



28 May 2009

To the Creditors:

**Re: Final distribution of funds to the creditors of Sapphire Tower  
Development Corp. ("Sapphire")**

With reference to our update of May 15, 2009, we attended at Court before the Honourable Mr. Justice Morawetz on the morning of May 26, 2009.

The Court approved the distribution as planned, and as set out in our Eleventh Report, which has been posted to our website at [www.bdo.ca/sapphire](http://www.bdo.ca/sapphire). We refer you specifically to Schedule "A-1", attached to the report, which sets out the estimated distribution to each creditor.

As we mentioned in our last report, it is our position that nothing is owed to the Canada Revenue Agency ("CRA") and the Ontario Minister of Finance ("Finance") and that, in any event, both CRA and Finance are barred from making any additional claims at this time. The Judge accepted our position in this regard, on the basis that the Claims Bar Process we conducted last year applied to CRA and Finance, just as it applied to everyone else.

However, we cannot act on the Court's decision at this time, as we must allow the statutory 30-day appeal period to expire.

Accordingly, provided that no person appeals the Order of Morawetz, J., we expect to be in a position to distribute funds to the creditors on or after June 26, 2009. We do not consider an appeal to be likely.

In the absence of specific directions, we will simply mail cheques by ordinary prepaid mail, to the address each creditor has provided to us in the proof of claim form. If a creditor wishes to have us forward a cheque by courier, or by registered mail, we are prepared to do so. However, please note that a courier will not leave a package if nobody is home. Also, Registered Mail will take longer to reach you and, again, if nobody is home, may inconvenience you by requiring you to attend at a designated post office to pick up the package.



Alternatively, if a creditor wishes to come in person to pick up the cheque, we will try to accommodate that, provided that we receive an advance notice and arrange for a specific time, and provided the person picking up the cheque can document being the person named as payee, or has proper documentation entitling him to act on that person's behalf. We need to be very careful to properly distribute funds, and would want to have several days' notice of the arrangements being made.

Should you have any questions or concerns, kindly contact the writer at your earliest convenience.

Yours very truly,  
BDO DUNWOODY LIMITED  
In its capacity as Monitor and Interim Receiver of  
Sapphire Tower Development Corp.  
Per:

A handwritten signature in blue ink, appearing to read 'Uwe Manski'.

Uwe Manski, FCA, FCIRP  
Senior Vice President

/bc