



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

THE HONOURABLE MR.

)

MONDAY, THE 22nd

JUSTICE PATTILLO

)

DAY OF OCTOBER, 2012

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**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., 1031628
Ontario Inc., 1045516 Ontario Inc., 2004516 Ontario Inc., 2192341 Ontario
Inc., and First Leaside Fund Management Inc.**

ORDER

(Stay Extension)

THIS MOTION, made by the Applicants and Included LPs (as defined in the Initial Order (defined below)) (collectively, "**First Leaside**") for an order extending the stay provided for in the Initial Order, approving the distribution of proceeds of sale in connection with certain properties in Canada owned by First Leaside, and other relief as

described in the Notice of Motion was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Gregory MacLeod Affidavit sworn October 15, 2012 (the "**MacLeod Affidavit**"), the Fifth Report of Grant Thornton Limited, in its capacity as court appointed monitor (the "**Monitor**") dated October 17, 2012 (the "**Report**") and on hearing the submissions of counsel for the Applicants, the Monitor, Toronto-Dominion Bank, ~~First Leaside Mortgage Fund~~, ~~Brujon Real Estate Holdings Inc.~~, ^{IIROC, the Ontario Securities Commission} Fraser Milner Casgrain LLP in its capacity as Court appointed Representative Counsel, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service of Kelly Gerra sworn October 16, 2012, and Patricia Hoogenband sworn October 19, 2012, filed:

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that the motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the "Stay Period" as defined in paragraph 19 of the Initial Order of the Honourable Mr. Justice Brown dated February 23, 2012 (the "**Initial Order**") be and is hereby extended to December 11, 2012.
3. **THIS COURT ORDERS** that, effective at 12:01 a.m. on the date of closing of the Transaction (as defined in the MacLeod Affidavit), paragraph 3 of the Initial Order be and the same is hereby amended to delete the following limited partnerships from the "Excluded LPs" as defined in the Initial Order and to add such limited partnerships to Schedule "A" to the Initial Order as entities entitled to the benefit of the Initial Order (the "**Added LPs**"):
 - i. First Leaside Retirement Residences (Okanagan) Limited Partnership;
 - ii. Cherry Park Retirement Residence Limited Partnership;
 - iii. Orchard Valley Retirement Residence Limited Partnership; and

iv. The Shores Retirement Residence Limited Partnership.

4. **THIS COURT ORDERS** the Monitor shall not be required to provide notice pursuant to section 23 of the *Companies' Creditors Arrangement Act* to creditors of the Added LPs.

5. **THIS COURT ORDERS** that First Leaside is hereby authorized to withhold from any distribution of money or property which would otherwise be made to a First Leaside investor who is indebted to First Leaside (a "**Debtor Investor**"), such money or property (collectively, the "**Reserved Property**") with a value up to the total amount of any debt then owing to First Leaside by such Debtor Investor, pending the determination of set-off rights of First Leaside, if any, with respect to the Reserved Property, and subject to further Order of the Court.

6. **THIS COURT ORDERS AND DIRECTS** that, subject to the power to withhold Reserved Property as provided for in paragraph 4 herein, 2085306 Ontario Inc. in its capacity as general partner of First Leaside Growth Limited Partnership shall pay the sum of \$3,597,672.50 plus per diem interest of \$632.50 after September 24, 2012 less proper fees (collectively, the "**Mortgage Amount**") to Peoples Trust Company ("**Peoples**") or First Leaside Nominee Services Inc. ("**FL Nominee**"), from the proceeds of the sale of the property known municipally as 36 Bramtree Court, Brampton, Ontario (the "**Bramtree Property**"), which Mortgage Amount shall then be distributed by Peoples and/or FL Nominee to First Leaside investors who advanced the funds which were secured by the charge and assignment of rents over the Bramtree Property which were registered, respectively, as Instrument Numbers PR1959450 and PR1959451 (collectively, the "**Bramtree Mortgage**"). Upon completion of the payment of the Mortgage Amount, 2085306 Ontario Inc. and First Leaside Growth Limited Partnership shall have no further liability in respect of the Bramtree Mortgage.

7. **THIS COURT ORDERS AND DIRECTS** that, subject to the power to withhold Reserved Property as provided for paragraph 4 herein, First Leaside Wealth Management Inc. shall cause FL Nominee to distribute to investors in a syndicated mortgage in respect of the property known municipally as 90 King St. East, Thornbury,

Ontario (Parcel Identification Numbers 37140-0546 (LT) and 37140-0545(LT)) (the "**Thornbury Mortgage**") the current and future net proceeds on account of principal and interest received and held by FL Nominee in respect of the Thornbury Mortgage.



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FIRST LEASIDE WEALTH MANAGEMENT INC. ET AL.

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

ORDER
(Stay Extension)

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