



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) WEDNESDAY, THE 14<sup>TH</sup> DAY  
 )  
JUSTICE MORAWETZ ) OF MAY, 2008

**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**

**ORDER**

**THIS MOTION**, made by BDO Dunwoody Limited ("**BDO**"), the Monitor and Interim Receiver (the "**Interim Receiver**") of Sapphire Tower Development Corp. (the "**Applicant**") for an order approving an interim distribution of the proceeds of sale of the Property of the Applicant, as well as for the determination of the validity of certain clauses of a mortgage (the "**GA Mortgage**") granted to Graphic Arts Building Incorporated ("**Graphic Arts**") with respect to the 66 Temperance Street Property (the "**Property**") and for other relief as set out in its Notice of Motion, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Eighth Report of the Interim Receiver (the "**Eighth Report**"), BDO Dunwoody Limited ("**BDO**"), the Seventh Report of the Interim Receiver (the "**Seventh Report**") the Initial Order, the Interim Receivership Order dated August 16, 2007 (the

“Interim Receivership Order”), the Interim Distribution Order dated January 14, 2008 (the “Interim Distribution Order”), and on hearing the submissions of counsel for BDO, the Applicant, and Page Martin LLP, representative counsel for the unsecured creditors;

**SERVICE**

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

2. **THIS COURT ORDERS** that the actions and activities of BDO as Interim Receiver, and as Monitor, as set out in the Seventh Report and the Eighth Report, are hereby authorized and approved.

3. **THIS COURT ORDERS AND DECLARES** that the Penalty Interest Clause in the GA Mortgage, as described in the Eighth Report and attached as Appendix “B” to the Eighth Report, is unenforceable, ~~as it violates s. 8 of the Interest Act~~ <sup>11.8</sup> <sup>11.7</sup>

4. **THIS COURT ORDERS** that the Interim Receiver may release the \$236,250.00 amount ordered reserved out of the Sale Proceeds by paragraph 3(ii) of the Interim Distribution Order with respect to the claim of Graphic Arts under the Penalty Interest Clause in the GA Mortgage;

5. **THIS COURT ORDERS** that the Interim Receiver shall proceed to make the distributions recommended by the Interim Receiver in the Eighth Report, to those creditors of the Applicant set out below:

TFA	\$	56,474.04
Oro		300,220.04
Walmsley		119,052.32
Bell		5,932.89
Mattson		59,482.33
		<hr/>
		\$541,161.62
		<hr/>

6. **THIS COURT ORDERS** that the fees and disbursements of the Monitor/Interim Receiver, the fees and disbursements of Fraser Milner Casgrain LLP, counsel for the Monitor/Interim Receiver, and the fees and disbursements of Page Martin LLP in its capacity as representative counsel, as set out in the Eighth Report, are hereby authorized and approved.



10/1/2010

JSN