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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR. JUSTICE COLIN L. CAMPBELL	)))	THURSDAY, THE 28th DAY OF JUNE, 2012

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.

ORDER
(Second Extension of Stay Period)

THIS MOTION, made by the Applicants for an order, among other things, extending the Stay Period to October 26, 2012, was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the notice of motion dated June 19, 2012, the affidavit of Gregory MacLeod sworn June 19, 2012 ("**MacLeod Affidavit**"), and the third report to the court of Grant Thornton Limited dated June 22, 2012 (the "**Third Report**"), in its capacity as court appointed monitor ("**Monitor**") of the Applicants and the limited partnerships listed on Schedule "A" hereto (the "**Included LPs**") (collectively, "**First Leaside**"), and upon hearing the submissions of counsel for First Leaside, the Monitor, Fraser Milner Casgrain LLP, in its capacity as Court-appointed representative counsel for the clients of Applicant First Leaside Securities Inc. ("**Representative Counsel**"), and counsel for Wimberly Fund, and The First Leaside Fund, no one else appearing, although served as indicated by the Affidavits of Service of Patricia Hoogenband sworn June 22, 2012 and John N. Birch sworn June 27, 2012.

SERVICE

1. **THIS COURT ORDERS** that the time for the service of the notice of motion and motion record herein be validated and abridged, any further service of this motion record is dispensed with, and this motion is validly returnable today.

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that the "Stay Period" as defined at paragraph 19 of the order of the Honourable Mr. Justice David M. Brown dated February 23, 2012 (the "**Initial Order**") be and is hereby extended to October 26, 2012.

THIRD-RANKING INTER-COMPANY CHARGE

3. **THIS COURT ORDERS** that the Initial Order is hereby amended, *nunc pro tunc*, to add a new paragraph 49A that states as follows:

> 49A. **THIS COURT ORDERS** that to the extent that (i) an Applicant or Included LP (a "**Borrower**") receives an inter-company loan or other transfer (a "**Transfer**") from another Applicant or Included LP (a "**Lender**") on or after February 23, 2012, or (ii) on a final allocation by the Court of administration costs, certain of the administration costs of an Applicant or Included LP (also a "Borrower" for the purposes of this paragraph) secured by the Administration Charge have been paid by another Applicant or Included LP (also a "Lender" for the purposes of this paragraph) (a "**Reallocated Cost**"), then, subject to the limitations set forth in this paragraph:
>
> (a) the Lender shall have a proven and valid claim against such Borrower for the amount of such Transfer or Reallocated Cost (each, an "**Inter-Company Claim**"); and
>
> (b) the Lender shall be entitled to the benefit of and is hereby granted a charge (collectively, the "**Inter-Company Charge**") on the Property, which charge shall not exceed the aggregate amount of such Lender's Inter-Company Claim, as security for the Inter-Company Claim.
>
> The Inter-Company Charge shall have the priority set out in paragraphs 50 and 52 hereof.

4. **THIS COURT ORDERS** that the Initial Order is hereby amended, *nunc pro tunc*, to add a new paragraph 49B that states as follows:

> 49B. **THIS COURT ORDERS** that pending further order of this Court, a Lender shall not exercise any right or remedy relating to any Inter-Company Claim held by such Lender.

5. **THIS COURT ORDERS** that paragraph 50 of the Initial Order is hereby replaced, *nunc pro tunc*, with the following:

> 50. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the Inter-Company Charge, as between them, shall be as follows:
>
> > Fist – Administration Charge (to the maximum amount of $1,000,000);
> >
> > Second – Directors' Charge (to the maximum amount of $250,000); and
> >
> > Third – Inter-Company Charge (to the maximum amount of aggregate Inter-Company Claims).

6. **THIS COURT ORDERS** that the first clause in paragraph 51 of the Initial Order is hereby replaced, *nunc pro tunc*, with the following:

> 51. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, Administration Charge or Inter-Company Charge (collectively, the "**Charges**") shall not be required...

7. **THIS COURT ORDERS** that the first clause in paragraph 52 of the Initial Order is hereby replaced, *nunc pro tunc*, with the following:

> 52. **THIS COURT ORDERS** the each of the Directors' Charge, Administration Charge and Inter-Company Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests...

8. **THIS COURT ORDERS** that paragraph 53 of the Initial Order is hereby replaced, *nunc pro tunc*, with the following:

> 53. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, First Leaside shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, Administration Charge or the Inter-Company Charge, unless First Leaside also obtains the prior written consent of the Monitor and the beneficiaries of the

> Directors' Charge, Administration Charge and Inter-Company Charge and further Order of this Court.

9. **THIS COURT ORDERS** that the first clause in paragraph 54 of the Initial Order is hereby replaced, *nunc pro tunc*, with the following:

> 54. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge and the Inter-Company Charge shall not be rendered invalid or unenforceable...

AMENDMENT OF SCHEDULE 'A'

10. **THIS COURT ORDERS** that Schedule "A" to the Initial Order is hereby amended, *nunc pro tunc,* by deleting it in its entirety and replacing it with the entities listed in Column B of Schedule "A" to this Order.

APPROVAL OF THE COMMUNICATIONS PROTOCOL

11. **THIS COURT ORDERS** that the "Communications Protocol (Re Potential Asset Transactions)" dated as of May 24, 2012, and made between G.S. MacLeod & Associates Inc., in its capacity as the Chief Restructuring Officer ("**CRO**") of First Leaside, the Monitor, Representative Counsel, and certain other investors who are clients of First Leaside Securities Inc. and have agreed to form a Transaction Subcommittee (as defined in the MacLeod Affidavit), is hereby approved *nunc pro tunc.*

APPROVAL OF THE RETENTION OF GTCFI

12. **THIS COURT ORDERS** that the agreement between First Leaside Retirement Residences Limited Partnership ("**FLRR**"), First Leaside Realty II Inc., First Leaside Wealth Management Inc., First Leaside Universal Limited Partnership, First

Leaside Progressive Limited Partnership, F.L. PrimeTime Living Limited Partnership and FLWM Holdings Limited Partnership on the one hand, and Grant Thornton Corporate Finance Inc. ("**GTCFI**") on the other hand, pursuant to which GTCFI will act as exclusive financial advisor in connection with the proposed sale, merger, consolidation or other business combination of FLRR's interest in PrimeTime Living LP Limited Partnership and the real property assets owned by Cherry Park Retirement Residence LP, Orchard Valley Retirement Residence LP, The Shore Retirement Residence LP and First Leaside Venture LP is hereby approved *nunc pro tunc*.

AMENDMENT OF REPRESENTATIVE COUNSEL PROVISIONS

13. **THIS COURT ORDERS** that paragraph 42 of the Initial Order is hereby replaced with the following:

> 42. **THIS COURT ORDERS** that Fraser Milner Casgrain LLP ("**Representative Counsel**") is appointed as representative counsel in these proceedings to represent the interests of clients of FLSI (the "**Clients**"), and to assist the Clients with the filing of claims with the Canadian Investor Protection Fund ("**CIPF**"), and the coordination of the CIPF claims process with any future claims process that may be conducted in the within proceedings. This representation will continue unless and until written notice is provided by a particular Client to Representative Counsel that such Client does not wish to be represented by Representative Counsel.

14. **THIS COURT ORDERS** that paragraph 44 of the Initial Order is hereby replaced with the following:

> 44. **THIS COURT ORDERS** that Representative Counsel shall be paid its reasonable fees and disbursements by First Leaside. Representative Counsel shall be paid by First Leaside in a timely manner for fulfilling its mandate in accordance with this Order, upon the provision of invoices to

> First Leaside, subject to such redactions to the invoices as are necessary to maintain solicitor-client privilege between Representative Counsel and the Clients.

15. **THIS COURT ORDERS** that the Initial Order is amended to add a new paragraph 44A that states as follows:

> 44A. **THIS COURT ORDERS** that Representative Counsel shall pass its accounts from time to time, and for this purpose the accounts of the Representative Counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

APPROVAL OF VISIONS II OWNERSHIP INTEREST

16. **THIS COURT ORDERS** that the proposed restructuring of the interest of First Leaside Visions II ("**Visions II**") in eSight Corp. as described in paragraph 93 of the MacLeod Affidavit (the "**Visions II Restructuring**") is hereby approved and the CRO is hereby authorized and directed to take such steps and execute such documents in the name of Visions II as are necessary to carry out the Visions II Restructuring.

APPROVAL OF CRO ACTIVITIES

17. **THIS COURT ORDERS** that the conduct and activities of the CRO, as described in the MacLeod Affidavit, be and are hereby approved.

APPROVAL OF MONITOR'S ACTIVITIES

18. **THIS COURT ORDERS** that the conduct and activities of the Monitor, as described in the Third Report, be and are hereby approved.

19. **THIS COURT ORDERS** that, despite the provisions of paragraphs 3 through 9 herein, the Inter-Company Charge shall not apply to F.L. Master Texas, Ltd.,

F.L.W. Pond Master, Ltd., or F.L.W. Shores Master, Ltd. (collectively, the "**Excluded LPs**") provided, however, that First Leaside may later seek to extend the Inter-Company Charge to the Excluded LPs by motion brought on notice to Wimberly Fund and The First Leaside Fund.

20. **THIS COURT ORDERS** that the extension of the Stay Period in paragraph 2 herein is without prejudice to the right of Wimberly Fund and The First Leaside Fund to bring a motion to lift the stay in respect of the Excluded LPs.

C.L.Campbell J.

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SCHEDULE “A”: CORRECTION OF NAMES OF INCLUDED LPs

Column A: NAME ON INITIAL COURT ORDER	Column B:REVISED LEGAL NAME
B&W LP	B&W Limited Partnership
Development Notes Limited Partnerships	Development Notes Limited Partnership
Dossierview LP	Dossierview Limited Partnership
eSight LP	eSight Limited Partnership
F.L. Beverages Group Limited Partnership	F.L. Beverages Group Limited Partnership*
First Leaside Acquisitions 2000 LP	First Leaside Acquisitions 2000 Limited Partnership
First Leaside Acquisitions LP	First Leaside Acquisitions Limited Partnership
First Leaside Advantage LP	First Leaside Advantage Limited Partnership
First Leaside Developments LP	First Leaside Developments Limited Partnership
First Leaside Elite LP	First Leaside Elite Limited Partnership
First Leaside Enterprises LP	First Leaside Enterprises Limited Partnership
First Leaside Entities LP	First Leaside Entities Limited Partnership
First Leaside Expansion LP	First Leaside Expansion Limited Partnership
• First Leaside Global Limited Partnership • First Leaside Global LP	First Leaside Global Limited Partnership
First Leaside Growth LP	First Leaside Growth Limited Partnership
First Leaside Income LP	First Leaside Income Limited Partnership
First Leaside Investors LP	First Leaside Investors Limited Partnership
First Leaside Operations LP	First Leaside Operations Limited Partnership
First Leaside Opportunities LP	First Leaside Opportunities Limited Partnership
First Leaside Optimal LP	First Leaside Optimal Limited Partnership
First Leaside Partners LP	First Leaside Partners Limited Partnership
First Leaside Preferred LP	First Leaside Preferred Limited Partnership
First Leaside Premier LP	First Leaside Premier Limited Partnership
First Leaside Progressive LP	First Leaside Progressive Limited Partnership
First Leaside Properties LP	First Leaside Properties Limited Partnership
First Leaside Quality LP	First Leaside Quality Limited Partnership
First Leaside Real Estate LP	First Leaside Real Estate Limited Partnership
First Leaside Realty II LP	First Leaside Realty II Limited Partnership
First Leaside Realty LP	First Leaside Realty Limited Partnership
• First Leaside Retirement Residences Limited Partnership • First Leaside Retirement Residences LP • F.L. Retirement Residences Limited Partnership	First Leaside Retirement Residences Limited Partnership
First Leaside Select LP	First Leaside Select Limited Partnership
First Leaside Spring Valley LP	F.L. Spring Valley Limited Partnership
First Leaside Superior LP	First Leaside Superior Limited Partnership
First Leaside Technologies LP	First Leaside Technologies Limited Partnership

First Leaside Ultimate LP	First Leaside Ultimate Limited Partnership
First Leaside Unity LP	First Leaside Unity Limited Partnership
First Leaside Universal LP	First Leaside Universal Limited Partnership
• First Leaside Venture Limited Partnership • First Leaside Ventures Limited Partnership	First Leaside Venture Limited Partnership
First Leaside Visions I LP	First Leaside Visions I Limited Partnership
First Leaside Visions II LP	First Leaside Visions II Limited Partnership
First Leaside Visions III LP	First Leaside Visions III Limited Partnership
First Leaside Visions IV LP	First Leaside Visions IV Limited Partnership
First Leaside Wealth Management LP	First Leaside Wealth Management Limited Partnership
FL Master Texas Ltd.	F.L. Master Texas, Ltd.
FLW Pond Master Ltd.	F.L.W. Pond Master, Ltd.
FLW Shores Master Ltd.	F.L.W. Shores Master, Ltd.
FLWM Holdings Limited Partnership	FLWM Holdings Limited Partnership*
Greencore LP	Greencore Limited Partnership
Marksman Celiject LP	Marksman Celiject Limited Partnership
Metabacus LP	Metabacus Limited Partnership
Mill Street Limited Partnership	Mill Street Limited Partnership*
Old Mill Pond LP	Old Mill Pond Apartments Limited Partnership
OMISA LP	OMISA Limited Partnership
Place Concorde East LP	Place Concorde East Limited Partnership
Place Concorde West LP	Place Concorde West Limited Partnership
Preston Racquet Club Real Estate Limited Partnership Series 910 PA	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 PB
Preston Racquet Club Real Estate Limited Partnership Series 910 PC	Preston Racquet Club Real Estate Limited Partnership Series 910 PC
Preston Racquet Club Real Estate Limited Partnership Series 910 PD	Preston Racquet Club Real Estate Limited Partnership Series 910 PD
Queenston Manor LP	Queenston Manor Limited Partnership
Special Notes LP	Special Notes Limited Partnership
Special U.S. Notes Limited Partnership	Special U.S. Notes Limited Partnership
The Bluffs of Lakewood LP	The Bluffs of Lakewood Limited Partnership
The Shores LP	The Shores Limited Partnership
Tyromer LP	Tyromer Limited Partnership
Uxbridge Development LP	Uxbridge Development Limited Partnership
Wimberly Apartments LP	Wimberly Apartments Limited Partnership

Note: * indicates that the correct legal name was previously provided and the entity name has not changed from Column A to Column B

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. et al

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SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

ORDER
(Second Extension of Stay Period)

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