

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. )  
JUSTICE SPENCE )  
MONDAY, THE 14<sup>TH</sup> DAY  
OF JANUARY, 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, having made an application under the provisions of the *Companies' Creditors Arrangement Act* (the "CCAA") 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 Fifth Report of the Interim Receiver (the "Fifth Report"), the Supplement to the Fifth Report (the "Supplement"), BDO Dunwoody Limited ("BDO"), relating to the completion of the sale of the 66 Temperance Street Property (the "Property"), the

Initial Order, the Interim Receivership Order dated August 16, 2007 (the “**Interim Receivership Order**”), and on hearing the submissions of counsel for BDO, the Applicant, Stinson Financial Corporation, Graphic Arts Building Incorporated (“**Graphic Arts**”), Jeffrey Family Trust, the Substituted Trustee of the Stinson Financial Corporation Mortgage, Turner Fleischer Architects Inc. (“**TFA**”), 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 Fifth Report, and the Supplement, are hereby authorized and approved.

3. **THIS COURT ORDERS** that the Interim Receiver shall proceed to make the distributions and set aside the reserves recommended by the Interim Receiver in the Fifth Report, and in the Supplement with respect to the claim of Graphic Arts, to those secured creditors of the Applicant set out below.

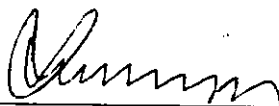
- i) The Interim Receiver shall distribute the following aggregate amounts to the secured creditors of the Applicant out of the Sale Proceeds:

Graphic Arts	\$ 11,473,963.01
Syndicated Mortgage (in amounts set out at Appendix “G” in the Fifth Report)	\$ 6,842,869.89
Shibley Righton LLP	\$ 627,356.41
Page Martin LLP	\$ 8,663.66
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	\$ 18,952,852.97
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- ii) The Interim Receiver shall reserve the following aggregate amounts out of the Sale Proceeds:

Graphic Arts	\$	236,250.00
Syndicated Mortgage – 1% Admin Fee	\$	1,123,500.00
Syndicated Mortgage, reserve creditors, paragraph 27	\$	890,860.27
TFA	\$	56,474.04
Oro	\$	286,775.73
WBM	\$	177,868.69
Rayan	\$	630,000.00
	\$	<u>\$3,401,728.73</u>

4. **THIS COURT ORDERS** that the distribution to Shibley Righton LLP, as noted above, shall be deemed to be payment in full for all amounts now or hereafter due under the Shibley Mortgages which shall no longer bind the proceeds of sale and for all work done on behalf of the Applicant to January 14, 2008 and claimed by Shibley Righton LLP under the Administrative Charge, each as defined in the Fifth Report.

  
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 C. Irwin, Registrar

JAN 14 2008

  
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**IN THE MATTER OF the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as amended  
AND IN THE MATTER OF the Plan of Compromise and Arrangement of SAPPHIRE TOWER DEVELOPMENT CORP.  
Interim Receiver**  
Court File No. 07-CL-7109

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

Proceedings Commenced at Toronto

**ORDER**

**FRASER MILNER CASGRAIN LLP  
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Solicitors for the Monitor BDO DUNWOODY  
LIMITED