Court File No. CV-12-9617-00CL

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 First Leaside Wealth Management Inc., First Leaside Finance Inc., First Leaside Securities Inc., FL Securities Inc., First Leaside Management Inc., First Leaside Accounting and Tax Services Inc., First Leaside Holdings Inc., 2086056 Ontario Inc., First Leaside Realty Inc., First Leaside Capital Inc., First Leaside Realty II Inc., First Leaside Investments Inc., 965010 Ontario Inc., 1045517 Ontario Inc., 1024919 Ontario Inc., 1031628 Ontario Inc., 1056971 Ontario Inc., 1376095 Ontario Inc., 1437290 Ontario Ltd., 1244428 Ontario Ltd., PrestonOne Development (Canada) Inc., PrestonTwo Development (Canada) Inc., PrestonThree Development (Canada) Inc., PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544 Ontario Inc., 2088545 Ontario Inc., 1331607 Ontario Inc., Queenston Manor General Partner Inc., 1408927 Ontario Ltd., 2107738 Ontario Inc., 1418361 Ontario Ltd., 2128054 Ontario Inc., 2069212 Ontario Inc., 1132413 Ontario Inc., 2067171 Ontario Inc., 2085306 Ontario Inc., 2059035 Ontario Inc., 2086218 Ontario Inc., 2085438 Ontario Inc., First Leaside Visions Management Inc., 1049015 Ontario Inc., 1049016 Ontario Inc., 2007804 Ontario Inc., 2019418 Ontario Inc., FL Research Management Inc., 970877 Ontario Inc., 1031628 Ontario Inc., 1045516 Ontario Inc., 2004516 Ontario Inc., 2192341 Ontario Inc., and First Leaside Fund Management Inc. (the "Applicants")

Applicants

REPORT TO COURT OF GRANT THORNTON LIMITED, PROPOSED MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

FEBRUARY 22, 2012

Grant Thornton Limited,
Proposed Monitor of the Applicants under the Companies' Creditors Arrangement Act

Royal Bank Plaza
200 Bay Street, South Tower, 19th Floor
Toronto, Ontario, M5J 2P9

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INTRODUCTION

1. The Applicant First Leaside Wealth Management Inc. ("**FLWM**") is the primary holding and operating company of the other Applicants. The Applicants are the general partners of various limited partnerships for which relief is sought in these proceedings (the "**LPs**"). The Applicants and the LPs are hereinafter collectively referred to as the "**FL Group**". A listing of the Applicants as well as the corresponding non-Applicant LPs is attached as Exhibit "A" to the affidavit of Gregory MacLeod, of G.S. MacLeod & Associates Inc. ("**MacLeod**"), the Chief Restructuring Officer ("**CRO**") of the FL Group, sworn on February 22, 2012 (the "**MacLeod Affidavit**").

2. The Applicants have made application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). The Applicants have asked the Court to extend the relief sought in the draft Initial Order to the LPs[1]. It is proposed that Grant Thornton Limited ("**GTL**" or the "**Proposed Monitor**") act as monitor ("**Monitor**") in the CCAA Proceedings. GTL has consented to act in such capacity.

3. The MacLeod Affidavit filed in connection with the proposed CCAA Proceedings describes, *inter alia*, the FL Group's background and historic business model, including the reasons for the requested CCAA Proceedings. According to the

[1] Other than First Leaside Retirement Residences (Ottawa) Limited Partnership, First Leaside Retirement, Residences (Okanagan) Limited Partnership, Cherry Park Retirement Residences Limited Partnership, Orchard Valley Retirement Residences Limited Partnership, The Shores Retirement Residences Limited Partnership, The Redwood Retirement Residences Limited Partnership, 100 Isabella St. (Ottawa) Limited Partnership and 480 Metcalfe St. (Ottawa) Limited Partnership (the "**Excluded LPs**").

MacLeod Affidavit, the primary purpose of the CCAA Proceedings is to allow the FL Group the opportunity to implement a managed wind-up, in the context of a formal proceeding, which would include a stay of proceedings against the FL Group and assistance from a Court-appointed Monitor and the CRO. The managed wind-up may include development and/or rehabilitation of certain of the properties and may result in certain of the FL Group's stakeholders retaining an interest in certain of the properties via a plan of arrangement or compromise of one or all of the Applicants. If development and/or rehabilitation plans for the properties are uneconomical or are not sufficiently attractive to third party developers/financiers, the development plans may be scaled back and certain of the properties may need to be realized upon under Court supervision for the benefit of the creditors and investors of the FL Group.

4. The requested CCAA Proceedings also provide a single forum for resolving disputes among the FL Group's numerous stakeholder groups, including significant intercompany claims, with the aim of avoiding the potentially significant cost of separate litigation between the various stakeholder groups and the FL Group.

5. This report ("**Report**") is submitted by GTL in conjunction with the application of the Applicants seeking an Initial Order that provides for, among other things, the following relief:

   i) a declaration that the Applicants are companies to which the CCAA applies;

ii) an order extending the benefits and protections of the Initial Order to the LPs in respect of which Applicant corporations are the general partner (detailed in Exhibit "A" to the MacLeod Affidavit), excluding the Excluded LPs;

iii) a stay of all proceedings taken or that might be taken against the FL Group, or affecting the property or the business of the FL Group and its assets, without the further order of the Court, except as otherwise provided for in the Initial Order;

iv) an order that the FL Group shall remain in possession and control of its respective property and business, and shall continue to carry on business in the manner consistent with the preservation of their business and property, except as otherwise provided for in the Initial Order;

v) an order appointing GTL as the Monitor in the CCAA Proceedings;

vi) an order confirming the appointment of MacLeod as CRO on the terms and conditions set out in the retention agreement entered into between the FL Group and MacLeod on December 21, 2011 (the "**CRO Retention Agreement**");

vii) an order appointing Fraser Milner Casgrain LLP ("**FMC**") as representative counsel to the FL Group's investors ("**Representative Counsel**") and including Representative Counsel in the Administration Charge as security for the legal fees of the Representative Counsel up to an initial maximum amount of $150,000;

viii) an order granting an administrative charge of $1 million for certain professional fees incurred in connection with these proceedings (the "**Administration Charge**");

ix) an order granting a charge of $250,000 in favour of the directors and officers of the Applicants (the "**D&Os**"), for their legal costs and liabilities that they may attract in connection with the CCAA Proceedings as well as in favour of counsel to the Independent Committee of the Board of Directors of the Applicants ("**Independent Committee Counsel**") to the extent that such counsel's fees and disbursements relate to services provided to the Applicants (the "**D&O Charge**");

x) an order authorizing and directing First Leaside Securities Inc., upon written request, to transfer its client portfolios held by Penson Financial Services Canada Inc. (which portfolios contain cash, bonds, exchange-traded or liquid securities or other investment instruments) to another duly licensed securities dealer or trustee; and

xi) an order authorizing the Applicants to file with the Court, as they consider appropriate, one or more plan(s) of compromise or arrangement between the Applicants and their creditors and/or investors.

PURPOSE OF REPORT

6. The purpose of this Report is to provide the Court with further information related to the relief sought by the FL Group. This Report specifically provides:

i) information regarding the financial position of the FL Group and the reasons for the request for the commencement of the CCAA Proceedings;

ii) information concerning the Proposed Monitor's familiarity with the complex organizational structure of the Applicants and their dealings;

iii) the Proposed Monitor's comments and report on the Applicants' cash flow projection (the "**Cash Flow Projection**");

iv) information concerning the need for the appointment of a CRO and Representative Counsel; and

v) a discussion of the proposed Administration Charge and D&O Charge and such charges' effect on the stakeholder groups.

7. Detailed background information concerning the FL Group and its numerous stakeholders is provided in the MacLeod Affidavit, which has been filed with the Court. Accordingly, the Proposed Monitor has not repeated information contained in the MacLeod Affidavit in this Report.

SCOPE AND TERMS OF REFERENCE

8. In preparing this Report, the Proposed Monitor has relied upon unaudited financial information, the FL Group's records, financial information and projections prepared by the FL Group and discussions with the FL Group's management, employees and MacLeod. While the Proposed Monitor reviewed various documents provided by the FL Group and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such

information for accuracy, completeness or compliance with Generally Accepted Accounting Principles. Accordingly, the Proposed Monitor expresses no opinion or other form of assurance in respect of such information.

9. Some of the information used in preparing this Report consists of financial projections, including the Cash Flow Projection. The Proposed Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The actual results of the FL Group may vary from the Cash Flow Projection, even if the hypothetical and probable assumptions contained therein materialize and the variations could be significant. The Proposed Monitor's review of the future oriented information used to prepare this Report did not constitute an audit of such information under Canadian Generally Accepted Auditing Standards or International Financial Reporting Standards.

10. In the course of its mandate, the Proposed Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the FL Group's management, within the context in which such information was presented. To date, nothing has come to the Proposed Monitor's attention that would cause it to question the reasonableness of this assumption. The Proposed Monitor has requested that management bring to its attention any significant matters which were not addressed in the course of the Proposed Monitor's specific inquiries. Accordingly, this Report is based solely on the information (financial or otherwise) made available to the Proposed Monitor by the FL Group.

11. This Report has been prepared for the use of this Court and the FL Group's stakeholders as general information relating to the FL Group. Accordingly, the reader is cautioned that this Report may not be appropriate for any other purpose. The Proposed Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Report contrary to the provisions of this paragraph.

12. All references to dollars are in Canadian currency unless otherwise noted.

13. Capitalized terms not defined in this Report have the meanings ascribed to them in the MacLeod Affidavit.

FINANCIAL POSITION

14. FLWM's internally-prepared financial statements for its fiscal year ending December 31, 2010, are attached to the MacLeod affidavit as Exhibit "D". The Proposed Monitor understands that no more recent financial statements, audited or unaudited, have been prepared by FLWM.

15. As reflected in the financial statements for the fiscal year ended December 31, 2010, FLWM has reported net losses totaling approximately $2.863 million.

16. The FL Group's assets are composed of, *inter alia*, real estate holdings (the "**Properties**") located in Ontario, British Columbia, and Texas (including retirement residences, residential apartments, commercial rental properties and raw land), four accounting firms, an interest in a beverage company, investments in technology companies and an art collection.

17. The FL Group's business model relied heavily on a growing real estate market. The economic downturn which commenced in 2009 has had a negative impact on its financial situation. The FL Group has experienced lower operating/rental income and higher operational and property rehabilitation costs, which have had a negative impact on its liquidity.

18. The FL Group's primary stakeholders are numerous mortgagees, construction lien claimants, in excess of one thousand investors (both debt and equity), numerous trade creditors, employees and shareholders. Each of the stakeholder groups are discussed in detail in the MacLeod Affidavit.

19. As described in the MacLeod Affidavit, the FL Group presently owes approximately $176 million to its mortgagees, approximately $3.4 million to construction lien claimants and approximately $131.8 million to its unsecured creditors and investors. The FL Group has also raised approximately $199.2 million of equity from investors. Each of the Applicants and LPs are unable to pay their obligations as they come due and in most cases the obligations exceed the value of the respective assets of the Applicant or LP. With insufficient liquidity to service its existing debts and its current assets being worth less than its cumulative obligations, the FL Group is insolvent.

PROPOSED MONITOR'S FAMILIARITY WITH THE FL GROUP

20. In March, 2011, at the suggestion of the Ontario Securities Commission ("**OSC**") GTL was retained by the FL Group's legal counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), as an independent consultant, to review and evaluate the FL

Group's businesses and assess its viability. GTL spent approximately six months gaining an understanding of the FL Group's complex organization structure, business model and operational challenges. On a parallel basis, and long preceding GTL's involvement, the OSC was investigating the affairs of the FL Group.

21. On August 19, 2011, GTL issued a report to Cassels (the "**August 19, 2011 Report**"), which, *inter alia*, advised that the FL Group was facing serious cash flow and operational challenges, had weak financial reporting protocols, and proposed several recommendations to the FL Group. A further conclusion was that the viability of the FL Group was contingent on its ability to raise new capital.

22. On October 28, 2011, the OSC advised the FL Group that it intended to bring proceedings against it. In order to avoid action by the OSC, the FL Group negotiated a voluntary cease trade order over all of its entities, and appointed GTL as a monitor (the "**Pre-filing Monitor**") on November 4, 2011. As part of the negotiation, the FL Group agreed to mail the August 19, 2011 Report to all investors at their last known addresses, and post a copy of same on the FL Group's website.

23. On November 28, 2011, the FL Group notified its investors (both debt and equity) that it was suspending distributions on all of its Funds, particularly in light of the cease trade order which prohibited the FL Group from raising additional capital and, accordingly, fees derived from capital raises. In early December, 2011 the role of the Pre-filing Monitor was amended, in particular, to reflect enhanced reporting requirements.

24. The Pre-filing Monitor's role included:

(i) Reviewing the weekly cash flow compared to projections;

(ii) Reviewing historical sources and uses of funds for the period after August 19, 2011 to November 25, 2011;

(iii) Reporting on the restructuring plans of the FL Group and the implementation of same; and

(iv) Reporting on any other matter related to the FL Group as determined relevant to the Pre-filing Monitor.

25. During the course of its previous mandates in respect of the FL Group, GTL has gained significant institutional knowledge about the complex corporate ownership structure, assets, liabilities and stakeholders of the FL Group.

CASH FLOW PROJECTION

26. In order to fulfill the requirements of section 10(2)(a) of the CCAA, the FL Group has prepared the Cash Flow Projection on a weekly basis, for the ten (10) weeks ending April 27, 2012. The Cash Flow Projection together with Management's Report on the Cash Flow Projection as required by section 10(2)(b) of the CCAA, is attached hereto as **Appendix "1"**. The Cash Flow Projection, including the notes attached thereto, has been prepared by management for the purpose described in the notes accompanying the Cash Flow Projection, using the probable and hypothetical assumptions set out therein.

27. The Proposed Monitor makes the following comments on the Cash Flow Projection:

i) Expenses appear to be consistent with the level of operations contemplated by management for the FL Group during the restructuring period;

ii) The Cash Flow Projection does not contemplate servicing interest and principal payments on mortgages during the cash flow projection period;

iii) The Cash Flow Projection contemplates paying property taxes during the cash flow projection period; and

iv) The Cash Flow Projection contemplates FLWM paying $250,000 to Torys LLP ("**Torys**"), being the Independent Committee Counsel, to fund a litigation trust (the "**Litigation Trust**") for the FL Group's Board of Directors. The Monitor has discussed the Litigation Trust with Torys, the CRO and Cassels and has expressed concern that the payment contemplated to be made to Torys is preferential and may be subject to review by the Monitor, if/when it is appointed, in accordance with s.36.1(1) of the CCAA. Creditors without notice of the application for the Initial Order may object to the Litigation Trust. The Proposed Monitor understands that Torys intends to make submissions to the Court regarding the proposed Litigation Trust.

28. The Proposed Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to

the Proposed Monitor by the management and employees of the FL Group. Since hypothetical assumptions need not be supported, the Proposed Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Proposed Monitor has also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow Projection. Based on the Proposed Monitor's review, nothing has come to its attention (other than as noted in paragraph 28(iv) above) to alter its belief that, in all material respects:

i) the hypothetical assumptions are consistent with the purpose of the Cash Flow Projection;

ii) as at the date of this Report, the probable assumptions developed by management are suitably supported and consistent with the plans of the FL Group and provide a reasonable basis for the Cash Flow Projection, given the hypothetical assumptions; and

iii) the Cash Flow Projection reflects the probable and hypothetical assumptions.

29. The Cash Flow Projection prepared by the FL Group projects that the FL Group will have sufficient funds on hand to maintain their operations throughout the Cash Flow Projection period.

APPOINTMENT OF A CRO

30. The FL Group is of the view that the CRO, with relevant experience in CCAA proceedings, real estate investments and the finance market, will be of valuable assistance in developing and implementing a restructuring plan, as well as in assisting the FL Group with its negotiations with its numerous stakeholders.

31. The Proposed Monitor understands that the CEO of the FL Group relinquished his position at the request of the Board of Directors of the Applicants in November 2011.

32. Accordingly, the Proposed Monitor is of the view that the appointment of a CRO in these proceedings is important to ensure an adequate level of senior corporate leadership and an adequate level of objectivity and independence in the restructuring process.

33. The Initial Order sought by the FL Group contains provisions confirming the appointment of the CRO and providing for an indemnification and charge relating to the fees and expenses of the CRO. Such charge is part of the Administration Charge described below.

34. Attached as Exhibit "C" to the MacLeod Affidavit is a copy of the CRO Retention Agreement. The key terms of the CRO Retention Agreement are as follows:

    i) Monthly work fee: $25,000.

    ii) Expenses: Reasonable out-of-pocket expenses.

    iii) An amount of up to $75,000 payable upon termination.

35. The Proposed Monitor is familiar with and has researched other CRO compensation arrangements in the context of recent CCAA proceedings and has determined that the terms and conditions of the CRO Retention Agreement are consistent with similar arrangements approved by various courts in other CCAA proceedings.

36. Given the forgoing, the Proposed Monitor is of the view that the terms and conditions of the CRO Retention Agreement (including the remuneration payable to the CRO) are reasonable in the circumstances.

APPOINTMENT OF REPRESENTATIVE COUNSEL

37. There are over 1,200 investors in the FL Group (both debt and equity). Upon the filing for CCAA protection, the interests of those investors will require legal representation.

38. Given the significant number of individual investors in the FL Group, the Proposed Monitor is of the view that it is in the best interests of the FL Group and its investors to appoint Representative Counsel for the investors. Appointing Representative Counsel is aimed at allowing the FL Group to implement an efficient and effective investor communication plan and will assist in obtaining the input of investors regarding the implementation of the wind-up plan.

39. Representative Counsel's fees and costs are to be secured as part of the Administration Charge, up a total maximum amount of $150,000, described below.

ADMINISTRATION CHARGE

40. The draft Initial Order contemplates the granting of an Administration Charge in the amount of $1 million in favour of the Monitor, counsel to the Monitor, the CRO, counsel to the CRO, if any, the FL Group's counsel and Representative Counsel (up to a maximum of $150,000 as noted above) (the "**Estate Professionals**"), charging the assets of the Applicants and LPs (other than the Excluded LPs) as security for professional fees and disbursements incurred at the standard rates and charges of the Estate Professionals, both before and after the making of an Initial Order in respect of these CCAA Proceedings.

41. The institutional knowledge that the Estate Professionals have gained while working with the FL Group is invaluable given the complex nature of its structure, financing and stakeholder groups.

42. The Initial Order and Cash Flow Projection also contemplate the payment of retainers to the Estate Professionals in the following amounts: Counsel to the Applicants ($150,000), Monitor ($150,000), Monitor's counsel ($100,000) and Representative Counsel ($25,000).

43. The quantum of the Administration Charge threshold has been established based on the Estate Professionals' previous history and experience with restructurings of similar magnitude and complexity. If the Initial Order is granted, the Proposed Monitor believes that the Administration Charge and the above noted retainers in favour of the estate professionals are required and reasonable in the circumstances.

DIRECTORS' AND OFFICERS' CHARGE

44. The FL Group currently does not have a D&O insurance policy. The Proposed Monitor understands that the Independent Committee of the Board of Directors tried to secure adequate D&O insurance and that it was unable to do so at reasonable rates and on reasonable terms. The Proposed Monitor understands that attempts to obtain D&O insurance are continuing.

45. The FL Group has requested that the Court make an Order which provides for the indemnification of the Applicant's D&O's by the FL Group for any post CCAA-filing liabilities and which grants the D&O's a charge on all assets of the Applicants and LPs (other than the Excluded LPs and First Leaside Securities Inc.) as security for such indemnification and for the fees and disbursements of the Independent Committee Counsel. The proposed Initial Order also provides for a $50,000 retainer to be paid to the Independent Committee Counsel. The FL Group is requesting that the D&O Charge rank second in priority, directly behind the Administration Charge.

46. The D&O Charge is a standard provision of Orders made in CCAA proceedings in order to maintain the involvement of the directors and officers in cases where the existing D&O insurance coverage may be inadequate or non-existent. The involvement of these individuals will facilitate the continued operations and the managed wind-up of the FL Group's business during the restructuring proceedings, in particular given the significant institutional knowledge possessed by these individuals.

47. The amount of the D&O Charge was estimated by management at $250,000 taking into consideration the quantum of priority payables that may be outstanding on a monthly basis and the estimated fees of the Independent Committee Counsel.

48. The proposed Monitor believes that such a charge is required and reasonable under the circumstances if the Initial Order is granted.

PRIORITY AND ALLOCATION OF PROPOSED CHARGES

49. The aggregate of the Administration Charge and the D&O Charge is $1.25 million (the "**Priority Charges**").

50. The outstanding amounts owing to the FL Group's mortgagees (including in respect of the Excluded LPs) total approximately $176 million. The quantum of the Priority Charges is reasonable in comparison with the amount owing to the mortgagees. As the mortgages appear to be well collateralized based on the available information, including third party appraisals obtained by the FL Group, the mortgagees would not be materially prejudiced by the granting of the proposed Priority Charges. In any event, the FL Group's third party mortgagees in respect of the Excluded LPs are not affected by the proposed Priority Charges as a result of the 'carve out' of the Excluded LPs from the proposed CCAA Proceedings.

51. In the Monitor's view, the investors of the FL Group (debt and/or equity investors, depending on the FL Group entity in question) appear to have the fulcrum interest in the FL Group's assets. Accordingly, the investors of the FL Group

appear to be the stakeholders whose recovery may be most affected by the proposed Priority Charges and the success or failure of the CCAA Proceedings, as they appear to be the stakeholders who would receive the benefits and risks associated with the relief being sought by the FL Group. The Proposed Monitor understands that the proposed Representative Counsel to the FL Group's investors support the FL Group's request for protection under the CCAA.

52. It is the Proposed Monitor's view that the allocation of the proposed Priority Charges should be carried out on an equitable and proportionate basis which recognizes the separate interests of the stakeholders of each of the entities. The MacLeod Affidavit contemplates that the Applicants will allocate the Priority Charges to the Applicants and the LPs (other than the Excluded LPs), which allocation would be subject to review by the Monitor and ultimately subject to a further order of the Court. The method of allocation of the proposed Priority Charges will likely require the Estate Professional to establish multiple dockets for each Applicant/LP in order to track the costs directly attributable to an Applicant/LP versus costs that are general in nature and not otherwise attributable to an Applicant/LP. The Applicants and the Monitor would propose a methodology for allocation of such general costs.

53. Should the Priority Charges not be approved, the FL Group would likely be unable to proceed under the CCAA. The investors would also be disadvantaged if their interests were not represented in the proposed CCAA Proceedings through the appointment of Representative Counsel.

CONCLUSION AND NEED FOR A STAY OF PROCEEDINGS

54. Certain of the creditors of the FL Group have begun enforcement proceedings, in particular, construction lien claimants. Certain of the FL Group's entities either have or are at risk of imminent default on their mortgage obligations due to cash flow constraints.

55. Given creditors actions to date and due to the complicated nature of the FL Group's business, the complex corporate structure and the number of competing stakeholders, it is unlikely that the FL Group will be able to conduct an orderly wind-up or continue to rehabilitate properties without the stability provided by a formal Court supervised restructuring process.

56. As a result of the deteriorated financial condition and liquidity crisis experienced by the FL Group, it is unable to continue operations in the near term, absent a stay of proceedings. In such circumstances, it is likely that some properties would be abandoned by the FL Group and that various stakeholders would take separate legal action to enforce their respective rights. Such separate enforcement action and litigation would be costly and likely result in reduced recoveries for the stakeholders of the FL Group.

57. If the FL Group is provided with a reasonable period of protection, its plan is to develop and implement a managed wind-up, development plan or combination thereof that would maximize value for its stakeholders.

58. As the various stakeholder interests are in many cases intertwined, including intercompany claims, the granting of the relief requested would provide a single forum for the numerous stakeholders of the FL Group to be heard and to deal

with such parties claims in an orderly manner, under the supervision of the Court, a CRO and a Court-appointed Monitor. In particular, a simple or forced divestiture of the properties of the FL Group would not only erode potential investor value, but would not provide the structure necessary to reconcile investor interests on an equitable and ratable basis.

59. A stay of proceedings for both the Applicants and the LPs is necessary if it is deemed appropriate by this Honourable Court to allow the FL Group to maintain its business and to allow the FL Group the opportunity to develop, refine and implement their restructuring/wind-up plan(s) in a stabilized environment.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
In its capacity as Proposed Monitor of the Applicants under the Companies' Creditors Arrangements Act and not in its personal or corporate capacity

Per:

Jonathan Krieger, CA•CIRP
Senior Vice-President

APPENDIX I – REPORT TO COURT OF PROPOSED MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

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 FIRST LEASIDE WEALTH MANAGEMENT INC. AND THE OTHER APPLICANTS LISTED ON EXHIBIT "A"

Applicants

REPORT ON CASH FLOW STATEMENT
(Section 10(2)(b) of the *Companies' Creditors Arrangement Act* ("CCAA"))

First Leaside Wealth Management Inc. and the other Applicants and limited partnerships listed on Exhibit A hereto (collectively, the **"First Leaside Group"**) have prepared the attached statement of projected cash flow of the First Leaside Group as of February 22, 2012 (the "**Cash Flow Statement**") consisting of a 10 week cash flow for the period February 20, 2012 to April 27, 2012. The First Leaside Group developed the assumptions contained in the Notes to the Cash Flow Statement (the "**Notes**"). The purpose of the Cash Flow Statement is to determine the liquidity requirements for the First Leaside Group during the CCAA proceedings.

The hypothetical assumptions are reasonable and consistent with the purpose of the projections described herein, and the probable assumptions are suitably supported and consistent with the plans of the First Leaside Group and provide a reasonable basis for the projections. All such assumptions are disclosed in the Notes.

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared solely for the purpose described herein, using the probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.

Dated: February 22, 2012

FIRST LEASIDE WEALTH MANAGEMENT INC.

Per: Greg S MacLeod CA•CIRP, on behalf of G.S. MacLeod & Associates Inc.
in its capacity as Chief Restructuring Officer of
First Leaside Wealth Management Inc., et al.
and not in any other capacity

SCHEDULE A: Entities Filing Under CCAA Which Are Applicants in this Proceeding	SCHEDULE B: Limited Partnerships Associated with the Entities Listed in Schedule "A" (if any)
First Leaside Wealth Management Inc.	
First Leaside Finance Inc.	
First Leaside Securities Inc.	
FL Securities Inc.	Mill Street Limited Partnership
First Leaside Management Inc.	Development Notes Limited Partnerships Special Notes LP
First Leaside Accounting and Tax Services Inc.	
First Leaside Holdings Inc.	
2086056 Ontario Inc.	First Leaside Properties LP
First Leaside Realty Inc.	First Leaside Realty LP First Leaside Real Estate LP
First Leaside Capital Inc.	
First Leaside Realty II Inc.	First Leaside Global LP First Leaside Income LP First Leaside Investors LP First Leaside Optimal LP First Leaside Preferred LP First Leaside Premier LP First Leaside Progressive LP First Leaside Quality LP First Leaside Real Estate LP First Leaside Realty II LP First Leaside Retirement Residences LP First Leaside Superior LP First Leaside Ultimate LP

	First Leaside Universal LP Uxbridge Development LP First Leaside Retirement Residences Limited Partnership First Leaside Venture Limited Partnership
First Leaside Investments Inc.	
965010 Ontario Inc.	Wimberly Apartments LP
1045517 Ontario Inc.	The Shores LP
1024919 Ontario Inc.	Old Mill Pond LP
1031628 Ontario Inc.	
1056971 Ontario Inc.	The Bluffs of Lakewood LP
1376095 Ontario Inc.	First Leaside Spring Valley LP
1437290 Ontario Ltd.	First Leaside Partners LP First Leaside Opportunities LP
1244428 Ontario Ltd.	Preston Racquet Club Real Estate Limited Partnership Series 910 PA Preston Racquet Club Real Estate Limited Partnership Series 910 PB Preston Racquet Club Real Estate Limited Partnership Series 910 PC Preston Racquet Club Real Estate Limited Partnership Series 910 PD
PrestonOne Development (Canada) Inc.	
PrestonTwo Development (Canada) Inc.	
PrestonThree Development (Canada) Inc.	
PrestonFour Development (Canada) Inc.	
2088543 Ontario Inc.	FL Master Texas Ltd.
2088544 Ontario Inc.	FLW Pond Master Ltd.

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2088545 Ontario Inc.	FLW Shores Master Ltd.
1331607 Ontario Inc.	First Leaside Acquisitions LP
Queenston Manor General Partner Inc.	Queenston Manor LP
1408927 Ontario Ltd.	First Leaside Acquisitions 2000 LP
2107738 Ontario Inc.	First Leaside Advantage LP
1418361 Ontario Ltd.	First Leaside Developments LP
2128054 Ontario Inc.	First Leaside Elite LP First Leaside Select LP
2069212 Ontario Inc.	First Leaside Enterprises LP
1132413 Ontario Inc.	B&W LP First Leaside Entities LP
2067171 Ontario Inc.	First Leaside Expansion LP
2085306 Ontario Inc.	First Leaside Growth LP
2059035 Ontario Inc.	First Leaside Operations LP
2086218 Ontario Inc.	First Leaside Unity LP
2085438 Ontario Inc.	First Leaside Visions I LP First Leaside Visions II LP First Leaside Visions III LP First Leaside Visions IV LP Metabacus LP Greencore LP Marksman Celliect LP OMISA LP Dossierview LP eSight LP Tyromer LP
First Leaside Visions Management Inc.	
1049015 Ontario Inc.	Place Concorde East LP

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1049016 Ontario Inc.	Place Concorde West LP
2007804 Ontario Inc.	First Leaside Wealth Management LP
2019418 Ontario Inc.	First Leaside Technologies LP
FL Research Management Inc.	
970877 Ontario Inc.	
1031628 Ontario Inc.	
1045516 Ontario Inc.	
2004516 Ontario Inc.	
2192341 Ontario Inc.	
First Leaside Fund Management Inc.	F.L. Beverages Group Limited Partnership F.L. Retirement Residences Limited Partnership First Leaside Global Limited Partnership First Leaside Ventures Limited Partnership Special U.S. Notes Limited Partnership FLWM Holdings Limited Partnership

First Leaside Group of Companies
Combined
Cash Flow Analysis

Week	1	2	3	4	5	6	7	8	9	10	
Week Ended	**Forecast 02/24/2012**	**Forecast 03/02/2012**	**Forecast 03/09/2012**	**Forecast 03/16/2012**	**Forecast 03/23/2012**	**Forecast 03/30/2012**	**Forecast 04/06/2012**	**Forecast 04/13/2012**	**Forecast 04/20/2012**	**Forecast 04/27/2012**	**Total Forecast**
Opening bank balance	**7,527,911.65**	**6,907,289.65**	**6,164,177.51**	**5,971,951.51**	**5,488,933.34**	**5,086,782.34**	**4,915,859.24**	**4,935,397.28**	**4,751,592.18**	**4,403,852.18**	**7,527,911.65**
Receipts	30,739.00	72,642.00	37,727.00	4,141.00	1,494.00	34,620.00	81,433.00	8,575.00	2,241.00	-	273,612.00
Disbursements											
Operating	138,961.00	53,341.96	79,953.00	24,747.00	103,645.00	35,978.00	31,894.96	22,815.00	49,981.00	15,000.00	556,316.92
Professional Fees	510,000.00	565,000.00	150,000.00	365,000.00	-	115,000.00	30,000.00	115,000.00	-	190,000.00	2,040,000.00
Salaries	-	97,412.18	-	97,412.18	-	54,565.10	-	54,565.10	-	54,565.10	358,519.65
Intercompany transfers	-	-	-	-	-	-	-	-	-	-	-
Capital	2,400.00	100,000.00	-	-	300,000.00	-	-	-	300,000.00	-	702,400.00
Reserve payments for property taxes and capital	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	651,361.00	815,754.14	229,953.00	487,159.18	403,645.00	205,543.10	61,894.96	192,380.10	349,981.00	259,565.10	3,657,236.57
Net cash flows	**(620,622.00)**	**(743,112.14)**	**(192,226.00)**	**(483,018.18)**	**(402,151.00)**	**(170,923.10)**	**19,538.04**	**(183,805.10)**	**(347,740.00)**	**(259,565.10)**	**(3,383,624.57)**
Closing bank balance	**6,907,289.65**	**6,164,177.51**	**5,971,951.51**	**5,488,933.34**	**5,086,782.34**	**4,915,859.24**	**4,935,397.28**	**4,751,592.18**	**4,403,852.18**	**4,144,287.08**	**4,144,287.08**

The cash flow may be positively impacted from the closing of certain properties or sale transactions, but due to the imprecision of a closing date and the requirement for Court approval, these sales have not been reflected in this cash flow

First Leaside Group of Companies
First Leaside Securities Inc.
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	1,493,655.34	1,456,155.34	1,368,171.79	1,303,171.79	1,160,188.25	1,105,188.25	1,095,995.53	1,090,995.53	1,081,802.82	1,076,802.82	**1,493,655.34**
Receipts	-	-	-	-	-	-	-	-	-	-	-
Disbursements											
Operating	37,500.00	25,000.00	65,000.00	5,000.00	55,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	212,500.00
Professional Fees		25,000.00		100,000.00							125,000.00
Salaries		37,983.55		37,983.55		4,192.71		4,192.71		4,192.71	88,545.23
Intercompany transfers											-
Capital											-
Mortgage payment											-
Total Disbursements	37,500.00	87,983.55	65,000.00	142,983.55	55,000.00	9,192.71	5,000.00	9,192.71	5,000.00	9,192.71	426,045.23
Net cash flows	(37,500.00)	(87,983.55)	(65,000.00)	(142,983.55)	(55,000.00)	(9,192.71)	(5,000.00)	(9,192.71)	(5,000.00)	(9,192.71)	**(426,045.23)**
Closing bank balance	1,456,155.34	1,368,171.79	1,303,171.79	1,160,188.25	1,105,188.25	1,095,995.53	1,090,995.53	1,081,802.82	1,076,802.82	1,067,610.11	**1,067,610.11**

Operating expenses include Sutton Boyce Gilkes in week 1 & 5 (CFO of the dealer), Penson Financial Services in week 1 & 5 (carrying dealer), KPMG audit fees in week 3 and normal operating expenses

Professional fees include invoices from CBB for December, Parker Simone (pricing memo) in week 1 and CBB for January in week 4

First Leaside Group of Companies
First Leaside Wealth Management Inc.
Cash Flow Analysis

Week Ended	1 Forecast 02/24/2012	2 Forecast 03/02/2012	3 Forecast 03/09/2012	4 Forecast 03/16/2012	5 Forecast 03/23/2012	6 Forecast 03/30/2012	7 Forecast 04/06/2012	8 Forecast 04/13/2012	9 Forecast 04/20/2012	10 Forecast 04/27/2012	**Total Forecast**
Opening bank balance	1,620,100.67	1,077,700.67	468,272.04	308,272.04	(26,156.59)	(36,156.59)	(211,528.97)	(251,528.97)	(426,901.36)	(436,901.36)	**1,620,100.67**
Receipts		-	-	-	-	-	-	-	-	-	-
Disbursements											
Operating	30,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	120,000.00
Professional Fees	510,000.00	540,000.00	150,000.00	265,000.00		115,000.00	30,000.00	115,000.00		190,000.00	1,915,000.00
Salaries		59,428.63		59,428.63		50,372.39	-	50,372.39		50,372.39	269,974.42
Intercompany transfers	2,400.00	-		-	-	-	-	-	-	-	2,400.00
Capital	-	-									-
Mortgage payment											-
Total Disbursements	542,400.00	609,428.63	160,000.00	334,428.63	10,000.00	175,372.39	40,000.00	175,372.39	10,000.00	250,372.39	2,307,374.42
Net cash flows	(542,400.00)	(609,428.63)	(160,000.00)	(334,428.63)	(10,000.00)	(175,372.39)	(40,000.00)	(175,372.39)	(10,000.00)	(250,372.39)	**(2,307,374.42)**
Closing bank balance	1,077,700.67	468,272.04	308,272.04	(26,156.59)	(36,156.59)	(211,528.97)	(251,528.97)	(426,901.36)	(436,901.36)	(687,273.75)	**(687,273.75)**

Notes:
The cash flow may be positively impacted from the closing of certain properties or sale transactions, but due to the imprecision of a closing date and the requirement for Court approval, these sales have not been reflected in this cash flow

The FLWM cash flow projection presently bears the burden of the majority of the professional fees projected to be incurred by the FL Group during the projection period. Such costs would be allocated to other entities in the FL Group in accordance with the draft Initial Order, should it be issued by the Court

Professional fees:	1	2	3	4	5	6	7	8	9	10	Total
December legal bills (CBB/Tory's)	260,000.00										260,000.00
Litigation trust fund	250,000.00										250,000.00
January legal bills (CBB)			150,000.00								150,000.00
Retainer to Tory's (IC counsel)		50,000.00									50,000.00
Retainer to CBB		150,000.00									150,000.00
Retainer to GT		50,000.00									50,000.00
Retainer to FMC (Investor's counsel)		25,000.00									25,000.00
Retainer to BCG (Monitor's counsel)		100,000.00									100,000.00
CCAA Legal Fees		75,000.00		225,000.00		75,000.00		75,000.00		150,000.00	600,000.00
Grant Thornton		60,000.00		40,000.00		40,000.00		40,000.00		40,000.00	220,000.00
Chief Restructuring Officer		30,000.00					30,000.00				60,000.00
	510,000.00	540,000.00	150,000.00	265,000.00	-	115,000.00	30,000.00	115,000.00	-	190,000.00	1,915,000.00

First Leaside Group of Companies
Primetime Living Limited Partnership
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	**129,245.79**
Receipts	-										-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany transfers											-
Capital		-		-		-	-	-	-	-	-
Mortgage payment	-										-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	129,245.79	**129,245.79**

First Leaside Group of Companies
First Leaside Expansion Limited Partnership ("FLEX")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	1,046,498.59	1,015,757.59	1,064,847.63	1,089,904.63	1,083,919.63	1,047,974.63	1,064,139.63	1,115,798.67	1,115,064.67	1,085,545.67	**1,046,498.59**
Receipts	28,914.00	66,387.00	29,510.00	1,900.00	-	32,795.00	68,454.00	7,081.00	-	-	235,041.00
Disbursements											
Operating	59,655.00	17,296.96	4,453.00	7,885.00	35,945.00	16,630.00	16,794.96	7,815.00	29,519.00	-	195,993.92
Professional Fees	-	-	-	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-	-	-	-
Intercompany Transfers	(2,400.00)	-	-	-	-	-	-	-	-	-	(2,400.00)
Capital	2,400.00	-	-	-	-	-	-	-	-	-	2,400.00
Mortgage payment	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	59,655.00	17,296.96	4,453.00	7,885.00	35,945.00	16,630.00	16,794.96	7,815.00	29,519.00	-	195,993.92
Net cash flows	(30,741.00)	49,090.04	25,057.00	(5,985.00)	(35,945.00)	16,165.00	51,659.04	(734.00)	(29,519.00)	-	**39,047.08**
Closing bank balance	1,015,757.59	1,064,847.63	1,089,904.63	1,083,919.63	1,047,974.63	1,064,139.63	1,115,798.67	1,115,064.67	1,085,545.67	1,085,545.67	**1,085,545.67**

Notes:
Receipts include rental revenue earned at Queenston Manor, 168 Brock Street, Bramtree
Operating expenses for Queenston, Bramtree, 168 Brock - significant amounts are utilities, repairs, property taxes
No mortgage payments are projected to be made (interest to be accrued)
The cash flow may be positively impacted from the closing of certain properties or sale transactions, but due to the imprecision of a closing date and the requirement for Court approval, these sales have not been reflected in this cash flow

First Leaside Group of Companies
Wimberly Apartments Limited Partnership ("WALP") (Canadian Entities only)
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	1,653,410.09	1,653,410.09	1,553,410.09	1,553,410.09	1,553,410.09	1,253,410.09	1,253,410.09	1,253,410.09	1,253,410.09	953,410.09	**1,653,410.09**
Receipts	-	-	-	-	-	-	-	-	-	-	-
Disbursements											
Operating	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-	-	-	-
Intercompany Transfers	-	-	-	-	-	-	-	-	-	-	-
Capital	-	100,000.00	-	-	300,000.00	-	-	-	300,000.00	-	700,000.00
Mortgage payment	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	-	100,000.00	-	-	300,000.00	-	-	-	300,000.00	-	700,000.00
Net cash flows	-	(100,000.00)	-	-	(300,000.00)	-	-	-	(300,000.00)	-	**(700,000.00)**
Closing bank balance	1,653,410.09	1,553,410.09	1,553,410.09	1,553,410.09	1,253,410.09	1,253,410.09	1,253,410.09	1,253,410.09	953,410.09	953,410.09	**953,410.09**

Notes:
Capital amounts represent transfers to WALP's US accounts for the purposes of capital expenditures/repairs.

First Leaside Group of Companies
First Leaside Investors LP ("Investors")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	5,148.37	(2,770.63)	422.37	8,139.37	8,618.37	7,412.37	4,889.37	15,851.37	17,345.37	14,124.37	**5,148.37**
Receipts	1,825.00	4,238.00	8,217.00	2,241.00	1,494.00	1,825.00	10,962.00	1,494.00	2,241.00	-	34,537.00
Disbursements											
Operating	9,744.00	1,045.00	500.00	1,762.00	2,700.00	4,348.00	-	-	5,462.00	-	25,561.00
Professional Fees	-	-	-	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-	-	-	-
Intercompany Transfers	-	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-	-
Mortgage payment	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	9,744.00	1,045.00	500.00	1,762.00	2,700.00	4,348.00	-	-	5,462.00	-	25,561.00
Net cash flows	(7,919.00)	3,193.00	7,717.00	479.00	(1,206.00)	(2,523.00)	10,962.00	1,494.00	(3,221.00)	-	**8,976.00**
Closing bank balance	(2,770.63)	422.37	8,139.37	8,618.37	7,412.37	4,889.37	15,851.37	17,345.37	14,124.37	14,124.37	**14,124.37**

Note:
Receipts include rental revenue earned at Mill Street & Harmony Townhomes
Operating expenses for Mill St. and Harmony - significant amounts are utilities, repairs, property taxes

First Leaside Group of Companies
First Leaside Progressive LP ("Progressive")
Cash Flow Analysis

Week Ended	1 Forecast 02/24/2012	2 Forecast 03/02/2012	3 Forecast 03/09/2012	4 Forecast 03/16/2012	5 Forecast 03/23/2012	6 Forecast 03/30/2012	7 Forecast 04/06/2012	8 Forecast 04/13/2012	9 Forecast 04/20/2012	10 Forecast 04/27/2012	**Total Forecast**
Opening bank balance	6,089.17	4,027.17	6,044.17	6,044.17	5,944.17	5,944.17	5,944.17	7,861.17	7,861.17	7,861.17	**6,089.17**
Receipts	-	2,017.00	-	-	-	-	2,017.00	-	-	-	4,034.00
Disbursements											
Operating	2,062.00	-	-	100.00	-	-	100.00	-	-	-	2,262.00
Professional Fees	-	-	-	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-	-	-	-
Intercompany Transfers	-	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-	-
Mortgage payment	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	2,062.00	-	-	100.00	-	-	100.00	-	-	-	2,262.00
Net cash flows	(2,062.00)	2,017.00	-	(100.00)	-	-	1,917.00	-	-	-	**1,772.00**
Closing bank balance	4,027.17	6,044.17	6,044.17	5,944.17	5,944.17	5,944.17	7,861.17	7,861.17	7,861.17	7,861.17	**7,861.17**

Notes:
The cash flow may be positively impacted from the closing of certain properties or sale transactions, but due to the imprecision of a closing date and the requirement for Court approval, these sales have not been reflected in this cash flow
Receipts include rental revenue earned at Cemetery Road, Uxbridge
Operating expenses for Cemetery Road - significant amounts are property taxes
No mortgage payments are projected to be made (interest being accrued)

First Leaside Group of Companies
First Leaside Universal LP ("Universal")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	263.83	263.83	263.83	263.83	263.83	263.83	263.83	263.83	263.83	263.83	**263.83**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfer											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	263.83	263.83	263.83	263.83	263.83	263.83	263.83	263.83	263.83	263.83	**263.83**

First Leaside Group of Companies
Cash Flow Analysis
First Leaside Venture Limited Partnership

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	**79,909.36**
Receipts						-					-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfer							-				-
Capital	-										-
Mortgage payment		-		-		-		-			-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	79,909.36	**79,909.36**

Notes:
No mortgage payments are projected to be made (principal & interest being accrued).

First Leaside Group of Companies
F.L. Spring Valley LP ("Spring Valley") (Canadian entity only)
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	**3,906.49**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfer											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	3,906.49	**3,906.49**

First Leaside Group of Companies
First Leaside Global LP ("Global")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	**252,045.15**
Receipts	-	-	-	-							-
Disbursements											
Operating				-							-
Professional Fees											-
Salaries											-
Intercompany Transfer											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	252,045.15	**252,045.15**

First Leaside Group of Companies
First Leaside Visions I Limited Partnership
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	**127,245.60**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfer											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	127,245.60	**127,245.60**

First Leaside Group of Companies
First Leaside Visions II Limited Partnership
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	**637,594.09**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfer											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	637,594.09	**637,594.09**

First Leaside Group of Companies
First Leaside Beverages LP
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	**1,574.89**
Receipts	-	-	-	-	-	-	-	-	-	-	-
Disbursements											
Operating	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-	-	-	-
Intercompany Transfer	-	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-	-
Mortgage payment	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	1,574.89	**1,574.89**

Note:
The cash flow may be positively impacted from the closing of certain properties or sale transactions, but due to the imprecision of a closing date and the requirement for Court approval, these sales have not been reflected in this cash flow

First Leaside Group of Companies
First Leaside Realty LP ("Realty")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	**125,533.01**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfers											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	125,533.01	**125,533.01**

First Leaside Group of Companies
First Leaside Acquisition LP ("Acquisition")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	**9,679.49**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfers											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	9,679.49	**9,679.49**

First Leaside Group of Companies
FLWM Holdings LP
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	**1,121.83**
Receipts				-							-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfers											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	1,121.83	**1,121.83**

Note:
The cash flow may be positively impacted from the closing of certain properties or sale transactions, but due to the imprecision of a closing date and the requirement for Court approval, these sales have not been reflected in this cash flow

First Leaside Group of Companies
First Leaside Select LP ("Select")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	40.98	40.98	40.98	40.98	40.98	40.98	40.98	40.98	40.98	40.98	**40.98**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfers											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	40.98	40.98	40.98	40.98	40.98	40.98	40.98	40.98	40.98	40.98	**40.98**

First Leaside Group of Companies
First Leaside Elite LP ("Elite")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	**1,008.45**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfers											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	**1,008.45**

First Leaside Group of Companies
First Leaside Premier LP ("Premier")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	550.51	550.51	550.51	550.51	550.51	550.51	550.51	550.51	550.51	550.51	**550.51**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfers											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	550.51	550.51	550.51	550.51	550.51	550.51	550.51	550.51	550.51	550.51	**550.51**

First Leaside Group of Companies
First Leaside Ultimate LP ("Ultimate")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	22.06	22.06	22.06	22.06	22.06	22.06	22.06	22.06	22.06	22.06	**22.06**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfers											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	22.06	22.06	22.06	22.06	22.06	22.06	22.06	22.06	22.06	22.06	**22.06**

First Leaside Group of Companies
First Leaside Mortgage Fund ("Mortgages")
Cash Flow Analysis

	1	2	3	4	5	6	7	8	9	10	
Week Ended	Forecast 02/24/2012	Forecast 03/02/2012	Forecast 03/09/2012	Forecast 03/16/2012	Forecast 03/23/2012	Forecast 03/30/2012	Forecast 04/06/2012	Forecast 04/13/2012	Forecast 04/20/2012	Forecast 04/27/2012	**Total Forecast**
Opening bank balance	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	**333,267.89**
Receipts											-
Disbursements											
Operating											-
Professional Fees											-
Salaries											-
Intercompany Transfers											-
Capital											-
Mortgage payment											-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash flows	-	-	-	-	-	-	-	-	-	-	-
Closing bank balance	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	333,267.89	**333,267.89**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.1985, c. C.36, as amended;

AND IN THE MATTER OF FIRST LEASIDE WEALTH MANAGEMENT INC. et al

Court File No: CV-12-9617-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

Proceeding commenced at Toronto

REPORT TO COURT OF GRANT THORNTON LIMITED, PROPOSED MONITOR OF THE APPLICANTS UNDER THE COMPANIES CREDITORS ARRANGEMENTS ACT