

APPENDIX "D"

**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**

SECURED CREDITOR PROOF OF CLAIM

A. DETAILS OF SECURED CREDITOR:

- (1) Full Legal Name: GRAPHIC ARTS BUILDING INCORPORATED
- (2) Full Mailing Address: c/o T.S. Reiber Professional Corporation, 121 Richmond Street W.,
Ste. 1100, Toronto, Ontario, M5H 2K1
- (3) Telephone Number (mandatory): 416-927-9841 attn: Terrence S. Reiber, Barrister &
Solicitor
- (4) Facsimile Number: 416-975-1531
- (5) E-mail Address (preferable): terry@reiber.ca
- (6) Attention (Contact Person): Terrence S. Reiber, Barrister & Solicitor

B. ITEMIZED CLAIMS

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

I, Terrence S. Reiber, am the solicitor for Graphic Arts Building Incorporated of the City of Toronto in the Province of Ontario 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 14th 2008

See discharge statement attached;

- 2) Interest:

simple interest
 compound interest method of calculating _____

Rate: 9 % per annum

Total unpaid interest claimed as owing at January 14th: See discharge statement attached

Per Diem interest after January 14: \$2,763.38 as per discharge statement attached.

- 3) Costs payable under GA Mortgage

\$36,750.00 as per account of T.S. Reiber Professional Corporation dated January 4, 2007 attached.

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

- 4) I was the solicitor for GA when it sold the property to Sapphire Tower Development Corp. The mortgage given by GA was a Vendor Take Back mortgage for the balance due as agreed upon by the parties under the Agreement of Purchase and Sale.

II. ~~5~~ 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 14th, 2008 _____

2) Interest:
 simple interest
 compound interest

Rate: _____ % per annum method of calculating _____

Total unpaid interest claimed as owing at January 14th: _____

Per diem interest after January 14th _____

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 14th, 2008 _____

2) Interest:

simple interest

compound interest method of calculating _____

Rate: _____ % per annum

Total unpaid interest claimed as owing at January 14th: _____

Per diem interest after January 14th _____

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 14th, 2008 _____

2) Interest:

simple interest

compound interest _____ method of calculating _____

Rate: _____ % per annum

Total unpaid interest claimed as owing at January 14th: _____

Per diem interest after January 14th _____

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 14th, 2008

2) Interest:

simple interest

compound interest

method of calculating _____

Rate: _____ % per annum

Total unpaid interest claimed as owing at January 14th: _____

Per diem interest after January 14th _____

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 14th, 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 14th: _____

Per diem interest after January 14th.

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 20th, 2007 as at January 14th, 2008

Amounts secured under Charge \$ _____

- 2) Claims under Administrative Charge in the Interim Receivership Order of Justice Cumming dated August 14th, 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 14th, 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.

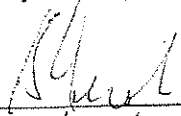
VIII. DETAILS OF SECURED CREDITOR FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE

- (1) Have you acquired this claim by Assignment or Transfer? (if yes, attach Copies of documents evidencing Assignment or transfer) Yes [] No [X]
- (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 4th, 2008, at the following address:

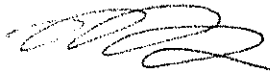
BDO Dunwoody
 Limited BCE Place
 123 Front St. W., Ste.
 1200 Toronto Ontario
 M5J 2M2
 Bruno Suppa
 Tel: (416) 865-0210 Ext.
 3465 Fax: (416) 865 0904
 Email: BSuppa@bdo.ca

SWORN BEFORE ME at the City of)
 Toronto, in the Province of Ontario,)
 This 4th day of January, 2008)



 Barry Kirshin

A Commissioner for taking Affidavits)



Terrence S. Reiber
 Solicitor for Graphic Arts Building
 Incorporated

MORTGAGE DISCHARGE STATEMENT

File No. 05-1876

TO: BDO Dunwoodey Limited attn: Bruno Suppa - Monitor and Interim Receiver in the matter of Sapphire Tower Ltd

RE: Graphic Arts Building Incorporated - Vendor Takeback Mortgage from Sapphire Tower Development Corp
66 Temperance Street, Toronto, Ontario

The amount outstanding on the First Mortgage as of January 14, 2008 will be as follows:

DESCRIPTION	AMOUNT
Amount due as per Notice of Sale dated June 12, 2008 - Copy attached hereto	11,097,528.47
Interest to From January 1, 2008 to January 14, 2008	38,309.28
Interest from June 12, 2007 to June 30, 2007	51,991.16
Interest Due on the first day of August, Sept., Oct, Nov. & Dec. 07 @\$78,750.00 per mo	393,750.00
Interest Due on the first day of January 2008 @\$78,750.00 per mo	78,750.00
NSF/Late Payment Charges @ \$350.00 as per mortgage terms	2,100.00
Legal Fees incurred to review and attend all Stinson Receivership applications and related legal proceedings with regard to this property per account dated Dec 24, 2007	37,100.00
Statement Fee & GST as per mortgage terms *2	530.00
Discharge Fee & GST as per mortgage terms	371.00
Teranet Registration fees	70.60
Anticipated legal fees & GST to attend final court hearings and wind up matter	2,825.00
Total Payable to Terrence Reiber, in trust *	11,703,125.51

E. O.E. Per diem interest rate is after January 14, 2008 \$2,736.38
In addition to the per diem rate and additional \$350.00 per month is due on the first day of each month.

* All funds must be paid by certified cheque. Payment must be received by 2:00 p.m. on a banking business day or per diem interest must be added to the next banking business day. There will be a charge of three (3) days' interest should payout of the within Mortgage be received on a Friday later than 2:00 p.m.

This Discharge Statement expires at the end of the month for which the payment is to be made after which a new statement must be ordered and an Additional Statement fee will be charged.

Dated at Toronto this 24th day of December, 2007.



 Graphic Arts Building Incorporated
 by its Solicitor Terrence S. Reiber

NOTICE OF SALE UNDER MORTGAGE

TO: SEE SCHEDULE "A"

TAKE NOTICE that default has been made in payment of the moneys due under a certain mortgage dated the 5th day of May, 2005 made between:

SAPPHIRE TOWER DEVELOPMENT CORP. as Mortgagor,

and GRAPHIC ARTS BUILDING INCORPORATED as Mortgagee,

upon the following property namely:

PART OF TOWN LOTS 5 & 6, SOUTH SIDE OF RICHMOND STREET WEST, TOWN OF YORK PLAN, DESIGNATED AS PART 2, PLAN 66R19771, CITY OF TORONTO. ; S/T EASEMENT IN FAVOUR OF ROGERS CABLE INC. AS SET OUT IN CA749455 ; T/W RIGHT-OF-WAY OVER THE COMMON ELEMENTS OF TORONTO STANDARD CONDOMINIUM PLAN NO. 1509 AS DESCRIBED IN AT138798. ; THE EASTERLY LIMIT OF SHEPPARD STREET HAS BEEN CONFIRMED BY BA-1786 AS INST. CT431216. being all of PIN No. 21403-0099 and municipally known as 66 Temperance Street, Toronto, Ontario

Which Charge/Mortgage of land was registered on the 5th day of May, 2005 in the Land Registry Office for the Land Titles Division of Toronto as No. AT795778.

AND I/WE hereby give you notice that the amount now due on the mortgage for principal money, interest, 3 month pre-payment penalty, late payment charges, statement fee and costs respectively, is \$11,097,528.47 made up as follows:

\$10,500,000.00	for principal
\$10,000.00	for outstanding interest due February 1, 2007
\$315,000.00	for interest due March 1, 2007 to June 1, 2007
\$31,068.48	for interest from June 1, 2007 to June 12, 2007
\$236,250.00	3 month pre-payment penalty as per mortgage terms
\$1,750.00	for late payment charges @ \$350.00
\$265.00	for statement fee & GST
\$1,500.00	for Lender's administration fee on power of sale as per mortgage terms
\$1,694.99.....	for costs & GST (such amount for costs being up to and including the service of this notice only, and thereafter such further costs and disbursements will be charged as may be proper), together with interest at the rate of nine (9%) per cent, per annum on the principal and interest hereinbefore mentioned , from the 12th day of June, 2007, to the date of payment.

AND unless the said sums are paid on or before the 20th day of July, 2007, I/We shall sell the property covered by the said mortgage under the provisions contained in it.

THIS notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

DATED the 12th day of June, 2007.

GRAPHIC ARTS BUILDING INCORPORATED
by its solicitor herein
Terrence S. Reiber



Terrence S. Reiber, Barrister & Solicitor
T.S. Reiber Professional Corporation
121 Richmond St. W., Ste. 1100
Toronto, Ontario, M5H 2K1
TEL: 416.927.9841 FAX: 413.975.1531

SCHEDULE "A"

1. Sapphire Tower Development Corp.
73 Richmond St. West, Suite 100
Toronto, Ontario, M5H 4E4
2. Stinson Financial Corporation
73 Richmond Street West
Toronto, Ontario, M5H 4E8
3. Turner Fleischer Architects Inc.
67 Lesmill Road
Toronto, Ontario, M3B 2T8
4. Turner Fleischer Architects Inc.
c/o Leon Gavendo
Barrister & Solicitor
Ste 2000 - 393 University Avenue
Toronto, Ontario, M5G 1E6
5. Leslie Steven Mason
Suite 700 - 250 University Avenue
Toronto, Ontario, M5H 3E5
6. Jay Rayan and Usha Ryan
c/o Goldman Sloan Nash & Haber
480 University Avenue
Suite 1600
Toronto, Ontario, M5G 1V6
7. Oro Properties Limited
194 Richard Clark Drive
Toronto, Ontario, M3M 1V8

IN ACCOUNT WITH
T.S. REIBER PROFESSIONAL CORPORATION

121 Richmond St. W. Ste. 1100, Toronto, Ontario, M5H 2K1
Telephone: (416) 927-9841, Facsimile: (416) 975-1531, E-mail: terry@reiber.ca

Terrence S. Reiber, B.A., LL.B., LL.M.
Barrister & Solicitor

GST REGISTRATION NO. 866481401RT0001

TO: Graphic Arts Building Incorporated
30 Weybright Court
Unit 1
Scarborough, Ontario,
M1S 5A8

Attn: Mr. Tim Kwan

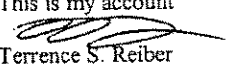
RE: Graphic Arts Building Inc. power of sale on Sapphire Tower Development Corporation
re: Vendor Takeback Mortgage on 66 Temperance Street Toronto
Date: December 24, 2007

FOR PROFESSIONAL SERVICES rendered in the above noted matter including the following:

To all services rendered with regard to Issuing and serving Notice of Sale on the above noted property on the mortgagee and to review of all materials related to court proceedings initiated by Sapphire Tower Development Corp., Architects' lien claim and other claimant's motions and to attendances of either Terrence S. Reiber or Michael Title at all necessary court hearings.

Total for this account (87.505 billable hours)	\$35,000.00
GST @6%	\$2,100.00
	<hr/>
Total now due	\$37,100.00

This is my account


Terrence S. Reiber
TSR: tr
E. & O.E.

All accounts are due when rendered.
Pursuant to the Solicitors Act, Interest will be charged on this account until paid at the rate of 11% per annum, commencing one month from the delivery of this account.