

**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

**NOTICE OF MOTION**

BDO Dunwoody Limited (“**BDO**”), the Monitor and Interim Receiver (the “**Interim Receiver**”) of Sapphire Tower Development Corp. (the “**Applicant**”) will make a motion to a Justice of the Commercial List on Wednesday, the 26<sup>th</sup> day of March, 2008 at 10:00 o’clock in the forenoon, 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**

in writing under subrule 37.12.1(1) because it is on consent or unopposed or made without notice

in writing as an opposed motion under subrule 37.12.1(4)

orally.

**1. THE MOTION IS FOR ORDERS:**

- a. abridging the time for, and validating the service of this Notice of Motion and the materials filed in support thereof;

- b. extending the “stay period” described in paragraph 11 of the Initial Order of Mr. Justice Cumming dated July 20, 2007 (the “**Initial Order**”) to June 30<sup>th</sup>, 2008;
- c. approving the Seventh Report of the Interim Receiver dated March 20<sup>th</sup>, 2008 (the “**Seventh Report**”) and approving the conduct of the Interim Receiver and the Monitor to date;
- d. approving a claims procedure to determine claims against the Applicant;
- e. approving the fees and disbursements of BDO and its counsel; and
- f. such further and other relief as this Honourable Court as the Interim Receiver may request and that this Honourable Court may deem just.

**2. THE GROUNDS FOR THE MOTION ARE:**

- (a) pursuant to paragraph 2 of the Initial Order, the Applicant was declared to be a company to which the Companies Creditors’ Arrangement Act (the “**CCAA**”) applies;
- (b) pursuant to paragraph 11 of the Initial Order, all proceedings in respect of the Applicant were stayed until August 19, 2007 (the “**Stay**”), which Stay was extended to September 4, 2007 by the Order of Justice Cumming dated August 16, 2007, at which time the Monitor was also appointed as Interim Receiver of the Applicant, and the Stay was further extended to November 9, 2007, then to January 31<sup>st</sup>, 2008, and, most recently, to March 28, 2008;
- (c) the Interim Receiver has paid out certain amounts owing to the secured creditors of the Applicant pursuant to the Order of Justice Spence dated January 14, 2008;
- (d) the Interim Receiver wishes to implement a claims procedure to identify and qualify claims against the Applicant;
- (e) in the view of the Interim Receiver, there is utility to continuing the CCAA proceedings and therefore the CCAA proceedings should be extended to June 30<sup>th</sup>, 2008;
- (f) the provisions of the CCAA, including without limitation, Section 11;
- (g) Rules 3.02 and 14.05(2) of the *Rules of Civil Procedure*;
- (h) the Interim Receiver has prepared the Seventh Report which provides, *inter alia*, an update on the Interim Receiver’s activities; and
- (i) such further grounds as counsel may advise and this Honourable Court may permit.

**3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:**

- (a) the Seventh Report;
- (b) any other documents as counsel may advise and this Honourable Court may permit.

Date: March 20, 2008

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