

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

BETWEEN:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent

SUPPLEMENTARY MOTION RECORD OF THE RECEIVER

(Sale approval motion returnable November 15, 2011)

Date: November 11, 2011

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SERVICE LIST
(motion returnable November 15, 2011)

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Attention: P. Davey, Collection Officer

INDEX

INDEX

| TAB | DOCUMENT |
|--------------|--|
| 1. | <u>Amended</u> Notice of Motion dated November 3 11, 2011 |
| Schedule "A" | <u>Amended</u> Draft Approval, Vesting and Interim Disbursement order |
| 2. | Supplement to the Third Report of the Receiver dated November 11, 2011 |
| Appendix "A" | Draft Letter to Unit Purchasers |
| 3. | Blackline to Model Approval and Vesting Order |

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

BETWEEN:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent

AMENDED NOTICE OF MOTION

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

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

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

- (a) if necessary, abridging the time for service of this motion so that it is properly returnable on Tuesday, November 15, 2011 and dispensing with further service thereof;
- (b) approving the sale to Mady Development Corporation (the “**Purchaser**”) of the **Assets**, as defined in the Agreement of Purchase and Sale dated as of October 3, 2011 between the Receiver and the Purchaser (the “**Mady Agreement**”) and attached in redacted form as Appendix “X” to the Third Report of the Receiver dated November 3, 2011 (the “**Third Report**”);
- (c) vesting in the Purchaser or its designate the Assets as defined in the Mady Agreement , free and clear of all **Encumbrances** other than **Assumed Encumbrances**, each as defined in the Mady Agreement;
- (d) approving the Receiver’s First Report, Second Report, Supplementary Report and Third Report; (each capitalized term as defined in the Third Report), and the Supplement to the Third Report of the Receiver dated November 11, 2011 (the “Third Supplementary Report”), and all of the activities of the Receiver as set forth therein;
- (e) approving the fees and disbursements of the Receiver and of its counsel, Thornton Grout Finnigan LLP, Meyer, Wassenaar & Banach LLP and Borden Ladner Gervais LLP, as described in the Third Report, the affidavit of Grant B. Moffat sworn October 28, 2011 and the affidavits of Bryan Tannebaum, Joseph Fried and Sam Philip Rappos, each sworn on November 2, 2011;

(f) sealing the Confidential Information Memorandum, the Template Sale Agreement, the Cushman appraisal, the summary of offers and the unredacted version of the Mady Agreement provided to the Court as Confidential Appendices “R”, “T”, “U”, “V” and “W” respectively to the Third Report, until the filing with the Court of the Receiver’s Certificate referred to in the Draft Order or further order of the Court;

(g) authorizing the Receiver to pay the following amounts from the proceeds of sale of the Assets following the closing of the Mady Agreement transaction: (i) the full amount of the Receiver’s fees and disbursements, including legal fees and disbursements, as approved by the Court; (ii) an amount sufficient to repay in full the indebtedness of the Debtor owing to the first mortgagee, Firm Capital Mortgage Fund Inc.; and (iii) an amount, in the Receiver’s sole and unfettered discretion, on account of the indebtedness of the Debtor owing to the subsequent mortgagees Key Pendragon Enterprises Inc. and White Bear Developments Inc.;

(h) 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, substantially in the form of the draft attached as Appendix “A” to the Third Supplementary Report, to each of the Unit Purchasers (as defined in the Third Report) 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; and

(i) ~~(h)~~-such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) the Receiver was appointed by Order of The Honourable Mr. Justice C. Campbell dated June 29, 2011;
- (b) the order of The Honourable Mr. Justice Morawetz dated August 10, 2011 (the “**Marketing Order**”) approved a marketing and sale process with respect to the Lands (the “**Marketing Process**”);
- (c) the Receiver has taken steps to implement the Marketing Process in accordance with the Marketing Order;
- (d) the deadline for submission of offers from prospective purchasers was October 3, 2011;
- (e) the Receiver has received and evaluated various offers received in response to the Marketing Process;
- (f) the Receiver has accepted the Mady Agreement, subject to the approval of the court, as it represents the best recovery for the stakeholders;
- (g) the sale of the Assets pursuant to the Mady Agreement is commercially reasonable and will generate the best recovery in the circumstances for all stakeholders;
- (h) the Receiver recommends the approval of the Mady Agreement;
- (k) a sealing of the Confidential Appendices is necessary and appropriate pending the closing of the transaction, as the information contained therein is commercially sensitive, the release of which could be prejudicial to the Debtor’s

stakeholders, and the sealing of such information is necessary to protect the integrity of the sale process;

- (l) section 100 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43;
- (m) section 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c.C-43; 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 Third Report of the Receiver dated November 3, 2011 and the appendices attached thereto;
- (b) **the Third Supplementary Report of the Receiver dated November 11, 2011 and the appendices attached thereto;**
- (c) the affidavit of Grant Moffat sworn October 28, 2011, the affidavit of Bryan Tannenbaum sworn November 2, 2011, the affidavit of Joseph Fried sworn November 2, 2011 and the affidavit of Sam Philip Rappos sworn November 2, 2011; and
- (d) such further and other material as counsel may advise and this Honourable Court may permit.

Date: November 3, ~~11~~, 2011

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TOR01:4764592: v2

SCHEDULE “A”

SCHEDULE "A"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE _____)

TUESDAY THE 15th DAY

JUSTICE _____)

OF NOVEMBER, 2011

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

BETWEEN:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent

**APPROVAL, VESTING and INTERIM DISBURSEMENT
ORDER**

THIS MOTION, made by DELOITTE & TOUCHE INC. in its capacity as the Court-appointed receiver (the "**Receiver**") of certain of the assets, undertaking and property of 2811 Development Corporation (the "**Debtor**"), for an order, *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 Justice C. Campbell dated June 29, 2011; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Land Titles Act* (Ontario) or any other personal or real property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the assumed encumbrances listed on Schedule "D" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

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

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

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

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

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

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

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

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

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 the following amounts from the proceeds of sale of the Assets: (i) the full amount of the Receiver's fees and disbursements, including its legal fees and disbursements, as approved herein and described in greater detail in the Third Report; (ii) an amount sufficient to repay in full the indebtedness owing by the Debtor to the Applicant; and (iii) an amount, in the Receiver's sole and unfettered discretion, on account of the indebtedness owing by the Debtor to the subsequent mortgagees Key Pendragon Enterprises Inc. and White Bear Developments Inc. The Receiver shall continue to hold the balance of the sale proceeds pending further order of this court.

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.

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. |

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

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

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

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|-----------|------------|---|-------------|---|--------------------------------------|
| | | AT2205083) | | Canada | |
| AT2205106 | 2009/10/16 | Postponement (AT1085822 to AT2205083) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2205107 | 2009/10/16 | Postponement (AT1187188 to AT2205083) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2259133 | 2009/12/16 | Charge | \$1,500,000 | 2811 Development Corporation | Vector Financial Services Limited |
| AT2259134 | 2009/12/16 | No Assign Rent Gen | | 2811 Development Corporation | Vector Financial Services Limited |
| AT2259190 | 2009/12/16 | Postponement (AT974288 to AT2259133) | | Lombard General Insurance Company of Canada | Vector Financial Services Limited |
| AT2259191 | 2009/12/16 | Postponement (AT974288 to AT2259134) | | Lombard General Insurance Company of Canada | Vector Financial Services Limited |
| AT2259192 | 2009/12/16 | Postponement (AT1085822 to AT2259133) | | Lombard General Insurance Company of Canada | Vector Financial Services Limited |
| AT2259193 | 2009/12/16 | Postponement (AT1085822 to AT2259134) | | Lombard General Insurance Company of Canada | Vector Financial Services Limited |
| AT2259194 | 2009/12/16 | Postponement (AT1187188 to AT2259133) | | Lombard General Insurance Company of Canada | Vector Financial Services Limited |
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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. |
| AT2457585 | 2010/07/26 | Postponement (AT974288 to AT2357840) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2457586 | 2010/07/26 | Postponement (AT1085822 to AT2357840) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2457587 | 2010/07/26 | Postponement (AT1187188 to AT2357840) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2457588 | 2010/07/26 | Postponement (AT1187188 to AT2449883) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
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|-----------|------------|---|-------------|--|---|
| AT2457589 | 2010/07/26 | Postponement (AT1085822 to AT2449883) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2457590 | 2010/07/26 | Postponement (AT974288 to AT2449883) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2561525 | 2010/11/26 | Charge | \$1,500,000 | 2811 Development Corporation | Con-Drain Company (1983) Limited |
| AT2565586 | 2010/11/30 | Transfer of Charge | | Vector Financial Services Limited | White Bear Developments Inc. |
| AT2565587 | 2010/11/30 | No Assgn Rent Gen | | Vector Financial Services Limited | White Bear Developments Inc. |
| AT2665134 | 2011/04/13 | Construction Lien | \$386,190 | Mady Contract Division Ltd. | |
| AT2742192 | 2011/07/05 | Certificate (Re AT2665134) | | Mady Contract Division Ltd. | The Landmark (Canada) Inc. 2811 Development Corporation Lombard General Insurance Company Firm Capital Mortgage Fund Inc. Key Pendragon Enterprises Ltd. Con Drain Company (1983) Limited White Bear Developments Inc. |
| AT2755074 | 2011/07/05 | App. Court Order | | Ontario Superior Court of Justice (Commercial List) | Firm Capital Mortgage Fund Inc. |

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

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

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|-----------|------------|---|--------------|---|-----------------------------------|
| | | | | Corporation | Insurance Company of Canada |
| AT1842029 | 2008/07/23 | Charge | \$17,500,000 | 2811 Development Corporation | Firm Capital Mortgage Fund Inc. |
| AT1842030 | 2008/07/23 | No Assgn Rent Gen | | 2811 Development Corporation | Firm Capital Mortgage Fund Inc. |
| AT1842145 | 2008/07/23 | Postponement (AT1187188 to AT1842029 & AT1842030) | | Lombard General Insurance Company of Canada | Firm Capital Mortgage Fund Inc. |
| AT1903983 | 2008/09/23 | Charge | \$5,500,000 | 2811 Development Corporation | Relmi Financial Corp. |
| AT1904327 | 2008/09/23 | Postponement (AT1187188 to AT1903983) | | Lombard General Insurance Company of Canada | Relmi Financial Corp. |
| AT2205071 | 2009/10/16 | Transfer of Charge | | Relmi Financial Corp. | Key Pendragon Enterprises Inc. |
| AT2205083 | 2009/10/16 | Notice (Re AT1903983) | | Key Pendragon Enterprises Inc. | 2811 Development Corporation |
| AT2205107 | 2009/10/16 | Postponement (AT1187188 to AT2205083) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2259133 | 2009/12/16 | Charge | \$1,500,000 | 2811 Development Corporation | Vector Financial Services Limited |
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|-----------|------------|---|-------------|---|-----------------------------------|
| AT2259134 | 2009/12/16 | No Assign Rent Gen | | 2811 Development Corporation | Vector Financial Services Limited |
| AT2259194 | 2009/12/16 | Postponement (AT1187188 to AT2259133) | | Lombard General Insurance Company of Canada | Vector Financial Services Limited |
| AT2259195 | 2009/12/16 | Postponement (AT1187188 to AT2259134) | | Lombard General Insurance Company of Canada | Vector Financial Services Limited |
| AT2259196 | 2009/12/16 | Postponement (AT1903983 & AT2205071 to AT2259133) | | Key Pendragon Enterprises Inc. | Vector Financial Services Limited |
| AT2259197 | 2009/12/16 | Postponement (AT1903983 & AT2205071 to AT2259134) | | Key Pendragon Enterprises Inc. | Vector Financial Services Limited |
| AT2357840 | 2010/04/22 | Charge | \$1,100,000 | 2811 Development Corporation | Key Pendragon Enterprises Inc. |
| AT2449883 | 2010/07/19 | Charge | \$1,000,000 | 2811 Development Corporation | Key Pendragon Enterprises Inc. |
| AT2457587 | 2010/07/26 | Postponement (AT1187188 to AT2357840) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2457588 | 2010/07/26 | Postponement (AT1187188 to AT2449883) | | Lombard General Insurance Company of Canada | Key Pendragon Enterprises Inc. |
| AT2561525 | 2010/11/26 | Charge | \$1,500,000 | 2811 Development | Con-Drain Company |

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

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

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

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

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

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

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

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

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

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

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 | | |

TOR01: 4729730: v4

FIRM CAPITAL MORTGAGE FUND INC.

- and -

2811 DEVELOPMENT CORPORATION

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT
TORONTO

AMENDED NOTICE OF MOTION

BORDEN LADNER GERVAIS LLP

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

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

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

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

TAB 2

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

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

BETWEEN:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

2811 DEVELOPMENT CORPORATION

Respondent

**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

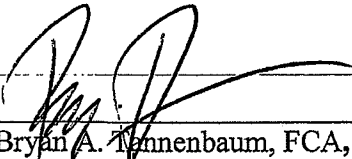
15. For the reasons set out above, the Receiver recommends that the Court make an order, in the event that the Mady Agreement is approved by the Court and the Receiver's Certificate filed with the Court, authorizing and directing the Receiver to send a letter following the closing of the sale transaction, 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"

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 3

SCHEDULE "A"

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Court File No. **CY-11-9242-00CL**

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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THE HONOURABLE _____

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_____ DAY, **TUESDAY** THE _____ **15th**

JUSTICE _____

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DAY

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OF _____ **NOVEMBER**, 20____

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2011

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

BETWEEN:

~~PLAINTIFF~~

Plaintiff

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

~~DEFENDANT~~

Defendant

2811 DEVELOPMENT CORPORATION

Respondent

APPROVAL AND VESTING and INTERIM DISBURSEMENT
ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~ **DELOITTE & TOUCHE INC.** in its capacity as the Court-appointed receiver (the "Receiver") of certain of the assets, undertaking and property and ~~assets of [DEBTOR]~~ of 2811 Development Corporation (the "Debtor"), for an order, *inter alia*, approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "~~Sale~~**Mady Agreement**") between the Receiver and ~~[NAME OF PURCHASER]~~ Mady Development Corporation (the "Purchaser") dated ~~[DATE]~~ and appended as of October 3, 2011 and attached in redacted form as Appendix "X" to the Third Report of the Receiver dated ~~[DATE]~~ November 3, 2011 (the "Third Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the ~~assets described~~ Assets, as such term is defined in the ~~Sale~~**Mady Agreement** (the "~~Purchased~~**Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ~~Report~~ Third Report and the appendices attached thereto, including the affidavit of Bryan Tannenbaum sworn on November 2, 2011 (the "Tannenbaum Fee Affidavit"), the affidavit of Grant Moffat sworn on October 28, 2011 (the "Moffat Fee Affidavit"), the affidavit of Joseph Fried sworn on November 2, 2011 (the "Fried Fee Affidavit") and the affidavit of Sam P. Rappos sworn on November 2, 2011 (the "Rappos Fee Affidavit"), and 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, ~~[NAMES OF OTHER PARTIES APPEARING]~~ the Debtor, the Purchaser, Key Pendragon Enterprises Inc., White Bear Developments Inc., Lombard General Insurance Company of Canada, Con-Drain Company (1983) Limited, Mady Contract Division Ltd. and Terracap Investments Inc., no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~ Marie Pacheco sworn ~~[DATE]~~ November 4, 2011, filed¹;

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

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL AND VESTING

2. ~~1.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the Sale~~Mady~~ Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the ~~Purchased~~ Assets to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the ~~Purchased~~ Assets described in the Sale~~Mady~~ Agreement [~~and listed on Schedule "B" hereto~~]⁴ 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**"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of ~~the~~**The** Honourable Justice [~~NAME~~]**C. Campbell** dated [~~DATE~~]**June 29, 2011**; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

~~(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 ~~permitted~~assumed encumbrances, easements and restrictive covenants listed on Schedule “D” hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.~~

~~4.~~ **3-THIS COURT ORDERS** that upon the registration in the ~~Land Registry Office for the [Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION}]Toronto Land Titles Office (No. 80) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*]⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.~~

~~5.~~ **4-THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the ~~Purchased Assets~~ shall stand in the place and stead of the ~~Purchased Assets~~, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the ~~Purchased Assets~~ with the same priority as they had with respect to the ~~Purchased Assets~~ immediately prior to the sale⁸, as if the ~~Purchased Assets~~ had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

~~6.~~ **5-THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

⁷ The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at “net proceeds”.

⁸ This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

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

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

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

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

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

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 the following amounts from the proceeds of sale of the Assets: (i) the full amount of the Receiver's fees and disbursements, including its legal fees and disbursements, as approved herein and described in greater detail in the Third Report; (ii) an amount sufficient to repay in full the indebtedness owing by the Debtor to the Applicant; and (iii) an amount, in the Receiver's sole and unfettered discretion, on account of the indebtedness owing by the Debtor to the subsequent mortgagees Key Pendragon Enterprises Inc. and White Bear Developments Inc. The Receiver shall continue to hold the balance of the sale proceeds pending further order of this court.

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. ~~9.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

BETWEEN:

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~~PLAINTIFF~~

Plaintiff

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

~~DEFENDANT~~

Defendant

2811 DEVELOPMENT CORPORATION

Respondent

RECEIVER’S CERTIFICATE

RECITALS

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

B. Pursuant to an Order of the Court dated [~~DATE~~], **November 15, 2011**, the Court approved the agreement of purchase and sale made as of [~~DATE OF AGREEMENT~~] **October 3, 2011** (the "~~Sale~~**Mady Agreement**") between the Receiver [~~Debtor~~] and [~~NAME OF PURCHASER~~] **and Mady Development Corporation** (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the ~~Purchased Assets~~ **as defined in the Mady Agreement**, which vesting is to be effective with respect to the ~~Purchased Assets~~ upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the ~~Purchased Assets~~; (ii) that the conditions to Closing as set out in section **4** of the ~~Sale~~**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 ~~Sale~~**Mady Agreement**.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the ~~Purchased Assets~~ payable on the Closing Date pursuant to the ~~Sale~~**Mady Agreement**;
2. The conditions to Closing as set out in section **4** of the ~~Sale~~**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].

~~[NAME OF RECEIVER]~~ **DELOITTE & TOUCHE INC., in its capacity as Receiver of certain of the undertaking undertakings, property and assets of [DEBTOR] 2811 Development Corporation, and not in its personal capacity**

Per: _____

Name:

Title:

FIRM CAPITAL MORTGAGE FUND INC.

- and -

2811 DEVELOPMENT CORPORATION

Applicant

Respondent

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

PROCEEDINGS COMMENCED AT TORONTO

**SUPPLEMENTARY MOTION RECORD
OF THE RECEIVER**

(Sale approval motion returnable November 15, 2011)

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in its capacity as Receiver