

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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, 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 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 (collectively, “Applicants”)

NOTICE OF MOTION

The Applicants will bring a Motion before a Judge presiding over the Commercial List on Friday, December 7, 2012 at 10:00 a.m., or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The Motion is to be heard

☐ in writing under subrule 37.12.1(1);

☐ in writing as an opposed motion under subrule 37.12.1(4);

☒ orally.

THE MOTION IS FOR

(a) an Order, amending the title of proceedings of this Application issued on December 3, 2012 ("**Receivership Proceeding**") to add the following limited partnerships as Applicants in the Receivership Proceeding and to permit such limited partnerships to benefit from the orders made in this Proceeding including without limitation, the Receivership Order and Claims Procedure Order:

- i. First Leaside Retirement Residences Limited Partnership ("**Retirement Residences LP**");
- ii. F.L. PrimeTime Living Limited Partnership ("**PrimeTime Living LP**"); and

iii. Harmony Townhomes Limited Partnership ("**Harmony LP**").

(b) such further and other relief as this Court may deem just.

THE GROUNDS FOR THE MOTION ARE AS FOLLOWS:

- (a) On December 3, 2012, First Leaside Wealth Management Inc. and certain other related corporations and limited partnerships (collectively, "**Applicants**") issued and served a Notice of Application for, among other things, an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing Grant Thornton Limited as receiver ("**Receiver**"), without security, over all of the property, assets and undertakings of the Applicants, and authorizing the Receiver to conduct a claims bar process ("**Application**");
- (b) At the time the Application was issued, Retirement Residences LP, Prime Time Living LP and Harmony LP were inadvertently omitted from the title of proceedings;
- (c) Retirement Residences LP is a limited partnership that was subject to the Order of this Court dated February 23, 2012 granting the Applicants and certain other corporations and limited partnerships (collectively, "**First Leaside**") protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**");
- (d) PrimeTime Living LP owned First Leaside's (through Retirement Residences LP) 50.1% interest in PrimeTime Living Limited Partnership

whose shares were sold to BayBridge Seniors Housing Trust by Order of this Court dated October 22, 2012, as amended on November 28, 2012;

- (e) F.L. Securities Inc. ("**FLSI**") which is subject to the CCAA proceedings is the general partner of Harmony LP. Harmony LP owned a 50-unit townhome complex in Tilbury, Ontario ("**Harmony Property**"), which in turn was owned by First Leaside Investors Limited Partnership ("**Investors LP**"). Investors LP was also subject to the CCAA proceedings. On August 23, 2012, the Court approved the sale of the Harmony Property for the purchase price of \$2,600,000 pursuant to a sale agreement between Harmony LP, by its general partner FLSI and Skyline Real Estate Acquisitions. The sale of the Harmony Property was completed on September 20, 2012;
- (f) Concurrent with this motion and the Application, First Leaside has brought a motion to, among other things, terminate and discharge the CCAA proceedings forthwith and provide for the transition of the CCAA proceedings to the Receivership Proceedings;
- (g) Retirement Residences LP, PrimeTime Living LP and Harmony LP were inadvertently omitted from the Receivership Proceeding and it is just and equitable that they now be included as Applicants. The addition of these entities will facilitate the completion of the proposed claims process by ensuring that all relevant First Leaside limited partnerships are included in the proposed accounting of claims and distribution of proceeds.

- (h) Rules 1.04, 2.01, 2.03, 3.02, 5.03, 5.04, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, reg. 194 as amended;
- (i) sections 11, 97, and 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended;
- (j) such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

- (a) Notice of Application issued December 3, 2012 and Schedule "A" thereto; and
- (b) Such further and other evidence as the lawyers may advise and this Court may permit.

December 5, 2012

CASSELS BROCK & BLACKWELL LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

John N. Birch LSUC #: 38968U
Tel: 416.860.5225
Fax: 416.640.3057
jbirch@casselsbrock.com

David S. Ward LSUC #: 33541W
Tel: 416.869.5960
Fax: 416.640.3154
dward@casselsbrock.com

Lawyers for the Applicants

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IN THE MATTER OF

PROCEEDING COMMENCED AT
TORONTO

**NOTICE OF MOTION
(RETURNABLE DECEMBER 7, 2012)**

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

John N. Birch LSUC #: 38968U
Tel: 416.860.5225
Fax: 416.640.3057
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