from J. Marshall to D. Michaud setting out estimates of fees and other potential claims such as CRA etc. |
| 12/12/2011 | Zailer, Anna | Update website with Court documents |
| 12/12/2011 | Tannenbaum, Bryan | Sign Receiver's Certificate; review accounting of balances owing and to be distributed on closing net of holdbacks; |
| 12/12/2011 | Gerstein, Ira | e-mail to J. Fried with respect to issues related to the Receiver's certificate and receipt and review response from J. Fried, receipt and review e-mail from J. Li, a condo unit purchaser re status and respond, e-mail to J. Fried advising of the interest earned on purchasers deposit and to amend statement of adjustments to reflect same and receipt of response from J. Fried, e-mail from J. Marshall enclosing a draft receiver's certificate and review same |
| 12/13/2011 | Gerstein, Ira | Reconcile secured lender interim distribution; e-mail correspondence between S. Rappos and J. Fried regarding Receiver's Certificate; letter to BLG, Meyers Wasanaar and Banach and Thornton Grout regarding fee distribution; e-mail from J. fried advising that the purchase and sale agreement will be amended to allow for the inclusion of drawings as the purchased assets, e-mail from S. Rappos to J. Fried requesting a copy of the signed Receiver's certificate, e-mail from J. Fried enclosing documents to be signed in respect of the closing and deal with same, e-mail from J. Fried enclosing a copy of the |

| Date | Professional | Narrative |
|------------|-------------------|---|
| | | letter to Firm enclosing distribution and respond to J. Fried, further e-mail from J. Fried enclosing distributions to the second through fifth mortgagees, e-mail from J. Fried requesting wiring instructions, discuss with R. Brown and forward same to J. Fried; |
| 12/14/2011 | Gerstein, Ira | Arrange for wire transfer information to be sent to J. Fried; e-mail R. Brown regarding same; e-mail from G. Zlatanovic of J. Fried's office requesting a copy of the Assignment of Plans and forward same; finalize schedule of Distributions and discuss with B. Tannenbaum; e-mail correspondence from J. Fried setting out status of closing; voicemail from P. Davey of CRA regarding status of CRA trust exam and subsequent e-mail to J. Marshall, S. Rappos and B. Tannenbaum regarding same; e-mail correspondence from J. Marshall regarding possession of Payroll records; e-mail correspondence from J. Marshall enclosing proposed settlement e-mail regarding contested amounts and review same; e-mail correspondence to S. Rappos requesting copy of word version of letter to be sent to condo unit purchasers; e-mail from G. Zlatanovic requesting a scanned copy of the Assignment of Plans and respond, receipt and review copy of e-mail correspondence from J. Fried to P. Spadafora setting out the status of documents, e-mail from J. Fried advising that all documents have been delivered but a problem with Trez Capital internal funding issue, response e-mail from J. Marshall regarding funding issue, e-mail from J. Marshall regarding control of payroll records and respond, e-mail from J. Marshall enclosing correspondence from counsel to Lombard agreeing to settle contested amounts, e-mail from H. Sloan of Goldman Sloan Nash Haber, counsel to 2 nd to fifth mortgagee agreeing to Lombard's settlement proposal, e-mail from S. Rappos enclosing and e-mail from C. Scalzi requesting confirmation of closing of the sale transaction, e-mail from J. Fried advising that Trez Capital rectified the funding issue and funds to be wired on December 15, 2011, e-mail from J. Fried enclosing correspondence with Mady agreeing to a one day extension of the closing, e-mail to J. Fried advising that the interest on deposit on statement of adjustments needs to be rectified and e-mail from J. Fried advising to send check to purchaser instead of revising statement of adjustments, e-mail from G. Zlatanovic enclosing revised statement of adjustments and review same; |
| 12/14/2011 | Tannenbaum, Bryan | E-mail correspondence regarding funding and possible delay of closing, court stamped receivers certificate, distribution amounts, wire transfers, inquiry from prospective purchaser, Trez funding by certified cheques rejected and wire transfer necessary; CRA e-mail from I. Gerstein; email from Sherkin |


| Date | Professional | Narrative |
|------------|---------------|--|
| | | regarding status; letter to condo purchasers; email from BLG regarding second distribution Order; |
| 12/15/2011 | Brown, Rose | Trust Banking Adm. - Confirm and input incoming wire, prepare disbursement cheques. |
| 12/15/2011 | Zailer, Anna | Update Receiver's website; |
| 12/15/2011 | Gerstein, Ira | E-mails from J. Fried regarding closing issues; update receiver's certificate and e-mail copies to J. Fried, P. Spadafora and J. Marshall; deliver copies of same; review Statement of Adjustments and Trust Summary; discuss same with J. Fried and G. Zlatanovic; discussions with R. Brown regarding wire transfer; review statement of receipts and disbursements based on R. Brown's input of sale information; e-mail from/to S. Rappos regarding closing proceeds; A. Zailer on letters to condo unit purchasers; e-mail from J. Marshall to P. Spadafora enclosing Notarial copies of the Approval and Vesting order, e-mail from G. Zlatanovic enclosing confirmation of receipt of funds from the purchaser and instructing to complete Receiver's certificate and respond, e-mail from J. Marshall enclosing black lined copy of second interim distribution order and review same, e-mail from J. Fried to G. Moffatt enclosing confirmation of bank wire to Firm Capital, e-mail from G. Zlatanovic enclosing a Trust Fund statement and review same, email from G. Zlatanovic enclosing a property tax memorandum and tax certificates and review same, e-mail from J. Marshall requesting estimate of receiver's fees on behalf of Lombard, discuss same with B. Tannenbaum and respond, e-mail exchanges with J. Marshall regarding final number for net proceeds; |
| 12/16/2011 | Weisz, Daniel | Sign cheques |
| 12/16/2011 | Gerstein, Ira | File organization; discussion with B. Tannenbaum regarding status; review draft letter to Condo unit purchasers and e-mail to/from S. Rappos regarding same; |
| 12/19/2011 | Gerstein, Ira | Preparation of fifth report to Court. Provide further comments to S. Rappos; receipt and review comments from J. Marshall on queries; |
| 12/20/2011 | Weisz, Daniel | Perform Quality Review on fifth report to court and I Gerstein on same |
| 12/20/2011 | Gerstein, Ira | Final review of Fifth Report; discussions with S. Rappos regarding same; discuss Quality Review with D. Weisz and finalize; various e-mails from legal counsel; correspondence to Merrill Corporation enclosing data site closure form; review status of letters to condo purchasers, numerous telephone calls from condo purchasers regarding the status of their deposits; |
| 12/20/2011 | Brown, Rose | Trust Banking Adm. - Prepare wire/cheque disbursements. |
| 12/21/2011 | Zailer, Anna | Update Receiver's website; |
| 12/21/2011 | Gerstein, Ira | Discussions with A. Zailer regarding status of letter to Condo purchasers and the affidavit; receipt of correspondence from |

| Date | Professional | Narrative |
|------------|---------------|---|
| | | S. Rappos with respect to Condrain' s security; referencing the Fifth Report; telephone conference call with J. Marshall and S. Rappos regarding outstanding issues on GST, Wages, Deemed trust and an estimated distribution to Harris Sheaffer; Numerous telephone calls with Condo Unit purchasers enquiring about the status of their deposits and the correspondence that was mailed out; |
| 12/22/2011 | Brown, Rose | Trust Banking Adm. - Prepare wire/cheque disbursements. |
| 12/22/2011 | Weisz, Daniel | Sign cheques |
| 12/22/2011 | Gerstein, Ira | Telephone discussion with J. Marshall regarding the required distributions pursuant to the Second Interim Distribution Order and discussion with S. Rappos and J. Marshall regarding various outstanding claims; review second interim distribution order and draft cover letters to Stevenson LLP regarding Con-Drain; cover letter to Firm Capital enclosing distribution; email exchanges regarding the wire transfer to Lombard; facilitate all cheques necessary to comply with the second interim distribution order; |
| 12/23/2011 | Zailer, Anna | Returning phone calls to advise active purchasers of status regarding mailing of termination letter and their deposits. |
| 12/23/2011 | Gerstein, Ira | Draft cover letter to Robins Appleby LLP regarding wire transfer of funds; arrange for wire transfer and finalize; telephone call with P. Davie of CRA regarding status of trust audit and e-mail to J. Marshall advising of same; |
| 12/28/2011 | Gerstein, Ira | Finalize referencing of the Fifth Report. |

Summary of fees

| Professional | Position | Hours | Rate | Amount |
|--|----------------------|---------------------|-----------|----------------------|
| Bryan A. Tannenbaum, FCA, FCIRP | Partner | 42.9 | \$ 675.00 | \$ 28,957.50 |
| Daniel R. Weisz, CA-CIRP, CIRP | Partner | 2.3 | 675.00 | 1,552.50 |
| Ira Gerstein, CA-CIRP | Senior Manager | 129.1 | 575.00 | 74,232.50 |
| Rose Brown | Trust Administration | 2.3 | 160.00 | 368.00 |
| Anna Zailer | Administration | 2.0 | 100.00 | 200.00 |
| Total hours and professional fees | | <u>178.6</u> | | \$ 105,310.50 |
| Disbursements | | | | |
| Receiver's Data Site | | | | <u>371.70</u> |
| Total professional fees and disbursements | | | | \$ 105,682.20 |
| HST @13% | | | | <u>13,738.69</u> |
| Total Payable | | | | \$119,420.89 |

Payable upon receipt to: Deloitte & Touche Inc.



Bryan A. Tannenbaum, FCA, FCIRP
Senior Vice President

Deloitte.

Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street
 Suite 1400
 Toronto ON M5J 2V1
 Canada

Tel: 416-601-8150
 Fax: 416-601-6690
 www.deloitte.ca

2811 Development Corporation
 c/o: Deloitte & Touche Inc.
 Brookfield Place
 181 Bay Street, Suite 1400
 Toronto, Ontario
 M5J 2V1

Date: March 22, 2012
 Invoice No: 3031087
 Client/Mandate No: 917327/1000000
 Partner: Bryan A. Tannenbaum
 HST Registration No: 122893605

Invoice 7

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 January 1, 2012 to February 29, 2012 as well as time not included on the previous billing:

| Date | Professional | Narrative |
|----------|-------------------|--|
| 1/2/2012 | Tannenbaum, Bryan | Receipt and review of e-mail dated December 14, 2011, from Mr. Marshall of Borden Ladner Gervais LLP ("BLG") re Draft Second Distribution Order and contested amounts motion; receipt and review of December 15, 2011 e-mail from Mr. Fried's office confirming receipt of funds (wire transfer) and request for Application of Vesting Order when registered, etc.; receipt and review of e-mail from Robins Appleby of December 15, 2011 confirming registration and transaction officially closed; receipt and review of e-mail from Mr. Fried dated December 15, 2011 providing copy of bank wire confirmation; receipt and review of trust summary from Mr. Fried's office on December 15, 2011; discussions with Ira Gerstein regarding estimate for Lombard General Insurance Company of Canada ("Lombard") to approximate interim payout and receipt and review of confirmation of this from Ira per e-mail of December 15, 2011; receipt and review of BLG e-mail of December 15, 2011 to Mr. Fried's office confirming amount of deposit held by Receiver; receipt and review of e-mail from Mr. Fried dated December 15, 2011 re bank confirmation of wire of net sale proceeds; receipt and review of e-mail from Ira Gerstein dated December 15, 2011 re statement of adjustments adjusted for pre-paid property taxes and interest earned on deposit; receipt and review of various e-mails on December 15, 2011 regarding additional days |

| Date | Professional | Narrative |
|----------|---------------|---|
| | | <p>interest; various e-mails with BLG regarding estimate of fees in order to settle property issue between Lombard and Con-Drain; receipt and review of Receiver's Certificate as file stamped by the Commercial List office on December 15, 2011 from BLG; e-mail of December 16, 2011 to Mady Construction; receipt and review of various e-mails on December 16, 2011 regarding letters to condo unit purchasers confirming completion of sale transaction and implications vis-à-vis their deposits; receipt and review of e-mail from BLG on December 16, 2011 confirming revised draft distribution Order; receipt and review of December 16, 2011 letter from BLG regarding review of security held by Lombard; review and edit Receiver's Fifth Report to Court dated December 20, 2011; receipt and review of e-mail from BLG dated December 19, 2011 regarding revised draft Order and changes as requested by various counsel; receipt and review of Motion Record for Second Interim Distribution Order returnable December 21, 2011; receipt and review of various drafts of the Order from BLG in respect of the Motion incorporating the various comments of counsel. (To record time spent from December 15th to December 31st, 2011 by Mr. Tannenbaum not picked up on previous invoice)</p> |
| 1/2/2012 | Gerstein, Ira | <p>Receipt of e-mail from Mr. Ron Perfetti of Lombard requesting that the Receiver send letters to condo purchasers setting out the unit number and terminating specific agreements and e-mail correspondence to/from Mr. Sam Rappos of Borden Ladner Gervais LLP ("BLG") regarding same; e-mail correspondence from/to Mr. Jay Krieger, counsel to a condo unit purchaser.</p> |
| 1/2/2012 | Brown, Rose | <p>Input various wire transfers prepared and processed in December 2011; prepare a draft Interim Statement of Receipts and Disbursements ("R&D").</p> |
| 1/3/2012 | Gerstein, Ira | <p>E-mail correspondence from/to Mr. Krieger requesting information regarding the process to obtain a refund; respond to numerous phone calls from Condo purchasers looking for information regarding their deposit; review R&D and edit; review status of billings and instructions to pay Legal and Receiver invoices.</p> |
| 1/3/2012 | Zailer, Anna | <p>Discussion with condo unit purchaser regarding non-receipt of termination letter; update records with current address, send copy of correspondence via email and regular mail enclosing copy of letter and insurance policy; discussion with a condo purchaser's legal counsel regarding termination letters and procedure for filing a deposit claim.</p> |
| 1/4/2012 | Gerstein, Ira | <p>Telephone discussions with numerous condo purchasers enquiring about deposits; e-mail from Mr. Perfetti requesting confirmation from Receiver that the letter to condo purchasers</p> |

| Date | Professional | Narrative |
|-----------|-------------------|---|
| | | applies to all purchase and sale agreements entered into by that condo purchaser; e-mail to Mr. Rappos regarding same receipt of response and telephone call with Mr. Perfetti regarding same; review R&D. |
| 1/5/2012 | Zailer, Anna | Telephone and email correspondence with various Landmark Unit purchasers to address the non-receipt of the Termination Letters, including address verification and updating, requesting additional information and back up and resending the information; verification of a purchaser's partnership by checking the agreement; discussion with Mr. Gerstein regarding a Purchaser's partial claim from pre-receivership termination of agreement. |
| 1/5/2012 | Tannenbaum, Bryan | Approve payment of BLG invoice; approve cheque for Receiver's fifth invoice; receipt and review of Lombard's request regarding terminating purchase agreement with Landmark by the various unit holders and discussion of same with Ira Gerstein; subsequent e-mail and discussion with Mr. Rappos of BLG on issue of termination of purchase agreements by multi-unit. |
| 1/5/2012 | Gerstein, Ira | Preparation of letter to BLG and enclose payment; telephone call with Mr. John Marshall of BLG regarding paragraph 19 of the appointment order and the requirement to obtain prior written consent of applicant before payment. |
| 1/5/2012 | Brown, Rose | Prepare disbursement cheques. |
| 1/6/2012 | Tannenbaum, Bryan | Various discussions with Mr. Gerstein regarding status; emails regarding purchaser request for plans being withheld by the City of Toronto (the "City"). |
| 1/6/2012 | Gerstein, Ira | E-mail correspondence from/to Mr. Greg Pucliz of Mady Developments Inc. ("Mady") regarding issue regarding release of drawings and telephone call to Mr. Marshall regarding same; review files for copies of drawings; review R&D for the period June 29, 2011 to December 31, 2011 and update, discuss same with Ms. Brown. |
| 1/9/2012 | Tannenbaum, Bryan | Various e-mails with Mady in respect of Mady difficulties with civil engineer returning to release plans and drawings; discussions with Ira Gerstein and discussion with Mr. Bucliz of Mady Development Corporation. |
| 1/9/2012 | Brown, Rose | Prepare disbursement cheques. |
| 1/10/2012 | Zailer, Anna | Update the Receiver's website; discussion with a condo purchaser regarding amended letter for names, fax a copy of same sent to the purchaser's investment partner on January 6, 2012. |
| 1/10/2012 | Tannenbaum, Bryan | Meeting with Mr. Gerstein to review status of recent payouts, amounts now available to be paid to Harris Schaeffer; review R&D and billings. |
| 1/10/2012 | Gerstein, Ira | Review e-mail correspondence from Mr. Marshall regarding the status of distributions and the need for drafting a sixth |

| Date | Professional | Narrative |
|-----------|-------------------|---|
| | | report, discuss same with Mr. Tannenbaum and commence drafting the Receiver's Sixth Report to Court (the "Sixth Report"). |
| 1/11/2012 | Zailer, Anna | Telephone correspondence from/to condo unit purchasers regarding letters received/not received from the Receiver; and process requests for information accordingly. |
| 1/11/2012 | Gerstein, Ira | E-mail correspondence from Mr. Puclicz regarding issue related to the drawings; voicemail for Mr. Puclicz regarding same; voicemail for Mr. Marshall regarding same; telephone call with Mr. Dominique Michaud of Robins, Appleby, & Taub LLP ("Robins, Appleby") regarding Lombard's request for the Receiver to confirm that the letters sent to condo unit purchasers applies to the termination of all agreements entered into by the condo unit purchaser, review November and December Billing, work on drafting 6th report |
| 1/12/2012 | Zailer, Anna | Email correspondence from/to a condo purchaser regarding amended name on the agreement; review amendment received and update records; draft revised correspondence to the purchaser in connection with termination of their agreement; e-mail correspondence and regular mail regarding same. |
| 1/13/2012 | Gerstein, Ira | Telephone call with Mr. Marshall regarding issue related to architect plans and e-mail to Mr. Puclicz regarding same. |
| 1/16/2012 | Gerstein, Ira | Review and edit December interim billing. |
| 1/17/2012 | Gerstein, Ira | Preparation of the Receiver's R&D for the period June 29, 2011 to January 17, 2012; preparation of the Receiver's 246(2) interim report. |
| 1/17/2012 | Zailer, Anna | E-mail correspondence from/to condo purchaser regarding process for claim filing with Lombard Insurance and terminated agreements pre-receivership. |
| 1/18/2012 | Zailer, Anna | Telephone conversation with Condo unit purchaser regarding claim filing process, update address on file, resend agreement termination letter via email and regular mail. |
| 1/18/2012 | Weisz, Daniel | Review the Section 246 (2) report and discussion with Mr. Gerstein regarding same. |
| 1/18/2012 | Gerstein, Ira | Review 246(2) and R&D; discussion with Mr. Weisz and update same. |
| 1/19/2012 | Tannenbaum, Bryan | Attendance at a meeting with Mr. Gerstein to review outstanding items such as S.246 Report and R&D, CRA, Wages and T4, billings, insurance refund, distribution to Harris Schaeffer, etc. |
| 1/19/2012 | Gerstein, Ira | Attendance at a meeting with Mr. Tannenbaum to review outstanding items such as S.246 Report and R&D, CRA, Wages and T4, billings, insurance refund, distribution to Harris Schaeffer, etc. |
| 1/19/2012 | Brown, Rose | Prepare disbursement cheques and correct the General Ledger coding. |
| 1/20/2012 | Gerstein, Ira | Review status of file and commence drafting letters to CRA |

| Date | Professional | Narrative |
|-----------|-------------------|---|
| | | regarding status of trust exam and to Chan and Yiu regarding preparation of T4's. |
| 1/20/2012 | Tannenbaum, Bryan | Review file and outstanding items. |
| 1/23/2012 | Gerstein, Ira | To drafting letters to Mr. Chan regarding T4's and to CRA regarding status of trust exam. |
| 1/25/2012 | Zailer, Anna | Discussion with a condo purchaser regarding his agreement; searching our records for same; email correspondence regarding same; discussion with Mr. Gerstein regarding same. |
| 1/25/2012 | Tannenbaum, Bryan | Discussion. with A. O'Brien of Lombard regarding outstanding matters and determine answers to his questions regarding estimate of realizations; e-mail same to Mr. Gerstein. |
| 1/25/2012 | Gerstein, Ira | E-mail correspondence from/to Mr. Tannenbaum requesting an update on the distribution to Lombard and letters to the condo unit purchasers; e-mail from Angel Tong, a condo unit purchaser and discuss same with A Zailer. |
| 1/26/2012 | Gerstein, Ira | Receipt of voicemail from Mr. Marshall regarding his discussions with Irv Marks regarding distribution and e-mail to Mr. Marshall requesting telephone call to discuss same. |
| 1/26/2012 | Tannenbaum, Bryan | Telephone discussion with Mr. Marshall regarding accounting and estimated realizations; outstanding wages issue and apply against current asset realizations; amount to be paid to Lombard; multiple purchaser and deposits and need for separate letters to terminate the agreements; claims bar date; remaining funds, if any. |
| 1/27/2012 | Gerstein, Ira | E-mail correspondence from/to Mr. Marshall with respect to his review of the matter regarding letters to unit purchasers. |
| 1/27/2012 | Zailer, Anna | Discussion with purchasers regarding non-receipt of the termination letter; search our records regarding same; subsequently advise condo purchaser to provide a copy of their agreement as the Receiver has no record of their contract. |
| 1/27/2012 | Gerstein, Ira | E-mail correspondence from/to Mr. Ron Perfetti Lombard Insurance advising to contact the solicitor of Mr. Kahn regarding his purchase and sale agreement |
| 1/30/2012 | Gerstein, Ira | Review and confirm the amount of distributions to all secured creditors and prepare schedule setting out estimated hold back and distribution to Lombard Insurance; various e-mail exchanges with Mr. Perfetti regarding condo unit purchasers including e-mail exchanges with Gary Sheaffer of Harris Sheaffer LLP regarding Mr. Zwicker and his client, a condo unit purchaser seeking return of his deposit. |
| 1/31/2012 | Brown, Rose | Prepare disbursement cheques. |
| 1/31/2012 | Tannenbaum, Bryan | Attendance to various administrative, organizational file matters. Including reviewing file notes. |
| 1/31/2012 | Gerstein, Ira | Preparation of schedule of estimated distribution to Lombard Insurance; discussion with Mr. Tannenbaum and e-mail same to Mr. Marshall for comments. |

| Date | Professional | Narrative |
|----------|-------------------|---|
| 2/1/2012 | Gerstein, Ira | Voicemail correspondence from Penny Davey of Canada Revenue Agency ("CRA") in response to the Receiver's letter of January 16, 2012 regarding status of trust exam; subsequent voicemail from Ms. Davey providing further update, telephone call with Mr. Marshall regarding request of CRA for additional mortgage information as well as a discussion regarding the proposed distribution to Lombard Insurance and the letter to Lombard Insurance regarding condo unit purchasers; e-mail to Mr. Marshall confirming Mr. Tannenbaum's concurrence with the proposed distribution to Lombard Insurance; receipt and review draft letter to Lombard Insurance regarding condo unit purchasers. |
| 2/1/2012 | Tannenbaum, Bryan | Issue of multi-unit purchasers and notification; discuss with Mr. Gerstein; voicemail from Mr. Marshall regarding same; emails regarding same. |
| 2/1/2012 | Zailer, Anna | Telephone discussion with Condominium Unit Purchaser regarding Agreements of purchase and sale and non-receipt of termination letter, timing on receiving approval/notification from Lombard Insurance on providing same; email correspondence with Mr. Gerstein including scanned copy of the agreement requesting verification from Lombard Insurance on the accuracy and validity of the agreement. |
| 2/2/2012 | Gerstein, Ira | E-mail correspondence from Ms. Zailer enclosing purchase and sale agreement of a condo unit purchaser; discussion with Ms. Zailer regarding same; finalize letter to Lombard insurance with respect to unit purchasers who purchased more than one unit. |
| 2/3/2012 | Zailer, Anna | E-mail correspondence with Mr. Gerstein regarding Condo purchaser and non-receipt of the December 20, 2011 termination letter, provide same via email. |
| 2/3/2012 | Gerstein, Ira | Telephone call with a condo unit purchaser advising that they did not receive a copy of the Receiver's letter and request Ms. Zailer to resend. |
| 2/3/2012 | Tannenbaum, Bryan | Various discussions and e-mails with Ira Gerstein regarding schedule of estimated distribution to Lombard and reasonableness of contingency holdback, etc.; e-mail to Mr. O'Brien of Lombard re same; investigation of forged cheque to Jones DesLauriers including discussions with Rose Brown and Ira Gerstein re same, including recovery from TD Bank of these funds; receipt and review copy of draft letter to the multiple unit condo owners for review by Lombard; receipt and review of e-mail from Real Net Reporting on the transaction being top 5 GTA ICI transactions, etc. |
| 2/6/2012 | Zailer, Anna | E-mail correspondence with Mr. Gerstein on status of response from Mr. Perfetti regarding confirmation in connection with a unit purchaser not on the Receiver's list of active/insured purchasers; telephone conversation with |

| Date | Professional | Narrative |
|-----------|-------------------|---|
| | | purchasers regarding status, next steps and their deposits. Instruct purchaser's regarding contacting Mr. Perfetti, update addresses and email/resend letter where required. |
| 2/6/2012 | Gerstein, Ira | E-mail correspondence from Mr. Michaud to Mr. Marshall regarding distribution; discussions with Ms. Brown to update schedule of estimated distribution and review same. |
| 2/8/2012 | Gerstein, Ira | Prepare backup documentation and cheque request for distribution to Harris Sheaffer LLP in Trust; telephone call with Ms. Lilian Hong, a condo unit purchaser regarding return of deposit and e-mail to Mr. Perfetti regarding same. |
| 2/8/2012 | Zailer, Anna | E-mail correspondence from Mr. Gerstein regarding issuing letters to condo purchasers, fax from a purchaser and review e-mail correspondence to Mr. Perfetti regarding additional purchaser not on Receiver's list; telephone discussion with a purchaser regarding status of her letter; draft termination letter and email/regular mail of same to purchaser. |
| 2/8/2012 | Brown, Rose | Investment management including partial cash-out, prepare and certify disbursement cheque. |
| 2/8/2012 | Tannenbaum, Bryan | Receipt and review of various e-mails from February 6 th to February 8 th from Lombard's counsel claiming substantial holdback and distribution, etc. |
| 2/9/2012 | Zailer, Anna | Telephone conversation with Purchasers regarding letter from Receiver; update spreadsheet with required information; draft and finalize letter to purchaser; email correspondence to Mr. Gerstein and Purchaser enclosing letter. |
| 2/10/2012 | Zailer, Anna | Receipt and review of voicemails from various condo purchasers. |
| 2/13/2012 | Gerstein, Ira | E-mail correspondence from Mr. Michael Kucharuk of Jones Delaurier Insurance Mangement Inc. enclosing an invoice for insurance and have Ms. Brown prepare cheques. |
| 2/14/2012 | Brown, Rose | Prepare disbursement cheques. |
| 2/14/2012 | Tannenbaum, Bryan | Review and sign disbursement cheques(s). |
| 2/14/2012 | Gerstein, Ira | Review e-mail correspondence from Mr. Michaud to Mr. Marshall requesting a response regarding distribution and discuss same with Mr. Tannenbaum; voicemail to Mr. Michaud regarding same and e-mail to Mr. Rappos to discuss. |
| 2/16/2012 | Tannenbaum, Bryan | E-mail correspondences regarding issue of holdback and status; review communications from BLG. |
| 2/16/2012 | Tannenbaum, Bryan | Receipt and review of correspondence to insurer and replacement cheque for revised amount until completion of the sale transaction; continued the e-mail correspondence from Lombard's solicitors requesting explanation of the holdback amount calculation. |
| 2/21/2012 | Zailer, Anna | Email correspondence from/to Mr. Gerstein regarding condo purchaser communication and emails received; email correspondence to various purchasers/their representatives regarding Receiver notices and communication with Lombard |

| Date | Professional | Narrative |
|-----------|--------------|--|
| | | Insurance; mail copy of Receiver correspondence to a Condo Purchaser's new address. |
| 2/22/2012 | Zailer, Anna | Discussion with Mr. Gerstein on providing a copy of an agreement to a purchaser/his representative; email correspondence to Mr. Gerstein on same; e-mail correspondence to a purchaser including copy of the Receiver's December 20th letter and Schedule A; subsequent postal correspondence to amended address including copy of same. |

Summary of fees

| Professional | Position | Hours | Rate | Amount |
|--|----------------------|--------------------|-----------|---------------------|
| Bryan A. Tannenbaum, FCA, FCIRP | Partner | 36.0 | \$ 675.00 | \$ 24,300.00 |
| Daniel R. Weisz, CA-CIRP, CIRP | Partner | 0.2 | 675.00 | 135.00 |
| Ira Gerstein, CA-CIRP | Senior Manager | 42.0 | 575.00 | 24,150.00 |
| Rose Brown | Trust Administration | 4.4 | 160.00 | 704.00 |
| Anna Zailer | Administration | 7.2 | 100.00 | 720.00 |
| Total hours and professional fees | | <u>89.8</u> | | \$ 50,009.00 |
| Disbursements | | | | |
| Postage | | | | <u>198.75</u> |
| Total professional fees and disbursements | | | | \$ 50,207.75 |
| HST @13% | | | | <u>6,527.01</u> |
| Total Payable | | | | \$ 56,734.76 |

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
Canada

Tel: 416-601-6150
Fax: 416-601-6690
www.deloitte.ca

2811 Development Corporation
c/o: Deloitte & Touche Inc.
Brookfield Place
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Date: December 10, 2012
Invoice No: 3211234
Client/Mandate No: 917327/1000000
Partner: Bryan A. Tannenbaum
HST Registration No: 122893605

Invoice 8

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 March 1, 2012 to November 30, 2012:

| Date | Professional | Narrative |
|-----------|-------------------|--|
| 3/7/2012 | Zailer, Anna | Draft email correspondence to R. Perfetti of Northbridge Insurance ("Northbridge") formerly Lombard General Insurance Company of Canada ("Lombard") requesting approval to release information to a purchaser in connection with the Agreement of Purchase and Sale; email correspondence to I. Gerstein regarding same. |
| 3/9/2012 | Brown, Rose | Banking Administration - prepare disbursement cheques. |
| 3/9/2012 | Tannenbaum, Bryan | Receipt and review of bank documentation regarding refund of insurance cheque from fraud/forgery; receipt and review of several emails regarding Canada Revenue Agency ("CRA") and audit issues of source deductions; determination of further payout to Lombard, etc. |
| 3/21/2012 | Zailer, Anna | Searching for contract regarding unit 5105 (initially indicated as unit 5015), email to purchaser and R. Perfetti regarding same. |
| 3/23/2012 | Tannenbaum, Bryan | Review file status; organize documentation. |
| 3/29/2012 | Tannenbaum, Bryan | Receipt and review of email from Lombard's solicitor regarding further distribution. |
| 3/29/2012 | Zailer, Anna | Correspondence to condominium purchaser, obtain signature and email same. |

| Date | Professional | Narrative |
|-----------|-------------------|---|
| 4/2/2012 | Zailer, Anna | Review Receiver's purchaser list for purchaser(s) inquiring regarding non-receipt of the Receiver's December 20th letter; email correspondence to R. Perfetti regarding purchaser(s) not on the Receiver's active list; voicemail to condominium purchasers regarding inquiry; review files for an agreement, email copy of same to active purchaser requesting same. |
| 4/2/2012 | Tannenbaum, Bryan | Receipt and review of email from S. Rappos of Borden Ladner Gervais LLP ("BLG") regarding Northbridge and CRA priority; email from BLG to Thornton Grout Finnigan LLP ("TGF") regarding CRA and timing; email from BLG to Goldman Sloan Nash & Haber LLP ("GSNH") regarding same. |
| 4/3/2012 | Gerstein, Ira | Email from/to S. Rappos regarding contact information for CRA and respond by email. |
| 4/5/2012 | Tannenbaum, Bryan | Receipt and review of email correspondences from D. Michaud of Robins, Appleby, & Taub LLP ("Robins, Appleby"), legal counsel to Northbridge and S. Rappos regarding further payouts to Northbridge. |
| 4/9/2012 | Gerstein, Ira | Preparation of a schedule setting out an estimated balance on hand in the Receiver's trust account and email to J. Marshall of BLG. |
| 4/9/2012 | Tannenbaum, Bryan | Telephone call with J. Marshall of BLG regarding status of CRA issues and payout to Northbridge. |
| 4/11/2012 | Zailer, Anna | Receipt and review of fax from a condominium purchaser's legal counsel, email correspondence regarding same; voicemail from an additional buyer's legal counsel and respond via email. |
| 4/12/2012 | Gerstein, Ira | Receipt and review email from C. Shekhar of the Company regarding his T4 and review enclosed document from Lombard regarding claim against the directors and respond to C. Shekhar by email. |
| 4/16/2012 | Zailer, Anna | Receipt and review of voicemail correspondence from condominium purchaser representative; subsequent telephone call to the representative regarding same. |
| 4/19/2012 | Zailer, Anna | Verify condominium purchaser's name; email correspondence to the purchaser requesting address confirmation to provide a replacement of the Receiver's December 20th letter. |
| 4/23/2012 | Gerstein, Ira | Email to S. Rappos with respect to a draft letter to employees regarding Wage Earner Protection Program Act ("WEPPA"). |
| 4/23/2012 | Tannenbaum, Bryan | Receipt and review of emails regarding CRA and payout of remaining funds to Northbridge. |

| Date | Professional | Narrative |
|-----------|-------------------|--|
| 4/24/2012 | Zailer, Anna | Correspondence with condominium purchasers and their respective legal counsel and provide copy of December 20th letter; update tracking records and purchasers' mailing addresses accordingly. |
| 4/26/2012 | Tannenbaum, Bryan | Status discussion of all issues remaining with I. Gerstein in order to complete the administration. |
| 4/26/2012 | Gerstein, Ira | Email from Harris Sheaffer LLP enclosing a copy of the Company's T5 in respect of the deposit monies held in trust. |
| 4/27/2012 | Gerstein, Ira | Correspondence to Service Canada regarding WEPPA matters; emails to/from S. Rappos and B. Bissel of GSNH regarding timing of secured lenders advances. |
| 4/30/2012 | Tannenbaum, Bryan | Review outstanding items in connection with the preparation of the Receiver's Report to Court. |
| 5/3/2012 | Tannenbaum, Bryan | Receipt and review of emails from BLG and Robins, Appleby, regarding demand for payout of funds to Lombard; email correspondence regarding an indemnity from Lombard with Court approval. |
| 5/3/2012 | Zailer, Anna | Discussion with a condominium purchaser's representative regarding the Receiver's December 20 th 2011 correspondence and advise him to provide the purchaser's name(s) and unit number(s) via e-mail. |
| 5/4/2012 | Zailer, Anna | Call to a condominium purchaser and discussion with I. Gerstein regarding same. |
| 5/7/2012 | Zailer, Anna | Email correspondence from/to D. Lin, representative for condominium purchasers on three units, regarding the Receiver's December 20 th , 2011 correspondence; review Receiver's records regarding same; voicemail from a condominium purchaser regarding the status of their claim and telephone call to the Condo Purchaser regarding same. |
| 5/8/2012 | Tannenbaum, Bryan | Attendance on a conference call with D. Michaud, J. Marshall and S. Rappos regarding reimbursement agreement and payout as Lombard has approximately a \$1.5 million deficiency; discussion regarding Letters of Credit ("LCs") and wage claims attaching to that collateral; letter to CRA regarding dates of mortgage advances; discussion regarding the preparation of a draft report to Court; determine with more certainty the amount of payout. |
| 5/8/2012 | Gerstein, Ira | Telephone conference call with S. Rappos, J. Marshall, D. Michaud and B. Tannenbaum regarding distributions and obtaining a form of indemnity. |
| 5/9/2012 | Zailer, Anna | Email correspondence to R. Perfetti regarding condominium purchasers not on the Receiver's list; voicemail for a condominium purchaser requesting additional information to proceed with verification regarding re-issuing of letter. |

| Date | Professional | Narrative |
|-----------|-------------------|--|
| 5/9/2012 | Gerstein, Ira | Review email from S. Rappos summarizing outstanding claims and a subsequent telephone discussion with Mr. Rappos regarding same, discussion with Mr. Tannenbaum. |
| 5/10/2012 | Zailer, Anna | Email correspondence to R. Perfetti to provide copies of agreements to verify the status of same; voicemail to a condominium purchaser's representative regarding the Receiver's correspondence of December 20 th , 2011 and requesting additional information to verify status of same; telephone discussion with a condominium purchaser's representative. |
| 5/10/2012 | Brown, Rose | Completion of on-going trust account banking administration, and disbursement processing. |
| 5/14/2012 | Gerstein, Ira | Discussion with R. Brown regarding balance of funds on hand and discussion with B. Tannenbaum regarding same; prepare statement of estimated balance on hand and email same to S. Rappos; review email correspondence from S. Rappos to D. Michaud regarding status of indemnity agreement. |
| 5/17/2012 | Tannenbaum, Bryan | Review/approve 246(2) report. |
| 5/24/2012 | Tannenbaum, Bryan | Review documentation and sign cheque for legal fees. |
| 5/24/2012 | Gerstein, Ira | Review indemnity agreement with Lombard and discuss same with B. Tannenbaum; voicemail for S. Rappos regarding same. |
| 5/25/2012 | Gerstein, Ira | Attendance on a conference call with S. Rappos and J. Marshall regarding indemnity agreement from Lombard. |
| 5/25/2012 | Tannenbaum, Bryan | Attendance on a conference call with S. Rappos, J. Marshall and I. Gerstein regarding reimbursement agreement and guarantee. |
| 5/25/2012 | Brown, Rose | Trust Banking Administration - prepare disbursement cheque and update statement of receipts and disbursements to May 25, 2012. |
| 5/30/2012 | Zailer, Anna | Telephone discussion with a purchaser's representative regarding email correspondence providing copies of agreement. |
| 5/31/2012 | Tannenbaum, Bryan | Attendance on a conference call with I. Marks, D. Michaud, S. Rappos and I. Gerstein regarding payout, indemnity, discharge, etc. |
| 5/31/2012 | Zailer, Anna | Email correspondence with A. Dhaliwal, Broker of Record of Century 21 Landstars Realty Inc. ("C-21") regarding various purchasers and the status of their respective agreements; review schedule provided by C-21 and update same with comments on status; reply via email to C-21 enclosing updated schedule; set up a call with C-21 to discuss status of the Receiver's "December 20th" correspondence. |

| Date | Professional | Narrative |
|-----------|--------------------|--|
| 5/31/2012 | Gerstein, Ira | Attendance on a conference call with I. Marks, D. Michaud, S. Rappos and I. Gerstein regarding payout, indemnity, discharge, etc. |
| 6/5/2012 | Zailer, Anna | Voicemail, email and telephone correspondence with A. Dhaliwal Broker of Record of C-21 Landstars; provide A. Dhaliwal with copies of letters mailed to her clients, copy of insurance policy and copies of previously sent letters; discussion with C. Hristow regarding the status and processes in place for condominium purchaser communications; draft and send correspondence to M. Cheng, solicitor for condominium purchaser regarding non-receipt of the Receiver's Agreement termination letter. |
| 6/5/2012 | Hristow, Catherine | Review various correspondence; discussion with A. Zailer regarding status. |
| 6/7/2012 | Zailer, Anna | Email correspondence with R. Perfetti; email correspondence to condominium purchaser; discussion with C. Hristow regarding status. |
| 6/7/2012 | Hristow, Catherine | Discussion with A. Zailer regarding inquiry from a condominium purchaser. |
| 6/13/2012 | Zailer, Anna | Discussion with a purchaser regarding the interest owed on their deposit; discussion with purchaser on the status of obtaining a Mutual Release from the lawyer/developer. |
| 6/21/2012 | Zailer, Anna | Email correspondence from/to R. Perfetti regarding uninsured funds for a specific purchaser, where funds are currently being held in trust at Harris Shaeffer LLP; discussion with G. Harris of Harris Shaeffer LLP regarding uninsured deposit funds and process/obtaining of a mutual release regarding same; discussion with C. Hristow regarding same; email correspondence to/from J. Marshall regarding same. |
| 6/21/2012 | Hristow, Catherine | Discussion with A. Zailer regarding uninsured funds; review correspondence. |
| 6/22/2012 | Zailer, Anna | Email correspondence with J. Marshall regarding preparing Mutual Release Form; telephone discussion with a purchaser regarding same; update the Receiver's website. |
| 6/24/2012 | Tannenbaum, Bryan | Attendance on a conference call with S. Rappos regarding CRA liability and interpretation of their letter of July 6, 2012; further discussion regarding WEPPA, LCs and reimbursement agreement with Lombard. |
| 6/27/2012 | Tannenbaum, Bryan | Attendance on a telephone conference call with J. Marshall and S. Rappos regarding Northbridge Reimbursement Agreement and review and provide comments; discussion regarding CRA and TD LCs. |
| 6/27/2012 | Zailer, Anna | Discussion with purchaser to verify address on file, email the copy of the letter and insurance policy and resend hard copy to updated address. |
| 6/27/2012 | Hristow, Catherine | Discussion with B. Tannenbaum; review correspondence file. |

| Date | Professional | Narrative |
|-----------|--------------------|--|
| 6/28/2012 | Tannenbaum, Bryan | Discussion with C. Hristow regarding various file related matters. |
| 6/29/2012 | Zailer, Anna | Email correspondence from a purchaser regarding non receipt of Receiver's notification letter; research/verify unit numbers and addresses; correspondence with C. Hristow; email correspondence to the purchaser and R. Perfetti regarding same. |
| 6/29/2012 | Hristow, Catherine | Correspondence with A. Zailer regarding request and review response to same. |
| 7/3/2012 | Tannenbaum, Bryan | Receipt and review of email correspondence from G. Puklicz regarding Harris Shaeffers letter copied and issue on copyright of plans; email response with copy to BLG; review of email from D. Michaud regarding revised reimbursement agreement and escrow agreement; email to S. Rappos confirming Receiver's response; receipt and review of email from S. Rappos regarding CRA chronology of correspondence; responding email to provide further documentation. |
| 7/3/2012 | Zailer, Anna | Email correspondence with J. Marshall regarding status of a purchaser's claim and next steps. |
| 7/5/2012 | Tannenbaum, Bryan | Telephone call from S. Rappos regarding BLG conference call with CRA/DOJ and there providing documentation and back up and timing of claim(s); also discuss the LCs and obtaining release of these funds. |
| 7/5/2012 | Zailer, Anna | Email correspondence with J. Marshall regarding obtaining of Mutual Release for a purchaser whose deposit funds are held in trust by Harris Sheaffer LLP; email correspondence with a purchaser regarding status of same. |
| 7/6/2012 | Tannenbaum, Bryan | Receipt and review of email from BLG regarding Acknowledgement and Release agreement for a purchaser regarding refund of deposit held by Harris Sheaffer LLP. |
| 7/6/2012 | Zailer, Anna | Email correspondence from a condominium unit purchaser regarding the status of their Mutual Release. |
| 7/17/2012 | Tannenbaum, Bryan | Review releases for deposit funds held by Harris Sheaffer LLP office; discussion with C. Hristow. |
| 7/17/2012 | Hristow, Catherine | Revise and sign release for Harris Sheaffer LLP; discuss same with B. Tannenbaum. |
| 7/20/2012 | Hristow, Catherine | Review correspondence from J. Marshall regarding request from G. Harris for payment of fees; correspondence with B. Tannenbaum and J. Marshall. |
| 7/23/2012 | Zailer, Anna | Telephone discussion with a condominium purchaser regarding the status of their Mutual Release and obtaining of funds. |
| 7/25/2012 | Zailer, Anna | Discussion with a condominium purchaser regarding status of refund of their deposit. |
| 7/31/2012 | Zailer, Anna | Email correspondence from Northbridge; subsequent correspondence to/from a condominium purchaser regarding status of deposit funds claim. |

| Date | Professional | Narrative |
|------------|--------------------|--|
| 8/1/2012 | Zailer, Anna | Email correspondence to a condominium purchaser regarding status of deposit funds claim. |
| 8/13/2012 | Tannenbaum, Bryan | Emails from BLG regarding CRA and LC; email response regarding LC letter to Mady's solicitors. |
| 8/20/2012 | Hristow, Catherine | Correspondence with J. Marshall; telephone attendance and email correspondence with E. Lam. |
| 8/22/2012 | Hristow, Catherine | Telephone attendance and subsequent email correspondence with B. Bentley. |
| 8/23/2012 | Tannenbaum, Bryan | Review reimbursement agreement and escrow agreement; dictate letter regarding \$1.0 million payment, etc. |
| 8/24/2012 | Brown, Rose | Trust Banking Administration - cash out part of investment and prepare disbursement cheque date August 27, 2012. |
| 8/27/2012 | Tannenbaum, Bryan | Funds to Harris Sheaffer LLP with covering letter and email to S. Rappos of BLG regarding same. |
| 8/28/2012 | Hristow, Catherine | Review email correspondence; review and execute revised release and forward same to Harris Sheaffer LLP; telephone attendance with G. Sheaffer; review documents and contact E. Vallikumari and send email correspondence regarding same; discussion with B. Tannenbaum. |
| 8/28/2012 | Tannenbaum, Bryan | Letter to CRA regarding deemed trust funds paid; discussion with C. Hristow; telephone call with G. Harris regarding receipt of funds and need to certify; issue regarding releases where Lombard not involved and fee for release, etc. |
| 9/7/2012 | Tannenbaum, Bryan | Email correspondence to BLG regarding LC status. |
| 9/19/2012 | Tannenbaum, Bryan | Receipt and review of BLG emails to City of Toronto regarding LCs. |
| 9/24/2012 | Tannenbaum, Bryan | Telephone call with S. Rappos regarding status of LCs. |
| 10/11/2012 | Tannenbaum, Bryan | Receipt and review of email from City regarding LCs status. |
| 10/12/2012 | Tannenbaum, Bryan | Telephone call with S. Rappos regarding his discussion with A. Orr of Tapscott Industrial, trustee of the land group and A. Madden, project manager regarding variety of security posted by the land owners in 2006 to complete the work based on their respective proportion- \$22.0 million was already spent, and there remains \$1.0 to \$2.0 million; further discussion regarding LC's; Madden is in discussions with the City to reduce the LC requirement; require access to the agreements on the establishment of the Tapscott Group and the development contract. |
| 10/12/2012 | Brown, Rose | Completion of on-going trust account banking administration - investment renewal. |
| 10/15/2012 | Hristow, Catherine | Review email correspondence from S. Rappos; review files and marketing materials for Tapscott agreements; email servicing agreement to S. Rappos. |

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|------------|--------------------|---|
| 10/18/2012 | Hristow, Catherine | Status update meeting with B. Tannenbaum; attendance on a conference call with B. Tannenbaum, BLG and counsel for Northbridge; email correspondence with S. Rappos. |
| 10/18/2012 | Tannenbaum, Bryan | Attendance on a conference call with I. Marks and D. Michaud, S. Rappos, J. Marshall and C. Hristow regarding (1) LCs where we have been taking steps to get documentation including calls with City legal counsel and Tapscott GP (trustee for the group) who looked after the development (servicing) for a group of land owners; approximately 15-20% of the work is outstanding under the service agreement; TD has 2811's funds in the LCs; City is amenable to a reduction on the LC's but need to review the work that is outstanding; (2) CRA deemed trust paid; HST and employee wages issue are still outstanding; (3) reevaluate payout; subsequent call with S. Rappos regarding going forward matters. |
| 10/30/2012 | Hristow, Catherine | Correspondence with/from R. Perfetti; correspondences with A. Dhaliwal regarding B. Kisana. |
| 10/31/2012 | Hristow, Catherine | *Review of letters to the employees. |
| 11/1/2012 | Hristow, Catherine | Correspondence to Service Canada; review correspondence from K. MacDonald of Henry K. Hui & Associates; review December 20, 2011 letters for correspondence regarding K Cho; send revised letter and additional correspondence to K. MacDonald. |
| 11/14/2012 | Hristow, Catherine | Correspondence with R. Perfetti regarding a purchaser's claim. |
| 11/20/2012 | Koroneos, Anna | Review of email from C. Hristow with respect to employee J. Lam; email to J. Lam on the Proof of Claim ("POC") and his WEPPA claim; review of voicemail from Johnny Lam and review in detail his claim and WEPPA information; respond to same. |
| 11/26/2012 | Koroneos, Anna | Review of email from J. Lam and respond to same; review his back up to the POC. |
| 11/26/2012 | Brown, Rose | Trust Banking Administration - update statement of receipts and disbursements to Nov 26, 2012. |
| 11/27/2012 | Tannenbaum, Bryan | Conference call with BLG with respect to LC's and emails to Miller Canfield (lawyers for Mady) and to City of Toronto; requested a status report from BLG to eventually be provided to Lombard; alternatives to getting our discharge and preparing a final report; discussion of outstanding liabilities to the government and professional fees; letter to Harris Sheaffer with respect to \$250,000 payment. |
| 11/27/2012 | Koroneos, Anna | Discussion with J. Lam, former employee and review of his draft POC; several emails on correcting same and process for WEPPA; telephone conversation with C. Shekhar, former employee on clarification of 81.3 and 81.4 of the BIA and POC required to be filed; review POC with C. Shekhar in detail; discussion with C. Hristow updating on same and registering under WEPPA. |

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|------------|--------------------|---|
| 11/27/2012 | Hristow, Catherine | Review statement of receipts and disbursements; discussion with A. Koroneos regarding employee claims; attendance on a conference call with S. Rappos and B. Tannenbaum. |
| 11/28/2012 | Koroneos, Anna | Discussion with J. Lam on his amended POC and review same; request for PDF version as photos will not print; review of court order; review and enter B. Tannenbaum's information for approval by Service Canada to initiate WEPPA registration and review of instructions to initiate file on Service Canada website. |
| 11/30/2012 | Brown, Rose | Trust Banking Administration - cash out part of investment and prepare disbursement cheque; update statement of receipts and disbursements to November 29, 2012. |

Summary of fees

| Professional | Position | Hours | Rate | Amount |
|--|----------------------|--------------|-------------|---------------------|
| Bryan A. Tannenbaum, FCA, FCIRP | Partner | 63.5 | \$675.00 | \$ 42,862.50 |
| Ira Gerstein, CA•CIRP | Senior Manager | 8.3 | 575.00 | 4,772.50 |
| Catherine Hristow, CA•CIRP | Senior Manager | 6.8 | 575.00 | 3,910.00 |
| Anna Koroneos, CIRP | Manager | 4.1 | 425.00 | 1,742.50 |
| Rose Brown | Trust Administration | 2.8 | 160.00 | 448.00 |
| Anna Zailer | Administration | 9.3 | 100.00 | 930.00 |
| Total hours and professional fees | | 94.8 | | \$ 54,665.50 |
| Disbursements | | | | |
| Miscellaneous Expenses | | | | 70.00 |
| Printing | | | | 553.85 |
| Total professional fees and disbursements | | | | \$ 55,289.35 |
| HST @13% | | | | 7,187.62 |
| Total Payable | | | | \$62,476.97 |

Payable upon receipt to: Deloitte & Touche Inc.

Bryan A. Tannenbaum, FCA, FCIRP
 Senior Vice President

Deloitte.

Deloitte Restructuring Inc.
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

2811 Development Corporation
c/o: Deloitte & Touche Inc.
Brookfield Place
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Date: January 22, 2014
Invoice No: 3476101
Client/Mandate No: 917327/1000000
Partner: A. Bryk
HST Registration No: 122893605

Invoice 9

For professional services rendered in connection with Deloitte Restructuring Inc. acting as Court-Appointed Receiver of 2811 Development Corporation ("2811" or the "Company") for the period from December 1, 2012 to December 31, 2013.

| Date | Professional | Narrative |
|------------|--------------------|---|
| 12/4/2012 | Koroneos, Anna | Telephone call to Service Canada regarding status registration regarding Wage Earner Protection Program Act ("WEPPA"); review of email from C. Shekhar including Proof of Claim ("POC"); discussion with B. Tannenbaum. |
| 12/4/2012 | Tannenbaum, Bryan | Discussions with A. Koroneos. |
| 12/6/2012 | Hristow, Catherine | Correspondence with A. Dhaliwal. |
| 12/7/2012 | Koroneos, Anna | Discussion with Service Canada regarding registration; revise registration. |
| 12/10/2012 | Koroneos, Anna | Review of email from J. Lam enclosing POC for L. Lam; review of POC and potential WEPPA claim; email correspondences with J. Lam. |
| 12/11/2012 | Brown, Rose | Completion of on-going trust account banking administration, and disbursement processing. |
| 12/11/2012 | Koroneos, Anna | Format and print POC for L. Lam and review same; enter claims received; telephone call to Service Canada. |
| 12/12/2012 | Koroneos, Anna | Discussion with M. Burns of Service Canada regarding the registration and agreement of terms for the Trustee's representative; review, sign off and file with Service Canada, send original by mail. |
| 12/12/2012 | Tannenbaum, Bryan | Conference call with J. Marshall and S. Rappos regarding outstanding issues on regarding Letters of Credit, further distributions etc. |
| 12/13/2012 | Brown, Rose | Completion of on-going trust account banking administration and disbursement processing. |

| Date | Professional | Narrative |
|------------|--------------------|--|
| 12/13/2012 | Koroneos, Anna | Enter WEPPA estate information and review email from Service Canada for estate; review of claims received with C. Hristow; email to J. Lam on outstanding information and questions regarding his claim and his mother's claim; email to C. Shekhar regarding obtaining a T4 for 2010 and a paystub. |
| 12/13/2012 | Tannenbaum, Bryan | Conference call with J. Marshall and Lombard's legal counsel. |
| 12/17/2012 | Koroneos, Anna | Review of documentation provided by C. Shekhar and J. Lam for employee claims; email to C. Shekhar. |
| 12/18/2012 | Koroneos, Anna | Review of file documentation regarding correspondence sent in reference to an extensive discussion with C. Shekhar, former employee; email correspondence and discussion with J. Lam on WEPPA claim and disallowance; two telephone calls with C. Shekhar regarding Record of Employment ("ROE") etc.; review information received from J. Lam and email response on the Trustee's information sheet; telephone call with C. Shekhar and discussion with C. Hristow on the status of his claim; request an ROE to confirm last date of employment. |
| 12/19/2012 | Hristow, Catherine | Discussions with A. Koroneos regarding employees. |
| 1/30/2013 | Hristow, Catherine | Telephone attendance with P. Dou regarding unit 500 and funds in trust. |
| 1/31/2013 | Hristow, Catherine | Correspondence with P. Dou; correspondence with Harris Sheaffer LLP. |
| 2/4/2013 | Hristow, Catherine | Review documentation from X. Xu; revise release and send same to Harris Sheaffer LLP for execution. |
| 2/7/2013 | Hristow, Catherine | Telephone attendance with P. Dou. |
| 2/8/2013 | Tannenbaum, Bryan | Correspondence with J. Marshall regarding HST claims. |
| 2/12/2013 | Tannenbaum, Bryan | Commence drafting the Sixth Report to the Court. |
| 2/13/2013 | Koroneos, Anna | Review of email from C. Shekhar and respond to same. |
| 2/13/2013 | Hristow, Catherine | Correspondence with Harris Sheaffer LLP; send letter to the Ministry of Revenue; sign acknowledgement and release; discussion with B. Tannenbaum. |
| 2/13/2013 | Tannenbaum, Bryan | Continue drafting the Sixth Report to the Court and email correspondence for clarification to J. Marshall at BLG; discussion with C. Hristow. |
| 2/14/2013 | Koroneos, Anna | Preparation of 246-2 notices and statement of Receipts and Disbursements. |
| 2/14/2013 | Tannenbaum, Bryan | Continue drafting the Sixth Report to the Court. |
| 2/15/2013 | Hristow, Catherine | Correspondence with CRA; review employee letters and claims and prepare draft correspondence to BLG. |
| 2/15/2013 | Tannenbaum, Bryan | Continue drafting the Sixth Report to the Court. |
| 2/19/2013 | Koroneos, Anna | Discussion with C. Hristow on employee claims; discussion with B. Tannenbaum regarding meeting for 246-2 notices. |
| 2/19/2013 | Tannenbaum, Bryan | Continue writing and editing the Sixth Report to the Court. |
| 2/19/2013 | Hristow, Catherine | Discussion with A. Koroneos. |
| 2/20/2013 | Koroneos, Anna | Discussion with B. Tannenbaum regarding Court Report and 246-2 reports; finalize 246-2 report; discussion with C. Hristow on employee claims. |

| Date | Professional | Narrative |
|-----------|--------------------|--|
| 2/20/2013 | Hristow, Catherine | Meeting with B. Tannenbaum; email correspondence to J. Marshall; discussion with A. Koroneos. |
| 2/20/2013 | Tannenbaum, Bryan | Update Sixth Report to the Court for Canada Revenue Agency ("CRA") section and meeting with C. Hristow to discuss same; meeting with A. Koroneos to finalize S.246 Reports and incorporate into the Report, etc. |
| 2/21/2013 | Koroneos, Anna | Letter to Office of the Receiver; finalize and send package; discussion with C. Hristow regarding employee claims email to J. Lam on amending his claim. |
| 2/21/2013 | Tannenbaum, Bryan | Further revisions to the Sixth Report to the Court, insert WEPPA reference and covering email to J. Marshall. |
| 2/22/2013 | Hristow, Catherine | Telephone attendance with P. Davy from CRA regarding GST/HST; discussion with B. Tannenbaum. |
| 2/22/2013 | Tannenbaum, Bryan | Finalize draft and send to J. Marshall for review; dealing with CRA regarding HST issue and elimination deemed trust; discussion with C. Hristow. |
| 3/4/2013 | Koroneos, Anna | Enter WEPPA claims for three employees, email correspondence to employees to confirm registration. |
| 3/19/2013 | Tannenbaum, Bryan | Further revisions to the Sixth Report to the Court. |
| 3/20/2013 | Koroneos, Anna | Review of letters from WEPPA regarding the employees; email correspondence with J. Lam regarding his WEPPA claim. |
| 3/28/2013 | Brown, Rose | Prepare and submit by Netfile HST returns for June 2011 to December 2012. |
| 4/1/2013 | Tannenbaum, Bryan | Discussion with C. Hristow. |
| 4/1/2013 | Hristow, Catherine | Review letter from G. Harris; discussion with B. Tannenbaum; email correspondence with G. Harris. |
| 4/16/2013 | Tannenbaum, Bryan | Discussion with J. Marshall. |
| 4/23/2013 | Tannenbaum, Bryan | Review file with C. Hristow. |
| 4/23/2013 | Hristow, Catherine | Meeting with B. Tannenbaum. |
| 4/25/2013 | Hristow, Catherine | Email correspondence and discussion with J. Marshall. |
| 4/29/2013 | Hristow, Catherine | Meeting with B. Tannenbaum. |
| 5/3/2013 | Hristow, Catherine | Email correspondence to J. Marshall. |
| 5/7/2013 | Brown, Rose | Prepare and file HST Returns for March and April, 2013. |
| 5/7/2013 | Hristow, Catherine | Commence review of revisions to Sixth Report to the Court provided by J. Marshall; correspondence with J. Marshall regarding government claims. |
| 5/10/2013 | Hristow, Catherine | Telephone attendance and email correspondence with J. Marshall. |
| 5/16/2013 | Hristow, Catherine | Review various email correspondences regarding the letters of credit. |
| 5/27/2013 | Hristow, Catherine | Review correspondence received from J. Marshall. |
| 6/19/2013 | Hristow, Catherine | Review correspondence received from J. Marshall; verify deposit trust schedule from Harris Shaeffer LLP and return same to J. Marshall. |
| 7/12/2013 | Hristow, Catherine | Review correspondence from J. Marshall and respond to same. |
| 7/19/2013 | Hristow, Catherine | Correspondence with J. Marshall. |

2811 Development Corporation
 January 22, 2014
 Page 4

| Date | Professional | Narrative |
|------------|--------------------|--|
| 8/8/2013 | Brown, Rose | Deposit cheque. |
| 8/9/2013 | Hristow, Catherine | Review correspondences from J. Marshall; email to R. Brown regarding funds from TD Bank; telephone attendance with J. Marshall; review email correspondence to Lombard and Con Drain. |
| 8/30/2013 | Brown, Rose | Prepare and Netfile HST for April to August 2013; photocopy cheques and invoices for submitting a response to CRA- audit adjustments; send package by fax and courier. |
| 10/3/2013 | Hristow, Catherine | Email correspondence with J. Marshall. |
| 10/7/2013 | Hristow, Catherine | Email correspondence with J. Marshall. |
| 10/15/2013 | Brown, Rose | Renewal of Investment. |
| 10/22/2013 | Brown, Rose | Print General Ledger and prepare Statement of Receipts and Disbursements. |
| 10/22/2013 | Hristow, Catherine | Correspondences with J. Marshall; discussion with A. Koroneos regarding Section 246 notice; discussion with R. Brown regarding Statement of Receipts and Disbursements; revisions to the Sixth Report to the Court; prepare schedules for the affidavit of fees. |
| 10/23/2013 | Hristow, Catherine | Further revisions to the Court Report; correspondences with J. Marshall. |
| 10/31/2013 | Brown, Rose | Preparation of HST Returns and forms. |
| 11/2/2013 | Hristow, Catherine | Further revisions to the Sixth Report to the Court; prepare information for quality review of the Report; email correspondence to J. Marshall. |
| 11/5/2013 | Bryk, Adam | Review of Sixth Court Report, discussion with C. Hristow. |
| 11/8/2013 | Brown, Rose | Net filing of HST returns for September and October 2013. |
| 11/11/2013 | Bryk, Adam | Review of Sixth Court Report |
| 11/13/2013 | Casey, Paul | Quality review of Sixth Report to Court. |

2811 Development Corporation
 January 22, 2014
 Page 5

Summary of fees

| Professional | Position | Hours | Rate | Amount |
|--|----------------------|--------------------|-------------|---------------------|
| Adam Bryk, MBA, CPA, CA, CIRP | Partner | 1.5 | \$ 675.00 | \$ 1,012.50 |
| Paul Casey, CPA, CA, CIRP | Partner | 1.2 | \$ 675.00 | 810.00 |
| Bryan A. Tannenbaum, FCA, FCIRP | Partner | 37.5 | \$ 675.00 | 25,312.50 |
| Catherine Hristow, CPA, CIRP | Senior Manager | 21.3 | \$ 575.00 | 12,247.50 |
| Anna Koroneos, CIRP | Manager | 18.2 | \$ 425.00 | 7,735.00 |
| Rose Brown | Trust Administration | <u>6.9</u> | \$ 160.00 | <u>1,104.00</u> |
| Total hours and professional fees | | <u>86.6</u> | | \$ 48,221.50 |
| HST @13% | | | | <u>6,268.80</u> |
| Total Payable | | | | \$ 54,490.30 |

Payable upon receipt to: Deloitte Restructuring Inc.

Adam Bryk, MBA, CPA, CA, CIRP
 Senior Vice President

Deloitte.

Deloitte Restructuring Inc.
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

2811 Development Corporation
c/o: Deloitte Restructuring Inc.
Brookfield Place
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Date: March 31, 2014
Invoice No: 3520211
Client/Mandate No: 917327/1000000
Partner: A. Bryk
HST Registration No: 122893605

Invoice 10

For professional services rendered in connection with Deloitte Restructuring Inc. acting as Court-Appointed Receiver of 2811 Development Corporation ("2811" or the "Company") for the period from January 1, 2014 to March 28, 2014.

| Date | Professional | Narrative |
|-----------|--------------------|--|
| 1/13/2014 | Hristow, Catherine | Telephone attendance with J. Marshall; review files. |
| 1/31/2014 | Brown, Rose | Trust Banking Administration - cash out part of investment and prepare disbursement cheques. |
| 2/7/2014 | Hristow, Catherine | Correspondence with J. Marhsall. |
| 2/12/2014 | Hristow, Catherine | Telephone discussion with H. Yeung regarding his deposits on two units. |
| 2/13/2014 | Hristow, Catherine | Review files for letter sent to H. Yeung and forward same to H. Yeung. |
| 3/28/2014 | Hristow, Catherine | Review and revise Sixth Report; telephone attendance with J. Marshall; review further revisions; commence draft affidavit of fees; review correspondence from S. Li of Northbridge Insurance; review purchaser correspondence and forward same to S. Li. |

2811 Development Corporation
 March 31, 2014
 Page 2

Summary of fees

| Professional | Position | Hours | Rate | Amount |
|--|----------------------|--------------|-------------|--------------------|
| Catherine Hristow, CMA, CIRP | Vice President | 3.7 | \$575.00 | \$ 2,127.50 |
| Rose Brown | Trust Administration | 0.8 | \$160.00 | 128.00 |
| Total hours and professional fees | | 4.5 | | \$ 2,255.50 |
| HST @13% | | | | 293.22 |
| Total Payable | | | | \$ 2,548.72 |

Adam Bryk, MBA, CPA, CA, CIRP
 Senior Vice President

REMITTANCE ADDRESS:

Deloitte Restructuring Inc.
 5140 Yonge Street, Suite 1700
 Toronto, ON M2N 6L7 CANADA

Wire Transfer Information:

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

| | | |
|-----------------|----------------------------|---|
| Transit # 47696 | US Bank Account | Canadian Bank Account |
| Bank Code# 002 | Account #476968822816 | Account #476960440019 |
| | Swift Code and ABA Address | Swift Code Address – Canada / Int'l Wires |
| | NOSCCATT | NOSCCATT |
| | ABA # 026002532 | |

Please reference the invoice number listed above when wiring funds.

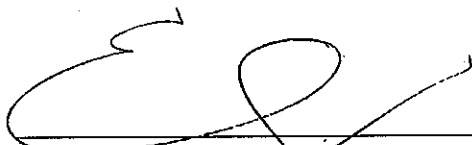
We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.

This is Exhibit "B" referred
to in the affidavit of Catherine Hristow
Sworn before me this 7th day of April, 2014

A handwritten signature in black ink, appearing to read 'EM', is written over a horizontal line.

ELAINE MARGARET McKAY
A Commissioner, etc., City of Toronto,
for Deloitte Restructuring Inc., Trustee
in Bankruptcy and Deloitte LLP,
Chartered Accountants.
Expires March 19, 2015.

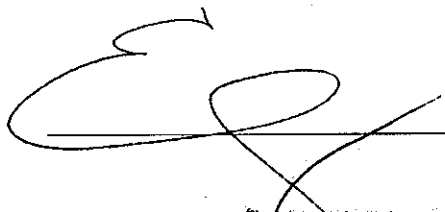
Deloitte Restructuring Inc.

Court Appointed Receiver of 2811 Development Corporation

Invoice Summary from May 25, 2011 to March 28, 2014

| Invoice Date | Tab # | Period | Fees \$ | Disbursements \$ | HST \$ | Total \$ |
|---------------------|--------------|--|----------------------|-------------------------|---------------------|----------------------|
| 3-Nov-11 | 1 | For the period May 25, 2011 to July 31, 2011 | 103,892.00 | 282.33 | 13,542.66 | 117,716.99 |
| 3-Nov-11 | 2 | For the period August 1, 2011 to August 31, 2011 | 133,624.50 | - | 17,371.19 | 150,995.69 |
| 3-Nov-11 | 3 | For the period September 1, 2011 to September 30, 2011 | 90,782.50 | 663.31 | 11,887.96 | 103,333.77 |
| 3-Nov-11 | 4 | For the period October 1, 2011 to October 15, 2011 | 43,415.00 | 115.25 | 5,658.93 | 49,189.18 |
| 29-Nov-11 | 5 | For the period October 16, 2011 to November 15, 2011 | 65,947.50 | 3,635.30 | 9,045.76 | 78,628.56 |
| 25-Jan-11 | 6 | For the period November 16, 2011 to December 31, 2011 | 105,310.50 | 371.70 | 13,738.69 | 119,420.89 |
| 22-Mar-12 | 7 | For the period January 1, 2012 to February 29, 2012 | 50,009.00 | 198.75 | 6,527.01 | 56,734.76 |
| 10-Dec-12 | 8 | For the period March 1, 2012 to November 30, 2012 | 54,665.50 | 623.85 | 7,187.62 | 62,476.97 |
| 22-Jan-14 | 9 | For the period December 1, 2012 to December 31, 2013 | 48,221.50 | - | 6,268.80 | 54,490.30 |
| 31-Mar-14 | 10 | For the period January 1, 2014 to March 28, 2014 | 2,255.50 | - | 293.22 | 2,548.72 |
| Total | | | \$ 698,123.50 | \$ 5,890.49 | \$ 91,521.84 | \$ 795,535.83 |

This is Exhibit "C" referred
to in the affidavit of Catherine Hristow
Sworn before me this 7th day of April, 2014



ELAINE MARGARET MCKAY
A Commissioner, etc., City of Toronto,
for Deloitte Restructuring Inc., Trustee
in Bankruptcy and Deloitte LLP,
Chartered Accountants.
Expires March 19, 2015.

Deloitte Restructuring Inc.

**Court Appointed Receiver of 2811 Development Corporation
Fee Summary from May 25, 2011 to March 28, 2014**

| Professional | Hours | Rate | Total Amount |
|---|----------------|---------------|----------------------|
| Bryan A. Tannenbaum | 338.9 | \$ 675.00 | \$ 228,757.50 |
| Sheila Botting | 32.5 | 675.00 | 21,937.50 |
| Daniel R. Weisz | 8.0 | 675.00 | 5,400.00 |
| Ira Gerstein | 562.6 | 575.00 | 323,495.00 |
| Adam Bryk | 1.5 | 675.00 | 1,012.50 |
| Paul Casey | 1.2 | 675.00 | 810.00 |
| Catherine Hristow | 31.8 | 575.00 | 18,285.00 |
| Ian Haigh | 4.0 | 575.00 | 2,300.00 |
| Anita Shinde | 131.5 | 425.00 | 55,887.50 |
| Anna Koroneos | 22.3 | 425.00 | 9,477.50 |
| Sean Finley | 43.0 | 425.00 | 18,275.00 |
| Alison Brown | 2.5 | 195.00 | 487.50 |
| Catalina Laset | 10.7 | 195.00 | 2,086.50 |
| Edward Chau | 11.0 | 195.00 | 2,145.00 |
| Albert Yang | 7.0 | 195.00 | 1,365.00 |
| Melroy D'Sousa | 1.5 | 100.00 | 150.00 |
| Anna Zailer | 27.8 | 100.00 | 2,780.00 |
| Rose Brown | 17.5 | 198.40 | 3,472.00 |
| Subtotal & Average Hourly Rate | 1,255.3 | 556.14 | \$ 698,123.50 |
| Disbursements | | | 5,890.49 |
| Subtotal | | | \$ 704,013.99 |
| GST/HST | | | 91,521.84 |
| Total | | | \$ 795,535.83 |

TAB U

**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

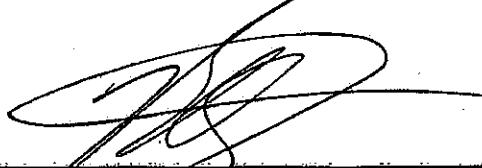
**AFFIDAVIT OF JOHN D. MARSHALL
(Sworn April 1, 2014)**

I, JOHN D. MARSHALL, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a member of the law firm of Borden Ladner Gervais LLP (“BLG”), the lawyers for the Receiver herein, 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.¹ 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.

¹ The Receiver has since changed its name to Deloitte Restructuring Inc.

This is Exhibit "A" referred
to in the affidavit of John D.
Marshall sworn before me this
1st day of April, 2014

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

A Commissioner, etc.

Borden Ladner Gervais LLP

Page 1

Printed on 4/1/2014 at 3:22 PM ET

Report: tim08

Report Wip Status: W,P,B

Time Detail

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offic | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|------------------------------|-------|-------------|---------|-------------|-------|--------|---------------|------------|
| 082893 | Deloitte & Touche LLP | | | | | | | | |
| 000018 | 2811 Development Corporation | | | | | | | | |
| 20096 | McCarten, W. Paul | | | | | | | | |
| 11/2/2011 | 22508007 | TOR | B | B | 696811128 | 1.40 | 740.00 | 1,036.00 | 1,036.00 |
| Correspondence; review of documents and searches and draft security opinion; meeting with Stephanie Campanaro; instructions re review and report. | | | | | | | | | |
| 11/3/2011 | 22510104 | TOR | B | B | 696811128 | 1.90 | 740.00 | 1,406.00 | 1,406.00 |
| Review of revised opinion and document; making changes; meeting with Stephanie Campanaro; instructions re further opinion; further review of additional opinion. | | | | | | | | | |
| 11/4/2011 | 22513931 | TOR | B | B | 696811128 | 0.50 | 740.00 | 370.00 | 370.00 |
| Discussion with Stephanie Campanaro re title issues; review of file; instructions re research. | | | | | | | | | |
| Timekeeper Total For: McCarten, W. Paul | | | | | | 3.80 | 740.00 | 2,812.00 | 2,812.00 |
| 20149 | Oishi, Elizabeth | | | | | | | | |
| 10/26/2011 | 22460885 | TOR | B | B | 696796331 | 0.30 | 300.00 | 90.00 | 90.00 |
| Conducting 5 teraview subsearches and reporting subsearch results to Sam Rappos. | | | | | | | | | |
| 11/1/2011 | 22499482 | TOR | B | B | 696811128 | 0.30 | 300.00 | 90.00 | 90.00 |
| Obtaining copies of registered documents from Toronto LRO for Sam Rappos. | | | | | | | | | |
| 11/2/2011 | 22503606 | TOR | B | B | 696811128 | 0.80 | 300.00 | 240.00 | 240.00 |
| Obtaining copies of registered documents from Toronto LRO for Sam Rappos. | | | | | | | | | |
| 11/9/2011 | 22532558 | TOR | B | B | 696811128 | 1.80 | 300.00 | 540.00 | 540.00 |
| Reviewing 5 teraview PINs re legal description; ordering copies of Plans from LRO; obtaining copies of block maps; determining assessment roll numbers and municipal addresses for 5 properties; conducting MPAC Industrial Basic reports to determine acreage of each property; confirming MPAC's legal descriptions; reporting subsearch results to Sam Rappos. | | | | | | | | | |
| 11/10/2011 | 22536299 | TOR | B | B | 696811128 | 2.20 | 300.00 | 660.00 | 660.00 |
| Reviewing 5 Steeles Ave East PINs re legal descriptions; reviewing reference plans and plans of subdivision to plot and calculate acreage of 5 PINs; reporting to Sam Rappos results. | | | | | | | | | |
| Timekeeper Total For: Oishi, Elizabeth | | | | | | 5.40 | 300.00 | 1,620.00 | 1,620.00 |
| 20169 | White, Larry | | | | | | | | |
| 10/14/2011 | 22414894 | TOR | B | B | 696796331 | 0.40 | 195.00 | 78.00 | 78.00 |
| Filed a consent motion. | | | | | | | | | |
| 12/8/2011 | 22661174 | TOR | B | B | 696811128 | 0.40 | 195.00 | 78.00 | 78.00 |
| Entered an Order. | | | | | | | | | |
| 12/21/2011 | 22720166 | TOR | B | B | 696829811 | 0.40 | 195.00 | 78.00 | 78.00 |
| Entered an order. | | | | | | | | | |
| Timekeeper Total For: White, Larry | | | | | | 1.20 | 195.00 | 234.00 | 234.00 |
| 20227 | DiGirolamo, Gloria | | | | | | | | |
| 10/7/2011 | 22447638 | TOR | B | B | 696796331 | 0.40 | 240.00 | 96.00 | 96.00 |
| 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. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 10/26/2011 | 22492090 | TOR | B | B | 696796331 | 0.70 | 240.00 | 168.00 | 168.00 |
| <p>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.</p> | | | | | | | | | |
| 10/27/2011 | 22492265 | TOR | B | B | 696796331 | 0.50 | 240.00 | 120.00 | 120.00 |
| <p>Re: 2811 Development Corporation - conducted s427 Bank Act searches; conducted sheriff's execution search.</p> | | | | | | | | | |
| 11/30/2012 | 24122532 | TOR | B | B | 696924176 | 1.00 | 250.00 | 250.00 | 250.00 |
| <p>Re: 2811 Development Corporation - received instructions from S. Rappos; conducted corporate information search; ordered PPSA certificates from Ministry of Government and Consumer Services, Companies and Personal Property Security Branch; conducted s427 Bank Act searches; conducted sheriff's execution searches.</p> | | | | | | | | | |
| Timekeeper Total For: DiGirolamo, Gloria | | | | | | 2.60 | 243.85 | 634.00 | 634.00 |
| 20235 Marshall, John D. | | | | | | | | | |
| 8/4/2011 | 22145301 | TOR | B | B | 696796331 | 7.50 | 730.00 | 5,475.00 | 5,475.00 |
| <p>Confer with E. Dadouch, Ira Gerstein and B. Tannenbaum (Deloitte) 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.</p> | | | | | | | | | |
| 8/5/2011 | 22145412 | TOR | B | B | 696796331 | 7.50 | 730.00 | 5,475.00 | 5,475.00 |
| <p>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</p> | | | | | | | | | |
| 8/6/2011 | 22145453 | TOR | B | B | 696796331 | 3.00 | 730.00 | 2,190.00 | 2,190.00 |
| <p>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</p> | | | | | | | | | |
| 8/7/2011 | 22145479 | TOR | B | B | 696796331 | 3.00 | 730.00 | 2,190.00 | 2,190.00 |
| <p>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.</p> | | | | | | | | | |
| 8/8/2011 | 22221975 | TOR | B | B | 696796331 | 7.00 | 730.00 | 5,110.00 | 5,110.00 |
| <p>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.</p> | | | | | | | | | |
| 8/9/2011 | 22222058 | TOR | B | B | 696796331 | 11.00 | 730.00 | 8,030.00 | 8,030.00 |
| <p>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.</p> | | | | | | | | | |
| 8/10/2011 | 22222307 | TOR | B | B | 696796331 | 4.70 | 730.00 | 3,431.00 | 3,431.00 |
| <p>Prepare and attend marketing plan; debrief receiver, circulate reasons and order of Morawetz, J.; receive and review additional endorsement; advise Receiver re next steps.</p> | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 8/11/2011 | 22222880 | TOR | B | B | 696798331 | 7.00 | 730.00 | 5,110.00 | 5,110.00 |
| 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. | | | | | | | | | |
| 8/12/2011 | 22222963 | TOR | B | B | 696798331 | 1.50 | 730.00 | 1,095.00 | 1,095.00 |
| 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. | | | | | | | | | |
| 8/15/2011 | 22223148 | TOR | B | B | 696798331 | 0.30 | 730.00 | 219.00 | 219.00 |
| Correspondence with Lombard counsel and Receiver re potential purchasers list. | | | | | | | | | |
| 8/16/2011 | 22225500 | TOR | B | B | 696798331 | 3.50 | 730.00 | 2,555.00 | 2,555.00 |
| 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. | | | | | | | | | |
| 8/17/2011 | 22188347 | TOR | B | B | 696798331 | 1.00 | 730.00 | 730.00 | 730.00 |
| Compile proceedings brief; consider and advise Receiver on various sale/marketing plan issues; correspondence with Lombard counsel re marketing documents. | | | | | | | | | |
| 8/18/2011 | 22188387 | TOR | B | B | 696798331 | 2.00 | 730.00 | 1,460.00 | 1,460.00 |
| 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. | | | | | | | | | |
| 8/19/2011 | 22225950 | TOR | B | B | 696798331 | 1.00 | 730.00 | 730.00 | 730.00 |
| Advise re various issues relating to sale process; correspondence from Lombard counsel and advising thereon. | | | | | | | | | |
| 8/23/2011 | 22226154 | TOR | B | B | 696798331 | 0.20 | 730.00 | 146.00 | 146.00 |
| Correspondence with Lombard counsel re escrow fund settlement. | | | | | | | | | |
| 8/24/2011 | 22227447 | TOR | B | B | 696798331 | 1.50 | 730.00 | 1,095.00 | 1,095.00 |
| 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. | | | | | | | | | |
| 8/25/2011 | 22227640 | TOR | B | B | 696798331 | 0.30 | 730.00 | 219.00 | 219.00 |
| Confer with Receiver re various sale process issues; correspondence with Lombard counsel re same. | | | | | | | | | |
| 8/26/2011 | 22227587 | TOR | B | B | 696798331 | 0.20 | 730.00 | 146.00 | 146.00 |
| Advise re confidentiality disclaimer on data room. | | | | | | | | | |
| 8/29/2011 | 22227614 | TOR | B | B | 696798331 | 1.80 | 730.00 | 1,314.00 | 1,314.00 |
| 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. | | | | | | | | | |
| 9/1/2011 | 22485735 | TOR | B | B | 696798331 | 0.80 | 730.00 | 584.00 | 584.00 |
| 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. | | | | | | | | | |
| 9/2/2011 | 22485807 | TOR | B | B | 696798331 | 2.00 | 730.00 | 1,460.00 | 1,460.00 |
| 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. | | | | | | | | | |
| 9/6/2011 | 22487741 | TOR | B | B | 696798331 | 2.00 | 730.00 | 1,460.00 | 1,460.00 |
| Correspondence with Lombard counsel re potential purchasers and advise Receiver thereon; advise Receiver with respect to pending contempt motion against Chan; advise re template sale agreement terms. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 9/7/2011 | 22269666 | TOR | B | B | 696796331 | 0.70 | 730.00 | 511.00 | 511.00 |
| 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." | | | | | | | | | |
| 9/8/2011 | 22467842 | TOR | B | B | 696796331 | 4.70 | 730.00 | 3,431.00 | 3,431.00 |
| Settle APS template and draft vesting order; correspondence with S. Iczkowitz 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. | | | | | | | | | |
| 9/9/2011 | 22487870 | TOR | B | B | 696796331 | 3.00 | 730.00 | 2,190.00 | 2,190.00 |
| 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. | | | | | | | | | |
| 9/12/2011 | 22372725 | TOR | B | B | 696796331 | 0.40 | 730.00 | 292.00 | 292.00 |
| Correspondence re Lombard debt/security and review same. | | | | | | | | | |
| 9/13/2011 | 22373118 | TOR | B | B | 696796331 | 1.00 | 730.00 | 730.00 | 730.00 |
| 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. | | | | | | | | | |
| 9/14/2011 | 22373159 | TOR | B | B | 696796331 | 1.60 | 730.00 | 1,168.00 | 1,168.00 |
| 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. | | | | | | | | | |
| 9/15/2011 | 22373245 | TOR | B | B | 696796331 | 0.50 | 730.00 | 365.00 | 365.00 |
| Correspondence with Receiver, Lombard and others re orders to dataroom. | | | | | | | | | |
| 9/16/2011 | 22373324 | TOR | B | B | 696796331 | 1.00 | 730.00 | 730.00 | 730.00 |
| Review revised APS and vesting order; telecommunication with Con-drain counsel re security sale process and possibility of redemption. | | | | | | | | | |
| 9/21/2011 | 22372591 | TOR | B | B | 696796331 | 1.00 | 730.00 | 730.00 | 730.00 |
| Advising re sale agreement issues and environmental issues raised by potential purchaser; confer with environmental counsel re same. | | | | | | | | | |
| 9/22/2011 | 22372655 | TOR | B | B | 696796331 | 0.60 | 730.00 | 438.00 | 438.00 |
| Correspondence re Lombard and Heenan Blaikie judgment; confer with counsel re environmental assessment issues; calls from counsel to various secured creditors. | | | | | | | | | |
| 9/23/2011 | 22372228 | TOR | B | B | 696796331 | 0.50 | 730.00 | 365.00 | 365.00 |
| Advising Receiver on various issues re potential offers and possible due diligence conditions; advise re wording of sale agreement clauses. | | | | | | | | | |
| 9/26/2011 | 22372466 | TOR | B | B | 696796331 | 2.00 | 730.00 | 1,460.00 | 1,460.00 |
| Correspondence re sale agreement terms; review security and confer with S. Rappos re same; prepare brief of same for security review opinion. | | | | | | | | | |
| 9/28/2011 | 22369476 | TOR | B | B | 696796331 | 2.50 | 730.00 | 1,825.00 | 1,825.00 |
| 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. | | | | | | | | | |
| 9/29/2011 | 22370172 | TOR | B | B | 696796331 | 0.30 | 730.00 | 219.00 | 219.00 |
| Telecommunication with counsel to Snow group re bid and approval process; confer with Receiver re conditions of sale. | | | | | | | | | |
| 9/30/2011 | 22370500 | TOR | B | B | 696796331 | 0.80 | 730.00 | 584.00 | 584.00 |
| 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. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tlm08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 10/3/2011 | 22390129 | TOR | B | B | 696796331 | 5.00 | 730.00 | 3,650.00 | 3,650.00 |
| 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. | | | | | | | | | |
| 10/4/2011 | 22390149 | TOR | B | B | 696796331 | 2.60 | 730.00 | 1,898.00 | 1,898.00 |
| 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. | | | | | | | | | |
| 10/5/2011 | 22390229 | TOR | B | B | 696796331 | 2.00 | 730.00 | 1,460.00 | 1,460.00 |
| 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. | | | | | | | | | |
| 10/6/2011 | 22410548 | TOR | B | B | 696796331 | 3.00 | 730.00 | 2,190.00 | 2,190.00 |
| 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. | | | | | | | | | |
| 10/7/2011 | 22483863 | TOR | B | B | 696796331 | 2.00 | 730.00 | 1,460.00 | 1,460.00 |
| 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. | | | | | | | | | |
| 10/10/2011 | 22412533 | TOR | B | B | 696796331 | 1.00 | 730.00 | 730.00 | 730.00 |
| Organize documents for sale approval motion; review sale agreements and law re purchasers' interest. | | | | | | | | | |
| 10/11/2011 | 22410609 | TOR | B | B | 696796331 | 1.80 | 730.00 | 1,314.00 | 1,314.00 |
| 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. | | | | | | | | | |
| 10/12/2011 | 22484026 | TOR | B | B | 696796331 | 0.50 | 730.00 | 365.00 | 365.00 |
| Draft sale approval notice of motion. | | | | | | | | | |
| 10/13/2011 | 22484047 | TOR | B | B | 696796331 | 0.80 | 730.00 | 584.00 | 584.00 |
| Correspondence with Lombard counsel re purchasers; arrange dismissal of contempt motion; advise re contents of Receiver's Report. | | | | | | | | | |
| 10/17/2011 | 22434285 | TOR | B | B | 696796331 | 0.50 | 730.00 | 365.00 | 365.00 |
| Confer with S. Rappos re security review and sale approval motion; confer with Lombard counsel and Firm capital counsel re motion and purchasers' position. | | | | | | | | | |
| 10/19/2011 | 22436395 | TOR | B | B | 696796331 | 0.50 | 730.00 | 365.00 | 365.00 |
| Conference call with Receiver and J. Fried re various issues regarding extension of closing of sale and sale approval motion; correspondence from mortgagees' counsel. | | | | | | | | | |
| 10/20/2011 | 22485326 | TOR | B | B | 696796331 | 2.00 | 730.00 | 1,460.00 | 1,460.00 |
| 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. | | | | | | | | | |
| 10/21/2011 | 22485227 | TOR | B | B | 696796331 | 1.20 | 730.00 | 876.00 | 876.00 |
| Review and revise motion materials for approval motion and consider various issues to be addressed in Receiver's Report. | | | | | | | | | |
| 10/24/2011 | 22484991 | TOR | B | B | 696796331 | 2.50 | 730.00 | 1,825.00 | 1,825.00 |
| 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. | | | | | | | | | |
| 10/25/2011 | 22485406 | TOR | B | B | 696796331 | 5.60 | 730.00 | 4,088.00 | 4,088.00 |
| 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. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report W/p Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 10/26/2011 | 22485442 | TOR | B | B | 696796331 | 5.00 | 730.00 | 3,650.00 | 3,650.00 |
| 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. | | | | | | | | | |
| 10/27/2011 | 22485630 | TOR | B | B | 696796331 | 0.50 | 730.00 | 365.00 | 365.00 |
| Revise draft third report of receiver and confer with S. Rappos re same. | | | | | | | | | |
| 10/28/2011 | 22485654 | TOR | B | B | 696796331 | 0.70 | 730.00 | 511.00 | 511.00 |
| 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. | | | | | | | | | |
| 10/29/2011 | 22483708 | TOR | B | B | 696796331 | 0.60 | 730.00 | 438.00 | 438.00 |
| Revisions to Receiver's Report re sale approval; correspondence with Receiver re same; prepare fee affidavits. | | | | | | | | | |
| 10/31/2011 | 22489433 | TOR | B | B | 696796331 | 2.70 | 730.00 | 1,971.00 | 1,971.00 |
| 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. | | | | | | | | | |
| 11/1/2011 | 22512696 | TOR | B | B | 696811128 | 7.00 | 730.00 | 5,110.00 | 5,110.00 |
| Attend on scheduling hearing; prepare motion materials for approval motion; confer with Receiver and S. Rappos re revisions to Third Report of Receiver; confer with Con-Drain counsel re priorities; settle notice of motion and affidavits. | | | | | | | | | |
| 11/2/2011 | 22512726 | TOR | B | B | 696811128 | 6.00 | 730.00 | 4,380.00 | 4,380.00 |
| Confer with Receiver, S. Rappos and J. Fried re various amendments and revisions to Receiver's Third Report; settle affidavits re fees; revise and settle motion record, Third Report, notice of motion and draft order. | | | | | | | | | |
| 11/3/2011 | 22520393 | TOR | B | B | 696811128 | 4.50 | 730.00 | 3,285.00 | 3,285.00 |
| Advise re issues in report of Receiver; confer with S Rappos re security review issues; correspondence with counsel for various creditors and settle report and approval motion record. | | | | | | | | | |
| 11/4/2011 | 22520449 | TOR | B | B | 696811128 | 4.00 | 730.00 | 2,920.00 | 2,920.00 |
| Correspondence with B. Bissell re White Bear mortgage application; prepare brief of confidential exhibits for motion; confer with S. Rappos re factum; confer with various counsel re approval motion and additional issues. | | | | | | | | | |
| 11/7/2011 | 22537984 | TOR | B | B | 696811128 | 2.40 | 730.00 | 1,752.00 | 1,752.00 |
| Confer with other counsel and Receiver re outstanding approval/disbursement issues; review basis of Lombard/Con-Drain priority dispute and treatment of unit purchasers; review confidential exhibits and field requests for disclosure of same. | | | | | | | | | |
| 11/8/2011 | 22534097 | TOR | B | B | 696811128 | 3.60 | 730.00 | 2,628.00 | 2,628.00 |
| Conference call with B. Tannenbaum, I. Gerstein and Sam Rappos re security issues; revise confidentiality agreements; confer with Receiver re notices to unit purchasers; correspondence with Condrain and Lombard re priority issues and sale price; draft emails re priority issues. | | | | | | | | | |
| 11/9/2011 | 22538128 | TOR | B | B | 696811128 | 3.20 | 730.00 | 2,336.00 | 2,336.00 |
| Correspondence with various mortgagees' counsel re distribution issues; review supplemental report; confer with S. Rappos re priority/distribution issues; correspondence with Lombard and Con-Drain counsel re priority/allocation issues and review law provided by Lombard counsel; correspondence with all counsel re confidentiality agreements. | | | | | | | | | |
| 11/10/2011 | 22538097 | TOR | B | B | 696811128 | 6.50 | 730.00 | 4,745.00 | 4,745.00 |
| Meeting with S. Rappos and telecommunications with various counsel to advise re various issues on sale of property and motion for court approval; discussions with counsel re priority issues; review appraisal evidence and prepare calculation of price allocation re Lombard/Con-drain priority issue and discuss same with counsel; revise and settle approval order and supplemental Receiver's Report. | | | | | | | | | |
| 11/11/2011 | 22558947 | TOR | B | B | 696811128 | 3.00 | 730.00 | 2,190.00 | 2,190.00 |
| Confer with Pendragon counsel re approval motion and distribution issues; revise Con-Drain priority calculation and confer with counsel re same; confer with various stakeholders' counsel re issues on approval motion. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

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|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 11/14/2011 | 22557032 | TOR | B | B | 696811128 | 9.50 | 730.00 | 6,935.00 | 6,935.00 |
| numerous telecommunications and correspondence with various counsel for stakeholders re approval and distribution issues in contemplation of November 15 motion; confer with purchaser's counsel re revisions to vesting order and settle same; receive, review and advise on affidavit material delivered by debtor re redemption; prepare law and submissions for motion. | | | | | | | | | |
| 11/15/2011 | 22557062 | TOR | B | B | 696811128 | 7.00 | 730.00 | 5,110.00 | 5,110.00 |
| Attend and argue sale approval/vesting order before Morawetz J.; obtain order and report; confer with Receiver re distribution motion and possible discharge; update suit papers brief. | | | | | | | | | |
| 11/16/2011 | 22591683 | TOR | B | B | 696811128 | 2.00 | 730.00 | 1,460.00 | 1,460.00 |
| Confer with Receiver and J. Fried re closing issues, CRA position, disbursement issues and proof of debts for disbursement motion and report. | | | | | | | | | |
| 11/18/2011 | 22591631 | TOR | B | B | 696811128 | 3.50 | 730.00 | 2,555.00 | 2,555.00 |
| Confer with Joe Fried re closing issues and extension of closing date; receive and review notice of appeal from vesting order; research law re stay; conference call with Receiver and J. Fried to advise on next steps; begin legal research for reply to proposed motion to stay approval/vesting order; confer with counsel for purchaser and various stakeholders re same. | | | | | | | | | |
| 11/21/2011 | 22591717 | TOR | B | B | 696811128 | 5.90 | 730.00 | 4,307.00 | 4,307.00 |
| Legal research and preparation of skeleton agreement on 2311 motion for stay pending appeal of approval/vesting order. | | | | | | | | | |
| 11/22/2011 | 22591890 | TOR | B | B | 696811128 | 2.80 | 730.00 | 2,044.00 | 2,044.00 |
| Revise and settle brief of authorities on motion to stay vesting/approval order; organize suit papers brief. | | | | | | | | | |
| 11/23/2011 | 22630542 | TOR | B | B | 696811128 | 2.50 | 730.00 | 1,825.00 | 1,825.00 |
| Confer with J. Fried and Mr. Warner re various closing issues and disputes between Lombard and other secured parties re distribution motion; prepare proceedings brief; research re threatened stay motion; confer with J. Fried re stay pending appeal; correspond with Debtor's counsel re same. | | | | | | | | | |
| 11/24/2011 | 22630881 | TOR | B | B | 696811128 | 5.50 | 730.00 | 4,015.00 | 4,015.00 |
| Correspondence with all secured parties re pay-out statements for distribution motion; draft pay-out order; research law and preparation of authorities brief for stay motion; confer with Receiver re distribution issues. | | | | | | | | | |
| 11/25/2011 | 22630727 | TOR | B | B | 696811128 | 5.00 | 730.00 | 3,650.00 | 3,650.00 |
| Correspondence from Lombard counsel re mortgage accounting; draft motion materials for distribution motion; complete brief of authorities re stay motion; review objections from Lombard re distribution; amend draft orders. | | | | | | | | | |
| 11/28/2011 | 22633095 | TOR | B | B | 696811128 | 4.00 | 730.00 | 2,920.00 | 2,920.00 |
| Further discussions and correspondence with counsel to second auditors re distribution issues; revise draft order and motion record; confer with I. Gerstein re Receiver's Fourth Report; update legal research and draft factum for motion to stay vesting order. | | | | | | | | | |
| 11/29/2011 | 22633202 | TOR | B | B | 696811128 | 4.50 | 730.00 | 3,285.00 | 3,285.00 |
| Further revisions to motion materials; consider correspondence from Lombard et al re distribution; confer with J. Fried re amendment to vesting order. | | | | | | | | | |
| 11/30/2011 | 22633279 | TOR | B | B | 696811128 | 3.00 | 730.00 | 2,190.00 | 2,190.00 |
| Confer with J. Fried; amend and settle order amending Vesting Order; settle motion record; review and advise re Fourth Receiver Report; further revisions to motion records; review law re s. 17 Mortgages Act and parties' position. | | | | | | | | | |
| 12/1/2011 | 22661896 | TOR | B | B | 696811128 | 5.00 | 730.00 | 3,650.00 | 3,650.00 |
| Legal research re distribution issues and potential stay motion by Debtor; redraft proposed interim distribution order and confer with counsel for stakeholders re same; review and revise Receiver's Report and confer with Receiver and S. Rappos re same; preliminary drafts of further distribution motions re Con-Drain and Lombard. | | | | | | | | | |
| 12/2/2011 | 22681928 | TOR | B | B | 696811128 | 8.50 | 730.00 | 6,205.00 | 6,205.00 |
| Numerous telecoms and emails with counsel to stakeholders; revise and settle alternative draft distribution orders; revise, settle and arrange motion records on motions to vary vesting order and interim distribution order; prepare for motions; legal research on Lombard contested mortgage claims, including s. 17 mortgage Act. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 12/5/2011 | 22681968 | TOR | B | B | 696811128 | 5.00 | 730.00 | 3,650.00 | 3,650.00 |
| Attend on distribution and vesting order amendment motions; settle and enter vesting amendment order; confer with stakeholders' counsel re settlement of proposed provisions in Interim distribution motion for return of motion on December 7; receive and review additional accounting information from counsel to Firm Capital and Lombard; draft order for proposed distribution to Lombard and treatment of funds held by T.D. in support of L/Cs; review law re priority dispute between Lombard and others, including s.17 Mortgages Act case law. | | | | | | | | | |
| 12/6/2011 | 22682007 | TOR | B | B | 696811128 | 7.00 | 730.00 | 5,110.00 | 5,110.00 |
| Numerous calls, emails and conference calls re distribution and accounting issues; review law and prepare materials for contested amounts motion; revisions to proposed distribution order and discuss with counsel; review documents to draft materials and orders re TD L/Cs and other future distribution issues; advise re extension of sale closing; prepare both of authorities on contested amounts motion. | | | | | | | | | |
| 12/7/2011 | 22682106 | TOR | B | B | 696811128 | 4.50 | 730.00 | 3,285.00 | 3,285.00 |
| Further telecoms with counsel for Lombard et al re distribution and make further revisions thereto; attend before Marowitz J. and obtain order; circulate same; draft order for subsequent distributions and review prior reports etc. to settle same. | | | | | | | | | |
| 12/8/2011 | 22665086 | TOR | B | B | 696811128 | 0.40 | 730.00 | 292.00 | 292.00 |
| Confer with Lombard counsel re Contested Amounts motion and E.D. L/Cs; confer with S. Rappos re "inquiries" from Debtor's counsel re closing of sale. | | | | | | | | | |
| 12/9/2011 | 22682167 | TOR | B | B | 696811128 | 0.30 | 730.00 | 219.00 | 219.00 |
| Correspond with Lombard counsel and Receiver re fees and outstanding claims; confer with Receiver re same. | | | | | | | | | |
| 12/12/2011 | 22682242 | TOR | B | B | 696811128 | 1.80 | 730.00 | 1,314.00 | 1,314.00 |
| Revise Receiver's certificate and advise Receiver and J. Fried re same; correspondence with Lombard counsel re CRA issues and costs; confer with J. Fried and Receiver re same; prepare motion record for next distribution order. | | | | | | | | | |
| 12/14/2011 | 22711907 | TOR | B | B | 696829611 | 3.00 | 730.00 | 2,190.00 | 2,190.00 |
| Numerous telecommunications and email correspondence with various parties re closing issues and proposed distributions issues; confer with counsel re settlement of Lombard and Con-Drain issues; draft and revise draft distribution order and motion materials; confer with and advise counsel re Con-Drain/Lombard issues. | | | | | | | | | |
| 12/15/2011 | 22712054 | TOR | B | B | 696829611 | 7.00 | 730.00 | 5,110.00 | 5,110.00 |
| Prepare notarial copies of orders for sale closing; telecommunications and correspondence with counsel re ongoing contested amounts motion and settlement thereof; draft orders and advise Receiver re various issues in draft Fifth Report and distribution motion materials; revise orders and motion materials. | | | | | | | | | |
| 12/16/2011 | 22712126 | TOR | B | B | 696829611 | 3.00 | 730.00 | 2,190.00 | 2,190.00 |
| Revise scanned distribution order, notice of motion and motion record and review draft Receiver's Report for Second Interim Distribution motion; confer with S. Rappos and other counsel re same. | | | | | | | | | |
| 12/17/2011 | 22712162 | TOR | B | B | 696829611 | 1.50 | 730.00 | 1,095.00 | 1,095.00 |
| Review and revise Receiver's fifth Report and revise draft order to deal with TD Bank L/C issues. | | | | | | | | | |
| 12/19/2011 | 22712209 | TOR | B | B | 696829611 | 4.60 | 730.00 | 3,358.00 | 3,358.00 |
| Telecommunication with Con-Drain counsel and Lombard counsel re distribution issues and revise draft order accordingly; confer with S. Rappos re revisions to Receiver's report and Second Distribution motion materials; making numerous revisions and settling order, notice of motion and report; confer with Receiver re same. | | | | | | | | | |
| 12/20/2011 | 22712394 | TOR | B | B | 696829611 | 4.50 | 730.00 | 3,285.00 | 3,285.00 |
| Numerous telecommunications with counsel to stakeholders; revise draft orders from time to time; review, advise on and settle Receiver's Fifth Report and motion materials from second Interim Distribution; prepare for motion of December 21. | | | | | | | | | |
| 12/21/2011 | 22742651 | TOR | B | B | 696829611 | 3.40 | 730.00 | 2,482.00 | 2,482.00 |
| Attend and obtain Second Interim Distribution Order; obtain and circulate order and endorsement of Marowitz, J.; advise Receiver on outstanding issues and future motions; conference call with Receiver to consider and advise on distribution to Harris, Sheaffer LLP and other outstanding issues. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

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August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 12/22/2011 | 22742910 | TOR | B | B | 696829611 | 0.80 | 730.00 | 584.00 | 584.00 |
| Correspondence with stakeholders' counsel re distribution issues; confer with Receiver re outstanding issues and next motion re TD Bank L/C. | | | | | | | | | |
| 1/3/2012 | 22990511 | TOR | B | B | 696924176 | 2.00 | 775.00 | 1,550.00 | 1,550.00 |
| Confer with J. Gerstein (Deloitte & Touche) re outstanding issues, next motion for approval, distributions to Harris Shaeffer, etc.; begin draft of materials for motion re same, as well as TD L/C security. | | | | | | | | | |
| 1/9/2012 | 22990712 | TOR | B | B | 696924176 | 0.80 | 775.00 | 620.00 | 620.00 |
| Review prior reports to prepare further motion for approval of reports etc. | | | | | | | | | |
| 1/11/2012 | 22990792 | TOR | B | B | 696924176 | 0.80 | 775.00 | 620.00 | 620.00 |
| Advise re Receiver's obligations re delivery of architect's plans to purchaser; review sale documents re same. | | | | | | | | | |
| 1/13/2012 | 22991196 | TOR | B | B | 696924176 | 0.50 | 775.00 | 387.50 | 387.50 |
| Advise Receiver re outstanding issues, including wage claims and payment of purchaser deposits. | | | | | | | | | |
| 1/25/2012 | 22991894 | TOR | B | B | 696924176 | 0.40 | 775.00 | 310.00 | 310.00 |
| Correspondence with Lombard counsel and Receiver re Lombard/Harris Shaeffer distribution issues. | | | | | | | | | |
| 1/26/2012 | 22992060 | TOR | B | B | 696924176 | 1.00 | 775.00 | 775.00 | 775.00 |
| Confer with Receiver re distribution to Lombard and various outstanding issues in order to calculate hold backs; advise re letter on termination of purchase agreements. | | | | | | | | | |
| 1/27/2012 | 22991854 | TOR | B | B | 696924176 | 0.50 | 775.00 | 387.50 | 387.50 |
| Review various issues to prepare motion for approval of reports and treatment of TD Bank security. | | | | | | | | | |
| 1/30/2012 | 22992107 | TOR | B | B | 696924176 | 1.00 | 775.00 | 775.00 | 775.00 |
| Review and advise Receiver re quantum of distribution to Lombard trust fund and appropriate holdbacks; advise re treatment of multiple unit purchasers; draft letter to Receiver to provide to Lombard re treatment of multiple purchasers and _____. | | | | | | | | | |
| 2/1/2012 | 22981017 | TOR | B | B | 696924176 | 2.50 | 775.00 | 1,937.50 | 1,937.50 |
| Review and consider next motion for approval of reports and next steps; advise re: position with CRA; draft order & notice motion; advise re: payments to Harris Shaeffer re: undo deposits and letter to be sent to Lombard re: termination of purchase agreements | | | | | | | | | |
| 2/2/2012 | 22980632 | TOR | B | B | 696924176 | 1.30 | 775.00 | 1,007.50 | 1,007.50 |
| Conference with Receiver re: pending issues re: CRA and purchaser deposit payments; draft correspondence and approval motion materials; correspondence with Lombard counsel re: payment of deposits | | | | | | | | | |
| 2/3/2012 | 22980782 | TOR | B | B | 696924176 | 0.80 | 775.00 | 620.00 | 620.00 |
| Conference with Receiver re: outstanding issues; correspondence with Lombard counsel re: same | | | | | | | | | |
| 2/29/2012 | 22993261 | TOR | B | B | 696924176 | 1.30 | 775.00 | 1,007.50 | 1,007.50 |
| Telecommunication with J. Gerstein re outstanding issues and advising re CRA trust claim issues, WEPPA issues, character of TD Bank L/C secured potential, treatment of equipment and future payments to Lombard; brief S. Rappos to advise issues and review mortgage documents re same. | | | | | | | | | |
| 3/30/2012 | 23125405 | TOR | B | B | 696924176 | 0.80 | 775.00 | 620.00 | 620.00 |
| Compile report for Receiver on wage claim and deemed trust (C.R.A.) issues. | | | | | | | | | |
| 4/17/2012 | 23244468 | TOR | B | B | 696924176 | 0.30 | 775.00 | 232.50 | 232.50 |
| Conference with S. Rappos and Receiver re: CRA position, Lombard and further distributions. | | | | | | | | | |
| 4/20/2012 | 23210278 | TOR | B | B | 696924176 | 0.30 | 775.00 | 232.50 | 232.50 |
| Teleconference with Lombard counsel re: further distributions; review C.R.A. position. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 5/7/2012 | 23375426 | TOR | B | B | 696924176 | 0.60 | 775.00 | 465.00 | 465.00 |
| Confer with S. Rappos re outstanding issues for further interim distribution and T.D. Bank L/C security. | | | | | | | | | |
| 5/8/2012 | 23375672 | TOR | B | B | 696924176 | 0.80 | 775.00 | 620.00 | 620.00 |
| Conference call with B. Tannenbaum, I. Gerstein, S. Rappos and counsel for Lombard Insurance re next steps re distributions; review documents re T.D. L.C. security. | | | | | | | | | |
| 5/23/2012 | 23373064 | TOR | B | B | 696924176 | 0.80 | 775.00 | 620.00 | 620.00 |
| Review draft Lombard Reimbursement agreement and revise same. | | | | | | | | | |
| 5/25/2012 | 23371471 | TOR | B | B | 696924176 | 1.00 | 775.00 | 775.00 | 775.00 |
| Conference call with B. Tannenbaum et al re reimbursement agreement and partial distribution issues; review reimbursement agreement. | | | | | | | | | |
| 6/22/2012 | 23493610 | TOR | B | B | 696924176 | 2.80 | 775.00 | 2,170.00 | 2,170.00 |
| Revise and settle motion record for sale process approval and deal with various service issues; confer with Firm Capital counsel re unit sale agreements and termination thereof. | | | | | | | | | |
| 6/27/2012 | 23477692 | TOR | B | B | 696924176 | 0.50 | 775.00 | 387.50 | 387.50 |
| Conference call with B. Tannenbaum and S. Rappos re CRA, TD Bank collateral and Lombard issues. | | | | | | | | | |
| 6/29/2012 | 23493502 | TOR | B | B | 696924176 | 0.50 | 775.00 | 387.50 | 387.50 |
| Review draft reimbursement agreement re Lombard; advise re TD bank L/Cs and collateral. | | | | | | | | | |
| 7/5/2012 | 23609941 | TOR | B | B | 696924176 | 1.50 | 775.00 | 1,162.50 | 1,162.50 |
| conference call with Crown and CRA re deemed Trust issues; prepare releases re trust deposits held by Harris Sheaffer and review documents from Harris Sheaffer and Receiver re same; begin draft of motion to approve fees and deal with TD L/C security. | | | | | | | | | |
| 7/6/2012 | 23613154 | TOR | B | B | 696924176 | 0.80 | 775.00 | 620.00 | 620.00 |
| Review CRA letter re deemed trust claim; confer with CRA representation re same and discuss with S. Rappos and Receiver; recalculate balance available for distribution. | | | | | | | | | |
| 7/18/2012 | 23613228 | TOR | B | B | 696924176 | 0.80 | 775.00 | 620.00 | 620.00 |
| Draft materials re recovery of TD Bank collateral; review Lombard reimbursement agreement. | | | | | | | | | |
| 8/20/2012 | 23731323 | TOR | B | B | 696924176 | 2.00 | 775.00 | 1,550.00 | 1,550.00 |
| Revise acknowledgement and release re trust deposits and advise re fees of trustee; review indemnity agreement; advise re collateral held by T.D. Bank and revise order re same. | | | | | | | | | |
| 10/31/2012 | 23983690 | TOR | B | B | 696924176 | 1.00 | 775.00 | 775.00 | 775.00 |
| Preparing Receiver's report re trust claims and "foreclosure"; confer with Receiver re sale process. | | | | | | | | | |
| 11/22/2012 | 24117855 | TOR | B | B | 696924176 | 0.50 | 775.00 | 387.50 | 387.50 |
| Review previous reports to advise re L/C issue and discharge motion. | | | | | | | | | |
| 11/27/2012 | 24117358 | TOR | B | B | 696924176 | 0.40 | 775.00 | 310.00 | 310.00 |
| Confer with Receiver and S. Rappos re further distribution to Lombard. | | | | | | | | | |
| 11/29/2012 | 24113784 | TOR | B | B | 696924176 | 0.30 | 775.00 | 232.50 | 232.50 |
| Confer with S. Rappos re L/C and distribution issues. | | | | | | | | | |
| 12/12/2012 | 24225360 | TOR | B | B | 697061001 | 2.80 | 775.00 | 2,170.00 | 2,170.00 |
| Confer with B. Tannenbaum and S. Rappos re outstanding issues on L/C collateral (T.D.) and further distributions; conference call with counsel to Lombard; advise on next steps; consider marshalling issues re: Lombard claim to T.D. collateral. | | | | | | | | | |
| 12/13/2012 | 24225464 | TOR | B | B | 697061001 | 1.00 | 775.00 | 775.00 | 775.00 |
| Confer with Lombard counsel and B. Tannenbaum re: marshalling issues. | | | | | | | | | |
| 12/20/2012 | 24225822 | TOR | B | B | 697061001 | 1.00 | 775.00 | 775.00 | 775.00 |
| Update from S. Rappos re: remaining issues. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

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Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 2/8/2013 | 24449589 | TOR | B | B | 697061001 | 0.60 | 825.00 | 495.00 | 495.00 |
| Confer with Receiver and correspond with counsel re HST claims and evidence accuracy to challenge assessment and advise thereon. | | | | | | | | | |
| 2/19/2013 | 24470685 | TOR | B | B | 697061001 | 1.00 | 825.00 | 825.00 | 825.00 |
| Draft motion and order re L/Cs, Lamibard distribution and discharge. | | | | | | | | | |
| 2/27/2013 | 24469968 | TOR | B | B | 697061001 | 1.20 | 825.00 | 990.00 | 990.00 |
| Follow up on L/C issues; review Deloitte draft report for discharge; review Lombard position. | | | | | | | | | |
| 3/8/2013 | 24600324 | TOR | B | B | 697061001 | 2.50 | 825.00 | 2,062.50 | 2,062.50 |
| Review draft receiver's report; follow up with Mady counsel and TD Bank re: L/C collateral status; correspondence with Lombard counsel re: final distribution; begin draft of addition to Receiver's Report re: L/C issues. | | | | | | | | | |
| 3/15/2013 | 24600591 | TOR | B | B | 697061001 | 1.00 | 825.00 | 825.00 | 825.00 |
| Correspondence with Lombard counsel re: split of distribution with Con-chain; review previous report and orders re: same issue and revise Receiver's draft report re: same. | | | | | | | | | |
| 3/22/2013 | 24600934 | TOR | B | B | 697061001 | 2.80 | 825.00 | 2,310.00 | 2,310.00 |
| Telecommunication with Mady counsel re: KL/C issue; further revisions to Receiver's report; review prior correspondence with TD Bank and Mady counsel; draft provision re: L/C for discharge order. | | | | | | | | | |
| 3/25/2013 | 24601009 | TOR | B | B | 697061001 | 0.60 | 825.00 | 495.00 | 495.00 |
| Continue review of Receiver's draft report. | | | | | | | | | |
| 3/26/2013 | 24600832 | TOR | B | B | 697061001 | 0.50 | 825.00 | 412.50 | 412.50 |
| Revise additions to Receiver's Report re: L/Cs. | | | | | | | | | |
| 3/27/2013 | 24601389 | TOR | B | B | 697061001 | 0.50 | 825.00 | 412.50 | 412.50 |
| Continue preparation of discharge materials. | | | | | | | | | |
| 3/28/2013 | 24601162 | TOR | B | B | 697061001 | 1.80 | 825.00 | 1,485.00 | 1,485.00 |
| Telecommunication with TD Bank representative re: L/C issues; draft discharge orders, notice of motion and motion record. | | | | | | | | | |
| 4/2/2013 | 24728687 | TOR | B | B | 697061001 | 1.50 | 825.00 | 1,237.50 | 1,237.50 |
| Continue preparation of discharge materials. | | | | | | | | | |
| 4/4/2013 | 24727663 | TOR | B | B | 697061001 | 1.50 | 825.00 | 1,237.50 | 1,237.50 |
| Revise Receiver's draft Sixth Report. | | | | | | | | | |
| 4/5/2013 | 24729151 | TOR | B | B | 697061001 | 4.00 | 825.00 | 3,300.00 | 3,300.00 |
| Continue revision Receiver's Sixth Report. | | | | | | | | | |
| 4/11/2013 | 24728264 | TOR | B | B | 697061001 | 0.50 | 825.00 | 412.50 | 412.50 |
| Continue revision of last Receiver Report. | | | | | | | | | |
| 4/12/2013 | 24727997 | TOR | B | B | 697061001 | 0.80 | 825.00 | 660.00 | 660.00 |
| Revisions to Sixth Report of Receiver. | | | | | | | | | |
| 4/16/2013 | 24727696 | TOR | B | B | 697061001 | 1.50 | 825.00 | 1,237.50 | 1,237.50 |
| Confer with B. Tannenbaum re: Receiver's report and discharge motion; review priorities arrangement between Lombard and Con-Drain. | | | | | | | | | |
| 4/17/2013 | 24727477 | TOR | B | B | 697061001 | 0.60 | 825.00 | 660.00 | 660.00 |
| Revisions to Receiver's Report. | | | | | | | | | |
| 4/24/2013 | 24721772 | TOR | B | B | 697061001 | 1.00 | 825.00 | 825.00 | 825.00 |
| Continue preparation of final report re: Lombard/Con-Drain dispute over L/C security. | | | | | | | | | |
| 4/29/2013 | 24722439 | TOR | B | B | 697061001 | 1.00 | 825.00 | 825.00 | 825.00 |
| Continue preparation of Receiver's final report. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

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Report: tim08

Time Detail**August 01, 2011 to March 31, 2014**

Report Wip Status: W,P,B

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 5/3/2013 | 24862662 | TOR | B | B | 697061001 | 4.00 | 825.00 | 3,300.00 | 3,300.00 |
| Revising Receiver's report; correspondence with Lombard counsel re: L/C security issues; follow up with City re: information on L/Cs. | | | | | | | | | |
| 5/6/2013 | 24862308 | TOR | B | B | 697061001 | 4.80 | 825.00 | 3,960.00 | 3,960.00 |
| Continue revisions to Receiver's Report; confer with City of Toronto and TD Bank re: L/C status. | | | | | | | | | |
| 5/7/2013 | 24862352 | TOR | B | B | 697061001 | 1.00 | 825.00 | 825.00 | 825.00 |
| Revisions to Receiver's Report and forward to C. Hristow; obtain information from government re: WEPPA and GST issues; correspondent with counsel to Lombard and Con-Drain re: distribution issues; consider and advise on WEPPA priority. | | | | | | | | | |
| 5/8/2013 | 24862419 | TOR | B | B | 697061001 | 5.00 | 825.00 | 4,125.00 | 4,125.00 |
| Further revisions to Receiver's Report; revise draft order re: distribution issues and government claims. | | | | | | | | | |
| 5/9/2013 | 24862022 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Telecommunication with M. Warner (Firm Capital re: non-renewal of L/Cs. | | | | | | | | | |
| 5/10/2013 | 24862083 | TOR | B | B | 697061001 | 1.00 | 825.00 | 825.00 | 825.00 |
| Draft fee affidavits for discharge motion; further revisions to report and draft order. | | | | | | | | | |
| 5/13/2013 | 24862867 | TOR | B | B | 697061001 | 0.80 | 825.00 | 660.00 | 660.00 |
| Correspondence with T.D. Bank and City re: status of L/Cs; revise report; revise report and fee affidavit. | | | | | | | | | |
| 5/14/2013 | 24862931 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Confer with T.D. Bank and Lombard/Con-Drain counsel re: renewal of L/Cs. | | | | | | | | | |
| 5/15/2013 | 24863075 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Correspondence with M. Warner (Firm) and Lombard counsel re: L/C renewals. | | | | | | | | | |
| 5/16/2013 | 24863708 | TOR | B | B | 697061001 | 1.00 | 825.00 | 825.00 | 825.00 |
| Telecommunication and correspondence with T.D. Bank and City re: L/C renewal and advise stakeholders; confer with M. Warner re: same. | | | | | | | | | |
| 5/21/2013 | 24863813 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Telecommunication with City re: status of L/Cs. | | | | | | | | | |
| 5/27/2013 | 24864136 | TOR | B | B | 697061001 | 0.20 | 825.00 | 165.00 | 165.00 |
| Correspondence re: L/C issues. | | | | | | | | | |
| 5/31/2013 | 24862727 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Correspondence with Bank, City and Lombard/Con-Drain counsel re: L/Cs. | | | | | | | | | |
| 6/4/2013 | 24979219 | TOR | B | B | 697061001 | 0.20 | 825.00 | 165.00 | 165.00 |
| Telecommunication with R. Robinson(City) for update on L/C status; correspondence with TD re: same. | | | | | | | | | |
| 6/4/2013 | 24979300 | TOR | B | B | 697061001 | 4.00 | 825.00 | 3,300.00 | 3,300.00 |
| Draft Receiver's letter to remaining trust claimants and confer with Receiver re: same; review Harris Sheaffer records and confer with Lombard counsel re: same; revise report re: same issue. | | | | | | | | | |
| 6/5/2013 | 24979018 | TOR | B | B | 697061001 | 2.50 | 825.00 | 2,062.50 | 2,062.50 |
| Telecommunications and correspondence with TD Bank and City re: termination of L/Cs; revise report and draft order re: same. | | | | | | | | | |
| 6/11/2013 | 24978474 | TOR | B | B | 697061001 | 3.00 | 825.00 | 2,475.00 | 2,475.00 |
| Revise report re:L/C termination; revise draft order re: same. | | | | | | | | | |
| 6/13/2013 | 24980674 | TOR | B | B | 697061001 | 1.80 | 825.00 | 1,485.00 | 1,485.00 |
| Confer with Lombard counsel re: trust deposit and L/C issues; review Condominium Act requirements; revise report. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 6/14/2013 | 24980842 | TOR | B | B | 697061001 | 1.50 | 825.00 | 1,237.50 | 1,237.50 |
| Review previous reports for notice letters to trust claimants; confer with Lombard counsel re: same; draft updated letter for Receiver to Claimants. | | | | | | | | | |
| 6/17/2013 | 24980535 | TOR | B | B | 697061001 | 2.00 | 825.00 | 1,650.00 | 1,650.00 |
| Analyze and summarize remaining trust claims from Harris Sheaffer spreadsheet. | | | | | | | | | |
| 6/20/2013 | 24981062 | TOR | B | B | 697061001 | 2.50 | 825.00 | 2,062.50 | 2,062.50 |
| Telecommunication and correspondence with Lombard counsel re: Harris Sheaffer trust claimant spreadsheet; revise summary and report re: same; compile Exhibits for report; review prior orders re: statement of unclaimed funds. | | | | | | | | | |
| 6/21/2013 | 24981205 | TOR | B | B | 697061001 | 2.50 | 825.00 | 2,062.50 | 2,062.50 |
| Revise report and advise Receiver re: trust deposit issues. | | | | | | | | | |
| 6/24/2013 | 24978899 | TOR | B | B | 697061001 | 0.80 | 825.00 | 660.00 | 660.00 |
| Revise report. | | | | | | | | | |
| 7/12/2013 | 25106299 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Telecommunication with Lombard counsel re: trust issues and L/C collateral. | | | | | | | | | |
| 7/15/2013 | 25105777 | TOR | B | B | 697061001 | 0.50 | 825.00 | 412.50 | 412.50 |
| Correspondence with Receiver re: Trust deposit issues; review distribution order re: trust funds for discussion with Lombard counsel. | | | | | | | | | |
| 7/18/2013 | 25105833 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Review distribution order to determine whether Lombard able to replace trust funds with policy. | | | | | | | | | |
| 7/19/2013 | 25104807 | TOR | B | B | 697061001 | 3.00 | 825.00 | 2,475.00 | 2,475.00 |
| Confer with Lombard counsel and G. Harris re: distribution of trust funds; correspondence re: L/Cs; revise report to reflect L/C draw down. | | | | | | | | | |
| 7/22/2013 | 25105005 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Confer with Con-Drain counsel re: trust funds and L/C collateral. | | | | | | | | | |
| 7/23/2013 | 25105311 | TOR | B | B | 697061001 | 2.50 | 825.00 | 2,062.50 | 2,062.50 |
| Telecommunication with Lombard counsel; review Harris Sheaffer trust spreadsheet; revise report. | | | | | | | | | |
| 7/25/2013 | 25105356 | TOR | B | B | 697061001 | 0.40 | 825.00 | 330.00 | 330.00 |
| Telecommunication with D. Michaud (Lombard counsel) re: trust issues. | | | | | | | | | |
| 7/26/2013 | 25104978 | TOR | B | B | 697061001 | 1.50 | 825.00 | 1,237.50 | 1,237.50 |
| Conference call with D. Michaud and G. Harris re: trust deposit disposition; correspondence with TD Bank re: L/C collateral; revise report. | | | | | | | | | |
| 7/29/2013 | 25105557 | TOR | B | B | 697061001 | 3.00 | 825.00 | 2,475.00 | 2,475.00 |
| Continue revisions to report re: distribution of remaining assets. | | | | | | | | | |
| 7/30/2013 | 25104536 | TOR | B | B | 697061001 | 6.00 | 825.00 | 4,950.00 | 4,950.00 |
| Revise Report and draft Order. | | | | | | | | | |
| 7/31/2013 | 25104623 | TOR | B | B | 697061001 | 3.50 | 825.00 | 2,887.50 | 2,887.50 |
| Revise draft receiver report to reflect changes re: trust funds and discussions with counsel. | | | | | | | | | |
| 8/1/2013 | 25226429 | TOR | B | B | 697061001 | 2.00 | 825.00 | 1,650.00 | 1,650.00 |
| Telecommunication with Lombard counsel re: distribution of trust funds; telecommunication and email with G. Harris re: same; revise claims bar provisions and forward to Davis and Lombard counsel; telecommunication with D. Michaud re: trust fund distribution issues. | | | | | | | | | |
| 8/2/2013 | 25226560 | TOR | B | B | 697061001 | 0.70 | 825.00 | 577.50 | 577.50 |
| Receive and review trust deposit agreement from Lombard's counsel; review claims bar recommendation. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 11/29/2011 | 22806881 | TOR | B | B | 696811128 | 2.50 | 500.00 | 1,250.00 | 1,250.00 |
| Reviewing file documents regarding L/C established in favour of City of Toronto and drafting correspondence regarding same; discussing same with Ira Gerstein; drafting correspondence to counsel to mortgagees regarding distribution matters; attending conference calls with the Receiver and Joe Fried and J. Marshall to discuss matters relating to L/C, amendments to vesting order and upcoming motion and draft report. | | | | | | | | | |
| 11/30/2011 | 22615416 | TOR | B | B | 696811128 | 1.60 | 500.00 | 800.00 | 800.00 |
| Discussing distribution matters with counsel Lombard, Con Drain, Mady and Firm Capital; reviewing and drafting correspondence regarding various distribution matters. | | | | | | | | | |
| 12/1/2011 | 22623885 | TOR | B | B | 696811128 | 1.80 | 500.00 | 900.00 | 900.00 |
| Reviewing and revising draft Fourth Report of the Receiver; reviewing and drafting correspondence regarding same; discussing same with Ira Gerstein and J. Marshall; reviewing correspondence regarding distribution matters. | | | | | | | | | |
| 12/2/2011 | 22638116 | TOR | B | B | 696811128 | 1.00 | 500.00 | 500.00 | 500.00 |
| Reviewing and drafting correspondence regarding upcoming distribution motion; discussing matters with J. Marshall; finalizing Fourth Report of the Receiver and appendices and arranging for filing with Court. | | | | | | | | | |
| 12/5/2011 | 22643239 | TOR | B | B | 696811128 | 0.70 | 500.00 | 350.00 | 350.00 |
| Reviewing and drafting correspondence regarding various distribution motion matters and closing of sale transaction. | | | | | | | | | |
| 12/6/2011 | 22650167 | TOR | B | B | 696811128 | 0.60 | 500.00 | 300.00 | 300.00 |
| Reviewing correspondence regarding distribution matters; discussing upcoming motion and drafting Receiver's report with J. Marshall. | | | | | | | | | |
| 12/7/2011 | 22655880 | TOR | B | B | 696811128 | 0.20 | 500.00 | 100.00 | 100.00 |
| Reviewing correspondence regarding distribution matters. | | | | | | | | | |
| 12/8/2011 | 22662396 | TOR | B | B | 696811128 | 0.50 | 500.00 | 250.00 | 250.00 |
| Reviewing and drafting correspondence regarding inquiries from counsel to 2811 on status of sale transaction. | | | | | | | | | |
| 12/9/2011 | 22666039 | TOR | B | B | 696811128 | 0.20 | 500.00 | 100.00 | 100.00 |
| Reviewing correspondence regarding distribution matters. | | | | | | | | | |
| 12/13/2011 | 22673769 | TOR | B | B | 696829611 | 0.30 | 500.00 | 150.00 | 150.00 |
| Reviewing and drafting correspondence regarding sale closing matters; discussing distribution matters with J. Marshall. | | | | | | | | | |
| 12/14/2011 | 22680143 | TOR | B | B | 696829611 | 5.00 | 500.00 | 2,500.00 | 2,500.00 |
| Reviewing Lombard security documents and search results and drafting initial security review letter; drafting correspondence to S. Campanaro regarding same; reviewing file documents and prior court reports and drafting Fifth Report of the Receiver regarding status of sale transaction and distribution matters; reviewing and drafting correspondence regarding such matters; reviewing and revising draft letter to be sent to unit purchasers regarding closing of sale transaction and drafting correspondence regarding same. | | | | | | | | | |
| 12/15/2011 | 22687494 | TOR | B | B | 696829611 | 3.50 | 500.00 | 1,750.00 | 1,750.00 |
| Reviewing and drafting various correspondence relating to closing of the sale transaction to Mady; drafting correspondence to clerks regarding filing of Receiver's certificate with Commercial List Office; reviewing previous Court reports and drafting Fifth Report of the Receiver; drafting correspondence regarding same; reviewing certain closing documents. | | | | | | | | | |
| 12/16/2011 | 22691324 | TOR | B | B | 696829611 | 1.50 | 500.00 | 750.00 | 750.00 |
| Reviewing and drafting correspondence regarding receivership matters; discussing draft Lombard opinion with S. Campanaro; continuing to review and revise draft Fifth Receiver report. | | | | | | | | | |
| 12/17/2011 | 22694838 | TOR | B | B | 696829611 | 2.60 | 500.00 | 1,300.00 | 1,300.00 |
| Continuing to review file documents and revise draft of the Receiver's Fifth Report dealing with distribution matters. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Borden Ladner Gervais LLP

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Printed on 4/1/2014 at 3:22 PM ET

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 8/6/2013 | 25226503 | TOR | B | B | 697061001 | 0.70 | 825.00 | 577.50 | 577.50 |
| Receive PPSA materials from Lombard counsel re: secured claim to trust deposits; review PPSA searches for Con-Drain and Lombard security claims; correspondence re same. | | | | | | | | | |
| 8/8/2013 | 25220628 | TOR | B | B | 697061001 | 0.70 | 825.00 | 577.50 | 577.50 |
| Review PPSA searches; correspondence and telecommunication with counsel to Con-Drain re: distribution of trust deposits and PPSA issues. | | | | | | | | | |
| 8/9/2013 | 25220387 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Telecommunication with C. Hristow re: trust deposit issues and revisions to Receiver's Report. | | | | | | | | | |
| 8/15/2013 | 25220239 | TOR | B | B | 697061001 | 0.40 | 825.00 | 330.00 | 330.00 |
| Correspondence with Lombard and Con-Drain counsel re: trust deposit issues. | | | | | | | | | |
| 8/16/2013 | 25220763 | TOR | B | B | 697061001 | 1.60 | 825.00 | 1,320.00 | 1,320.00 |
| Review trust records, revise draft report and proposal to Lombard and Con-Drain counsel re: trust deposits. | | | | | | | | | |
| 8/19/2013 | 25220132 | TOR | B | B | 697061001 | 0.40 | 825.00 | 330.00 | 330.00 |
| Update report re: trust deposits; amend draft order. | | | | | | | | | |
| 8/21/2013 | 25219787 | TOR | B | B | 697061001 | 0.50 | 825.00 | 412.50 | 412.50 |
| Telecommunication with Lombard counsel re: trust issues and review accounting analyses from Con-Drain counsel. | | | | | | | | | |
| 8/23/2013 | 25226594 | TOR | B | B | 697061001 | 0.60 | 825.00 | 495.00 | 495.00 |
| Receive and review trust deposit analysis from Con-Drain counsel and confer re: same. | | | | | | | | | |
| 8/28/2013 | 25220037 | TOR | B | B | 697061001 | 0.80 | 825.00 | 660.00 | 660.00 |
| Update from Lombard counsel re: trust deposits and continue revision of Receiver's report. | | | | | | | | | |
| 8/29/2013 | 25219041 | TOR | B | B | 697061001 | 0.50 | 825.00 | 412.50 | 412.50 |
| Revise report re: trust funds. | | | | | | | | | |
| 9/13/2013 | 25341872 | TOR | B | B | 697061001 | 1.00 | 825.00 | 825.00 | 825.00 |
| Revising receiver's draft report; confer with D. Michaud re: trust fund issue and allocation with Con-Drain. | | | | | | | | | |
| 10/4/2013 | 25371606 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Correspondence with C. Hristow and D. Michaud re: discharge motion. | | | | | | | | | |
| 10/11/2013 | 25394689 | TOR | B | B | 697061001 | 0.20 | 825.00 | 165.00 | 165.00 |
| Correspondence re: Lombard/con-Drain position on distribution and advise Receiver re: discharge application. | | | | | | | | | |
| 10/19/2013 | 25423348 | TOR | B | B | 697061001 | 3.50 | 825.00 | 2,887.50 | 2,887.50 |
| Revise and settle Receiver's 6th Report; email to C. Hristow re: same. | | | | | | | | | |
| 10/22/2013 | 25452844 | TOR | B | B | 697061001 | 0.80 | 825.00 | 660.00 | 660.00 |
| Review and incorporate Receiver's revisions to report and organize appendices; advise re: outstanding discharge issues. | | | | | | | | | |
| 10/23/2013 | 25452780 | TOR | B | B | 697061001 | 0.30 | 825.00 | 247.50 | 247.50 |
| Revise draft report. | | | | | | | | | |
| 11/29/2013 | 25612827 | TOR | B | B | 697061001 | 1.00 | 825.00 | 825.00 | 825.00 |
| Reply to request for refund re: Unit 322. | | | | | | | | | |
| 12/3/2013 | 25630791 | TOR | B | B | 697061001 | 0.50 | 825.00 | 412.50 | 412.50 |
| Revise discharge motion materials. | | | | | | | | | |
| 12/6/2013 | 25648818 | TOR | B | B | 697061001 | 0.50 | 825.00 | 412.50 | 412.50 |
| Update and revise Receiver's Report for discharge motion. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|--------|--------|---------------|------------|
| 12/16/2013 | 25977830 | TOR | P | B | 0 | 1.00 | 825.00 | 825.00 | 0.00 |
| Confer with Receiver re: report and treatment of Lombard/Con-Drain claims; revise discharge order. | | | | | | | | | |
| 12/17/2013 | 25978019 | TOR | P | B | 0 | 4.00 | 825.00 | 3,300.00 | 0.00 |
| Revise and update Report; confer with Receiver re: outstanding issues; revise discharge/distribution order. | | | | | | | | | |
| 1/13/2014 | 25979115 | TOR | P | B | 0 | 1.00 | 825.00 | 825.00 | 0.00 |
| Update report and follow up with City of Toronto re: L/C. | | | | | | | | | |
| 3/7/2014 | 26106471 | TOR | W | B | 0 | 2.00 | 825.00 | 1,650.00 | 0.00 |
| Confer with Receiver re: changes to draft discharge order; revise report and draft order. | | | | | | | | | |
| 3/10/2014 | 26109967 | TOR | W | B | 0 | 0.50 | 825.00 | 412.50 | 0.00 |
| Revisions to final report. | | | | | | | | | |
| 3/14/2014 | 26107292 | TOR | W | B | 0 | 3.50 | 825.00 | 2,887.50 | 0.00 |
| Continue revisions and updates to final report. | | | | | | | | | |
| 3/17/2014 | 26110423 | TOR | W | B | 0 | 0.80 | 825.00 | 660.00 | 0.00 |
| consider and advise re: further revisions to Receiver's report; correspondence with Lombard counsel; arrange date for discharge motion. | | | | | | | | | |
| 3/19/2014 | 26088131 | TOR | W | B | 0 | 0.50 | 825.00 | 412.50 | 0.00 |
| Update and revise Receiver's report and advise Receiver thereon; arranging discharge motion date. | | | | | | | | | |
| 3/24/2014 | 26088422 | TOR | W | B | 0 | 0.50 | 825.00 | 412.50 | 0.00 |
| Arrange discharge motion date; revise draft order for discharge motion. | | | | | | | | | |
| 3/25/2014 | 26088492 | TOR | W | B | 0 | 0.30 | 825.00 | 247.50 | 0.00 |
| Correspondence with Lombard counsel re: L/C proceeds; confer with Receiver re discharge motion; revise order. | | | | | | | | | |
| 3/28/2014 | 26106309 | TOR | W | B | 0 | 1.00 | 825.00 | 825.00 | 0.00 |
| review additional charges to Report from Receiver; arrange new date for motion; confer with Receiver re: timing of motion and fee affidavits. | | | | | | | | | |
| Timekeeper Total For: Marshall, John D. | | | | | | 437.90 | 759.23 | 332,465.50 | 320,008.00 |
| 20322 Francis, Janice L. | | | | | | | | | |
| 8/11/2011 | 22160729 | TOR | B | B | 696796331 | 0.40 | 195.00 | 78.00 | 78.00 |
| Entered an Order at the Commercial List Office. | | | | | | | | | |
| 10/18/2011 | 22427252 | TOR | B | B | 696796331 | 0.40 | 195.00 | 78.00 | 78.00 |
| Picked up an issued and entered order from the Commercial List Office. | | | | | | | | | |
| 12/6/2011 | 22649671 | TOR | B | B | 696811128 | 0.40 | 195.00 | 78.00 | 78.00 |
| Issued and entered an Order at the Commercial List Office. | | | | | | | | | |
| 12/15/2011 | 22688270 | TOR | B | B | 696829611 | 0.40 | 195.00 | 78.00 | 78.00 |
| Filed a Receiver's Certificate at the Commercial List Office. | | | | | | | | | |
| 12/20/2011 | 22713049 | TOR | B | B | 696829611 | 0.40 | 195.00 | 78.00 | 78.00 |
| Filed a Motion Record with the Commercial List Office. | | | | | | | | | |
| Timekeeper Total For: Francis, Janice L. | | | | | | 2.00 | 195.00 | 390.00 | 390.00 |

21013 Hugties, Kimberley

*Wip Status: W-WIP, P-On Prebill, B-Billed

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Time Detail

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August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 10/27/2011 | 22490282 | TOR | B | B | 696796331 | 0.20 | 210.00 | 42.00 | 42.00 |
| Conducted execution search. | | | | | | | | | |
| 12/3/2012 | 24129301 | TOR | B | B | 696924176 | 0.20 | 220.00 | 44.00 | 44.00 |
| Conducted execution search. | | | | | | | | | |
| 12/10/2012 | 24171471 | TOR | B | B | 697061001 | 0.20 | 220.00 | 44.00 | 44.00 |
| Conducted execution search. | | | | | | | | | |
| Timekeeper Total For: Hughes, Kimberley | | | | | | 0.60 | 216.67 | 130.00 | 130.00 |
| 21018 Jaipargas, Roger | | | | | | | | | |
| 8/18/2011 | 22187355 | TOR | B | B | 696796331 | 0.30 | 700.00 | 210.00 | 210.00 |
| Meeting with J. Marshall re issues arising from receivership of 2811 Development and production of documents and information to subsequent secured creditors. | | | | | | | | | |
| 9/7/2011 | 22265450 | TOR | B | B | 696796331 | 0.20 | 700.00 | 140.00 | 140.00 |
| 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. | | | | | | | | | |
| 9/14/2011 | 22290656 | TOR | B | B | 696796331 | 0.20 | 700.00 | 140.00 | 140.00 |
| Telephone attendance with J. Marshall re issues pertaining to Lombard and Lombard as potential purchaser of assets. | | | | | | | | | |
| 10/7/2011 | 22398747 | TOR | B | B | 696796331 | 0.30 | 700.00 | 210.00 | 210.00 |
| 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. | | | | | | | | | |
| 10/20/2011 | 22440643 | TOR | B | B | 696796331 | 0.10 | 700.00 | 70.00 | 70.00 |
| Telephone attendance with J. Marshall 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. | | | | | | | | | |
| Timekeeper Total For: Jaipargas, Roger | | | | | | 1.10 | 700.00 | 770.00 | 770.00 |
| 21628 Hayward, Brent | | | | | | | | | |
| 10/27/2011 | 22467050 | TOR | B | B | 696796331 | 0.30 | 210.00 | 63.00 | 63.00 |
| 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 | | | | | | | | | |
| 10/27/2011 | 22467032 | TOR | B | B | 696796331 | 0.80 | 210.00 | 168.00 | 168.00 |
| Various: Drop off of documentation at the Ministry of Labour located at 400 University Avenue. JP | | | | | | | | | |
| 12/3/2012 | 24115439 | TOR | B | B | 696924176 | 0.30 | 210.00 | 63.00 | 63.00 |
| 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. SR | | | | | | | | | |
| Timekeeper Total For: Hayward, Brent | | | | | | 1.40 | 210.00 | 294.00 | 294.00 |
| 25363 Arzoumanidis, Mary | | | | | | | | | |
| 11/2/2011 | 22507963 | TOR | B | B | 696811128 | 0.80 | 380.00 | 304.00 | 304.00 |
| Email from and to S. Rappos re preparation of appendices to Receiver's report; prepare, review and revise same. | | | | | | | | | |
| Timekeeper Total For: Arzoumanidis, Mary | | | | | | 0.80 | 380.00 | 304.00 | 304.00 |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 25526 Rappos, Sam | | | | | | | | | |
| 10/07/2011 | 22393345 | TOR | B | B | 696796331 | 0.50 | 500.00 | 250.00 | 250.00 |
| Discussing potential sale of real property by Receiver and ability of debtor company to exercise equity of redemption with J. Marshall and H. Greenwood. | | | | | | | | | |
| 10/12/2011 | 22405352 | TOR | B | B | 696796331 | 0.30 | 500.00 | 150.00 | 150.00 |
| Reviewing file documents and discussing file matters with J. Marshall. | | | | | | | | | |
| 10/24/2011 | 22451991 | TOR | B | B | 696796331 | 0.20 | 500.00 | 100.00 | 100.00 |
| Reviewing and drafting correspondence regarding security opinions and upcoming motion. | | | | | | | | | |
| 10/26/2011 | 22458835 | TOR | B | B | 696796331 | 4.00 | 500.00 | 2,000.00 | 2,000.00 |
| 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. | | | | | | | | | |
| 10/27/2011 | 22465890 | TOR | B | B | 696796331 | 0.60 | 500.00 | 300.00 | 300.00 |
| Reviewing and drafting correspondence regarding issues raised in draft Third Report of the Receiver. | | | | | | | | | |
| 10/28/2011 | 22470675 | TOR | B | B | 696796331 | 2.10 | 500.00 | 1,050.00 | 1,050.00 |
| Reviewing comments on draft Third Report of the Receiver; drafting revisions to Third Report; reviewing and drafting correspondence regarding same. | | | | | | | | | |
| 10/30/2011 | 22476564 | TOR | B | B | 696796331 | 2.10 | 500.00 | 1,050.00 | 1,050.00 |
| Continuing to review and revise draft Third Report of the Receiver. | | | | | | | | | |
| 10/31/2011 | 22477421 | TOR | B | B | 696796331 | 4.40 | 500.00 | 2,200.00 | 2,200.00 |
| 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. | | | | | | | | | |
| 11/1/2011 | 22488718 | TOR | B | B | 696811128 | 4.30 | 500.00 | 2,150.00 | 2,150.00 |
| Continuing to review and revise draft Receiver's Third Report; reviewing Firm Capital security documents and security search results; drafting security opinion with respect to Firm Capital security; drafting and reviewing correspondence with respect to receivership matters; drafting affidavit with respect to approval of fees and disbursements of BLG; compiling appendices for inclusion in the receiver's Third Report. | | | | | | | | | |
| 11/2/2011 | 22502913 | TOR | B | B | 696811128 | 11.50 | 500.00 | 5,750.00 | 5,750.00 |
| Reviewing and revising draft Third Report; taking steps to assemble materials for motion record; reviewing and revising draft security opinion regarding Firm Capital; reviewing real property search results and security documents for Firm Capital, White Bear and Pendragon; discussing file matters with J. Marshall; discussing opinion matters with S. Campanaro and drafting correspondence regarding same; reviewing and revising draft notice of motion, order, motion record and service list; finalizing fee affidavit; reviewing Mady Sale Agreement. | | | | | | | | | |
| 11/3/2011 | 22507040 | TOR | B | B | 696811128 | 7.90 | 500.00 | 3,950.00 | 3,950.00 |
| Finalizing comments on Third Report; finalizing amendments to notice of motion, motion record and draft order; discussing real property security opinion matters with S. Campanaro and J. Marshall; finalizing security opinions; discussing motion matters with the Receiver; attending to matters relating to service of the motion record. | | | | | | | | | |
| 11/4/2011 | 22512019 | TOR | B | B | 696811128 | 3.30 | 500.00 | 1,650.00 | 1,650.00 |
| Reviewing correspondence; preparing confidential appendices to Third Report to be filed with Court; discussing motion matters with J. Marshall; discussing sale approval motion with counsel to 2811; reviewing Cushman property appraisal; drafting affidavit of service regarding motion record. | | | | | | | | | |
| 11/7/2011 | 22519027 | TOR | B | B | 696811128 | 0.70 | 500.00 | 350.00 | 350.00 |
| Reviewing and revising draft real property opinions; discussing file matters with J. Marshall. | | | | | | | | | |
| 11/8/2011 | 22522844 | TOR | B | B | 696811128 | 3.50 | 500.00 | 1,750.00 | 1,750.00 |
| Reviewing Firm Capital and Pendragon real property opinions; discussing file matters with J. Marshall; reviewing and commenting on draft confidentiality agreements; discussing matters relating to sale approval motion with the Receiver and J. Marshall; revising form of draft order and drafting supplementary report regarding notice to be provided to unit purchasers. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 11/9/2011 | 22528477 | TOR | B | B | 696811128 | 4.60 | 500.00 | 2,300.00 | 2,300.00 |
| <p>Reviewing file documents and correspondence and drafting supplementary report regarding status of secured claims and letter to unit purchasers regarding Lombard deposit insurance policy; drafting factum for sale approval motion; discussing real estate matters with S. Campanaro; reviewing and drafting correspondence to L. Oishi regarding reference plan for lands; discussing file matters with J. Marshall; reviewing correspondence received from counsel to mortgagees.</p> | | | | | | | | | |
| 11/10/2011 | 22532243 | TOR | B | B | 696811128 | 6.00 | 500.00 | 3,000.00 | 3,000.00 |
| <p>Reviewing and drafting correspondence regarding matters of claims of Lombard and Con-Drain against PIN #5 and discussing same with counsel to Lombard; reviewing and revising draft supplementary report and draft order and discussing same with J. Marshall and Receiver; discussing real property matters with J. Marshall, S. Campanaro and Joseph Fried; drafting letter to counsel regarding amendments to White Bear charge; reviewing tax certificates received for property; drafting correspondence to mortgagees regarding verifying outstanding amounts by way of affidavit.</p> | | | | | | | | | |
| 11/11/2011 | 22536813 | TOR | B | B | 696811128 | 2.50 | 500.00 | 1,250.00 | 1,250.00 |
| <p>Reviewing and revising supplementary report, notice of motion, draft order and supplementary motion record; attending to service of same; reviewing and drafting correspondence relating to issues for sale approval motion; reviewing and drafting correspondence regarding disclosure of mortgagee payout statements to Lombard; discussing file matters with J. Marshall.</p> | | | | | | | | | |
| 11/14/2011 | 22540893 | TOR | B | B | 696811128 | 5.30 | 500.00 | 2,650.00 | 2,650.00 |
| <p>Reviewing and revising draft letter to unit purchasers and discussing same with counsel to Lombard; arranging for filing of supplementary motion record; reviewing affidavit of Michael Warner and Charles Chan; discussing sale approval motion with counsel to purchaser; reviewing affidavit of Anthony O'Brien and attending cross-examination conducted by counsel to 2811; reviewing and drafting correspondence regarding various sale approval and distribution matters; sending real property opinions for Firm Capital and Pentragon to the Receiver; discussing sale approval motion with counsel to City of Toronto; reviewing correspondence received from counsel to 2811; reviewing case law circulated by counsel to Lombard regarding mortgage matters.</p> | | | | | | | | | |
| 11/15/2011 | 22546654 | TOR | B | B | 696811128 | 7.80 | 500.00 | 3,900.00 | 3,900.00 |
| <p>Preparing for and attending hearing of sale approval motion; drafting correspondence regarding order and endorsement; discussing motion matters with Receiver and J. Marshall.</p> | | | | | | | | | |
| 11/17/2011 | 22561116 | TOR | B | B | 696811128 | 1.40 | 500.00 | 700.00 | 700.00 |
| <p>Reviewing correspondence received from CRA regarding T4 Information Return; reviewing Income Tax Act and regulations; drafting correspondence to Receiver regarding same; discussing same with S. Mirandola.</p> | | | | | | | | | |
| 11/18/2011 | 22565971 | TOR | B | B | 696811128 | 3.50 | 500.00 | 1,750.00 | 1,750.00 |
| <p>Reviewing notice of appeal and discussing same with Receiver and J. Marshall; reviewing rules and researching issue of proper forum for hearing of stay of execution pending appeal where notice of appeal already filed; drafting memorandum regarding same; discussing appeal matter with counsel to White Bear; drafting correspondence to service list regarding notice of appeal.</p> | | | | | | | | | |
| 11/21/2011 | 22569416 | TOR | B | B | 696811128 | 1.80 | 500.00 | 900.00 | 900.00 |
| <p>Reviewing and drafting correspondence regarding potential appeal by 2811; reviewing and transcribing reasons of Justice Morawetz regarding sale approval motion; reviewing and drafting correspondence regarding receivership matters.</p> | | | | | | | | | |
| 11/22/2011 | 22576130 | TOR | B | B | 696811128 | 0.40 | 500.00 | 200.00 | 200.00 |
| <p>Reviewing and drafting correspondence; discussing status of notice of appeal matter and sale with Receiver.</p> | | | | | | | | | |
| 11/23/2011 | 22582459 | TOR | B | B | 696811128 | 1.50 | 500.00 | 750.00 | 750.00 |
| <p>Reviewing and drafting correspondence to counsel to 2811 regarding appeal matters; discussing appeal matters with J. Marshall and Joe Fried; discussing mortgage statement matter with counsel to Firm Capital and drafting correspondence to parties on service list regarding same.</p> | | | | | | | | | |
| 11/25/2011 | 22595059 | TOR | B | B | 696811128 | 0.10 | 500.00 | 50.00 | 50.00 |
| <p>Reviewing correspondence regarding mortgages on property.</p> | | | | | | | | | |
| 11/28/2011 | 22602023 | TOR | B | B | 696811128 | 1.00 | 500.00 | 500.00 | 500.00 |
| <p>Discussing distribution matters with Bryan Tannenbaum and counsel to Lombard; reviewing and drafting correspondence regarding distribution matters and upcoming hearing on December 5, 2011.</p> | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 12/19/2011 | 22696980 | TOR | B | B | 696829611 | 3.30 | 500.00 | 1,650.00 | 1,650.00 |
| Continuing to review and revise draft Fifth Report; reviewing file documents and finalizing draft security review letter for security held by Lombard; drafting security review letter for security held by Con-Drain; discussing file matters with J. Marshall; compiling appendices for Fifth Report. | | | | | | | | | |
| 12/20/2011 | 22702560 | TOR | B | B | 696829611 | 3.10 | 500.00 | 1,550.00 | 1,550.00 |
| Reviewing and revising draft notice of motion, motion record index and draft second interim distribution order; reviewing and revising draft Fifth Report of the Receiver; reviewing and drafting correspondence regarding comments on draft report; discussing draft report with Ira Gerstein and J. Marshall; attending to service and filing of motion record and draft affidavit of service with respect thereto; reviewing correspondence regarding distribution matters. | | | | | | | | | |
| 12/21/2011 | 22708678 | TOR | B | B | 696829611 | 1.20 | 500.00 | 600.00 | 600.00 |
| Reviewing and drafting correspondence regarding distribution matters; finalizing security review letter regarding Con-Drain security; discussing outstanding matters with Ira Gerstein and J. Marshall. | | | | | | | | | |
| 1/2/2012 | 22736692 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence regarding letters to be sent to unit purchasers regarding Lombard policy. | | | | | | | | | |
| 1/4/2012 | 22751920 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence regarding letters to unit purchasers and Lombard. | | | | | | | | | |
| 1/10/2012 | 22765759 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence regarding November 18, 2011 decision of Justice Morawetz. | | | | | | | | | |
| 2/16/2012 | 22928216 | TOR | B | B | 696924176 | 0.40 | 550.00 | 220.00 | 220.00 |
| Discussing file matters with Ira Gerstein and J. Marshall; drafting correspondence to counsel to Lombard regarding distribution matters. | | | | | | | | | |
| 2/29/2012 | 22981515 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Discussing outstanding file matters with J. Marshall. | | | | | | | | | |
| 3/27/2012 | 23094651 | TOR | B | B | 696924176 | 1.10 | 550.00 | 605.00 | 605.00 |
| Reviewing file documents regarding advances made by lenders with charges against real property and drafting correspondence summarizing same. | | | | | | | | | |
| 3/30/2012 | 23108367 | TOR | B | B | 696924176 | 1.10 | 550.00 | 605.00 | 605.00 |
| Reviewing file documents; considering matters relating to secured claim for unpaid wages in receivership and claims under WEPPA and drafting correspondence to J. Marshall regarding same. | | | | | | | | | |
| 4/2/2012 | 23117668 | TOR | B | B | 696924176 | 0.40 | 550.00 | 220.00 | 220.00 |
| Drafting correspondence to counsel to mortgagees and Receiver regarding CRA deemed trust claim. | | | | | | | | | |
| 4/5/2012 | 23143195 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Reviewing correspondence regarding distribution matters. | | | | | | | | | |
| 4/10/2012 | 23147846 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Reviewing and drafting correspondence. | | | | | | | | | |
| 4/11/2012 | 23158075 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence; reviewing WEPPA. | | | | | | | | | |
| 4/16/2012 | 23170890 | TOR | B | B | 696924176 | 0.40 | 550.00 | 220.00 | 220.00 |
| Reviewing file correspondence; discussing matters with Ira Gerstein relating to employee wage claims. | | | | | | | | | |
| 4/24/2012 | 23202233 | TOR | B | B | 696924176 | 2.10 | 550.00 | 1,155.00 | 1,155.00 |
| Reviewing BIA, WEPPA and materials relating to WEPP; reviewing file correspondence regarding former employees; drafting correspondence to former employees regarding unpaid wages and WEPP; drafting correspondence to Receiver regarding same; reviewing precedent letter provided by Receiver and making revisions to draft letter to former employees. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 4/28/2012 | 23216948 | TOR | B | B | 696924176 | 1.20 | 550.00 | 660.00 | 660.00 |
| Reviewing WEPPA and regulation and drafting memorandum regarding same to Receiver; reviewing and drafting correspondence regarding CRA matter. | | | | | | | | | |
| 4/30/2012 | 23229685 | TOR | B | B | 696924176 | 0.50 | 550.00 | 275.00 | 275.00 |
| Reviewing and commenting on draft letter to ServiceCanada; reviewing and responding to correspondence on distribution to Lombard. | | | | | | | | | |
| 5/3/2012 | 23254509 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Reviewing and drafting correspondence regarding distribution matters. | | | | | | | | | |
| 5/4/2012 | 23259087 | TOR | B | B | 696924176 | 0.50 | 550.00 | 275.00 | 275.00 |
| Reviewing and drafting correspondence; discussing distribution matters with J. Marshall. | | | | | | | | | |
| 5/8/2012 | 23269692 | TOR | B | B | 696924176 | 1.60 | 550.00 | 880.00 | 880.00 |
| Attending conference call to discuss distribution issues with Receiver and counsel to Lombard; drafting letter to Schaeffers regarding sale of property to Mady; reviewing and drafting correspondence to counsel to Lombard and Pandragon/White Bear regarding distribution matters. | | | | | | | | | |
| 5/9/2012 | 23274862 | TOR | B | B | 696924176 | 2.30 | 550.00 | 1,265.00 | 1,265.00 |
| Discussing file matters with Ira Gerstein; reviewing file documents and drafting status e-mail on distribution matters; drafting letter to CRA regarding deemed trust and distribution matters. | | | | | | | | | |
| 5/14/2012 | 23292907 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Reviewing and drafting correspondence regarding distribution matters. | | | | | | | | | |
| 5/15/2012 | 23295132 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Discussing matters with J. Marshall and drafting correspondence to Receiver. | | | | | | | | | |
| 5/23/2012 | 23321054 | TOR | B | B | 696924176 | 3.80 | 550.00 | 2,090.00 | 2,090.00 |
| Reviewing and drafting correspondence regarding reimbursement agreement; drafting reimbursement agreement. | | | | | | | | | |
| 5/24/2012 | 23326035 | TOR | B | B | 696924176 | 0.40 | 550.00 | 220.00 | 220.00 |
| Reviewing revisions to reimbursement agreement and updating agreement; drafting correspondence regarding same. | | | | | | | | | |
| 5/25/2012 | 23332986 | TOR | B | B | 696924176 | 0.50 | 550.00 | 275.00 | 275.00 |
| Reviewing and drafting correspondence regarding reimbursement agreement with Northbridge; discussing draft agreement with Receiver and circulating revised draft to counsel to Northbridge. | | | | | | | | | |
| 5/28/2012 | 23339919 | TOR | B | B | 696924176 | 0.60 | 550.00 | 330.00 | 330.00 |
| Reviewing and drafting correspondence regarding distribution and reimbursement issues with Lombard. | | | | | | | | | |
| 5/29/2012 | 23345343 | TOR | B | B | 696924176 | 0.90 | 550.00 | 495.00 | 495.00 |
| Reviewing and drafting correspondence regarding distribution and reimbursement matter in connection with Lombard; discussing same with Lombard counsel. | | | | | | | | | |
| 5/31/2012 | 23358034 | TOR | B | B | 696924176 | 1.50 | 550.00 | 825.00 | 825.00 |
| Attending call with counsel to Lombard and the Receiver to discuss reimbursement agreement and disbursement matters; discussing matters with the Receiver; finalizing draft letter to CRA regarding deemed trust and drafting correspondence regarding same. | | | | | | | | | |
| 6/1/2012 | 23380204 | TOR | B | B | 696924176 | 1.00 | 550.00 | 550.00 | 550.00 |
| Reviewing and drafting correspondence regarding distribution and CRA matters; discussing same with counsel to Lombard. | | | | | | | | | |
| 6/4/2012 | 23381330 | TOR | B | B | 696924176 | 0.80 | 550.00 | 440.00 | 440.00 |
| Discussing draft letter to CRA with Joe Fried; reviewing and revising draft CRA letter; reviewing correspondence regarding same and sending out CRA letter. | | | | | | | | | |
| 6/27/2012 | 23469597 | TOR | B | B | 696924176 | 1.60 | 550.00 | 880.00 | 880.00 |
| Attending conference call with Bryan Tannenbaum and J. Marshall to discuss reimbursement agreement and other receivership matters; reviewing and drafting correspondence regarding CRA and L/C issues; reviewing and revising draft reimbursement agreement and drafting correspondence regarding same. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: firm08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amnt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|-------------|
| 6/29/2012 | 23482028 | TOR | B | B | 696924176 | 0.70 | 550.00 | 385.00 | 385.00 |
| Reviewing correspondence and file documents and drafting summary e-mail to Deloitte regarding CRA matter. | | | | | | | | | |
| 7/3/2012 | 23493976 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Reviewing and drafting correspondence regarding CRA claim matters; leaving voicemails for Bryan Tannenbaum. | | | | | | | | | |
| 7/4/2012 | 23508788 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence regarding CRA conference call. | | | | | | | | | |
| 7/5/2012 | 23509318 | TOR | B | B | 696924176 | 0.70 | 550.00 | 385.00 | 385.00 |
| Discussing CRA matters with CRA and Diane Winters; discussing same and L/C matters with Bryan Tannenbaum. | | | | | | | | | |
| 7/9/2012 | 23519383 | TOR | B | B | 696924176 | 1.20 | 550.00 | 660.00 | 660.00 |
| Reviewing CRA letter regarding deemed trust claim; reviewing core services agreement related to letters of credit and drafting correspondence regarding same. | | | | | | | | | |
| 7/10/2012 | 23526324 | TOR | B | B | 696924176 | 0.70 | 550.00 | 385.00 | 385.00 |
| Reviewing CRA letter and core services agreement and preparing for call; reviewing and drafting correspondence. | | | | | | | | | |
| 7/13/2012 | 23535783 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence regarding receivership matters. | | | | | | | | | |
| 7/16/2012 | 23542666 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence. | | | | | | | | | |
| 7/18/2012 | 23552740 | TOR | B | B | 696924176 | 0.80 | 550.00 | 440.00 | 440.00 |
| Reviewing correspondence and file documents and attending call with Bryan Tannenbaum to discuss CRA and L/C outstanding matters; reviewing and revising draft escrow agreement. | | | | | | | | | |
| 7/25/2012 | 23578546 | TOR | B | B | 696924176 | 0.80 | 550.00 | 440.00 | 440.00 |
| Reviewing and revising draft escrow agreement; drafting correspondence regarding same. | | | | | | | | | |
| 7/27/2012 | 23586863 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Reviewing and drafting correspondence regarding reimbursement agreement and escrow agreement with Lombard. | | | | | | | | | |
| 7/30/2012 | 23618767 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Reviewing and drafting correspondence regarding revisions to reimbursement agreement. | | | | | | | | | |
| 7/30/2012 | 23593046 | TOR | B | B | 696924176 | 0.50 | 550.00 | 275.00 | 275.00 |
| Reviewing correspondence; discussing escrow agreement and charge assignment with Bryan Tannenbaum and S. Campanaro and drafting correspondence regarding same. | | | | | | | | | |
| 8/2/2012 | 23619229 | TOR | B | B | 696924176 | 0.60 | 550.00 | 330.00 | 330.00 |
| Reviewing and revising reimbursement agreement and escrow agreement and drafting correspondence regarding same. | | | | | | | | | |
| 8/13/2012 | 23646962 | TOR | B | B | 696924176 | 1.30 | 550.00 | 715.00 | 715.00 |
| Drafting correspondence to CRA regarding deemed trust claim; drafting correspondence to City of Toronto regarding core services agreement; drafting correspondence to counsel to Mady regarding core services agreement; reviewing and drafting e-mails regarding same; reviewing agreement and vesting orders. | | | | | | | | | |
| 8/20/2012 | 23673731 | TOR | B | B | 696924176 | 0.50 | 550.00 | 275.00 | 275.00 |
| Reviewing and drafting correspondence to the City of Toronto regarding 2811 servicing agreement. | | | | | | | | | |
| 8/21/2012 | 23673740 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence regarding receivership matters. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 8/22/2012 | 23679338 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Reviewing executed copies of reimbursement agreement and escrow agreement; drafting correspondence regarding same; reviewing distribution order and drafting correspondence to Receiver regarding same. | | | | | | | | | |
| 8/27/2012 | 23694820 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Reviewing and drafting correspondence to CRA regarding quantum of claim and payment method; drafting correspondence regarding agreements with Northbridge and distribution matters; drafting correspondence to the City regarding services agreement. | | | | | | | | | |
| 8/29/2012 | 23709948 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Reviewing correspondence to CRA regarding deemed trust distribution. | | | | | | | | | |
| 9/5/2012 | 23738002 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence to counsel to Lombard/Northbridge; leaving voicemail for City of Toronto lawyer. | | | | | | | | | |
| 9/7/2012 | 23748515 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Reviewing and drafting correspondence. | | | | | | | | | |
| 9/11/2012 | 23758058 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Reviewing and drafting correspondence regarding status of discussions with City of Toronto. | | | | | | | | | |
| 9/13/2012 | 23768048 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Reviewing and drafting correspondence regarding status of discussions with City of Toronto. | | | | | | | | | |
| 9/17/2012 | 23778515 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Drafting correspondence to counsel to the City of Toronto. | | | | | | | | | |
| 9/18/2012 | 23783047 | TOR | B | B | 696924176 | 0.60 | 550.00 | 330.00 | 330.00 |
| Discussing outstanding LC matters with Rob Robinson of the City of Toronto; drafting correspondence regarding such discussion. | | | | | | | | | |
| 9/20/2012 | 23794663 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Discussing with Bryan Tannenbaum the status of discussions with the City of Toronto. | | | | | | | | | |
| 10/2/2012 | 23856765 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Discussing matters with Bryan Tannenbaum and drafting correspondence to City and trustee for owners. | | | | | | | | | |
| 10/3/2012 | 23860138 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Discussing letters of credit and other issues with Andrew Orr, trustee from Tapscott. | | | | | | | | | |
| 10/11/2012 | 23884706 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Reviewing correspondence received from the City; discussing matters with Bryan Tannenbaum. | | | | | | | | | |
| 10/12/2012 | 23888722 | TOR | B | B | 696924176 | 1.10 | 550.00 | 605.00 | 605.00 |
| Discussing L/C matter with Andrew Madden, property manager, and Bryan Tannenbaum; discussing matter with J. Marshall. | | | | | | | | | |
| 10/15/2012 | 23895918 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence regarding status of letters of credit matter. | | | | | | | | | |
| 10/16/2012 | 23904185 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Drafting correspondence to Tapscott regarding documents in its possession related to 2811. | | | | | | | | | |
| 10/18/2012 | 23912214 | TOR | B | B | 696924176 | 0.80 | 550.00 | 440.00 | 440.00 |
| Attending conference call with the Receiver and counsel to Northbridge to discuss outstanding issues; reviewing and drafting correspondence regarding same. | | | | | | | | | |
| 10/22/2012 | 23921594 | TOR | B | B | 696924176 | 0.60 | 550.00 | 330.00 | 330.00 |
| Reviewing and drafting correspondence regarding core servicing agreement and status of services. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|--------|--------|---------------|------------|
| 10/23/2012 | 23928406 | TOR | B | B | 696924176 | 0.40 | 550.00 | 220.00 | 220.00 |
| Reviewing core services agreement and reviewing and drafting correspondence regarding same. | | | | | | | | | |
| 10/24/2012 | 23945284 | TOR | B | B | 696924176 | 0.20 | 550.00 | 110.00 | 110.00 |
| Reviewing and drafting correspondence. | | | | | | | | | |
| 10/29/2012 | 23956045 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Reviewing and drafting correspondence. | | | | | | | | | |
| 11/6/2012 | 23999635 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Discussing matters with counsel to Northbridge. | | | | | | | | | |
| 11/23/2012 | 24071537 | TOR | B | B | 696924176 | 0.30 | 550.00 | 165.00 | 165.00 |
| Leaving voicemail for counsel to Mady; discussing matters with J. Marshall; drafting status update e-mail to client. | | | | | | | | | |
| 11/26/2012 | 24079180 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Drafting correspondence to counsel to Mady. | | | | | | | | | |
| 11/27/2012 | 24081724 | TOR | B | B | 696924176 | 1.00 | 550.00 | 550.00 | 550.00 |
| Discussing matters with Deloitte; reviewing and drafting correspondence regarding outstanding matters to J. Marshall and counsel to Lombard. | | | | | | | | | |
| 11/29/2012 | 24094122 | TOR | B | B | 696924176 | 0.50 | 550.00 | 275.00 | 275.00 |
| Discussing outstanding matters with counsel to Mady and J. Marshall. | | | | | | | | | |
| 11/30/2012 | 24100819 | TOR | B | B | 696924176 | 0.10 | 550.00 | 55.00 | 55.00 |
| Reviewing and drafting correspondence. | | | | | | | | | |
| 12/10/2012 | 24144024 | TOR | B | B | 697061001 | 3.10 | 550.00 | 1,705.00 | 1,705.00 |
| Drafting letter to TD Bank regarding term deposits and letters of credit; reviewing Lombard personal property security and drafting opinion letter; reviewing and revising White Bear real property opinion letter. | | | | | | | | | |
| 12/12/2012 | 24157363 | TOR | B | B | 697061001 | 1.60 | 550.00 | 880.00 | 880.00 |
| Reviewing Lombard security documents; discussing Lombard security matters with J. Marshall and counsel to Lombard. | | | | | | | | | |
| 12/14/2012 | 24167234 | TOR | B | B | 697061001 | 0.90 | 550.00 | 495.00 | 495.00 |
| Reviewing indemnity agreement and drafting correspondence regarding same to J. Marshall; reviewing and finalizing Firm Capital personal property opinion. | | | | | | | | | |
| Timekeeper Total For: Rappos, Sam | | | | | | 159.60 | 515.26 | 82,235.00 | 82,235.00 |
| 25577 Greenwood, Harriet | | | | | | | | | |
| 10/11/2011 | 22400866 | TOR | B | B | 696796331 | 4.60 | 320.00 | 1,472.00 | 1,472.00 |
| Conducted case law research regarding the equity of redemption in power of sale proceedings. | | | | | | | | | |
| Timekeeper Total For: Greenwood, Harriet | | | | | | 4.60 | 320.00 | 1,472.00 | 1,472.00 |
| 25632 Campanaro, Stephanie | | | | | | | | | |
| 11/2/2011 | 22505302 | TOR | B | B | 696811128 | 4.60 | 440.00 | 2,024.00 | 2,024.00 |
| Discussions with P.McCarten; receipt and review of sub-searches, title items and security documents; review and comment of draft opinion; discussions with S.Rappos. | | | | | | | | | |
| 11/3/2011 | 22508221 | TOR | B | B | 696811128 | 4.70 | 440.00 | 2,068.00 | 2,068.00 |
| Engaged in review of subsearches, security documents and draft opinions; discussions with P.McCarten re Vector Financial charge issues; discussions S. Rappos | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

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Borden Ladner Gervais LLP

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Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|---|----------|------|-------------|---------|-------------|-------|--------|---------------|------------|
| 11/8/2011 | 22524053 | TOR | B | B | 696811128 | 1.20 | 440.00 | 528.00 | 528.00 |
| Receipt and review of revised draft opinions; research re typographical error in name of mortgagee on original charge and subsequent transfer from correct party; call from S.Rappos. | | | | | | | | | |
| 11/9/2011 | 22528931 | TOR | B | B | 696811128 | 1.70 | 440.00 | 748.00 | 748.00 |
| Emails to and from S.Rappos; review of revised opinions; receipt and review of application to change name; obtain and review updated subsearches; discussions with S.Rappos re same. | | | | | | | | | |
| 11/10/2011 | 22534549 | TOR | B | B | 696811128 | 0.90 | 440.00 | 396.00 | 396.00 |
| Emails and from working group re real property; Review of draft correspondence to mortgagees re name change application; discussions with S.Rappos re same. | | | | | | | | | |
| 11/11/2011 | 22539149 | TOR | B | B | 696811128 | 0.30 | 440.00 | 132.00 | 132.00 |
| Review of letter to mortgagees; engaged in review opinions. | | | | | | | | | |
| 11/14/2011 | 22544474 | TOR | B | B | 696811128 | 1.50 | 440.00 | 660.00 | 660.00 |
| Review of draft opinions; discussions with S.Rappos re same. | | | | | | | | | |
| 12/14/2011 | 22684093 | TOR | B | B | 696829611 | 0.50 | 440.00 | 220.00 | 220.00 |
| Review and comment of draft Lombard opinion | | | | | | | | | |
| 12/15/2011 | 22689656 | TOR | B | B | 696829611 | 2.40 | 440.00 | 1,056.00 | 1,056.00 |
| Engaged in review of subsearches and draft Lombard opinion. | | | | | | | | | |
| 12/16/2011 | 22691538 | TOR | B | B | 696829611 | 0.40 | 440.00 | 176.00 | 176.00 |
| Discussions with S.Rappos re Lombard opinion, sale and Condrain opinion. | | | | | | | | | |
| 12/20/2011 | 22707664 | TOR | B | B | 696829611 | 1.20 | 440.00 | 528.00 | 528.00 |
| Review of subsearches and Condrain charge; engaged in review and comment of draft Condrain opinion; emails to and from S. Rappos re comments re same. | | | | | | | | | |
| 7/25/2012 | 23580693 | TOR | B | B | 696924176 | 1.10 | 480.00 | 528.00 | 528.00 |
| Email from S. Rappos; review of draft A & D, transfer of charge and Escrow Agreement. | | | | | | | | | |
| 7/27/2012 | 23622187 | TOR | B | B | 696924176 | 0.10 | 480.00 | 48.00 | 48.00 |
| Email from S.Rappos re draft agreements. | | | | | | | | | |
| 7/30/2012 | 23597328 | TOR | B | B | 696924176 | 0.60 | 480.00 | 288.00 | 288.00 |
| Discussions with S.Rappos re draft documents; review comments re same; review of redraft Reimbursement Agreement. | | | | | | | | | |
| 8/1/2012 | 23622247 | TOR | B | B | 696924176 | 0.30 | 480.00 | 144.00 | 144.00 |
| Review of comments from D. Michaud; review of revised agreement. | | | | | | | | | |
| 12/12/2012 | 24160206 | TOR | B | B | 697061001 | 0.40 | 480.00 | 192.00 | 192.00 |
| Review of real property/real estate opinion; discussions re same and security matters with S. Rappos. | | | | | | | | | |
| Timekeeper Total For: Campanaro, Stephanie | | | | | | 21.90 | 444.57 | 9,736.00 | 9,736.00 |
| 27032 Pagkatipunan, Ana Siela | | | | | | | | | |
| 10/7/2011 | 22397552 | CAL | B | B | 696796331 | 0.50 | 175.00 | 87.50 | 87.50 |
| Attendance to corporate searches. | | | | | | | | | |
| Timekeeper Total For: Pagkatipunan, Ana Siela | | | | | | 0.50 | 175.00 | 87.50 | 87.50 |
| 27140 Cheung, Joey | | | | | | | | | |
| 11/14/2011 | 22582824 | TOR | B | B | 696811128 | 0.80 | 195.00 | 156.00 | 156.00 |
| Received instruction from S. Rappos; filed supplementary motion records with court. | | | | | | | | | |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--------------------------------------|----------------|------|-------------|---------|-------------|--------|--------|---------------|------------|
| Timekeeper Total For: Cheung, Joey | | | | | | 0.80 | 195.00 | 156.00 | 156.00 |
| 27551 | White, Marlene | | | | | | | | |
| 12/16/2011 | 22692961 | TOR | B | B | 696829611 | 1.10 | 210.00 | 231.00 | 231.00 |
| Subsearch. | | | | | | | | | |
| Timekeeper Total For: White, Marlene | | | | | | 1.10 | 210.00 | 231.00 | 231.00 |
| Matter Total: | | | | | | 645.30 | 671.89 | 433,571.00 | 421,113.50 |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Printed on 4/1/2014 at 3:22 PM ET

Borden Ladner Gervais LLP

Report: tim08

Time Detail

Report Wip Status: W,P,B

August 01, 2011 to March 31, 2014

| Tran Date | Entry # | Offc | WIP Status* | BL Flag | Bill Number | Hours | Rate | Tobill Amount | Billed Amt |
|--------------|---------|------|-------------|---------|-------------|--------|--------|---------------|------------|
| Report Total | | | | | | 645.30 | 671.89 | 433,571.00 | 421,113.50 |

*Wip Status: W-WIP, P-On Prebill, B-Billed

Report: dsb02

Disbursement Summary

Report Wip Status: B

August 01, 2011 to March 31, 2014

W - WIP C - Cancelled
 P - On Prebill N - Not Posted
 B - Billed

| Disb. Code | Disb. Description | Tobill Amount | Billed Amount |
|---------------|----------------------|------------------|------------------|
|---------------|----------------------|------------------|------------------|

Client: 082893 Deloitte & Touche LLP

Matter: 000018 2811 Development Corporation

| | | | |
|---------------------|--------------------------------------|-----------------|-----------------|
| 1196 | Bank Act Search / CSRS Disbursements | 32.00 | 32.00 |
| 1114 | Bank Act Search / CSRS Fees | 24.00 | 24.00 |
| 366 | Bar-Ex Execution Search | 199.80 | 199.80 |
| 382 | Binding Charges - Internal | 449.15 | 449.15 |
| 135 | Corporate Registry Search (Taxable) | 12.00 | 12.00 |
| 418 | Courier | 255.25 | 255.25 |
| 1149 | Cyberbahn Searches (Fees) | 80.00 | 80.00 |
| 1150 | Cyberbahn Searches (Govt. Disb.) | 88.00 | 88.00 |
| 164 | Fax Pages | 12.00 | 12.00 |
| 170 | Filing Fee (Non-Taxable) | 381.00 | 381.00 |
| 380 | Laser Printing | 3,170.10 | 3,170.10 |
| 200 | Long Distance Telephone - Internal | 0.14 | 0.14 |
| 219 | Mileage/Parking | 30.09 | 30.09 |
| 1391 | MPAC Report (Taxable) | 70.00 | 70.00 |
| 248 | Photocopies - Internal | 2,469.00 | 2,469.00 |
| 249 | Photocopies and Printing - External | 40.50 | 40.50 |
| 1253 | PPSA - Searches | 48.00 | 48.00 |
| 256 | Quicklaw Searches | 21.00 | 21.00 |
| 4264 | Remote Database Fee | 4.00 | 4.00 |
| 407 | Scanning Cost | 346.20 | 346.20 |
| 298 | Taxi - Travel Expense | 76.78 | 76.78 |
| 447 | Telephone Conference Calls | 52.56 | 52.56 |
| 1301 | Teraview Search (Non-Taxable) | 230.00 | 230.00 |
| 1300 | Teraview Search (Taxable) | 332.00 | 332.00 |
| 314 | Westlaw Searches | 257.50 | 257.50 |
| Matter Total | | 8,681.07 | 8,681.07 |

Report: dsb02

Disbursement Summary

Report Wip Status: B

August 01, 2011 to March 31, 2014

W - WIP C - Cancelled
P - On Prebill N - Not Posted
B - Billed

Disb.
Code

Disb.
Description

Tobill
Amount

Billed
Amount

Report Total

8,681.07

8,681.07

Prebill # 5055650

Time Thru: Mar 31, 2014
 Disbursements Thru: Mar 31, 2014
 Prebill Requested by: Ho, Bevan
 Prebill Requested on: Mar 4, 2014
 Prebill Printed by: Wang, Catherine
 Matter Language: EN

082893 Deloitte & Touche LLP

000018 2811 Development Corporation

Matter Resp. Lawyer: 20235 J.D. Marshall
 Matter Billing Lawyer: 20235 J.D. Marshall
 Client Resp. Lawyer: 20031 R.S. Russell

| <u>Date</u> | <u>Time ID</u> | <u>Tkpr No.</u> | <u>Timekeeper</u> | <u>Loc.</u> | <u>Description</u> | <u>Hours</u> | <u>Rate</u> | <u>Amount</u> | <u>Instructions</u> |
|-------------|----------------|-----------------|-------------------|-------------|--|--------------|-------------|---------------|---------------------|
| | | | | | Receiver; arrange new date for motion; confer with Receiver re: timing of motion and fee affidavits. | | | | |
| | | | | | TOTALS: | 15.10 | | \$12,457.50 | |

DISBURSEMENT DETAILS (through Mar 31, 2014)

| <u>Date</u> | <u>ID</u> | <u>Disb. Code</u> | <u>Entry Tkpr</u> | <u>Loc.</u> | <u>Description</u> | <u>Tax</u> | <u>Amount</u> | <u>Instructions</u> |
|--------------|-----------|-------------------|-------------------|-------------|--|------------|---------------|---------------------|
| Jan 13, 2014 | 33712548 | 380 | C. Wang | TOR | Laser Printing-Laser printing, 1 page by Wang, Catherine; Microsoft Word - TOR01-#5446926-v1-Deloitte_re_2811_Account_Letter_2013.doc | H | 0.30 | |
| Jan 14, 2014 | 33725260 | 380 | C. Wang | TOR | Laser Printing-Laser printing, 1 page by Wang, Catherine; Microsoft Word - TOR01-#5446926-v1-Deloitte_re_2811_Account_Letter_2013.doc | H | 0.30 | |
| Jan 14, 2014 | 33725938 | 380 | C. Wang | TOR | Laser Printing-Laser printing, 1 page by Wang, Catherine; Microsoft Word - TOR01-#5446926-v1-Deloitte_re_2811_Account_Letter_2013.doc | H | 0.30 | |
| Mar 7, 2014 | 34043279 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 23 pages by Marshall, John D.; Microsoft Word - TOR01-#5178146-v12-Draft Sixth Report of Receiver_(JDM_revision_May6_2013).docx | H | 6.90 | |
| Mar 10, 2014 | 34049943 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 23 pages by Marshall, John D.; Microsoft Word - TOR01-#5178146-v13-Draft Sixth Report of Receiver_(JDM_revision_May6_2013).docx | H | 6.90 | |

Prebill # 5055650

Time Thru: Mar 31, 2014
 Disbursements Thru: Mar 31, 2014
 Prebill Requested by: Ho, Bevan
 Prebill Requested on: Mar 4, 2014
 Prebill Printed by: Wang, Catherine
 Matter Language: EN

Deloitte & Touche LLP

082893

Matter Resp. Lawyer: 20235 J.D. Marshall
 Matter Billing Lawyer: 20235 J.D. Marshall
 Client Resp. Lawyer: 20031 R.S. Russell

2811 Development Corporation

000018

| <u>Date</u> | <u>ID</u> | <u>Disb. Code</u> | <u>Entry Tkpr</u> | <u>Loc.</u> | <u>Description</u> | <u>Tax</u> | <u>Amount</u> | <u>Instructions</u> |
|--------------|-----------|-------------------|-------------------|-------------|--|------------|---------------|---------------------|
| Mar 17, 2014 | 34087547 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 4 pages by Marshall, John D.; TOR01-#4705318-v1- Motion_record_for_approval_of_marketing_plan_July_21_2011.PDF | H | 1.20 | |
| Mar 17, 2014 | 34088223 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 23 pages by Marshall, John D.; Microsoft Word - TOR01-#5178146-v13- Draft Sixth Report of Receiver_(JDM_revision_-_May6_2013).docx | H | 6.90 | |
| Mar 17, 2014 | 34088244 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 5 pages by Marshall, John D.; Microsoft Word - TOR01-#5144842-v1- Draft_discharge_order.doc | H | 1.50 | |
| Mar 17, 2014 | 34088245 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 4 pages by Marshall, John D.; Microsoft Word - TOR01-#5183088-v2- Marshall_fee_affidavit_on_discharge_motion.doc | H | 1.20 | |
| Mar 17, 2014 | 34088248 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 6 pages by Marshall, John D.; Microsoft Word - TOR01-#5150443-v1- Notice_of_motion_on_Receiver_s_discharge.doc | H | 1.80 | |
| Mar 17, 2014 | 34088250 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 6 pages by Marshall, John D.; Microsoft Word - TOR01-#5150343-v1- Notice_of_motion_-_discharge_of_receiver.doc | H | 1.80 | |
| Mar 17, 2014 | 34088251 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 3 pages by Marshall, John D.; Microsoft Word - TOR01-#4801663-v1- Motion_Record_on_Second_Interim_Distribution_motion_returnable_21_Dec_2011.doc | H | 0.90 | |
| Mar 25, 2014 | 34137072 | 380 | C. Wang | TOR | Laser Printing-Laser printing, 2 pages by Wang, Catherine; Microsoft Word - TOR01-#5537571-v1- Deloitte_re_2811_-_Commercial_List_Hearing_Request_re_Discharge_Receiver | H | 0.60 | |
| Mar 28, 2014 | 34161733 | 380 | C. Wang | TOR | Laser Printing-Laser printing, 2 pages by Wang, Catherine; Microsoft Word - TOR01-#5537571-v1- | H | 0.60 | |

Prebill # 5055650

Time Thru: Mar 31, 2014
 Disbursements Thru: Mar 31, 2014
 Prebill Requested by: Ho, Bevan
 Prebill Requested on: Mar 4, 2014
 Prebill Printed by: Wang, Catherine
 Matter Language: EN

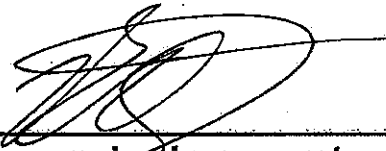
Deloitte & Touche LLP

2811 Development Corporation

Matter Resp. Lawyer: 20235 J.D. Marshall
 Matter Billing Lawyer: 20235 J.D. Marshall
 Client Resp. Lawyer: 20031 R.S. Russell

| <u>Date</u> | <u>ID</u> | <u>Disb. Code</u> | <u>Entry Tkpr</u> | <u>Loc.</u> | <u>Description</u> | <u>Tax</u> | <u>Amount</u> | <u>Instructions</u> | |
|----------------|-----------|-------------------|-------------------|-------------|--|------------|---------------|---------------------|--|
| Mar 28, 2014 | 34162026 | 380 | J. D. Marshall | TOR | Deloitte re 2811 - Commercial_List_Hearing_Request_re_Discharge_Receiver | H | 6.90 | | |
| Mar 28, 2014 | 34162087 | 380 | C. Wang | TOR | Laser Printing-Laser printing, 23 pages by Marshall, John D.; Microsoft Word - TOR01-#5178146-v13-Draft Sixth Report of Receiver (JDM_revision_May6_2013).DOCX | H | 0.60 | | |
| Mar 28, 2014 | 34162412 | 380 | J. D. Marshall | TOR | Laser Printing-Laser printing, 2 pages by Wang, Catherine; Microsoft Word - TOR01-#537571-v1-Deloitte re 2811 - Commercial_List_Hearing_Request_re_Discharge_Receiver | H | 0.30 | | |
| TOTALS: | | | | | | | | \$39.00 | |

This is Exhibit "B" referred
to in the affidavit of John D.
Marshall sworn before me this
1st day of April, 2014



A Commissioner, etc.

**Fees and Disbursements Summary of Borden Ladner Gervais LLP
for the period from August 1, 2011 to March 31, 2014**

| Name of Professional | Year of Call | Total Hours Billed | Average Hourly Rate | Total Fees Amount Billed |
|---|---------------------|---------------------------|----------------------------|---------------------------------|
| J. D. Marshall | 1977 | 437.9 | \$759 | \$332,465.50 |
| S. Rappos | 2005 | 159.6 | 515 | 82,235.00 |
| R. Jaipargas | 2000 | 1.1 | 700 | 770.00 |
| S. Campanero | 2002 | 21.9 | 440 | 9,736.00 |
| H. Greenwood | 2010 | 4.6 | 320 | 1,472.00 |
| P. McCarten | 1970 | 3.8 | 740 | 2,812.00 |
| M. Arzoumanidis | 2007 | .8 | 380 | 304.00 |
| E. Oishi | Paralegal | 5.4 | 300 | 1,620.00 |
| L. White | Clerk | 1.2 | 195 | 234.00 |
| G. DiGirolamo | Paralegal | 2.6 | 244 | 634.00 |
| A. Pagkatipunan | Clerk | .5 | 175 | 87.50 |
| J. Francis | Clerk | 2 | 195 | 390.00 |
| K. Hughes | Paralegal | .6 | 210 | 130.00 |
| J. Cheung | Clerk | .8 | 195 | 156.00 |
| B. Hayward | Clerk | 1.4 | 210 | 294.00 |
| M. White | Clerk | 1.1 | 210 | 231.00 |
| Total | | | | \$433,571.00 |
| Total Disbursements | | | | \$8,733.57 |
| Total Fees and Disbursements excluding HST | | | | \$442,304.57 |
| HST | | | | 57,420.17 |

| | | | | |
|---|--|--|--|---------------------|
| Total Fees and Disbursements including HST | | | | \$499,724.74 |
|---|--|--|--|---------------------|

FIRM CAPITAL MORTGAGE FUND INC.
Applicant

- and - **2811 DEVELOPMENT CORPORATION**
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT
TORONTO

MOTION RECORD
(Discharge Motion returnable April 23, 2014)

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
40 King Street West
Toronto, Ontario M5H 3Y4

John D. Marshall (LSUC #: 16960Q)
Tel: (416) 367-6024
Fax: (416) 361-2763
Email: jmarshall@blg.com

Lawyers for Deloitte Restructuring Inc.
in its capacity as Receiver