

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE

IN THE MATTER OF THE RECEIVERSHIP OF First Leaside Wealth Management Inc., First Leaside Finance Inc., First Leaside Securities Inc., FL Securities Inc., Mill Street Limited Partnership, Harmony Townhomes Limited Partnership, First Leaside Management Inc., Development Notes Limited Partnership, Special Notes Limited Partnership, First Leaside Accounting and Tax Services Inc., 2086056 Ontario Inc., First Leaside Properties Limited Partnership, First Leaside Realty Inc., First Leaside Realty Limited Partnership, First Leaside Realty II Inc., First Leaside Investors Limited Partnership, First Leaside Premier Limited Partnership, First Leaside Progressive Limited Partnership, First Leaside Realty II Limited Partnership, First Leaside Ultimate Limited Partnership, First Leaside Universal Limited Partnership, Uxbridge Development Limited Partnership, First Leaside Retirement Residences Limited Partnership, First Leaside Venture Limited Partnership, 965010 Ontario Inc., Wimberly Apartments Limited Partnership, 1045517 Ontario Inc., The Shores Limited Partnership, 1024919 Ontario Inc., Old Mill Pond Apartments Limited Partnership, 1031628 Ontario Inc., 1056971 Ontario Inc., The Bluffs of Lakewood Limited Partnership, 1376095 Ontario Inc., F.L. Spring Valley Limited Partnership, 1437290 Ontario Ltd., First Leaside Partners Limited Partnership, First Leaside Opportunities Limited Partnership, 1244428 Ontario Ltd., Preston Racquet Club Real Estate Limited Partnership Series 910PA, Preston Racquet Club Real Estate Limited Partnership Series 910PB, Preston Racquet Club Real Estate Limited Partnership Series 910PC, Preston Racquet Club Real Estate Limited Partnership Series 910PD, PrestonOne Development (Canada) Inc., PrestonTwo Development (Canada) Inc., PrestonThree Development (Canada) Inc., PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544 Ontario Inc., F.L.W. Pond Master Ltd., 2088545 Ontario Inc., F.L.W. Shores Master Ltd., 1331607 Ontario Inc., First Leaside Acquisitions Limited Partnership, Queenston Manor General Partner Inc., Queenston Manor Limited Partnership, 2107738 Ontario Inc., First Leaside Advantage Limited Partnership, 2128054 Ontario Inc., First Leaside Elite Limited Partnership, 1132413 Ontario Inc., First Leaside Entities Limited Partnership, 2067171 Ontario Inc., First Leaside Expansion Limited Partnership, 2085306 Ontario Inc., First Leaside Growth Limited Partnership, 2086218 Ontario Inc., First Leaside Unity Limited Partnership, First Leaside Visions Management Inc., 2007804 Ontario Inc., First Leaside Wealth Management Limited Partnership, First Leaside Fund Management Inc., F.L. Beverages Group Limited Partnership, First Leaside Global Limited Partnership, Special U.S. Notes Limited Partnership, FLWM Holdings Limited Partnership, First Leaside Select Limited Partnership, Cherry Park Retirement Residences Limited Partnership, First Leaside Retirement Residences (Okanagan) Limited Partnership, Orchard Valley Retirement Residences Limited Partnership, The Shores Retirement Residences Limited Partnership, F.L. PrimeTime Living Limited Partnership (hereinafter referred to as “First Leaside”)

A. CLAIMS PROCEDURE

By Order of the Superior Court of Justice of Ontario, Canada made December 7, 2012 (the “**Claims Procedure Order**”), Grant Thornton Limited, the Court-appointed receiver (the “**Receiver**”) of First Leaside, has been authorized to conduct a claims procedure (the “**Claims Procedure**”) for the determination of certain claims against First Leaside.

This letter provides instructions for understanding the Acknowledgement of Claim and completing a Request for Amendment or Proof of Claim, as applicable. Please note that capitalized terms which are not defined in this Instruction Letter shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure is intended for any person with any Claim against First Leaside (other than an Excluded Claim), whether unliquidated, contingent or otherwise, in each case where the Claim arose prior to February 23, 2012 for Claims of clients of First Leaside Securities Inc. derived from such clients’ investment in First Leaside proprietary securities, or December 7, 2012 for all other creditors’ claims. Please review the Claims Procedure Order on the Receiver’s website (www.grantthornton.ca/firstleaside) for the complete definitions of “Claim” and “Excluded Claim.”

If you have any questions regarding the Claims Procedure, please consult the Receiver’s Website or contact the Receiver at the address provided below.

All notice and enquiries with respect to the Claims Procedure should be addressed to

Grant Thornton Limited
In its capacity as Receiver of First Leaside
19th Floor, Royal Bank Plaza South Tower
200 Bay Street, Box 55
Toronto, Ontario
Canada M5J 2P9

Attention: Valerie Naccarato
Telephone: (855) 883-2474
E-mail: firstleaside@ca.gt.com
Fax : (416) 360-4948

B. ACKNOWLEDGEMENT OF CLAIMS

With respect to those Investors who made investments in First Leaside proprietary products through First Leaside Securities Inc., the Receiver may have obtained information from First Leaside's books and records with respect to such Claims. In those cases, the Receiver may send to an Investor an Acknowledgement of Claim, wherein the Receiver acknowledges the amount of such Creditor's Claim and sets out the other information related to that Claim. **If the Investor agrees with the information described in such Acknowledgement of Claim, the Investor does not have to take any further steps.** However, if the Investor disagrees with any information as described in the Acknowledgement of Claim, then the Investor must file a Request for Amendment, which must be received by 5:00 p.m. (Toronto time) on February 28, 2013, the Claims Bar Date. **Pursuant to the Claims Procedure Order, failure to submit a Request for Amendment by the Claims Bar Date will result in such Claim being a Proven Claim in the amount determined by the Receiver on the Acknowledgement of Claim, although having a Proven Claim does not necessarily guarantee a distribution from the Receiver.** If you believe you are an Investor but have not received an Acknowledgement of Claim, you must complete and submit a Proof of Claim.

C. FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against any of the First Leaside entities listed above and have not received an Acknowledgement of Claim, you will have to file a Proof of Claim with the Receiver. If you have received an Acknowledgement of Claim, and believe that you have a Claim in addition to the Claim set out in the Acknowledgement of Claim (for example, a Claim for damages), then you must also file a Proof of Claim for that additional Claim. **Your Proof(s) of Claim must be received by 5:00 p.m. (Toronto time) on February 28, 2013, the Claims Bar Date. Pursuant to the Claims Procedure Order, failure to submit a Proof of Claim by the Claims Bar Date will result in such Claim being barred and extinguished, released and discharged forever.**

Additional Proof of Claim forms and other information, including the Claims Procedure Order, can be obtained from the Receiver's Website at www.grantthornton.ca/firstleaside, or by contacting the Receiver at the telephone and fax numbers indicated above and providing particulars as to your name, address and contact information.

It is your responsibility to ensure that the Receiver receives your Request for Amendment or your Proof of Claim, as the case may be, by the Claims Bar Date.

**PROOF OF CLAIM AGAINST FIRST LEASIDE WEALTH MANAGEMENT INC. AND ITS AFFILIATES IN
RECEIVERSHIP PURSUANT TO THE CLAIMS PROCEDURE ORDER DATED DECEMBER 7, 2012**

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____
2. Full Mailing Address of the Creditor (the original Creditor and not the Assignee):

3. Telephone number: _____
4. E-mail address: _____
5. Facsimile number: _____
6. Attention (Contact Person): _____
7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?
Yes: ☐ No: ☐

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

8. Full Legal Name of Assignee(s): _____
(If Claim has been assigned, insert full legal name of assignee(s) of Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the require information)
9. Full Mailing Address of Assignee(s):

10. Telephone number of Assignee(s) _____
11. E-mail address: _____
12. Facsimile number: _____
13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
[name of Creditor or Representative of the Creditor], of
_____ do hereby certify:
(city and province)

(a) that I [check (✓) one]

☐ am the Creditor of the Applicants; OR

☐ am _____ (state position or title) of

(name of creditor)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) The Applicants were and still are indebted to the Creditor as follows:

CLAIM ARISING ON OR PRIOR TO DECEMBER 7, 2012:

(i) TOTAL CLAIM: \$ _____ CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at December 7, 2012. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$●/US\$1.00.)

D. NATURE OF CLAIM:

(check (✓) one and complete appropriate category)

☐ A. UNSECURED CLAIM OF \$ _____

That in respect of this debt, I do not hold any security and

(Check (✓) appropriate description)

☐ Regarding the amount of \$ _____, I do not claim a right to a priority.

☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Bankruptcy and Insolvency Act (Canada) (the "BIA") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

(Set out on an attached sheet details to support priority claim.)

☐ B. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold security valued at \$ _____, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Applicants to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Receiver by no later than 5:00 p.m. (Toronto time) on February 28, 2013 ("Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

Grant Thornton Limited
In its capacity as Receiver of First Leaside
19th Floor, Royal Bank Plaza South Tower
200 Bay Street, Box 55
Toronto, Ontario
Canada M5J 2P9

Attention: Valerie Naccarato
Telephone: (855) 883-2474
E-mail: firstleaside@ca.gt.com
Fax : (416) 360-4948

F. FILING OF CLAIM:

Failure to file your proof of claim as directed by the Claims Bar Date will result in your Claim being barred and in you being prevented from making or enforcing a Claim against the Applicants. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a Creditor in these proceedings.

G. ACKNOWLEDGED CLAIM:

If your Claim has already been acknowledged by an Acknowledgement of Claim delivered to you by the Receiver, you do not need to file a Proof of Claim. If you disagree with any information in that Acknowledgement of Claim, then you should file a Request for Amendment.

H. EXCLUDED CLAIMS

Claims secured by any of the "Charges" as defined in the Initial Order made in the Applicants' proceedings under the *Companies' Creditors Arrangement Act* on February 23, 2012, as amended, are Excluded Claims and no person needs to file any claim in respect thereof at this time.

Dated at _____ this _____ day of _____, 2013.

Signature of Creditor