



BDO Dunwoody Limited

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21 December 2007

**TO: ALL PERSONS MAKING SECURED CLAIMS AGAINST
SAPPHIRE TOWER DEVELOPMENT CORP. (THE
"APPLICANT")**

On December 14th, 2007 the Ontario Superior Court of Justice granted Orders requested by BDO Dunwoody Limited, the Interim Receiver of the Applicant (the "Interim Receiver") that, amongst other things, approved the sale of the real property owned by the Applicant. This sale is scheduled to close on January 14th, 2008.

On January 14th, 2008 the Interim Receiver will be bringing a motion for the approval of a distribution to the secured creditors of the Applicant, in order to reduce interest costs by paying the secured creditors as quickly as possible, so that recoveries to unsecured creditors are maximized.

In order to enable the Interim Receiver to make this distribution, all those persons who have made a secured claim against the property, are required by the Interim Receiver to submit evidence of the amounts owing to them by the Applicant to the date of the distribution motion, so that the Interim Receiver can effectively report to the Court and make a distribution. **Please respond by Friday, January 4, 2008.**

Enclosed please find a proof of claim form, which must be sworn as an affidavit, to support your claim. The proof of claim form is divided into separate sections depending on the nature of your claim. You must fill in the section that applies to your claim. You need only fill out the sections that apply to you.

Instructions:

Section A:

All parties must fill in Section A regarding their contact details. It is mandatory that claimants provide a phone number. To assist the Interim Receiver in providing its report to you, we would ask that claimants provide a functioning email address.

Section B Itemized Claims:**I - IV) Mortgage to Graphic Arts Building Incorporated**

Syndicated Mortgage with Stinson Financial Corporation/Jeffreys Family Trust

Mortgage to Oro Properties Limited

\$155,000 Mortgage to Walmsley/Bell/Mattson

- Full legal name;
- Position if corporate claimant;
- Principal amount of claim;
- Method of calculation of interest;
- Rate of interest claimed;
- Amount of unpaid interest claimed to January 14, 2008;
- Per diem interest rate after January 14, 2008;
- Costs of enforcement of mortgage must be itemized (and accounts from counsel for claims for legal fees must be provided);
- Please provide proof that funds were actually advanced under these mortgages.

V) Construction Lien in favour of Turner Fleischer Architects Inc. :

- Full legal name;
- Position;
- Principal amount of claim;
- Method of calculation of interest;
- Rate of interest claimed;

- Amount of interest claimed at January 14, 2008;
- Amounts previously paid;
- Costs of enforcement of construction lien must be itemized (and accounts from counsel for claims for legal fees must be provided);
- Copy of claim for lien and Certificate of Action

VI) Claimants under mortgages to Leslie Steven Mason

- Full legal name;
- Position if corporate claimant;
- Principal amount of claim;
- Method of calculation of interest;
- Rate of interest claimed;
- Amount of unpaid interest claimed to January 14, 2008;
- Per diem interest rate after January 14, 2008;
- Accounts from counsel for claims for legal fees secured under these mortgages must be provided.

VII) Claimants under Administration Charges granted by the Court in these proceedings, other than by BDO Dunwoody Limited and its counsel:

- Full legal name;
- Which Court Order a claim is being made under;
- Amounts of claim referable to each charge;
- Itemized accounts to support amounts claimed under these charges must be included as exhibits to your affidavit.

YOUR SWORN PROOF OF CLAIM MUST BE RECEIVED BY THE INTERIM RECEIVER ON OR BEFORE JANUARY 4TH, 2008.

IF YOU DO NOT SUBMIT A SWORN PROOF OF CLAIM YOU WILL NOT RECEIVE A DISTRIBUTION ON JANUARY 14TH, 2008.

The Interim Receiver anticipates it will be serving its Fifth Report with respect to this distribution on or about January 8th, 2008, preferably by email.

If you have any questions please call Bruno Suppa at BDO Dunwoody at 416-865-0210 Ext. 3465, or by email BSuppa@BDO.ca.

BDO DUNWOODY LIMITED
In its capacity as Court Appointed
Monitor/Interim Receiver of the
Applicant

