

## **APPENDIX “A”**



BDO Dunwoody Limited

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21 December 2007

**TO: ALL PERSONS MAKING SECURED CLAIMS AGAINST  
SAPPHIRE TOWER DEVELOPMENT CORP. (THE  
"APPLICANT")**

On December 14<sup>th</sup>, 2007 the Ontario Superior Court of Justice granted Orders requested by BDO Dunwoody Limited, the Interim Receiver of the Applicant (the "Interim Receiver") that, amongst other things, approved the sale of the real property owned by the Applicant. This sale is scheduled to close on January 14<sup>th</sup>, 2008.

On January 14<sup>th</sup>, 2008 the Interim Receiver will be bringing a motion for the approval of a distribution to the secured creditors of the Applicant, in order to reduce interest costs by paying the secured creditors as quickly as possible, so that recoveries to unsecured creditors are maximized.

In order to enable the Interim Receiver to make this distribution, all those persons who have made a secured claim against the property, are required by the Interim Receiver to submit evidence of the amounts owing to them by the Applicant to the date of the distribution motion, so that the Interim Receiver can effectively report to the Court and make a distribution. **Please respond by Friday, January 4, 2008.**

Enclosed please find a proof of claim form, which must be sworn as an affidavit, to support your claim. The proof of claim form is divided into separate sections depending on the nature of your claim. You must fill in the section that applies to your claim. You need only fill out the sections that apply to you.

**Instructions:**

**Section A:**

All parties must fill in Section A regarding their contact details. It is mandatory that claimants provide a phone number. To assist the Interim Receiver in providing its report to you, we would ask that claimants provide a functioning email address.

**Section B Itemized Claims:****I - IV) Mortgage to Graphic Arts Building Incorporated**

**Syndicated Mortgage with Stinson Financial Corporation/Jeffreys Family Trust**

**Mortgage to Oro Properties Limited**

**\$155,000 Mortgage to Walmsley/Bell/Mattson**

- Full legal name;
- Position if corporate claimant;
- Principal amount of claim;
- Method of calculation of interest;
- Rate of interest claimed;
- Amount of unpaid interest claimed to January 14, 2008;
- Per diem interest rate after January 14, 2008;
- Costs of enforcement of mortgage must be itemized (and accounts from counsel for claims for legal fees must be provided);
- Please provide proof that funds were actually advanced under these mortgages.

**V) Construction Lien in favour of Turner Fleischer Architects Inc. :**

- Full legal name;
- Position;
- Principal amount of claim;
- Method of calculation of interest;
- Rate of interest claimed;

- Amount of interest claimed at January 14, 2008;
- Amounts previously paid;
- Costs of enforcement of construction lien must be itemized (and accounts from counsel for claims for legal fees must be provided);
- Copy of claim for lien and Certificate of Action

**VI) Claimants under mortgages to Leslie Steven Mason**

- Full legal name;
- Position if corporate claimant;
- Principal amount of claim;
- Method of calculation of interest;
- Rate of interest claimed;
- Amount of unpaid interest claimed to January 14, 2008;
- Per diem interest rate after January 14, 2008;
- Accounts from counsel for claims for legal fees secured under these mortgages must be provided.

**VII) Claimants under Administration Charges granted by the Court in these proceedings, other than by BDO Dunwoody Limited and its counsel:**

- Full legal name;
- Which Court Order a claim is being made under;
- Amounts of claim referable to each charge;
- Itemized accounts to support amounts claimed under these charges must be included as exhibits to your affidavit.

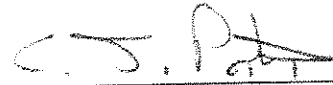
YOUR SWORN PROOF OF CLAIM MUST BE RECEIVED BY THE INTERIM RECEIVER ON OR BEFORE JANUARY 4<sup>TH</sup>, 2008.

IF YOU DO NOT SUBMIT A SWORN PROOF OF CLAIM YOU WILL NOT RECEIVE A DISTRIBUTION ON JANUARY 14<sup>TH</sup>, 2008.

The Interim Receiver anticipates it will be serving its Fifth Report with respect to this distribution on or about January 8<sup>th</sup>, 2008, preferably by email.

If you have any questions please call Bruno Suppa at BDO Dunwoody at 416-865-0210 Ext. 3465, or by email [BSuppa@BDO.ca](mailto:BSuppa@BDO.ca).

**BDO DUNWOODY LIMITED**  
**In its capacity as Court Appointed**  
**Monitor/Interim Receiver of the**  
**Applicant**



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*ONTARIO*

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SAPPHIRE TOWER DEVELOPMENT CORP.**

**APPLICATION UNDER THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

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**SECURED CREDITOR PROOF OF CLAIM**

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**A. DETAILS OF SECURED CREDITOR:**

(1) Full Legal Name:

\_\_\_\_\_

(2) Full Mailing Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(3) Telephone Number (mandatory):

\_\_\_\_\_

(4) Facsimile Number:

\_\_\_\_\_

(5) E-mail Address (preferable):

\_\_\_\_\_

(6) Attention (Contact Person):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**B. ITEMIZED CLAIMS**

**I. GRAPHIC ARTS BUILDING INCORPORATED MORTGAGE (THE "GA MORTGAGE")**

I, \_\_\_\_\_, am the \_\_\_\_\_, of Graphic Arts Building Incorporated of the City of \_\_\_\_\_ in the Province of \_\_\_\_\_ make oath and say as follows:

- (a) Graphic Arts Building Incorporated holds a mortgage (the "Mortgage Holder") granted by Sapphire Tower Development Corp. (the "Company"); and
- (b) the Mortgage Holder makes a Secured Creditor Claim based on the GA Mortgage granted by the Company as follows:

1) Principal amount of GA Mortgage claimed as at January 14<sup>th</sup>, 2008  
\_\_\_\_\_

2) Interest:  
 simple interest  
 compound interest                      method of calculating \_\_\_\_\_

Rate: \_\_\_\_\_ % per annum

Total unpaid interest claimed as owing at January 14<sup>th</sup>: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Per diem interest after January 14<sup>th</sup> \_\_\_\_\_

3) Costs payable under GA Mortgage

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total \_\_\_\_\_

**Attach proof of advances made under the GA Mortgage and of costs paid (such as legal bills) as an exhibit to this Proof of Claim**

**II. \$6 MILLION SYNDICATED MORTGAGE IN FAVOUR OF STINSON FINANCIAL CORPORATION AS TRUSTEE (THE "SYNDICATED MORTGAGE"):**

I, \_\_\_\_\_, [name of Secured Creditor or authorized representative of the Secured Creditor], of the City of \_\_\_\_\_ in the Province of \_\_\_\_\_ make oath and say as follows:

(a) I hold an interest in the Syndicated Mortgage (the "Interest Holder") granted in favour of Stinson Financial Corporation as Trustee by Sapphire Tower Development Corp. (the "Company") [or I hold the position of \_\_\_\_\_ of such Mortgage Holder] and have knowledge of all the circumstances connected with the Mortgage Holder described herein; and

(b) the Mortgage Holder makes a Secured Creditor Claim with respect to the Syndicated Mortgage granted by the Company as follows:

1) Principal amount of interest in the Syndicated Mortgage claimed as at January 14<sup>th</sup>, 2008 \_\_\_\_\_

2) Interest:  
 simple interest  
 compound interest method of calculating \_\_\_\_\_

Rate: \_\_\_\_\_ % per annum

Total unpaid interest claimed as owing at January 14<sup>th</sup>: \_\_\_\_\_

Per diem interest after January 14<sup>th</sup> \_\_\_\_\_

3) Costs payable referable to your interest in the Syndicated Mortgage:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total \_\_\_\_\_

**Attach proof of costs paid (such as legal bills) and proof of funds advanced under the Syndicated Mortgage as exhibits to this Proof of Claim**



**III. \$155,000 MORTGAGE TO WALMSLEY, BELL AND MATTSON (THE "\$155,000 MORTGAGE")**

I, \_\_\_\_\_, [name of Secured Creditor or authorized representative of the Secured Creditor], of the City of \_\_\_\_\_ in the Province of \_\_\_\_\_ make oath and say as follows:

- (a) I hold an interest in the \$155,000 Mortgage (the "Mortgage Holder") granted by Sapphire Tower Development Corp. (the "Company") [or I hold the position of \_\_\_\_\_ of such Mortgage Holder] and have knowledge of all the circumstances connected with the Mortgage Holder described herein; and
- (b) the Mortgage Holder makes a Secured Creditor Claim based on the \$155,000 Mortgage granted by the Company as follows:

1) Principal amount of interest in the \$155,000 Mortgage claimed as at January 14<sup>th</sup>, 2008 \_\_\_\_\_

2) Interest:

simple interest

compound interest                      method of calculating \_\_\_\_\_

Rate: \_\_\_\_\_ % per annum

Total unpaid interest claimed as owing at January 14<sup>th</sup>: \_\_\_\_\_

Per diem interest after January 14<sup>th</sup> \_\_\_\_\_

3) Costs payable under \$155,000 Mortgage

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total \_\_\_\_\_

**Attach proof of costs paid (such as legal bills) and proof of advances under the \$155,000 Mortgage as exhibits to this Proof of Claim**

**IV. MORTGAGE GRANTED TO ORO PROPERTIES LIMITED (THE "ORO MORTGAGE")**

I, \_\_\_\_\_, [name of Secured Creditor or authorized representative of the Secured Creditor], of the City of \_\_\_\_\_ in the Province of \_\_\_\_\_ make oath and say as follows:

(a) I hold an interest in the Oro Mortgage (the "Mortgage Holder") granted by Sapphire Tower Development Corp. (the "Company") [or I hold the position of \_\_\_\_\_ of such Mortgage Holder] and have knowledge of all the circumstances connected with the Mortgage Holder described herein; and

(b) the Mortgage Holder makes a Secured Creditor Claim based on the Oro Mortgage granted by the Company as follows:

1) Principal amount of interest in the Oro Mortgage claimed as at January 14<sup>th</sup>, 2008 \_\_\_\_\_

2) Interest:

simple interest

compound interest method of calculating \_\_\_\_\_

Rate: \_\_\_\_\_ % per annum

Total unpaid interest claimed as owing at January 14<sup>th</sup>: \_\_\_\_\_

Per diem interest after January 14<sup>th</sup> \_\_\_\_\_

3) Costs payable under Oro Mortgage

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total \_\_\_\_\_

**Attach proof of costs paid (such as legal bills) and proof of advances under the Oro Mortgage as exhibits to this Proof of Claim**

V. MORTGAGES GRANTED TO LESLIE STEVEN MASON (THE "SHIBLEY MORTGAGES")

I, \_\_\_\_\_, [name of Secured Creditor or authorized representative of the Secured Creditor], of the City of \_\_\_\_\_ in the Province of \_\_\_\_\_ make oath and say as follows:

(a) \_\_\_\_\_ hold mortgages (the "Mortgage Holder") granted by Sapphire Tower Development Corp. (the "Company") [or I hold the position of \_\_\_\_\_ of such Mortgage Holder] and have knowledge of all the circumstances connected with the Mortgage Holder described herein; and

(b) the Mortgage Holder makes a Secured Creditor Claim based on the Shibley Mortgages granted by the Company as follows:

1) Principal amount of the Shibley Mortgages claimed as at January 14<sup>th</sup>, 2008

\_\_\_\_\_

2) Interest:

simple interest

compound interest method of calculating \_\_\_\_\_

Rate: \_\_\_\_\_% per annum

Total unpaid interest claimed as owing at January 14<sup>th</sup>: \_\_\_\_\_

Per diem interest after January 14<sup>th</sup> \_\_\_\_\_

3) Costs payable under the Shibley Mortgages

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total \_\_\_\_\_

**Attach proof of costs paid (such as legal bills) as well as proof of legal costs secured under the Shibley Mortgages including itemized dockets of work done referable to the Company as exhibits to this Proof of Claim**

**VI. CONSTRUCTION LIEN CLAIM BY TURNER FLEISCHER ARCHITECTS INC. (THE "LIEN CLAIM")**

I, \_\_\_\_\_, [name of Secured Creditor or authorized representative of the Secured Creditor], of the City of \_\_\_\_\_ in the Province of \_\_\_\_\_ make oath and say as follows:

(a) I hold the position of \_\_\_\_\_ of Turner Fleischer Architects Inc. ("TFAI") which has made the Lien Claim against Sapphire Tower Development Corp. (the "Company") and have knowledge of all the circumstances connected with the Lien Claim described herein; and

(b) TFAI makes a Secured Creditor Claim under the Lien Claim as follows:

1) Amount owing under the Lien Claim as at January 14<sup>th</sup>, 2008  
\_\_\_\_\_

Amounts previously paid by the Company referable to the Lien Claim \_\_\_\_\_

2) Interest:

simple interest  
 compound interest                      method of calculating \_\_\_\_\_

Rate: \_\_\_\_\_% per annum

Total unpaid interest claimed as owing at January 14<sup>th</sup>: \_\_\_\_\_

Per diem interest after January 14<sup>th</sup>.

3) Costs payable referable to the Lien Claim

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total \_\_\_\_\_

**Attach proof of costs paid (such as legal bills) as well as the Claim for lien, Certificate of Action and evidence substantiating amounts payable under Lien Claim as exhibits to this Proof of Claim**

**VII. CLAIMS UNDER ADMINISTRATIVE CHARGES**

I, \_\_\_\_\_, [name of Secured Creditor or authorized representative of the Secured Creditor], of the City of \_\_\_\_\_ in the Province of \_\_\_\_\_ make oath and say as follows:

(a) I hold the position of \_\_\_\_\_ of \_\_\_\_\_ (the "Administrative Charge Claimant") and have knowledge of all the circumstances connected with the Administrative Charge Claim described herein; and

(b) The Administrative Charge Claimant makes the following claim(s)

1) Claims under Administrative Charge in Initial Order of Justice Cumming dated July 20<sup>th</sup>, 2007 as at January 14<sup>th</sup>, 2008

Amounts secured under Charge \$ \_\_\_\_\_

2) Claims under Administrative Charge in the Interim Receivership Order of Justice Cumming dated August 14<sup>th</sup>, 2007 as at January 14, 2008:

Amount Claimed \$ \_\_\_\_\_

3) Claims under Order of Justice Cumming granting charge to Page, Martin LLP as counsel to the unsecured creditors as at January 14<sup>th</sup>, 2008:

Amount Claimed \$ \_\_\_\_\_

**Itemized accounts of amounts claimed under these charges must be included as exhibits to your affidavit.**

**The Secured Creditor hereby authorizes the Interim Receiver to contact any Person to confirm that the information set out above conforms to the information contained in their records.**

**VIII. DETAILS OF SECURED CREDITOR FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE:**

- (1) Have you acquired this Claim by Assignment or Transfer? (if yes, attach copies of documents evidencing assignment or transfer) Yes  No
- (2) Is the Assignment or Transfer absolute or intended as security? Absolute   
Intended as security
- (3) Full Legal Name of original Secured Creditor: \_\_\_\_\_

The Proof of Claim must be provided to and received by the Interim Receiver on or before January 4<sup>th</sup>, 2008, at the following address:

BDO Dunwoody Limited  
 BCE Place  
 123 Front St. W., Ste. 1200  
 Toronto Ontario  
 M5J 2M2  
 Bruno Suppa  
 Tel: (416) 865-0210 Ext. 3465  
 Fax: (416) 865 0904  
 Email: BSuppa@bdo.ca

**SWORN BEFORE ME** at the City of \_\_\_\_\_ )  
 \_\_\_\_\_, in the Province of \_\_\_\_\_, )  
 this \_\_\_\_ day of \_\_\_\_\_, 2008 )  
 \_\_\_\_\_ )

\_\_\_\_\_  
**Name: (Print)**  
**Title:** \_\_\_\_\_

Commissioner for Taking Affidavits, etc.