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.

Applicants

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

JUNE 22, 2012

Grant Thornton

Grant Thornton Limited,
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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THIRD REPORT TO COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

JUNE 22, 2012

INTRODUCTION

1. On February 23, 2012, the Applicants made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that date, the Court issued an order (as amended by the Court on March 8, 2012) (the "**Initial Order**"), *inter alia*, granting the Applicants and the entities listed on Schedule A hereto (collectively, the "**Companies**" or "**First Leaside**") the protection of a stay of proceedings, appointing Grant

Thornton Limited ("**GTL**") as the Companies' monitor under the CCAA (the "**Monitor**"), confirming the appointment of G.S. MacLeod & Associates Inc. as the Companies' Chief Restructuring Officer (the "**CRO**") and appointing Fraser Milner Casgrain LLP as representative counsel ("**Representative Counsel**") to the Companies' investors, being clients of First Leaside Securities Inc. (the "**Investors**").

2. On March 23, 2012, the Court issued an order extending the stay of proceedings to June 29, 2012 (the "**March 23 Order**"). On April 30, 2012, the Court issued an order (the "**April 30 Order**"), *inter alia,* approving the prior reports of GTL in its capacity as proposed monitor and the Monitor and approving certain sale transactions.

3. Copies of the March 23 and April 30 Orders are attached to the affidavit of the CRO sworn June 19, 2012, which has been filed with the Court (the "**June 19 CRO Affidavit**").

PURPOSE OF THIRD REPORT

4. The purpose of this third report of the Monitor (the "**Third Report**") is to:

   a) provide the Court with the details of the Monitor's activities since April 25, 2012;

   b) provide the Court with information related to the bank account balances and banking activity of First Leaside Expansion Limited Partnership ("**FLEX**");

c) advise the Court with respect to the Companies' actual cash flow results and their cash flow projections;

d) advise the Court of the Monitor's activities regarding certain transactions that appear to be preferences and/or transactions at under value;

e) provide the Court with an update regarding the Companies' interest in entities and properties domiciled in Texas;

f) provide the Monitor's observations, views and recommendations regarding the Applicants' request for an Order:

   i. extending the Stay Period as defined in the Initial Order to October 26, 2012;

   ii. amending the Initial Order, *nunc pro tunc*, to provide for a third-ranking inter-company charge (the "**Inter-Company Charge**"), ranking subordinate to the Administration Charge and the Directors' Charge (each as defined in the Initial Order);

   iii. amending Schedule "A" to the Initial Order to correct certain limited partnership names that were incorrectly identified;

   iv. approving, *nunc pro tunc*, the "Communications Protocol (Re Potential Asset Transactions)" dated May 24, 2012 (the "**Communications Protocol**"), made between the

CRO, the Monitor, Representative Counsel and certain Investors who have agreed to form a transaction subcommittee (the "**Transaction Subcommittee**");

v. approving, *nunc pro tunc*, the agreement between the CRO and Grant Thornton Corporate Finance Inc. ("**GTCFI**"), pursuant to which GTCFI will act as exclusive financial advisor (the "**GTCFI Engagement**") in connection with the proposed sale, merger, consolidation or other business combination of the 50.1% equity interest of First Leaside Retirement Residences Limited Partnership ("**FLRR**") in PrimeTime Living Limited Partnership and the real property assets owned by Cherry Park Retirement Residence LP, Orchard Valley Retirement Residence LP, The Shores Retirement Residence LP and First Leaside Venture Limited Partnership (collectively, the "**Venture Okanagan Properties**");

vi. authorizing the expansion of the role of Representative Counsel to include assisting Investors with the filing of claims with the Canadian Investor Protection Fund ("**CIPF**"), and the coordination of the CIPF claims process with any claims process in the CCAA Proceedings;

vii. amending paragraph 44 of the Initial Order to remove the fixed cap on the Representative Counsel Allowance (as is defined in the Initial Order);

viii. amending the Initial Order to require Representative Counsel to pass its accounts, from time to time;

ix. approving the restructuring of the ownership interest of First Leaside Visions II Limited Partnership ("**Visions II**") in its portfolio technology company, eSight Corp. ("**eSight**");

x. approving the conduct and activities of the CRO, as set out in the June 19 CRO Affidavit; and

xi. approving the conduct and activities of the Monitor as described in this Third Report.

SCOPE AND TERMS OF REFERENCE

5. In preparing this Third Report, the Monitor has relied upon unaudited financial information, the Companies' records, financial information and projections and discussions with the CRO, the Companies' management and certain of its employees. While the Monitor reviewed various documents provided by the Companies 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

Monitor expresses no opinion or other form of assurance in respect of such information.

6. Some of the information used in preparing this Third Report relies on financial projections. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Companies' actual results may vary from such projections. The Monitor's review of the future oriented information used to prepare this Third Report did not constitute a review or examination of such information under Canadian Generally Accepted Auditing Standards or International Financial Reporting Standards.

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

8. This Third Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to First Leaside. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose. The 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 Third Report contrary to the provisions of this section.

9. All references to dollars are in Canadian currency unless otherwise noted. Balances denominated in U.S. currency have been converted to Canadian currency at par.

10. Capitalized terms not defined in this Third Report have the meanings ascribed to them in the June 19 CRO Affidavit.

ACTIVITIES OF THE MONITOR

11. The Monitor's activities to April 25, 2012 were described in the Monitor's first report to Court dated March 21, 2012 (the "**First Report**") and the Monitor's second report to Court dated April 25, 2012 and were approved pursuant to the April 30 Order. Since April 25, 2012, the Monitor's activities have included, among other things:

    i) meeting and corresponding regularly with the management of First Leaside, the CRO and the Companies' counsel regarding, among other things, the Companies' activities, correspondence with stakeholders, the Companies' financial position, the proposed sales process for the Companies' assets and the Companies' cash flow projections;

    ii) meeting and corresponding regularly with the Monitor's independent counsel;

iii) meeting and corresponding with Representative Counsel on a periodic basis to discuss among other things, communications to the Investors and developments in the CCAA Proceedings;

iv) attending at meetings of Investors on May 1 and 2, 2012 (the "**Investor Meetings**");

v) attending at several meetings and conference calls with Representative Counsel, the investor steering committee and the Transaction Subcommittee;

vi) assisting the CRO to prepare and present at the Investor Meetings a report to the Investors (the "**Investor Report**"), which provided an update on the recent financial results of certain of the legal entities within First Leaside, a summary of the material investments and liabilities within First Leaside and a summary of source and use of funds of First Leaside from August, 2011 to November 2011. A copy of the Investor Report, with certain commercially sensitive information redacted, is attached hereto as **Appendix "1"**;

vii) meeting with counsel for First Leaside, Representative Counsel and the Monitor's counsel to establish the Communications Protocol, in accordance with the endorsement of this Court issued on April 30, 2012;

viii) reviewing and providing comments on the Companies' realization plan as contemplated in the Communications Protocol;

ix) Interviewing, corresponding with, and reviewing proposals from real property brokers/agents and consenting to listing agreements entered into by the CRO and Colliers International Canada ("**Colliers**");

x) corresponding with the CRO regarding the potential sale of certain properties and other matters related to the CCAA Proceedings;

xi) reviewing documentation related to the closing of transactions for the sale of the Companies' interest in Beverages and Queenston Manor (each as defined in the June 19 CRO Affidavit);

xii) corresponding and meeting with the purported Trustees of a fund (and their counsel) that is an unsecured creditor of certain of First Leaside's affiliated companies domiciled in Texas;

xiii) reviewing and commenting on the cash flow projections prepared by the Companies;

xiv) reviewing the Companies' actual cash flow results on a weekly basis;

xv) monitoring the Companies' ongoing operating commitments and disbursements;

xvi) reviewing the intercompany balances as between the Companies since the commencement of the CCAA Proceedings;

xvii) attending periodically at First Leaside's office in Uxbridge, Ontario until May 15, 2012 and in Markham, Ontario after May 15, 2012;

xviii) corresponding by email and telephone with the Companies' creditors and investors;

xix) assisting the Companies to provide Representative Counsel with additional information relating to the assets held in each entity within First Leaside and a description of the securities and other instruments sold by First Leaside;

xx) instructing Monitor's counsel to send letters to 970877 Ontario Inc. ("**970**") regarding the repayment of a loan advanced by 970, a company controlled by former First Leaside principal Dave Phillips, to First Leaside;

xxi) attending at an examination on May 16, 2012 at the offices of the Ontario Securities Commission (the "**OSC**") pursuant to a summons issued to the Monitor by the OSC;

xxii) maintaining a public website for the CCAA Proceedings and updating same on a regular basis; and

xxiii) reviewing all materials filed with the Court in respect of these proceedings.

FIRST LEASIDE EXPANSION LIMITED PARTNERSHIP

12. FLEX is one of First Leaside's Canadian limited partnerships, which owns other limited partnerships that own real estate assets, including the property located at 4 Victoria Street, in Uxbridge, Ontario ("**Victoria Property**").

13. First Leaside Entities Limited Partnership ("**Entities**"), (which is owned by FLEX), owns two properties located on Brock Street in Uxbridge, Ontario, which are adjacent to the Victoria Property.

14. As described in paragraph 100 of the CRO's affidavit dated February 17, 2012, (the "**First MacLeod Affidavit**") there are eleven construction liens filed against four FLEX entities totaling approximately $3.45 million.

15. Two of the construction lien claimants, Structform International Limited ("**Structform**") and 792873 Ontario Limited c.o.b. as H&S Equipment ("**H&S**"), have brought motions (the "**Lien Claimant Motions**") for relief against FLEX including declarations that funds in FLEX's accounts are held in trust. The Lien Claimant Motions were heard together on June 13, 2012.

16. At the original return date for the Lien Claimant Motions, the Court requested that the Monitor provide the Court with details and background on the properties and CCAA Proceedings, which would include information regarding the bank account balances of FLEX and related bank account activity since the date of the Initial Order. The Lien Claimant Motions were adjourned to June 28, 2012 so that the Court would have the benefit of a Monitor's report that contained the information requested of the Monitor.

17. It appears that Structform and FLEX have agreed to settle the Structform motion, and terms of settlement are presently being negotiated, with the Monitor's assistance. As of the date of this Third Report, the H&S motion, which primarily involves a claim that a $100,000 payment by H&S to FLEX (the "**H&S Payment**") is held in trust by FLEX, has not settled and is expected to be heard on the merits on June 28, 2012.

18. The Monitor is of the view that the relief requested by H & S and, should both Lien Claimant Motions proceed, Structform is premature. Claims against all entities of First Leaside will need to be considered by the Monitor in the CCAA Proceedings, taking into account inter-company transfers, the source and use of funds and the relative priority and nature of the claims. This will require a formal, court-approved claims process, including a claims bar date.

19. Such a formal claims process will involve, among other things: i) discussions with the Companies' stakeholders and Representative Counsel regarding the mechanics of the claims process and treatment of intercompany balances; ii) authorization from the Court on a billing protocol and allocation methodology for expenses subject to the Administrative Charge; and iii) the Court's approval. None of these things have happened yet.

20. The funds currently in the FLEX Accounts (as defined below) that are subject to the Lien Claimant Motions are not currently necessary for the Companies to fund operating expenses (but may be drawn on to fund costs secured by the Administration Charge). The Monitor has accordingly recommended to the Companies that the funds be ring-fenced, and that no amounts should be used to fund operating costs unless notices is given to Structform and H & S.

21. In the event that the Court should elect to hear one or both of the Lien Claimant Motions on their substantive merits, the Monitor notes the following in respect of FLEX's bank accounts:

(i) As of the date of the Initial Order, FLEX held two bank accounts with Toronto-Dominion Bank with balances of $18,197.34 (the "**FLEX Chequing Account**") and $647,857.32 (the "**FLEX Savings Account**") (collectively, the "**FLEX Accounts**").

(ii) The H&S Payment appears to have been deposited in the FLEX Chequing Account on November 10, 2010 (the "**Deposit Date**"), as reflected in account records reviewed by the Monitor and as attested to in the Affidavit of Greg MacLeod sworn on May 2, 2012;

(iii) Based on the Monitor's review of the activity in the FLEX Chequing Account, in the approximately 15 months between the Deposit Date and the issuance of the Initial Order on February 23, 2012, there were 125 credits and/or deposits to the FLEX Chequing Account in amounts ranging from $2.56 to $2,152,259.00, and 328 debits and/or withdrawals in amounts ranging from $24.08 to $2,152,269.00. During the same period, the lowest intermediate account balance was $1,503.61, on July 28, 2011, and the highest intermediate account balance was $2,324,595.42, on March 8, 2011.

(iv) Based on the Monitors' review of the activity in the FLEX Savings Account between the Deposit Date and the date of the Initial Order, there were 47 credits and/or deposits to the FLEX

Savings Account in amounts ranging from $1.65 (of interest) to $2,152,269.00, and 90 debits and/or withdrawals in amounts ranging from $50.00 to $2,050,000.00. During the same period, the lowest intermediate account balance was $905.64, on August 22, 2011, and the highest intermediate account balance was $2,262,558.59, on September 30, 2011. The Monitor notes that the H&S Payment was not deposited into this FLEX Savings Account.

22. Based on the Monitors' review of the FLEX Accounts and following discussions about the matter with its counsel, and for the reasons further set out in the Monitor's factum, the Monitor is of the view that H&S's claim for an express trust over the funds in the FLEX Chequing Account is unsupportable.

FINANCIAL RESULTS AND POST – INITIAL ORDER OBLIGATIONS

23. The consolidated receipts and disbursements of First Leaside for the eleven-week period ended June 1, 2012 (the "**Reporting Period**") as compared to the cash flow forecast attached as Appendix "3" to the First Report of the Monitor dated March 21, 2012 are summarized below:

First Leaside Group of Companies
Schedule of Consolidated Receips and Disbursements as Compared to the CCAA Cash Flow Forecast
For the Period March 17, 2012 to June 1, 2012
Unaudited, ($000's)

	Actual	Forecast	Variance
Cash Inflow			
Receipts	3,605	398	3,208
Total Receipts	3,605	398	3,208
Cash Outflow			
Operating Disbursements	444	488	45
Professional Fees	1,902	1,374	(528)
Salaries	201	278	77
Capital	-	160	160
Total Outflow	2,547	2,300	(247)
Net Cash Flow	1,058	(1,903)	2,961
Cash, beginning of period (March 17, 2012)	6,119	6,119	-
Cash, end of period (June 1, 2012)	7,178	4,217	2,961

24. During the Reporting Period, the Companies' actual receipts were approximately $3.2 million higher than forecast due in part to the sale of Queenston Manor and Beverages, which yielded net realizations of approximately $2.39 million and $760,000, respectively. Other receipts include the redemption of a Treasury Bill held by First Leaside Fund Management Inc., in the amount of $101,395.13.

25. The Companies' total disbursements during the Reporting Period were approximately $247,000 greater than the forecast. Of this variance, approximately $528,000 relates to professional fees, including in respect of the closing of the Queenston Manor and Beverages transactions and fee retainers totaling $256,000 paid by Wimberly Apartments Limited Partnership ("**WALP**") to retain a financial advisor, legal counsel and property appraisers in Texas.

26. First Leaside was able to reduce certain of its projected disbursements by deferring capital expenditures of $160,000 originally forecast for the Texas properties, as well as downsizing its head office staff.

27. The Monitor has reviewed First Leaside's various accounts payable aging reports, which reflect that the Companies are current in respect of their post-filing obligations, with the exception of property taxes for some properties, which continue to accrue and will be paid, the Companies advise, on closing of the sale of the applicable real property.

CASH FLOW PROJECTION

28. The Companies have updated their cash flow projection, on a weekly basis, for the period ending October 26, 2012 (the "**Cash Flow Projection**"). The Cash Flow Projection, together with the CRO's report on the Cash-Flow Projection, is attached hereto as **Appendix "2"**. The Cash Flow Projection, including the notes attached thereto, has been prepared by management under the supervision of the CRO for the purpose described in the CRO's report on the Cash Flow Projection, using probable and hypothetical assumptions set out in the notes to the Cash Flow Projection.

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

    i) Expenses appear to be consistent with the level of operations required by the Companies during the projection period;

ii) A large majority of the costs of the CCAA Proceedings are being paid by FLWM, subject to a final allocation. However, FLWM does not have sufficient liquidity to pay all these costs. Accordingly, the Cash Flow Projection assumes that funds will be transferred from other Applicants to FLWM to pay the costs of the administration of the CCAA Proceedings. Such transfers for operating expenses and any final allocation of costs of administration would be subject to the Inter-Company Charge, if granted by the Court;

iii) Projected Administration Costs (defined in paragraph 52) for the seventeen week period (and the Administration Costs incurred to date) are substantial due, in part, to:

a) the negotiation and closing of an anticipated 7 real property transactions in the period;

b) the need to develop realization strategies to take into account the quantum and variety of investments/assets held by the Companies' and associated LP's;

c) the need to communicate with and balance the interests of the numerous interested stakeholders; and

d) the need to address various matters that are being, or may be litigated by the Companies.

iv) The Monitor notes that the realization process for certain assets may present challenges due to the nature of the assets, the potential market value of the assets and the length of the CCAA Proceedings. The Monitor and the CRO agree that the Companies and the professionals involved in the CCAA Proceedings will need to continue to balance the potential net realizations from liquidation strategies against the potential cost thereof, and to pursue realization options with a cognizance of such cost-benefit analysis.

v) The projections assume that all seven of First Leaside's Canadian properties are liquidated by the end of September, 2012. There is a risk that such transactions will not be completed by that time, given the inherent uncertainty associated with the timing of completion of real estate transactions. Should First Leaside not receive the proceeds of sale from its Canadian real properties by the end of September, 2012, it will still have sufficient cash flow resources to fund its post-CCAA filing obligations for the projection period;

vi) The Cash Flow Projection does not contemplate servicing mortgages during the CCAA Proceedings; and

vii) The Companies project that they will be able to pay the liabilities that they incur after the date of the Initial Order.

30. The Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to the Monitor by the Companies. Since hypothetical assumptions need not be supported, the 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 Monitor has also reviewed the support provided by the Companies for the probable assumptions and the preparation and presentation of the Cash Flow Projection. Based on the Monitor's review, nothing has come to its attention that causes it to question 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 Third Report, the probable assumptions developed by the Companies are suitably supported and consistent with the Companies' plans or provide a reasonable basis for the Cash Flow Projection, given the hypothetical assumptions; or

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

31. The Cash Flow Projection prepared by the Companies projects that the Companies will have sufficient funds on hand to maintain operations throughout the Cash Flow Projection period.

TRANSACTIONS UNDER REVIEW BY THE MONITOR

Pre-Filing Repayment of Loan to 970877 Ontario Inc. by FLWM

32. As discussed above, the Investor Report contained information regarding the source and use of funds of First Leaside for the period August, 2011 to November, 2011. The Investor Report also disclosed a transaction that the Monitor viewed as a potential preference, transfer at under value, or fraudulent

conveyance as those terms are used in the *Bankruptcy and Insolvency Act*, *Fraudulent Conveyances Act* and/or *Assignment and Preferences Act*.

33. On or about September 2, 2011, 970 transferred the sum of $500,000 from its bank account with the Toronto-Dominion Bank ("**TD**") to FLWM's bank account with TD. A corporate profile report of 970 shows David Phillips, the former principal of First Leaside, as the sole officer and director of 970.

34. On November 3, 2011, three days prior to First Leaside agreeing to a "voluntary cease trade" and on the same day the independent committee of FLWM's board of directors (the "**Independent Committee**") was appointed, First Leaside Finance Inc., a subsidiary of FLWM, transferred $500,000 from its bank account with TD into the bank account of 970 at TD. The Monitor believes that the repayment of $500,000 to 970 may be a preferential payment.

35. On June 6, 2012, the Monitor's counsel issued a demand for payment to 970, care of David Phillips, which was delivered by electronic mail to Mr. Phillips' personal email account and by courier to 970's registered corporate address at 430 Durham Road, in Uxbridge, Ontario. This address is also known to the Monitor to be Mr. Phillips' home. A copy of the letter was also sent by email to counsel retained by Mr. Phillips on other matters. The letter was subsequently returned by the courier as undeliverable.

36. On June 15, 2012, a second letter was sent to 970 via email and courier to the same address requesting a response by Tuesday, June 19, and advising 970 that it was the intention of the Monitor to seek direction from this Court on next steps should 970 fail to repay the $500,000 transfer. As of the date of this Third

Report, no formal response has been received to either of the letters sent by the Monitor's counsel.

37. Copies of the letters sent to 970 are attached hereto as **Appendices "3" and "4"**.

38. The Monitor is considering seeking authorization and direction from this Court permitting it to take proceedings against parties that are party to preferential transactions or transfers at under value. The relief would be sought at a motion returnable at a future date, on notice to the service list.

Payment to Fund Litigation Trust from FLWM's Board of Directors

39. As noted in the report of the proposed Monitor dated February 22, 2012 (the "**Proposed Monitor's Report**"), immediately prior to the issuance of the Initial Order, FLWM paid $250,000 to fund a litigation trust (the "**Litigation Trust**") for FLWM's Board of Directors. The Monitor discussed the Litigation Trust with Torys LLP ("**Torys**") the legal counsel to the Independent Committee, the CRO and its counsel, and expressed concern that the payment made to Torys may be preferential or a transfer at undervalue, and may be subject to review by the Monitor in accordance with s.36.1(1) of the CCAA. In the Proposed Monitor's Report, it was noted that creditors without notice of the application for the Initial Order may object to the Litigation Trust. The Monitor has received no such objection to date, although the Monitor's counsel received a letter from Representative Counsel on May 14, 2012 that requested the Monitor to take steps to recover the funds paid to the Litigation Trust. A copy of Representative Counsel's letter is attached hereto as **Appendix "5"**.

40. Monitor's counsel subsequently spoke to counsel at Torys, who confirmed that the Litigation Trust remains intact for the purposes created, and that it would not be used except for claims brought against the members of the Independent Committee and for the trustee's costs of administration. Any such claims could only be brought with leave of the Court, due to the Stay of Proceedings granted by the Initial Order. Monitor's counsel sent Torys a letter to confirm this on June 22, 2012, and does not intend to take further steps in respect of the Litigation Trust at this time.

TEXAS PROPERTIES (WALP)

41. The structure of the WALP entities is set out in the June 19 CRO Affidavit.

42. First Leaside continues to consider restructuring options in respect of WALP and the eleven Texas LPs (as defined in the CRO Affidavit) indirectly owned by WALP that hold real property in Texas. The Texas LPs are presently operating in the ordinary course. As part of this process, First Leaside has retained legal counsel and real estate advisors in Dallas, Texas to assist in the development of a realization strategy for the Texas asset portfolio.

43. The CRO advises that ten of the Texas LPs continue to service their mortgages from cash flow. The eleventh, called "Sedona", is subject to a mortgage held by a trust fund comprised of certain Investors. Mortgage payments have not been made in respect of this property since the Companies' voluntary cessation of distributions and interest payments on securities in November 2011. Absent

cash flow support, the CRO advises that one or more of the properties may face a critical cash shortfall as early as August, 2012.

44. A number of the realization strategies contemplated by the Companies for the Texas assets, as set out in previous materials filed in these proceedings, have been complicated by a number of US law matters which the CRO and the Companies are currently in the process of working through, in consultation with the Monitor. The Monitor understands First Leaside expects to seek direction from the Court concerning the Texas LPs, at a motion returnable in the future on notice to the service list.

45. The Monitor notes that the following three Texas limited partnerships, each of which have Ontario-incorporated general partners that are Applicants herein, are Included LPs in these proceedings and listed on Schedule A to the Initial Order (as the same may be amended): F.L. Master Texas, Ltd., F.L.W. Pond Master, Ltd. and F. L. W. Shores Master, Ltd.

EFFORTS TO LIQUIDATE REAL PROPERTY

46. First Leaside has listed for sale seven Canadian properties in accordance with paragraph 3 of the Order issued by the Court on March 23, 2012 (the "March 23 Order"), which authorized the CRO, subject to obtaining the Monitor's prior written consent, to enter into sales, marketing and/or listing agreements with agents, realtors and/or brokers in furtherance of the marketing and sale of First Leaside's real property. The seven properties are as follows:

    i. 36 Bramtree Court, Brampton, Ontario;

ii. 164 Cemetery Road, Uxbridge, Ontario;

iii. 62 Mill Street, Uxbridge, Ontario;

iv. 168 Brock Street, Uxbridge, Ontario;

v. 4 Victoria Street, Uxbridge, Ontario;

vi. 65 Fort Street, Tilbury, Ontario; and,

vii. 123 Erie Street, Wheatley, Ontario.

47. As discussed in the June 19 CRO Affidavit, in advance of entering into listing agreements in respect of the above noted properties, First Leaside:

i. commenced a broker selection process, including issuing a request for listing proposals, and in some cases requesting broker interviews, all of which was done in consultation with the Monitor;

ii. obtained appraisals from CBRE Limited for certain of the properties;

iii. selected Colliers as the broker to list and market the properties, after obtaining the consent of the Monitor; and,

iv. obtained opinions of value from Colliers in order to select an appropriate listing price for each property (in consultation with the Monitor) and to provide a standard against which offers to purchase can be assessed.

48. The Monitor understands that First Leaside has received offers to purchase some of the properties and is in the process of evaluating the offers and commencing negotiations in respect of some of the offers. In the near term, First Leaside is likely to seek the Court's approval of the sale of one or more of the above noted properties.

RELIEF REQUESTED BY THE COMPANIES

49. The following sections provide a summary of the relief being sought by the Applicants and the Monitor's observations and recommendations in respect of same.

STAY EXTENSION

50. In the Monitor's view, the Companies and the CRO have acted in accordance with the Initial Order, as amended, and are working diligently on preparing and executing a wind-down strategy that is intended to maximize the recoveries for all stakeholders. The Companies and the CRO have also been working cooperatively with the Monitor and Representative Counsel to facilitate the carrying out of their mandates. The Monitor is satisfied that the Companies and the CRO are acting in good faith and with due diligence. Accordingly, the Monitor respectfully recommends that this Court grant the Applicants' request for an extension of the Stay of Proceedings to October 26, 2012 in order to permit the Companies and the CRO to, among other things:

(i) Continue to communicate with stakeholders;

(ii) Realize upon the Companies' Canadian properties and assets;

(iii) Finalize and implement a strategy, subject to Court approval, in respect of the Companies' interest in the entities and assets domiciled in Texas;

(iv) Collect receivables due to the Companies; and

(v) Prepare and present to the Court a proposed claims process to deal with Investor, creditor and intercompany claims.

INTERCOMPANY CHARGE

51. As described in the June 19 CRO Affidavit, the First Leaside entities make up a number of separate "silos" that each own their own assets, incur their own liabilities and have their own investor groups. As set out in the cash flow projections filed with this Court in connection with the application for the Initial Order, not all of the First Leaside entities had sufficient cash on hand at the date of the Initial Order, or subsequently, to fund the costs of these proceedings and the operations of the Companies (the "**Borrowing Entities**"). Accordingly, by necessity as a result of the insufficient liquidity of certain First Leaside entities, other First Leaside entities have been called on to fund those expenses (and in the future, will be required to fund operating and administration costs) (the "**Lending Entities**") for the Borrowing Entities.

52. For example, a large proportion of administration costs to date, which are secured by the Administration Charge (collectively, "**Administration Costs**"), have been paid by FLWM, notwithstanding that the majority of the expenses were related to other First Leaside entities. First Leaside has kept detailed

records of such Administration Costs that have benefitted other entities. Since the date of the Initial Order, approximately $1.245 million has been funded by the Lending Entities, in the aggregate, for the account of the Borrowing Entities to pay for operations and Administration Costs.

53. The Companies intend, with the assistance of the Monitor, to seek Court approval of an allocation methodology for all Administration Costs incurred by First Leaside, which will likely result in Administration Costs paid by one or more First Leaside entities being allocated to the account of other First Leaside entities, based on a Court-approved methodology (the "**Reallocated Costs**").

54. The CRO has advised the Monitor that the implementation of the Inter-Company Charge, retroactive to the date of the Initial Order (February 23, 2012), would be appropriate in order to ensure that First Leaside entities that benefit from funds advanced by other entities to fund operations and Administration Costs, including Reallocated Costs, repay such advances or reimburse Reallocated Costs before making distributions to Investors and other creditors. The Monitor concurs with the CRO in that regard.

55. First Leaside proposes that the Court implement the Inter-Company Charge, ranking subordinate only to the Administration Charge and Directors' Charge (as defined in the Initial Order) to secure (i) borrowings by Borrowing Entities for operating expenses and any other liquidity needs and (ii) the reimbursement obligations of First Leaside entities for Reallocated Costs as they may in the future be determined in accordance with a Court-approved allocation

methodology. This will ensure that when funds are ultimately realized from the Borrowing Entities, they will be repaid to the applicable Lending Entities, before being distributed to creditors of or Investors in the Borrowing Entities.

56. The CRO has suggested that: i) the terms of the Inter-Company Charge be interest-free for simplicity of administration; ii) the Inter-Company Charge is more economical than seeking third party interim financing, which often carries high interest rates and administrative costs, and would be difficult to obtain in the circumstances; and iii) utilizing the Inter-Company Charge as opposed to interim financing is beneficial to First Leaside's stakeholders overall. The Monitor concurs with the CRO's views.

57. Given the cash needs and current liquidity of the First Leaside entities, the Monitor believes that the transfers and the reimbursement obligation for Reallocated Costs to be secured by the Inter-Company Charge are necessary to enable the Companies to finance their orderly liquidation, and believes that the Inter-Company Charge is a fair and reasonable way to ensure that no creditors of Lending Entities are prejudiced. Accordingly, the Monitor supports the granting of the Inter-Company Charge.

AMENDMENTS TO SCHEDULE A TO THE INITIAL ORDER

58. The CRO advises that, through inadvertence, the names of certain parties were listed incorrectly in Schedule "A" to the Initial Order and that in many cases, the corrections involve simply changing a "LP" suffix to read "Limited Partnership".

59. The corrected names of these parties are attached to the CRO Affidavit as Exhibit "I". The Monitor supports the CRO's request for Schedule "A" to the Initial Order to be amended in the form set out in the June 19 CRO Affidavit, as it appears to the Monitor that the incorrect entity names were included as a result of administrative inadvertence and that no party would be prejudiced by the requested amendment. Furthermore, the requested amendment does not add any new parties to the proceedings.

COMMUNICATIONS PROTOCOL

60. On April 30, 2012, the Applicants applied to this Court to seek the approval of the sale of Queenston Manor and Beverages. The Queenston Transaction was approved, and the Beverages Transaction was adjourned to May 3, 2012 in order to provide adequate time for Representative Counsel to review the transaction details. On April 30, 2012, the Court made an endorsement requiring that the CRO, the Monitor and Representative Counsel (collectively the "**Parties**") establish a communication protocol to ensure that the Investors would have adequate time to review upcoming proposed transactions.

61. On the May 24, 2012, the Parties, together with the four members of the Transaction Subcommittee, established the Communications Protocol whereby:

(i) the CRO would develop a realization plan which was circulated to the Investors in May, 2012;

(ii) the CRO and the Monitor would meet with Representative Counsel on a monthly basis or at such other intervals as requested by Representative Counsel to discuss the sale of certain assets;

(iii) on a best efforts basis, the CRO would serve notice of any proposed sales approval motion at least 10 business days in advance to Representative Counsel;

(iv) the Transaction Subcommittee would be established and the CRO and the Monitor would present proposed transactions prior to or shortly after formalizing such transactions (which would remain subject to Court approval); and

(v) the information presented to the Transaction Subcommittee would be confidential.

62. The Monitor supports the Communications Protocol and executed same on May 24, 2012, and the Parties have been adhering to its terms since that date. The Monitor supports the Companies' request that the Communications Protocol be approved by this Court *nunc pro tunc.*

GTCFI ENGAGEMENT

63. GTCFI was engaged by certain First Leaside entities to act as a financial advisor in connection with the proposed sale of: i) FLRR's 50.1% interest in PTL; and ii) the Venture Okanagan properties. The June 19 CRO Affidavit provides background information regarding the ownership structure of the above noted assets.

64. GTCFI is an Exempt Market Dealer and an affiliate of the Monitor. The CRO and the Monitor do not believe that GTCFI's relationship with the Monitor gives rise to a conflict of interest. Moreover, the mortgagee of the relevant properties, the Toronto-Dominion Bank, Representative Counsel and the Investor steering committee do not object to GTCFI's appointment.

REPRESENTATIVE COUNSEL

65. The Representative Counsel Allowance (as defined in paragraph 44 of the Initial Order, as amended) is $300,000. That amount was approved pursuant to paragraph 5 of the April 30 Order.

66. In consultation with Representative Counsel and the Monitor, the Companies have determined that the $300,000 allowance is inadequate in light of the complexity of the CCAA Proceedings, and the significant work that Representative Counsel has undertaken, and will continue to be required to undertake.

67. In addition to the role and responsibilities that were originally anticipated under the Initial Order, the Monitor understands that Representative Counsel has been receiving numerous requests from Investors seeking its assistance in asserting claims against CIPF.

68. The Monitor is of the view that it is in the best interests of the Investors if the role of Representative Counsel is expanded to include assisting Investors with asserting their claims against CIPF and coordinating the CIPF claims process with the claims process in the CCAA Proceedings.

69. Due to the activities of Representative Counsel to date, and the resulting increased demands of Representative Counsel with an expanded mandate, the Companies are proposing that a maximum amount for the Representative Counsel Allowance, as defined in paragraph 44 of the Initial Order, be removed, and replaced with a requirement that its fees be assessed by the Court from time to time.

70. The Monitor is of the view that Representative Counsel has worked in good faith and diligently and has provided valuable assistance to the many otherwise unrepresented Investors with economic interests in these proceedings. Accordingly, the Monitor supports the requested amendments to the Initial Order.

ESIGHT

71. The Monitor has been involved with the CRO in negotiations with an angel investment group called Boston Harbor Angels ("**BHA**") to discuss BHA's interest in investing in eSight, a portfolio company in which Applicant Visions II has an interest. The details of Visions II's interest, together with the details of the negotiations with BHA are accurately set out in the June 19 CRO Affidavit.

72. In light of the evidence presented by the CRO and the support of the majority of Visions II investors and Representative Counsel, the Monitor respectfully recommends that the Court authorize the CRO to enter into the eSight refinancing transaction as outlined in the June 19 CRO Affidavit.

73. The Monitor notes that Visions I and Visions II hold investments in a total of seven companies. The realization process for such investments may present

challenges due to the nature of the investments (small size, minority equity interests, startup technology ventures) and accordingly, the CRO and Visions I & II will need to be cognizant of the professional costs expended in the course of such realization process as compared to the net recoveries from such investments. In this regard, a conventional process of realizing on the ownership interests may not be economically feasible, and the go forward strategy may require creativity and flexibility, in consultation with affected stakeholders.

APPLICANTS' REQUESTED RELIEF

74. The Monitor respectfully recommends that this Court grant the relief requested by the Applicants as set out in the Applicants' notice of motion.

75. The Monitor also respectfully requests that this Court issue an order approving this Third Report and the Monitor's activities as set out herein.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
In its capacity as CCAA Monitor of the Applicants
under the *Companies' Creditors Arrangements Act*
and not in any other capacity

Per:

Jonathan Krieger, CA•CIRP

SCHEDULE "A"—PARTNERSHIPS ENTITLED TO THE BENEFIT OF THIS ORDER

Mill Street Limited Partnership
Development Notes Limited Partnerships Special Notes LP
First Leaside Properties LP
First Leaside Realty LP First Leaside Real Estate LP
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
Wimberly Apartments LP
The Shores LP
Old Mill Pond LP

The Bluffs of Lakewood LP
First Leaside Spring Valley LP
First Leaside Partners LP First Leaside Opportunities LP
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
FL Master Texas Ltd.
FLW Pond Master Ltd.
FLW Shores Master Ltd.
First Leaside Acquisitions LP
Queenston Manor LP
First Leaside Acquisitions 2000 LP
First Leaside Advantage LP
First Leaside Developments LP
First Leaside Elite LP First Leaside Select LP
First Leaside Enterprises LP
B&W LP First Leaside Entities LP
First Leaside Expansion LP
First Leaside Growth LP
First Leaside Operations LP
First Leaside Unity LP

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 Celliject LP OMISA LP Dossierview LP eSight LP Tyromer LP	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
Place Concorde East LP	
Place Concorde West LP	
First Leaside Wealth Management LP	
First Leaside Technologies LP	
F.L. Beverages Group Limited	

APPENDIX 1 - CONFIDENTIAL REPORT TO INVESTORS DATED MAY 1, 2012
(REDACTED)

FIRST LEASIDE
GROUP OF COMPANIES

Grant Thornton

Confidential Report to Investors

First Leaside Group of Companies
May 1, 2012

Contents

Glossary of Selected Terms

FLWM	First Leaside Wealth Management Inc.
WALP	Wimberly Apartments Limited Partnership
FLEX	First Leaside Expansion Limited Partnership
Venture	First Leaside Venture Limited Partnership
Visions I & II	First Leaside Visions I Limited Partnership & First Leaside Visions II Limited Partnership
Progressive	First Leaside Progressive Limited Partnership
Investors	First Leaside Investors Limited Partnership
Spring Valley	F.L. Spring Valley Limited Partnership
PTL	PrimeTime Living Limited Partnership
Select	First Leaside Select Limited Partnership
Premier	First Leaside Premier Limited Partnership
Ultimate	First Leaside Ultimate Limited Partnership
Elite	First Leaside Elite Limited Partnership

May 1, 2012

TO: THE INVESTORS OF THE FIRST LEASIDE GROUP OF COMPANIES

This report ("**Report**") has been prepared by those entities of the First Leaside Group that are the subject of the initial order of the Ontario Superior Court of Justice dated February 23, 2012 (as amended) (the "**FL Group**" or the "**Company**"), with the assistance of Grant Thornton Limited ("**GTL**"), the Court appointed monitor of the Company ("**Monitor**") under the *Companies' Creditors Arrangements Act* ("**CCAA**") and G.S. MacLeod & Associates Inc., the Court appointed Chief Restructuring Officer of the FL Group ("**CRO**").

This Report has been prepared for the investors of the FL Group for the purpose of providing:

1. an overview of the CCAA process and an update on the status of the CCAA proceedings;
2. a summary of the recent financial results of certain of the legal entities comprising the FL Group;
3. a summary of the material investments in the FL Group and the corresponding underlying assets; and
4. a summary of the source and use of funds of the FL Group from August, 2011 to November, 2011.

Notice to Reader

The financial information contained in this Report was prepared by the FL Group and has not been audited or otherwise verified. The financial statements presented herein are internally prepared by the FL Group and do not comply with Generally Accepted Accounting Principles or International Financial Reporting Standards.

The work performed by the Monitor in assisting with the preparation of this Report does not constitute an audit in accordance with Generally Accepted Auditing Standards and no verification work has been performed by the Monitor. Consequently the Monitor does not express an opinion on the financial and other information included in the Report.

The scope of work to prepare this Report has been limited both in terms of the areas of the business and operations which have been reviewed and the extent of such review. There may be matters, other than those noted in this Report, which a wider scope review might uncover.

The responsibility for the FL Group's forecasts and the assumptions on which they are based is solely that of the FL Group. It must be emphasized that profit and cash flow forecasts necessarily depend on subjective judgment. They are, to a greater or lesser extent, according to the nature of the businesses and the period covered by the forecasts, subject to inherent uncertainties and material change.

This Report has been prepared for the use of providing high-level details to the FL Group investors regarding certain financial information of the FL Group entities discussed herein. The reader is cautioned that this Report may not be appropriate for other purposes.

FIRST LEASIDE
GROUP OF COMPANIES

Grant Thornton

Section 1

Overview of Process

Overview of the CCAA Process

The CCAA Proceedings

- On February 23, 2012, certain entities in the FL Group made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the CCAA. On that date, the Court issued an order that granted the FL Group the protection of a stay of proceedings, appointed GTL as the Company's Monitor and confirmed the appointment the CRO ("**Initial Order**"). A copy of the Initial Order and the materials filed with the Court in the CCAA proceedings are available on the Monitor's website at www.grantthornton.ca/firstleaside.
- On March 23, 2012, the Court issued an order extending the stay of proceedings to June 29, 2012 ("**March 23 Order**").
- On April 30, 2012, the FL Group sought and obtained the approval of the Court of the sale of the real property owned by Queenston Manor Limited Partnership, and adjourned the hearing of a motion for approval of the sale of the Company's interests in First Leaside Beverages Limited Partnership, until May 3, 2012.

Chief Restructuring Officer

- The CRO was originally retained by the Independent Committee of FLWM's board of directors in December, 2011 to manage operations and to consider options to restructure the Company, including the possible wind-up of all or parts of the Company.
- The conclusion of the Independent Committee was that the continuation of the cease-trade agreement, and the risks associated with recapitalizing the Company in an attempt to resume operations (including continuing to raise funds from investors) precluded a going concern restructuring. The CRO recommended to the Independent Committee that the affairs of First Leaside be wound-up in an orderly fashion under a Court supervised process. The CRO determined that it was in the best interest of investors that the wind-up be completed through the CCAA.
- Since the Initial Order was issued, the CRO and employees of the FL Group have been working to commence an orderly wind-up of the FL Group's operations and portfolio assets and have taken the following measures, among others:
  - Terminated the employment of more than 50 First Leaside staff and management;
  - Relocated the Company's head office;
  - Negotiated agreements of purchase and sale for certain assets of the Company's Canadian operations (discussed below);
  - Requested real property listing proposals and negotiated real property listing agreements in respect of certain Canadian properties, in accordance with the March 23 Order;
  - Continued to manage the Company's Texas based investments;
  - Held numerous discussions and meetings with the Company's stakeholders (including creditors and investors);
  - Prepared tax information and forms for investors to file their 2011 income tax returns;
  - Prepared financial statements for the various entities; and
  - Obtained and reviewed appraisals of certain properties to ascertain the value of the assets of the FL Group.

GTL's Role Prior to the CCAA Proceedings

- Prior to the CCAA proceedings, in March, 2011, GTL was engaged by Cassels Brock & Blackwell LLP ("**CBB**") on behalf of the FL Group as a consultant ("**Consultant**"), to prepare a report on the viability of the FL Group's operations.
- On August 19, 2011, in its capacity as Consultant, GTL issued a report to CBB advising, among other things, that the FL Group faced significant cash flow and operational challenges.
- On November 4, 2011, the FL Group engaged GTL to act as monitor ("**Private Monitor**") to provide independent reporting on the following:
  - The weekly budget and actual cash flow of the Company;
  - The historical sources and uses of funds;
  - The restructuring plans of the FL Group and the implementation of its action plans; and
  - Other matters as requested by the Company.

Overview of the CCAA Process

The CCAA Monitor

- The Monitor's activities during the CCAA proceedings have included, or will include, among other things:
  - Reviewing the cash flow and bank account activity of the Company to determine if the Company is meeting its projections and ensuring that post-CCAA payments are made in the normal course;
  - Discussing and meeting with the Company's stakeholders (including creditors and investors);
  - Analyzing financial statements and appraisals prepared or commissioned by the Company;
  - Working with the CRO to establish an orderly sales process for the Company's assets;
  - Reporting to the Court on the reasonableness of any sale, taking into account the rights and considerations of all interested parties;
  - Providing updates and making information publically available to all the interested parties; and
  - Performing a review for preferential payments and transaction at under value.

FIRST LEASIDE
GROUP OF COMPANIES

Grant Thornton

Section 2

Recent Financial Results

Draft Income Statement Summary

- The following is a summary of Income Statements of select entities within the FL Group:

The draft financial statements contained herein (the "Statements") have been internally prepared by First Leaside Wealth Management Inc. The Statements have not been audited or reviewed by any third party. The Statements do not reflect the fair market value or the realizable value of the assets included therein. The Statements are not compliant with Generally Accepted Accounting Principles or International Financial Reporting Standards. The Statements are subject to change without notice to the parties having received previous copies of same and such changes may be material.

First Leaside Group of Companies
Statement of Income Summary
Reporting period December 31, 2011
(Unaudited) in 000's

	NOTE	FLWM	WALP	FLEX	Venture
Revenue		11,158	12,672	2,164	5,671
Expenses		11,991	9,635	973	4,188
Net Operating Income	1	(833)	3,037	1,191	1,483
Net Income (Loss)		(903)	(13,928)	(1,105)	(3,419)

		Visions I & II	Progressive	Investors	Spring Valley
Revenue		$40	$308	$223	$249
Expenses		106	96	251	160
Net Operating Income	1	($66)	$212	($28)	$89
Net income (loss)		($66)	($24)	($689)	($22)

NOTE

1 Net Operating Income (before debt service to investors and mortgages)

Section 3

Summary of Investments

General Overview of Stakeholder Priorities

Overview

- This section provides a general overview of what is understood to be stakeholder priorities in the context of insolvency and restructuring proceedings. The information contained in this section is of a general nature for illustrative purposes and is not intended to provide a legal opinion as to the priority or claim of any particular creditor or investor of the FL Group.

Priorities

- Stakeholders of the FL Group can be categorized into three very broad categories: Secured creditors/mortgagees, unsecured creditors, and equity investors.
- Generally speaking, pursuant to Canadian law, when an asset is sold by a particular FL Group entity, the following would be the ranking of stakeholder groups for the purposes of distribution of proceeds:

1. Secured creditors and mortgagees (subject to an independent review of such parties' security by the Monitor's independent legal counsel).
2. Unsecured creditors, including debt owing to various FL Group "funds", trade creditors and unsecured intercompany loans.
3. Equity investors, including unit holders of the FL Group's various LP's, including intercompany unit holdings within the FL Group.

First Leaside Group of Companies
Summary of FL Products
Prepared as of April 24, 2012

Security Name	Associated FL Entity	Investment Type	Total Amount Raised	Description
90 King St E. MPOC 6% 16Feb16	Beverages	Mortgage	1,000,000	1st mortgage of Thornbury property.
Bramtree Crt MPOC 6% 1Feb16	FLEX	Mortgage	3,340,000	1st mortgage on Bramtree property
Cemetery Rd MPOC 6% 10JAN16	Progressive	Mortgage	1,614,638	1st mortgage on Cemetery Road
MILL ST LP MPOC 6% 15DC15	FLEX	Mortgage	900,000	Syndicated mortgage on Mill Street Property
First Leaside Mortgage Series A Trust Units	FLWM / PTL	Debt / Mortgage	11,613,462	Invested $6MM in 1st mortgages in Sedona and Church Property (in texas) and Abbey Lane (in Vernon, BC)
Development Notes Limited Partnership	FLEX	Debt	7,868,899	Unsecured promissory note in FLEX
First Leaside Fund Series A Trust Units	WALP	Debt	2,953,396	Unsecured Promissory Note in Master Texas (part of WALP) (USD)
First Leaside Fund Series B Trust Units	WALP	Debt	27,508,147	Unsecured Promissory Note in Master Texas (part of WALP) (CAD)
First Leaside Fund Series C Trust Units	WALP	Debt	13,616,514	Unsecured Promissory Note in Master Texas (part of WALP) (CAD) - Interest was re-invested
First Leaside Properties Fund Class A Trust Units	WALP	Debt	50,736	Unsecured Promissory Note in Master Sherman (part of WALP) (USD)
First Leaside Properties Fund Class B Trust Units	WALP	Debt	10,418,003	Unsecured Promissory Note in Master Sherman (part of WALP) (CAD)
First Leaside Properties Fund Class C Trust Units	WALP	Debt	4,046,652	Unsecured Promissory Note in Master Sherman (part of WALP) (CAD) - Interest is re-invested
First Leaside Wealth Management Trust Fund	FLWM	Debt	22,314,063	Unsecured promissory note due from FLWM
FLEX Fund Class B	FLEX	Debt	2,927,419	Unsecured Promissory Note in FLEX
FLEX Fund Class C	FLEX	Debt	1,388,423	Unsecured Promissory Note in FLEX - interest is re-invested
Special Notes Limited Partnership	FLWM	Debt	10,372,768	Unsecured Promissory Notes due from FLWM LP (CAD)
Special U.S. Notes Limited Partnership	FLWM	Debt	121,964	Unsecured Promissory Notes due from FLWM LP (USD)
Wimberly Fund Class A Trust Units	WALP	Debt	1,404,832	Unsecured Promissory Note in Master Texas (part of WALP) USD - Includes $640K from FL Spring Valley.
Wimberly Fund Class B 7% T/U	WALP	Debt	936,299	Unsecured Promissory Note in Master Texas (part of WALP) CAD
Wimberly Fund Class B Trust Units	WALP	Debt	6,612,665	Unsecured Promissory Note in Master Texas (part of WALP) CAD
Wimberly Fund Class C 7% T/U	WALP	Debt	251,758	Unsecured Promissory Note in Master Texas (part of WALP) CAD - Interest is re-invested
Wimberly Fund Class C Trust Units	WALP	Debt	1,215,192	Unsecured Promissory Note in Master Texas (part of WALP) CAD - Interest is re-invested
F.L. Beverages Group Limited Partnership	Beverages	Equity	130,010	Investment in Beverages LP (formed after GTL Report dated August 19, 2011 (the "**GTL Report**"))
F.L. PrimeTime Living Limited Partnership	Retirement	Equity	335,000	1.27% Interest in First Leaside Retirement Residence LP (pg. 128 of GTL Report) (Acquired after GTL Report)
F.L. Spring Valley LP	Spring Valley	Equity	1,221,405	Investment in strip mall and FL units (see pg. 119 of GTL Report)
First Leaside Capital B Class Shares	WALP	Equity	9,049,000	Investment in Realty I & II LP, which only holds units of WALP
First Leaside Capital C Class Shares	WALP	Equity	42,533	Investment in Realty I & II LP, which only holds units of WALP
First Leaside Elite Limited Partnership	Blind Pool	Equity	6,592,099	Blind Pool (see pg. 120 of GTL Report)
First Leaside Expansion Limited Partnership	FLEX	Equity	26,463,821	Various investments in real property (see pg. 88 of GTL Report)
First Leaside Global Limited Partnership	Global	Equity	1,694,076	Funds raised in 2011 for property that never closed (refer to pg. 122 of GTL Report)
First Leaside Investors Limited Partnership	Investors	Equity	6,587,624	Investment in 2 properties; Harmony Town LP & Mill Street LP (refer to pg. 111 of GTL Report)
First Leaside Premier Limited Partnership	Blind Pool	Equity	5,505,466	Blind Pool (see pg. 121 of GTL Report)
First Leaside Progressive Limited Partnership	Progressive	Equity	14,761,296	Investment in Retirement, Beverages, and Uxbridge Developments (refer to pg. 114 of GTL Report)
First Leaside Realty II Limited Partnership	WALP	Equity	1,178,680	Investment in WALP (refer to pg. 109 of GT Report)
First Leaside Realty Limited Partnership	WALP	Equity	545,000	Investment in WALP (refer to pg. 109 of GT Report)
First Leaside Select Limited Partnership	Blind Pool	Equity	3,611,089	Blind Pool (see pg. 120 of GTL Report)
First Leaside Series II Preferred Shares	FLWM	Equity	22,019,131	FLWM pref shares
First Leaside Series III Preferred Shares	FLWM	Equity	35,028	FLWM pref shares
First Leaside Ultimate Limited Partnership	Blind Pool	Equity	3,040,200	Blind Pool (see pg. 121 of GTL Report)
First Leaside Universal Limited Partnership	Universal	Equity	5,741,000	Investment in FL Retirement (refer to pg. 116 of GTL Report)
First Leaside Venture Limited Partnership	Venture	Equity	5,132,793	Investment in Retirement homes in Ottawa and Vernon BC (refer to pg. 117 of GTL Report)
First Leaside Visions I Limited Partnership	Visions	Equity	2,922,434	Investment in Technology Start-ups (refer to pg. 123 of GTL Report)
First Leaside Visions II Limited Partnership	Visions	Equity	1,064,703	Investment in Technology Start-ups (refer to pg. 124 of GTL Report)
First Leaside Wealth Management Preferred Shares	FLWM	Equity	8,419,996	FLWM pref shares
FLWM Holdings Limited Partnership	FLWM Holdings	Equity	3,471,717	Investments in Retirement and Beverages (refer to pg. 118 of GTL Report)
Wimberly Apartments Limited Partnership	WALP	Equity	72,737,636	Units of WALP
		TOTAL	**334,777,567**	

E&OE

Offering Memoranda

Overview

- In its capacity as Consultant, GTL performed a limited review of certain of the FL Group offering memoranda (the "**OM's**") to understand:
  - The investments' objective;
  - The fees charged by the FL Group; and
  - The ability to lend or borrow on an intercompany basis.
- The following is a general description of the terms of the OM's, copies of which are available in their entirety on SEDAR (www.sedar.com). Each investor should review the OM's applicable to his or her investment.

Investment Objective

- The language of the investment objective provided a general description of the types of investments that could be acquired.
- The Funds, which held debt investments in certain FL Group limited partnerships, were permitted to provide loans to other FL Group entities, provided that the terms of such loans were no less favourable than the return that the Fund was paying to its investors.

Fees

- The OM's outline 3 types of fees that are charged by various entities within the FL Group:

1. **Agency fees:**
   - Only charged in LPs.
   - The Funds reviewed entered into a "*Cost Payment Reimbursement Agreement*" whereby the LP of the same name was responsible for the agency fees. These agreements are executed by the General Partner.
   - The agency fees charged in the LP reflect the initial administration costs (accounting, mailing, legal etc.) for both LP and Fund unit holders.
   - Agency fees typically range between $100K and $300K or up to 5% of funds raised and are only drawn "when funds are available".
   - The fees are typically paid to First Leaside Securities Inc.
2. **Wealth management fees:**
   - The LP/Fund enters into an exclusive agreement with First Leaside Securities Inc. to market the units to prospective investors.
   - A one time fee equal to 5% of total invested capital would be charged at the time of investment unless otherwise stated.
   - OM's that were reviewed by the Consultant disclosed that that the LP/Fund and FLSI are related.
3. **Business development / promotion & evaluation fees:**
   - Refers to fees charged exclusively by the LPs (not the Funds) for reviewing potential properties and investments.
   - The fees are paid to the Agent or any party which is related to the issuer.
   - Fees ranged from 7.5% to 15% of assets under management, and a flat fee of between $50,000 and $75,000 on a per review basis, and were paid "when the funds are available".
   - OM's disclosed that the LP/Fund parties are related.

Lending / Borrowing

- The OM's that were reviewed by the Consultant had clauses that allowed the limited partnerships to invest FL Group securities or lend funds to other entities in the FL Group.

FLWM

Consolidated Balance Sheet
(Expressed in Canadian dollars)
as at December 31, 2011
(unaudited)

DRAFT

	2011	
Assets		
Current Assets		
Cash	$3,461,584	
Short-term investments	499,327	
Accounts receivable and prepaid assets	514,563	
Deferred financing costs	1,354,813	
Loans receivable - D. & M. Phillips & holding company	1,479,535	Note
Loans receivable - Employees and Clients	3,320,679	Note
Loans receivable - First Leaside Venture LP	7,500,000	
Advances to affiliates	27,304,140	
	45,434,642	
Investments	22,315,256	
Art Portfolio	787,530	
	23,102,786	
Capital assets, net	555,365	
	$ 69,092,793	
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$487,365	
Income tax payable	(144,526)	
Advances from affiliates	17,015,168	
Loan payable	855,061	
Promissory note to FLWM Fund	22,314,063	
Promissory note to Special Notes	10,372,768	
Promissory note to US Special Notes	124,037	
	51,023,935	
Preferred Shares	30,593,385	
Common Stock	3	
Shareholders Equity	(12,524,530)	
	$ 69,092,793	

Note: The CRO, the Monitor and legal counsel are reviewing the nature and collectability of these loans.

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Total Amount Raised by FLWM by way of debt & equity is $63.3M

FLWM (cont'd)

Inter-Company Debt Due To/From FLWM/FL Finance

Due from affiliates	
Due from Wimberly Apartments LP	13,795,674
Due from First Leaside Global Limited Partnership	2,440,130
Due from F.L. Spring Valley LP	1,956,851
Due from First Leaside Realty II Inc.	1,355,281
Due from First Leaside Visions II Limited Partnership	1,332,620
Due from First Leaside Investors LP	1,260,188
Due from First Leaside Visions LP	618,711
Due from First Leaside Operations LP	610,509
Due from F.L. Research Management Inc.	421,386
Due from First Leaside Retirement Residence	414,478
Due from First Leaside Venture Limited Partnership	372,372
Due from First Leaside Visions I LP	353,251
Due from Old Mill Pond LP	290,232
Due from The Shores Limited Partnership	283,663
Due from First Leaside Capital LP	264,274
Due from Shareholders	238,230
Due from Bakker & Co	212,401
Due from Allan Welsh	195,214
Due from First Leaside Realty LP	160,861
Due from First Leaside Select LP	159,574
Due from First Leaside Acquisitions LP	130,165
Due from First Leaside Management Inc.	91,200
Due from 965010 Ontario Inc. (GP of WALP)	71,649
Due from First Leaside Universal LP	68,966
Due from 1244428 Ontario Inc. (GP of Preston)	60,005
Due from D. McCoromack & Co. Inc.	34,102
Due from First Leaside Wealth Management Holdings LP	32,283
Due from Special Notes U.S. LP	17,543
Due from Other FL Entities	62,326
	$ 27,304,140

Due to affiliates	
Due to Other FL Entities	(8,146)
Due to First Leaside Ultimate LP	(21,179)
Due to First Leaside Insurance Inc.	(36,000)
Due to First Leaside Entities LP	(41,881)
Due to First Leaside Realty Inc.	(59,563)
Due to 1408927 Ontario Inc. (GP of Acquisitions 2000 LP)	(63,288)
Due to First Leaside Realty II LP	(80,217)
Due to First Leaside Growth LP	(94,498)
Due to First Leaside Visions II LP	(119,231)
Due to Special Notes Limited Partnership	(174,998)
Due to First Leaside Wealth Management Fund	(203,869)
Due to First Leaside Elite LP	(1,692,731)
Due to First Leaside Ultimate LP	(1,842,768)
Due to First Leaside Premier LP	(2,000,488)
Due to First Leaside Progressive LP	(2,470,593)
Due to First Leaside Expansion LP	(8,105,716)
	$ (17,015,168)

FLWM (cont'd)

Investments held by FLWM – (Book Value)

Investment in Wimberly Apartments Limited Partnership	9,623,634	Investment in First Leaside Realty II Limited Partnership	66,150
Investment in First Leaside Retirement Residences LP	5,725,268	Investment in Wimberly Fund	66,000
Investment in Joanna Hampton Holdings Inc.	1,833,884	Investment in Corporate Condo - 5840 Spring Valley, Dallas	58,529
Investment in First Leaside Beverages LP	740,713	Investment in First Leaside Realty Inc.	54,600
Investment in First Leaside Elite LP	726,953	Investment in First Leaside Capital Inc.	53,061
Investment in First Leaside Expansion LP	689,772	Investment in First Leaside Investors LP	28,000
Investment in Matthew E. Bakker PC	541,573	Investment in First Leaside Insurance Inc.	24,336
Investment in First Leaside Fund	425,014	Investment in Corporate Condo - 7510 East Grand Unit 2318	24,114
Investment in First Leaside Select LP	424,205	Investment in Harmony Townhomes Limited Partnership	21,179
Investment in First Leaside Acquisitions LP	301,465	Investment in F.L. Spring Valley Limited Partnership	20,500
Investment in First Leaside Properties Fund	226,272	Investment in Mill Street Limited Partnership	13,565
Investment in First Leaside Fund Management Inc.	148,300	Investment in First Leaside Holdings Inc.	5,600
Investment in First Leaside Premier LP	143,516	Investment in First Leaside Acquisitions 2000 LP	952
Investment in Queenston Manor Limited Partnership	97,799	Investment in First Leaside Partners (1997) LP	304
Investment in First Leaside Developments LP	93,969	Investment in First Leaside Retirement Res. Ottawa	200
Investment in First Leaside Realty Limited Partnership	90,000	Investment in B&W Limited Partnership	(57,519)
Investment in First Leaside Visions Management Inc.	89,877	Investment in First Leaside Technologies LP	(63,105)
Investment in First Leaside Progressive LP	75,000		$ 22,315,256

WALP

Consolidated Balance Sheet
(Expressed in Canadian dollars)
as at December 31, 2011
(unaudited)

DRAFT

	2011
Assets	
Revenue-producing properties (net of accumulated amortization):	
FLW Ponde	$3,769,274
FLW Shores	4,189,075
FLW Bluffs	3,550,743
FLW Crossing	1,365,535
FLW Pointe	1,343,316
FLW Preston	6,733,073
FL Sedona Creek Ltd	5,965,250
FL Country Village, Ltd. (and adjacent Church property)	3,279,130
FL Creekview, Ltd	6,464,237
FL Raintree, Ltd	5,243,974
FL Arrowwood, Ltd	5,000,153
	46,903,759
Deposits in escrow	3,014,440
Deferred financing costs	214,747
Prepaid expenses and deposits	711,676
Due from related parties	2,132,393
Accounts receivable	140,117
Cash	6,262,316
	$59,379,448
Liabilities and Shareholders' Equity	
Liabilities:	
Mortgages payable	$53,003,414
Accounts payable and accrued liabilities	6,654,365
Promissory note payable	68,300,720
Due to related parties	21,929,554
Tenants' security deposits	287,354
Future income tax liabilities	2,025,810
Long term debt	500,000
	152,701,216
Non-controlling interest	205,107
Partners' Equity (deficiency)	(93,526,875)
	$59,379,448

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Total Amount Raised by WALP by way of debt & equity is $152.6M (excluding syndicated mortgages)

WALP (cont'd)

- Redacted -

FLEX

Consolidated Balance Sheet
(Expressed in Canadian dollars)
as at December 31, 2011
(unaudited)

DRAFT

	2011
Assets	
Revenue-producing properties (net of accumulated amortization):	
Wheately	$396,713
Bramtree	4,463,401
Queenston	6,085,763
Victoria Drive & Brock Street (proposed head office site)	10,445,183
	21,391,060
Due from FLWM	8,979,350
Prepaids and deposits	365,483
Deposits in escrow	46,653
Tenant inducements	17,706
Accounts and loans receivable	57,439
Cash	792,604
	$ 31,650,295
Liabilities and Shareholders' Equity	
Liabilities:	
Mortgage payable	$6,653,417
Due to related parties	358,394
Promissory notes payable (FLEX Fund & Development Notes)	12,696,970
Accounts payable and accrued liabilities	3,013,557
Tenant deposits and prepaid rent	227,637
	22,949,975
Partners' Equity	8,700,320
	$ 31,650,295

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Total Amount Raised by FLEX by way of debt & equity is $38.6M (excluding syndicated mortgages)

Venture

Consolidated Balance Sheet
(Expressed in Canadian dollars)
as at December 31, 2011
(unaudited)

DRAFT

	2011
Assets	
Revenue-producing properties (net of accumulated amortization):	
Ottawa - Redwoods	$34,206,719
Ottawa - Palisades	30,946,392
Okanagan - Cherry	7,095,136
Okanagan - Orchard	10,544,703
Okanagan - Shores	8,171,180
	90,964,130
Due from related parties (primarily FL Finance / FLWM)	4,120,506
Prepaids and deposits	102,645
Deferred financing costs (net of amortization)	5,220,540
Inventory	64,592
Accounts and loans receivable	367,867
Cash	860,467
	$101,700,747
Liabilities and Shareholders' Equity	
Liabilities:	
Mortgages payable	$75,518,394
Due to related parties (primarily FL Finance / FLWM)	4,273,895
Promissory notes payable (FL Finance and Primetime Living LP)	16,492,557
Accounts payable and accrued liabilities	3,756,114
Tenant deposits and prepaid rent	993,450
	101,034,410
Partners' Equity	666,337
	$101,700,747

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Total Amount Raised by Venture by way of debt & equity is $5.1M

Investors

Consolidated Balance Sheet
(Expressed in Canadian dollars)
as at December 31, 2011
(unaudited)

DRAFT

		2011
Assets		
Revenue-producing properties (net of accumulated amortization):		
Harmony Townhomes		$2,349,708
Mill St.		1,255,208
		3,604,916
Due from related parties (FLWM)		163,970
Prepaids and deposits		15,762
Deposits in escrow		146,947
In-place leases		1,361
Accounts receivable		21,327
Cash		7,248
	$	**3,961,531**
Liabilities and Shareholders' Equity		
Liabilities:		
TD Mortgage (Harmony)		$1,189,692
Syndicated Mortgage (Mill Street)		900,000
Due to related parties (FLWM / FL Finance)		1,337,201
Accounts payable and accrued liabilities		17,416
Tenant deposits and prepaid rent		11,649
Deferred revenue		1,826
		3,457,784
Partners' Equity		503,745
	$	**3,961,531**

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Total Amount Raised by Investors by way of debt & equity is $6.6M

Progressive

Consolidated Balance Sheet
(Expressed in Canadian dollars)
as at December 31, 2011
(unaudited)

DRAFT

	2011
Assets	
Revenue-producing properties (net of accumulated amortization):	
Cemetery Road	$2,006,262
	2,006,262
Due from related parties (FL Finance)	4,085,289
Prepaids and deposits	2,834
Investments in Beverages LP	575,000
Investment in FL Retirement Residence LP	2,500,000
Accounts receivable	221,841
Cash	11,154
	$ 9,402,380
Liabilities and Shareholders' Equity	
Liabilities:	
Mortgage payable	$1,637,379
Due to related parties (FLWM)	1,644,399
Accounts payable and accrued liabilities	12,465
Tenant deposits and prepaid rent	800
	3,295,043
Partners' Equity	6,107,337
	$ 9,402,380

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Total Amount Raised by Progressive by way of debt & equity is $14.8M

Select, Premier, Ultimate and Elite

Consolidated Balance Sheet
(Expressed in Canadian dollars)
as at December 31, 2011
(unaudited)

DRAFT

	Select	Premier	Ultimate	Elite
		2011		
Assets				
Cash	$ 66	$ 31	$ (3)	$ 460
Due from related parties	-	2,615,804	1,926,100	1,750,458
	$ 66	**$ 2,615,835**	**$ 1,926,097**	**$ 1,750,918**
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -
Due to related party	156,907	648,760	4,000	86,022
	156,907	648,760	86,023	86,023
Partners' Equity	(156,841)	1,967,075	1,840,074	1,664,896
	$ 66	**$ 2,615,835**	**$ 1,926,097**	**$ 1,750,918**

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Total Amount Raised by Select, Premier, Ultimate and Elite by way of equity is $18.7M

Visions I and II

Consolidated Balance Sheet
(Expressed in Canadian dollars)
as at December 31, 2011
(unaudited)

DRAFT

	2011
Assets	
Cash	$640,270
Prepaid expenses and deposits	1,200
Promissory note receivable	1,110,610
Venture financing of Ontario start-up companies	3,675,103
	$5,427,183
Liabilities and Shareholders' Equity	
Liabilities:	
Accounts payable and accrued liabilities	37,002
Due to related parties (FLWM)	2,048,114
	2,085,116
Partners' Equity	3,342,067
	$5,427,183

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Total Amount Raised by Visions by way of debt & equity is $4M

First Leaside Group of Companies

Grant Thornton

Section 4

Source and Use of Funds

Source and Use of Funds

Background

- As part of its mandate as Private Monitor, GTL reviewed the transactions in 98 bank accounts controlled by FL Group entities for the following two periods: August 19, 2011 – November 1, 2011 and November 2, 2011 – November 25, 2011. There were, in addition, 37 other accounts (the "**Excluded Accounts**") for which a detailed review was not completed.

Source of Funds - August 19, 2011 to November 1, 2011

- The following table is a summary of funds received during the above period, of which approximately $20.0M was received from investors:

Bank accounts	from Penson	# of Trans	Avg. Trans	Type
Special Notes LP	$ 8,277,038	29	$ 285,415	Debt
FL Expansion LP	3,977,051	5	795,410	Equity
FL Expansion Fund (FLEX Fund)	3,408,075	40	85,202	Debt
FL Venture LP	2,271,191	17	133,599	Equity
FLWMS Fund	1,403,332	11	127,576	Debt
FL Primetime Living LP	334,960	4	83,740	Equity
FL Beverage Group LP	129,980	3	43,327	Equity
Special U.S. Notes LP	121,944	2	60,972	Debt
Wimberly Apartments LP (WALP)	78,540	4	19,635	Equity
	$ 20,002,111	116	$ 172,432	

- Other sources of funds are detailed in the table below and include a $500,000 loan from the holding company of David Phillips which was deposited on September 2, 2011 in to FLWM:

Sources	Total
Mortgage refinancing on Venture closing	1,812,036
Loan from D Phillips' holding company	500,000
Rental Income	412,050
Proceeds from sale of investments	338,418
Distributions & Dividend payments	232,221
Client Wealth Management Fees received	198,397
Foreign Exchange Swap (WALP buyout)	139,153
Monthly Hedge transactions	120,000
Mortgage Payments received	111,545
Other miscellaneous amounts	239,440
	$ 4,103,260

Use of Funds - August 19, 2011 to November 1, 2011

- The total use of funds was approximately $25.6M and was for closing costs related to the purchase of Venture ($8.4M), buying out the Development Notes fund units in FLEX ($4.34M), distributions and dividend payments ($3.67M) and construction costs related to the Victoria Street (FLEX) building ($1.36M), among others.
- The following table summarizes the top ten expenditures between August 19, 2011 and November 1, 2011:

Uses	Total
Closing costs (Venture)	(8,437,402)
Client Buyout (Development Notes)	(4,335,433)
Distributions & Dividend Payments	(3,665,302)
Construction costs (Victoria St)	(1,360,268)
Penson	(1,199,623)
Payroll	(1,001,627)
WALP operating costs	(801,958)
Legal Fees	(677,006)
Utilities & Communications	(356,380)
Primetime Living operating costs	(350,000)
Other items	(3,416,059)
	$ (25,601,058)

Source and Use of Funds

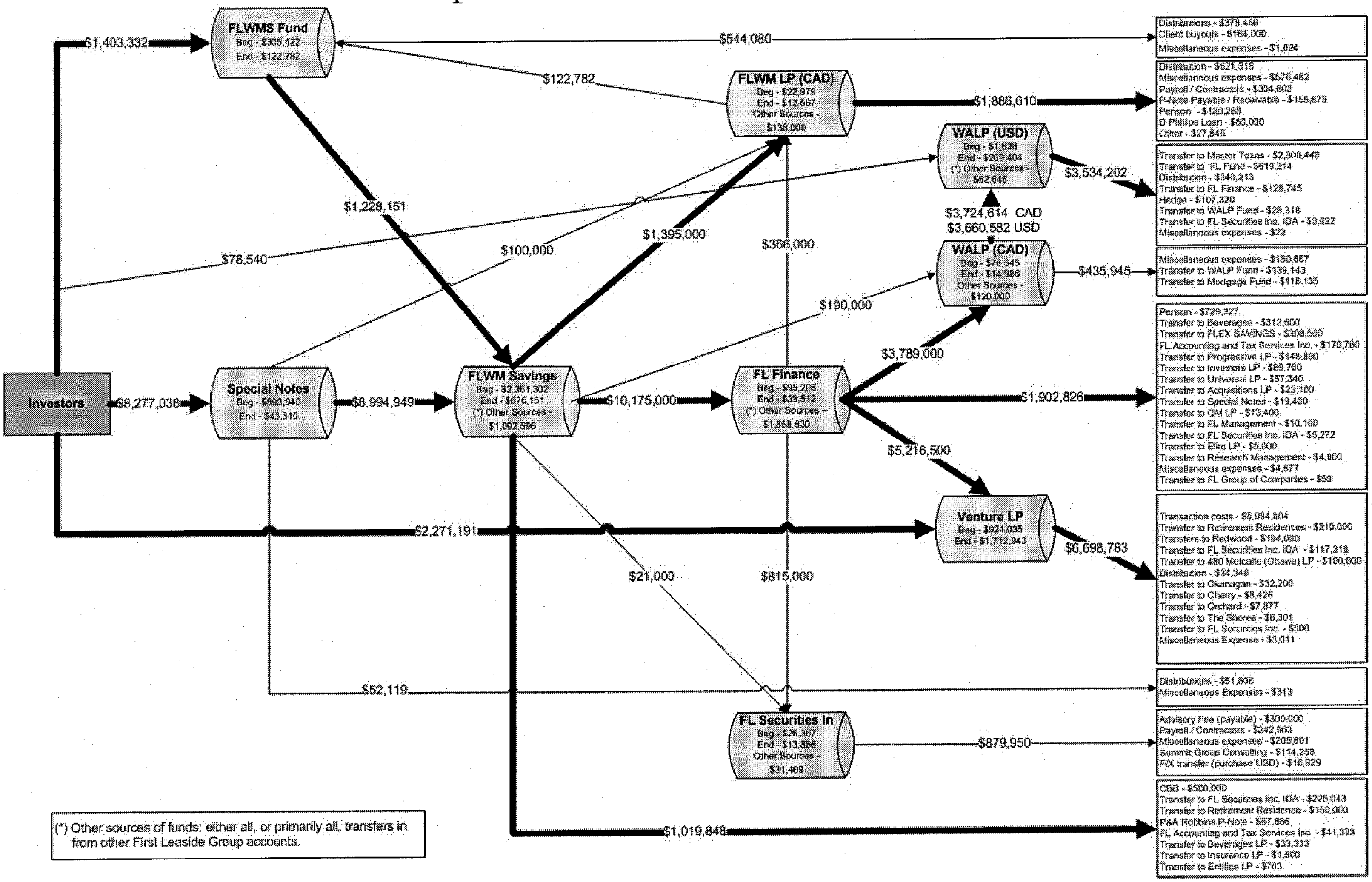
Source and Use of Funds – November 2, 2011 to November 25, 2011

- The sources of funds during this time period totaled $2.085M and included $1.6M related to a hedge settlement in the WALP account, $225K of reimbursed conference expenses, $166K related to fees earned from investors, and tax refunds of $70K. No new investment funds were received during this period.
- Disbursements totaling $2.174M during this period were significantly reduced from the prior period and as well there was a substantially reduced level of transfer activity amongst the accounts.
- The use of funds during this time period included the following:
    - Distributions paid to investors of $785K;
    - $500K paid to the holding company of D. Phillips; these funds cleared the bank account on November 3, 2011;
    - $73K paid to CBB;
    - $100K paid to the Private Monitor as a retainer;
    - Payroll costs of $195K;
    - $130K paid to the corporations in Visions I as loans to finance the underlying operating and payroll costs;
    - Disbursements of $79K related to the Victoria Street, Uxbridge property; and
    - $75K paid to finance the operating costs in the Beverages LP fund.

Trading by Directors and Management

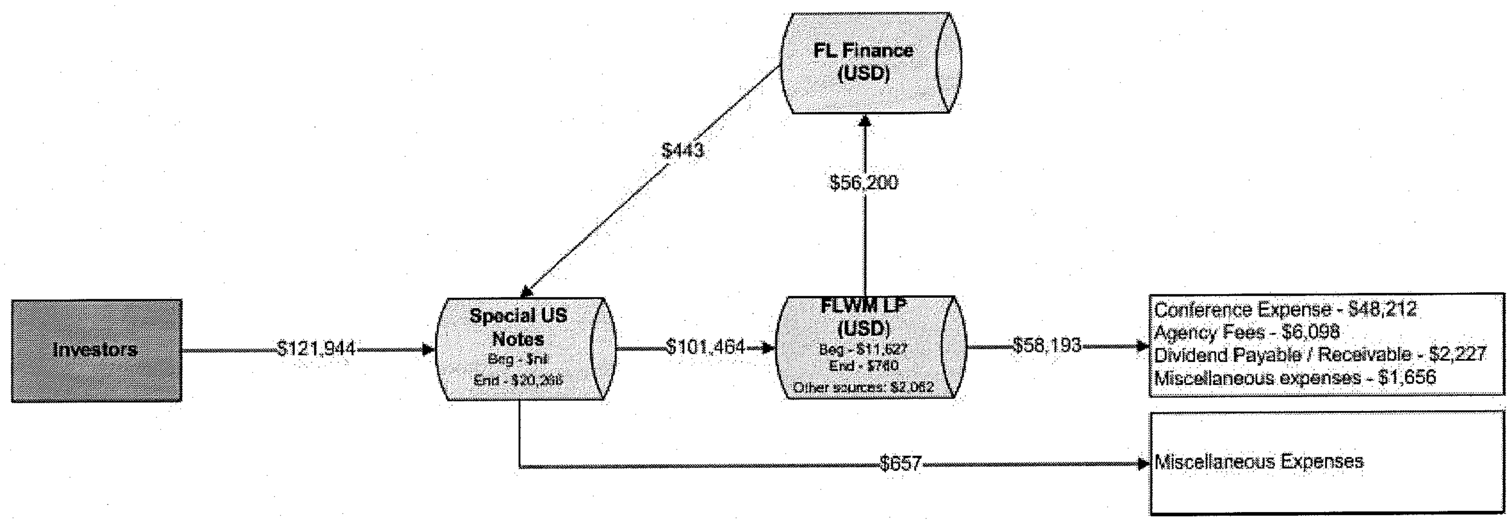
- As a part of its mandate, the Private Monitor also reviewed the trading activity by the directors and management of the FL Group for the period from August 19, 2011 to November 25, 2011. During this period:
    - i) the majority of the directors and management did not buy or sell FL Products; and,
    - ii) two directors purchased FL Products (on a net basis) and one director sold FL Products (on a net basis). The transactions involving the director having sold FL Products were not material.

Flow of Investor Funds – Special Notes

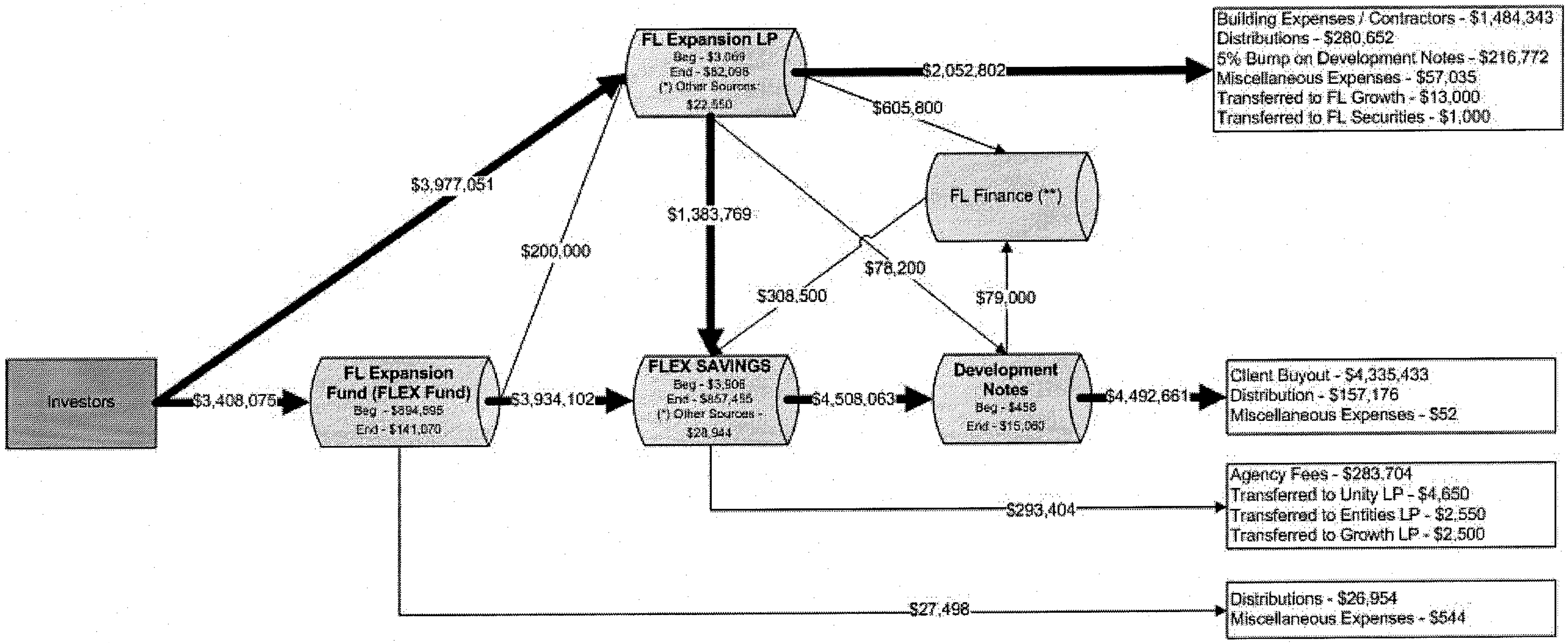


(*) Other sources of funds: either all, or primarily all, transfers in from other First Leaside Group accounts.

Flow of Investor Funds – Special Notes (USD)



Flow of Investor Funds – FLEX



(*) Other sources of funds; either all, or primarily all, transfers in from other First Leaside Group accounts.
(**) See Special Notes diagram for detail on where money in FL Finance was transferred/spent.

APPENDIX 2 - CASH FLOW PROJECTIONS TO OCTOBER 26, 2012 AND MANAGEMENT'S REPORT ON CASH FLOW

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 Schedule A hereto (collectively, the **"First Leaside Group"**) have prepared the attached statement of projected cash flow of the First Leaside Group as of June 21, 2012 (the "**Cash Flow Statement**") consisting of a 17 week cash flow for the period July 2, 2012 to October 26, 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: June 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"—PARTNERSHIPS ENTITLED TO THE BENEFIT OF THIS ORDER

Mill Street Limited Partnership
Development Notes Limited Partnerships Special Notes LP
First Leaside Properties LP
First Leaside Realty LP First Leaside Real Estate LP
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
Wimberly Apartments LP
The Shores LP
Old Mill Pond LP

The Bluffs of Lakewood LP
First Leaside Spring Valley LP
First Leaside Partners LP First Leaside Opportunities LP
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
FL Master Texas Ltd.
FLW Pond Master Ltd.
FLW Shores Master Ltd.
First Leaside Acquisitions LP
Queenston Manor LP
First Leaside Acquisitions 2000 LP
First Leaside Advantage LP
First Leaside Developments LP
First Leaside Elite LP First Leaside Select LP
First Leaside Enterprises LP
B&W LP First Leaside Entities LP
First Leaside Expansion LP
First Leaside Growth LP
First Leaside Operations LP
First Leaside Unity LP

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	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
Place Concorde East LP	
Place Concorde West LP	
First Leaside Wealth Management LP	
First Leaside Technologies LP	
F.L. Beverages Group Limited	

First Leaside Group of Companies
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

Week		1	2	3	4	5	6	7	8	9
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Week Ended		07/06/2012	07/13/2012	07/20/2012	07/27/2012	08/03/2012	08/10/2012	08/17/2012	08/24/2012	08/31/2012
Opening bank balance		5,599,857.29	5,155,473.96	5,120,845.91	4,700,717.91	4,575,221.86	4,279,944.53	4,264,243.48	3,984,115.48	3,981,515.48
Receipts	(1) (2)	43,450.00	-	31,500.00	-	26,450.00	17,000.00	31,500.00	-	-
Disbursements:										
Operating		32,833.33	4,177.00	11,628.00	28,045.00	11,727.33	2,250.00	11,628.00	2,600.00	27,695.00
Professional Fees		455,000.00	-	440,000.00	67,000.00	310,000.00	-	300,000.00	-	327,000.00
Salaries		-	30,451.05	-	30,451.05	-	30,451.05	-	-	30,451.05
Intercompany transfers		-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-
Mortgage payment		-	-	-	-	-	-	-	-	-
Total Disbursements		487,833.33	34,628.05	451,628.00	125,496.05	321,727.33	32,701.05	311,628.00	2,600.00	385,146.05
Net cash flows		(444,383.33)	(34,628.05)	(420,128.00)	(125,496.05)	(295,277.33)	(15,701.05)	(280,128.00)	(2,600.00)	(385,146.05)
Closing bank balance		5,155,473.96	5,120,845.91	4,700,717.91	4,575,221.86	4,279,944.53	4,264,243.48	3,984,115.48	3,981,515.48	3,596,369.43

Hypothetical Assumptions:

Notes:
(1) The cash flow assumes that all the Canadian properties will be sold in the week ending September 28, 2012. There is a risk that some or all of the Canadian Properties will not be sold by that time, or that some of the Canadian Properties will be subject to purchase and sale agreements that have yet to be approved by the Court.

Probable Assumptions:

(2) Other receipts are primarily related to rental income from the various properties in the First Leaside portfolio.

First Leaside Group of Companies
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

Week		10	11	12	13	14	15	16	17	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
Week Ended		09/07/2012	09/14/2012	09/21/2012	09/28/2012	10/05/2012	10/12/2012	10/19/2012	10/26/2012	Forecast
Opening bank balance		3,596,369.43	3,629,469.85	3,277,390.80	3,306,540.80	10,845,075.75	10,838,142.41	10,505,619.36	10,497,369.36	5,599,857.29
Receipts	(1) (2)	43,450.00	-	31,500.00	7,978,681.00	26,450.00	48,500.00	19,000.00	-	8,297,481.00
Disbursements:										
Operating		10,349.58	11,628.00	2,350.00	27,695.00	33,383.33	15,572.00	27,250.00	26,745.00	287,556.58
Professional Fees		-	310,000.00	-	382,000.00	-	335,000.00	-	335,000.00	3,261,000.00
Salaries		-	30,451.05	-	30,451.05	-	30,451.05	-	30,451.05	243,608.39
Intercompany transfers		-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-
Mortgage payment		-	-	-	-	-	-	-	-	-
Total Disbursements		10,349.58	352,079.05	2,350.00	440,146.05	33,383.33	381,023.05	27,250.00	392,196.05	3,792,164.98
Net cash flows		33,100.42	(352,079.05)	29,150.00	7,538,534.95	(6,933.33)	(332,523.05)	(8,250.00)	(392,196.05)	4,505,316.02
Closing bank balance		3,629,469.85	3,277,390.80	3,306,540.80	10,845,075.75	10,838,142.41	10,505,619.36	10,497,369.36	10,105,173.31	10,105,173.31

Hypothetical Assumptions:

Notes:
(1) The cash flow assumes that all the Canadian properties will be sold in the week ending September 28, 2012. There is a risk that some or all of the Canadian Properties will not be sold by that time, or that some of the Canadian Properties will be subject to purchase and sale agreements that have yet to be approved by the Court.

Probable Assumptions:

(2) Other receipts are primarily related to rental income from the various properties in the First Leaside portfolio.

First Leaside Group of Companies
First Leaside Securities Inc. ("FLSI")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

		1	2	3	4	5	6	7	8	9
		Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended		**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance		967,983.63	967,983.63	964,629.46	964,629.46	931,275.29	931,275.29	927,921.12	927,921.12	927,921.12
Receipts										
Disbursements:										
Operating		0.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	5,000.00
Professional Fees	(1)	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00
Salaries	(2)	0.00	3,354.17	0.00	3,354.17	0.00	3,354.17	0.00	0.00	3,354.17
Intercompany transfers										
Capital										
Mortgage payment										
Total Disbursements		0.00	3,354.17	0.00	33,354.17	0.00	3,354.17	0.00	0.00	33,354.17
Net cash flows		0.00	(3,354.17)	0.00	(33,354.17)	0.00	(3,354.17)	0.00	0.00	(33,354.17)
Closing bank balance		967,983.63	964,629.46	964,629.46	931,275.29	931,275.29	927,921.12	927,921.12	927,921.12	894,566.95

Probable Assumptions:

Notes:
(1) Assumes services rendered by Cassels Brock relating to ongoing IIROC matters.
(2) One First Leaside employee continues to receive compensation from this entity.

First Leaside Group of Companies
First Leaside Securities Inc. ("FLSI")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

		10	11	12	13	14	15	16	17	
Week Ended		**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance		894,566.95	894,566.95	891,212.78	891,212.78	857,858.61	857,858.61	854,504.44	854,504.44	**967,983.63**
Receipts										0.00
Disbursements:										
Operating		0.00	0.00	0.00	5,000.00	0.00	0.00	0.00	5,000.00	20,000.00
Professional Fees	(1)	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	75,000.00
Salaries	(2)	0.00	3,354.17	0.00	3,354.17	0.00	3,354.17	0.00	3,354.17	26,833.36
Intercompany transfers										0.00
Capital										0.00
Mortgage payment										0.00
Total Disbursements		0.00	3,354.17	0.00	33,354.17	0.00	3,354.17	0.00	8,354.17	121,833.36
Net cash flows		0.00	(3,354.17)	0.00	(33,354.17)	0.00	(3,354.17)	0.00	(8,354.17)	**(121,833.36)**
Closing bank balance		894,566.95	891,212.78	891,212.78	857,858.61	857,858.61	854,504.44	854,504.44	846,150.27	**846,150.27**

Probable Assumptions:

Notes:
(1) Assumes services rendered by Cassels Brock relating to ongoing IIROC matters.
(2) One First Leaside employee continues to receive compensation from this entity.

First Leaside Group of Companies
First Leaside Wealth Management Inc. ("FLWM")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

		1	2	3	4	5	6	7	8	9
Week Ended		Forecast 07/06/2012	Forecast 07/13/2012	Forecast 07/20/2012	Forecast 07/27/2012	Forecast 08/03/2012	Forecast 08/10/2012	Forecast 08/17/2012	Forecast 08/24/2012	Forecast 08/31/2012
Opening bank balance		447,600.22	(34,399.78)	(63,746.66)	(505,746.66)	(596,513.54)	(908,513.54)	(937,860.42)	(1,239,860.42)	(1,242,110.42)
Receipts	(1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disbursements:										
Operating		27,000.00	2,250.00	2,000.00	21,670.00	2,000.00	2,250.00	2,000.00	2,250.00	21,420.00
Professional Fees	(2)	455,000.00	0.00	440,000.00	42,000.00	310,000.00	0.00	300,000.00	0.00	302,000.00
Salaries		0.00	27,096.88	0.00	27,096.88	0.00	27,096.88	0.00	0.00	27,096.88
Intercompany transfers										
Capital										
Mortgage payment										
Total Disbursements		482,000.00	29,346.88	442,000.00	90,766.88	312,000.00	29,346.88	302,000.00	2,250.00	350,516.88
Net cash flows		(482,000.00)	(29,346.88)	(442,000.00)	(90,766.88)	(312,000.00)	(29,346.88)	(302,000.00)	(2,250.00)	(350,516.88)
Closing bank balance		(34,399.78)	(63,746.66)	(505,746.66)	(596,513.54)	(908,513.54)	(937,860.42)	(1,239,860.42)	(1,242,110.42)	(1,592,627.30)

<u>Hypothetical Assumptions:</u>

<u>Probable Assumptions:</u>

Notes:
(1) Assumes that the proceeds from the sale of art held by FLWM will be collected in the week ending September 28, 2012.

(2) 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. A portion of such costs would be reallocated to other entities in the FL Group, subject to the Court's approval.

Professional fees:		1	2	3	4	5	6	7	8	9
Corporate counsel	CBB	200,000.00	0.00	200,000.00	0.00	150,000.00	0.00	150,000.00	0.00	100,000.00
Independent Committee counsel	Torys	0.00	0.00	35,000.00	10,000.00	0.00	0.00	0.00	0.00	10,000.00
Monitor's counsel	Blakes	50,000.00	0.00	60,000.00	0.00	50,000.00	0.00	40,000.00	0.00	40,000.00
Representative legal counsel to investors	FMC	80,000.00	0.00	75,000.00	0.00	50,000.00	0.00	50,000.00	0.00	60,000.00
Monitor	GT	100,000.00	0.00	50,000.00	0.00	50,000.00	0.00	50,000.00	0.00	50,000.00
Corporate Finance	GTCFI	25,000.00	0.00	20,000.00	0.00	10,000.00	0.00	10,000.00	0.00	10,000.00
Chief Restructuring Officer	GSMA	0.00	0.00	0.00	32,000.00	0.00	0.00	0.00	0.00	32,000.00
		455,000.00	0.00	440,000.00	42,000.00	310,000.00	0.00	300,000.00	0.00	302,000.00

Legend:
CBB = Cassels, Brock & Blackwell LLP
Torys = Torys LLP
Blakes - Blake, Cassels & Graydon LLP
FMC = Fraser Milner Casgrain LLP
GT = Grant Thornton Limited
GTCFI = Grant Thornton Corporate Finance Inc.
GSMA = G.S. MacLeod & Associates Inc.

First Leaside Group of Companies
First Leaside Wealth Management Inc. ("FLWM")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

		10	11	12	13	14	15	16	17	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
Week Ended		09/07/2012	09/14/2012	09/21/2012	09/28/2012	10/05/2012	10/12/2012	10/19/2012	10/26/2012	Forecast
Opening bank balance		(1,592,627.30)	(1,594,877.30)	(1,933,974.17)	(1,936,224.17)	(2,091,741.05)	(2,118,991.05)	(2,483,087.93)	(2,510,337.93)	(596,513.54)
Receipts	(1)	0.00	0.00	0.00	250,000.00	0.00	0.00	0.00	0.00	250,000.00
Disbursements:										
Operating		2,250.00	2,000.00	2,250.00	21,420.00	27,250.00	2,000.00	27,250.00	21,420.00	188,680.00
Professional Fees	(2)	0.00	310,000.00	0.00	357,000.00	0.00	335,000.00	0.00	335,000.00	3,186,000.00
Salaries		0.00	27,096.88	0.00	27,096.88	0.00	27,096.88	0.00	27,096.88	216,775.03
Intercompany transfers										0.00
Capital										0.00
Mortgage payment										0.00
Total Disbursements		2,250.00	339,096.88	2,250.00	405,516.88	27,250.00	364,096.88	27,250.00	383,516.88	3,591,455.03
Net cash flows		(2,250.00)	(339,096.88)	(2,250.00)	(155,516.88)	(27,250.00)	(364,096.88)	(27,250.00)	(383,516.88)	(3,341,455.03)
Closing bank balance		(1,594,877.30)	(1,933,974.17)	(1,936,224.17)	(2,091,741.05)	(2,118,991.05)	(2,483,087.93)	(2,510,337.93)	(2,893,854.81)	(3,937,968.57)

Hypothetical Assumptions:

Probable Assumptions:

Notes:
(1) Assumes that the proceeds from the sale of art held by FLWM will be collected in the week ending September 28, 2012.

(2) 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. A portion of such costs would be reallocated to other entities in the FL Group, subject to the Court's approval.

Professional fees:										
Corporate counsel	CBB	0.00	150,000.00	0.00	150,000.00	0.00	150,000.00	0.00	150,000.00	1,400,000.00
Independent Committee counsel	Torys	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	55,000.00
Monitor's counsel	Blakes	0.00	40,000.00	0.00	40,000.00	0.00	40,000.00	0.00	40,000.00	400,000.00
Representative legal counsel to investors	FMC	0.00	60,000.00	0.00	75,000.00	0.00	75,000.00	0.00	75,000.00	600,000.00
Monitor	GT	0.00	50,000.00	0.00	50,000.00	0.00	50,000.00	0.00	50,000.00	500,000.00
Corporate Finance	GTCFI	0.00	10,000.00	0.00	10,000.00	0.00	20,000.00	0.00	20,000.00	135,000.00
Chief Restructuring Officer	GSMA	0.00	0.00	0.00	32,000.00	0.00	0.00	0.00	0.00	96,000.00
		0.00	310,000.00	0.00	357,000.00	0.00	335,000.00	0.00	335,000.00	3,186,000.00

Legend:
CBB = Cassels, Brock & Blackwell LLP
Torys = Torys LLP
Blakes - Blake, Cassels & Graydon LLP
FMC = Fraser Milner Casgrain LLP
GT = Grant Thornton Limited
GTCFI = Grant Thornton Corporate Finance Inc.
GSMA = G.S. MacLeod & Associates Inc.

First Leaside Group of Companies
Primetime Living Limited Partnership ("PTL")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	25,487.09	25,487.09	25,487.09	25,487.09	25,462.09	25,462.09	25,462.09	25,462.09	25,462.09
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	25.00	0.00	0.00	0.00	0.00	25.00
Professional Fees									
Salaries									
Intercompany transfers									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	25.00	0.00	0.00	0.00	0.00	25.00
Net cash flows	0.00	0.00	0.00	(25.00)	0.00	0.00	0.00	0.00	(25.00)
Closing bank balance	25,487.09	25,487.09	25,487.09	25,462.09	25,462.09	25,462.09	25,462.09	25,462.09	25,437.09

First Leaside Group of Companies
Primetime Living Limited Partnership ("PTL")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	25,437.09	25,437.09	25,437.09	25,437.09	25,412.09	25,412.09	25,412.09	25,412.09	**25,487.09**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	25.00	0.00	0.00	0.00	25.00	100.00
Professional Fees									0.00
Salaries									0.00
Intercompany transfers									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	25.00	0.00	0.00	0.00	25.00	100.00
Net cash flows	0.00	0.00	0.00	(25.00)	0.00	0.00	0.00	(25.00)	**(100.00)**
Closing bank balance	25,437.09	25,437.09	25,437.09	25,412.09	25,412.09	25,412.09	25,412.09	25,387.09	**25,387.09**

First Leaside Group of Companies
First Leaside Expansion Limited Partnership ("FLEX")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

		1	2	3	4	5	6	7	8	9
Week Ended		**Forecast 07/06/2012**	**Forecast 07/13/2012**	**Forecast 07/20/2012**	**Forecast 07/27/2012**	**Forecast 08/03/2012**	**Forecast 08/10/2012**	**Forecast 08/17/2012**	**Forecast 08/24/2012**	**Forecast 08/31/2012**
Opening bank balance		2,935,415.89	2,956,365.89	2,956,365.89	2,979,337.89	2,977,987.89	2,995,043.89	2,995,043.89	3,018,015.89	3,017,665.89
Receipts	(1) (2) (3)	20,950.00	0.00	31,500.00	0.00	20,950.00	0.00	31,500.00	0.00	0.00
Disbursements:										
Operating	(4)	0.00	0.00	8,528.00	1,350.00	3,894.00	0.00	8,528.00	350.00	1,250.00
Professional Fees		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	(5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements		0.00	0.00	8,528.00	1,350.00	3,894.00	0.00	8,528.00	350.00	1,250.00
Net cash flows		20,950.00	0.00	22,972.00	(1,350.00)	17,056.00	0.00	22,972.00	(350.00)	(1,250.00)
Closing bank balance		2,956,365.89	2,956,365.89	2,979,337.89	2,977,987.89	2,995,043.89	2,995,043.89	3,018,015.89	3,017,665.89	3,016,415.89

Hypothetical Assumptions:

Notes:

(1) Assumes that Bramtree, Victoria St., Brock and Wheatly will be sold the week ending September 28, 2012. There is some risk that some of the above named properties will not be sold by that time, or that some of these properties will be subject to purchase and sale agreements that have yet to be approved by the court.

(2) Proceeds from the sale of Victoria St. and Brock do not take into account the purported Construction Lien claims, which, if valid would reduce the amount realized.

Probable Assumptions:

(3) Other receipts are primarily related to rental income from the various properties in the FLEX portfolio.

(4) Operating expenses for Bramtree, Victoria St., Brock and Wheatly - significant amounts are utilities, repairs and property taxes.

(5) No mortgage payment are projected to be made (interest to be accrued).

First Leaside Group of Companies
First Leaside Expansion Limited Partnership ("FLEX")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

		10	11	12	13	14	15	16	17	
Week Ended		**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance		3,016,415.89	3,037,365.89	3,028,837.89	3,060,237.89	7,351,487.89	7,372,137.89	7,391,165.89	7,410,165.89	**2,935,415.89**
Receipts	(1) (2) (3)	20,950.00	0.00	31,500.00	4,292,500.00	20,950.00	31,500.00	19,000.00	0.00	4,521,300.00
Disbursements:										
Operating	(4)	0.00	8,528.00	100.00	1,250.00	300.00	12,472.00	0.00	300.00	46,850.00
Professional Fees		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	(5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements		0.00	8,528.00	100.00	1,250.00	300.00	12,472.00	0.00	300.00	46,850.00
Net cash flows		20,950.00	(8,528.00)	31,400.00	4,291,250.00	20,650.00	19,028.00	19,000.00	(300.00)	**4,474,450.00**
Closing bank balance		3,037,365.89	3,028,837.89	3,060,237.89	7,351,487.89	7,372,137.89	7,391,165.89	7,410,165.89	7,409,865.89	**7,409,865.89**

Hypothetical Assumptions:

Notes:

(1) Assumes that Bramtree, Victoria St., Brock and Wheatly will be sold the week ending September 28, 2012. There is some risk that some of the above named properties will not be sold by that time, or that some of these properties will be subject to purchase and sale agreements that have yet to be approved by the court.

(2) Proceeds from the sale of Victoria St. and Brock do not take into account the purported Construction Lien claims, which, if valid would reduce the amount realized.

Probable Assumptions:

(3) Other receipts are primarily related to rental income from the various properties in the FLEX portfolio.

(4) Operating expenses for Bramtree, Victoria St., Brock and Wheatly - significant amounts are utilities, repairs and property taxes.

(5) No mortgage payment are projected to be made (interest to be accrued).

First Leaside Group of Companies
Wimberly Apartments Limited Partnership ("WALP")
Combined (Canadian Entities only)
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38
Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38

First Leaside Group of Companies
Wimberly Apartments Limited Partnership ("WALP")
Combined (Canadian Entities only)
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	10	11	12	13	14	15	16	17	
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Total**
Week Ended	**09/07/2012**	**09/14/2012**	**09/21/2012**	**09/28/2012**	**10/05/2012**	**10/12/2012**	**10/19/2012**	**10/26/2012**	**Forecast**
Opening bank balance	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	**1,431,939.38**
Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	1,431,939.38	**1,431,939.38**

First Leaside Group of Companies
First Leaside Investors Limited Partnership
Combined ("Investors")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

		1	2	3	4	5	6	7	8	9
Week Ended		Forecast 07/06/2012	Forecast 07/13/2012	Forecast 07/20/2012	Forecast 07/27/2012	Forecast 08/03/2012	Forecast 08/10/2012	Forecast 08/17/2012	Forecast 08/24/2012	Forecast 08/31/2012
Opening bank balance		73,771.53	86,738.20	84,811.20	83,811.20	83,811.20	79,777.86	96,777.86	95,777.86	95,777.86
Receipts	(1) (2)	18,800.00	0.00	0.00	0.00	1,800.00	17,000.00	0.00	0.00	0.00
Disbursements:										
Operating	(3)	5,833.33	1,927.00	1,000.00	0.00	5,833.33	0.00	1,000.00	0.00	0.00
Professional Fees		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	(4)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements		5,833.33	1,927.00	1,000.00	0.00	5,833.33	0.00	1,000.00	0.00	0.00
Net cash flows		12,966.67	(1,927.00)	(1,000.00)	0.00	(4,033.33)	17,000.00	(1,000.00)	0.00	0.00
Closing bank balance		86,738.20	84,811.20	83,811.20	83,811.20	79,777.86	96,777.86	95,777.86	95,777.86	95,777.86

Hypothetical Assumptions:

Note:
(1) Assumes sale of Mill St. and Harmony Townhomes week ending September 28, 2012. There is a risk that some of the above named properties will not be sold by that time, or that some of these properties will be subject to purchase and sale agreements that have yet to be approved by the court.

Probable Assumptions:

(2) Other receipts include rental revenue earned at Mill Street & Harmony Townhomes
(3) Operating expenses for Mill St. and Harmony - significant amounts are utilities, repairs, property taxes
(4) No mortgage payment are projected to be made (interest to be accrued).

First Leaside Group of Companies
First Leaside Investors Limited Partnership
Combined ("Investors")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

		10	11	12	13	14	15	16	17	
Week Ended		**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance		95,777.86	108,744.53	107,744.53	107,744.53	2,628,925.53	2,624,892.20	2,640,892.20	2,640,892.20	**83,811.20**
Receipts	(1) (2)	18,800.00	0.00	0.00	2,521,181.00	1,800.00	17,000.00	0.00	0.00	2,596,381.00
Disbursements:										
Operating	(3)	5,833.33	1,000.00	0.00	0.00	5,833.33	1,000.00	0.00	0.00	29,260.33
Professional Fees		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	(4)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements		5,833.33	1,000.00	0.00	0.00	5,833.33	1,000.00	0.00	0.00	29,260.33
Net cash flows		12,966.67	(1,000.00)	0.00	2,521,181.00	(4,033.33)	16,000.00	0.00	0.00	**2,567,120.67**
Closing bank balance		108,744.53	107,744.53	107,744.53	2,628,925.53	2,624,892.20	2,640,892.20	2,640,892.20	2,640,892.20	**2,650,931.86**

Hypothetical Assumptions:

Note:
(1) Assumes sale of Mill St. and Harmony Townhomes week ending September 28, 2012. There is a risk that some of the above named properties will not be sold by that time, or that some of these properties will be subject to purchase and sale agreements that have yet to be approved by the court.

Probable Assumptions:

(2) Other receipts include rental revenue earned at Mill Street & Harmony Townhomes
(3) Operating expenses for Mill St. and Harmony - significant amounts are utilities, repairs, property taxes
(4) No mortgage payment are projected to be made (interest to be accrued).

First Leaside Group of Companies
First Leaside Progressive Limited Partnership
Combined ("Progressive")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

		1	2	3	4	5	6	7	8	9
		Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended		**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance		168,487.60	172,187.60	172,187.60	172,087.60	172,087.60	175,787.60	175,787.60	175,687.60	175,687.60
Receipts	(1) (2)	3,700.00	0.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00
Disbursements:										
Operating	(3)	0.00	0.00	100.00	0.00	0.00	0.00	100.00	0.00	0.00
Professional Fees		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	(4)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements		0.00	0.00	100.00	0.00	0.00	0.00	100.00	0.00	0.00
Net cash flows		3,700.00	0.00	(100.00)	0.00	3,700.00	0.00	(100.00)	0.00	0.00
Closing bank balance		172,187.60	172,187.60	172,087.60	172,087.60	175,787.60	175,787.60	175,687.60	175,687.60	175,687.60

Hypothetical Assumptions:

Probable Assumptions:

Notes:
(1) Assumes the sale of Cemetery, in the week ending September 28, 2012. There is a risk that Cemetery may not be sold by that time, or that Cemetery will be subject to a purchase and sale agreement that have yet to be approved by the court.

(2) Receipts include rental revenue earned at Cemetery Road, and Uxbridge properties.
(3) Operating expenses for Cemetery Road - significant amounts are property taxes.
(4) No mortgage payments are scheduled to be made (interest being accrued).

First Leaside Group of Companies
First Leaside Progressive Limited Partnership
Combined ("Progressive")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

		10	11	12	13	14	15	16	17	
Week Ended		**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance		175,687.60	177,121.35	177,021.35	177,021.35	1,092,021.35	1,095,721.35	1,095,621.35	1,095,621.35	**168,487.60**
Receipts	(1) (2)	3,700.00	0.00	0.00	915,000.00	3,700.00	0.00	0.00	0.00	929,800.00
Disbursements:										
Operating	(3)	2,266.25	100.00	0.00	0.00	0.00	100.00	0.00	0.00	2,666.25
Professional Fees		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	(4)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements		2,266.25	100.00	0.00	0.00	0.00	100.00	0.00	0.00	2,666.25
Net cash flows		1,433.75	(100.00)	0.00	915,000.00	3,700.00	(100.00)	0.00	0.00	**927,133.75**
Closing bank balance		177,121.35	177,021.35	177,021.35	1,092,021.35	1,095,721.35	1,095,621.35	1,095,621.35	1,095,621.35	**1,095,621.35**

Hypothetical Assumptions:

Notes:
(1) Assumes the sale of Cemetery, in the week ending September 28, 2012. There is a risk that Cemetery may not be sold by that time, or that Cemetery will be subject to a purchase and sale agreement that have yet to be approved by the court.

Probable Assumptions:

(2) Receipts include rental revenue earned at Cemetery Road, and Uxbridge properties.
(3) Operating expenses for Cemetery Road - significant amounts are property taxes.
(4) No mortgage payments are scheduled to be made (interest being accrued).

First Leaside Group of Companies
First Leaside Universal Limited Partnership
Combined ("Universal")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	214.01	214.01	214.01	214.01	214.01	214.01	214.01	214.01	214.01
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfer									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	214.01	214.01	214.01	214.01	214.01	214.01	214.01	214.01	214.01

First Leaside Group of Companies
First Leaside Universal Limited Partnership
Combined ("Universal")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	214.01	214.01	214.01	214.01	214.01	214.01	214.01	214.01	**214.01**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfer									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	214.01	214.01	214.01	214.01	214.01	214.01	214.01	214.01	**214.01**

First Leaside Group of Companies
First Leaside Venture Limited Partnership
Combined ("Venture")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfer									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66

First Leaside Group of Companies
First Leaside Venture Limited Partnership
Combined ("Venture")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	10	11	12	13	14	15	16	17	
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Total**
Week Ended	**09/07/2012**	**09/14/2012**	**09/21/2012**	**09/28/2012**	**10/05/2012**	**10/12/2012**	**10/19/2012**	**10/26/2012**	**Forecast**
Opening bank balance	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	**31,734.66**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfer									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	31,734.66	**31,734.66**

First Leaside Group of Companies
F.L. Spring Valley Limited Partnership
Combined ("Spring Valley")
(Canadian entity only)
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87
Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87

First Leaside Group of Companies
F.L. Spring Valley Limited Partnership
Combined ("Spring Valley")
(Canadian entity only)
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	10	11	12	13	14	15	16	17	
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Total**
Week Ended	**09/07/2012**	**09/14/2012**	**09/21/2012**	**09/28/2012**	**10/05/2012**	**10/12/2012**	**10/19/2012**	**10/26/2012**	**Forecast**
Opening bank balance	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	**3,823.87**
Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intercompany Transfer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	3,823.87	**3,823.87**

First Leaside Group of Companies
First Leaside Global Limited Partnership
Combined ("Global")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfer									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15

First Leaside Group of Companies
First Leaside Global Limited Partnership
Combined ("Global")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	**151,995.15**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfer									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	151,995.15	**151,995.15**

First Leaside Group of Companies
First Leaside Visions I Limited Partnership
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfer									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30

First Leaside Group of Companies
First Leaside Visions I Limited Partnership
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	10	11	12	13	14	15	16	17	
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Total**
Week Ended	**09/07/2012**	**09/14/2012**	**09/21/2012**	**09/28/2012**	**10/05/2012**	**10/12/2012**	**10/12/2012**	**10/12/2012**	**Forecast**
Opening bank balance	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	**133,340.30**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfer									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	133,340.30	**133,340.30**

First Leaside Group of Companies
First Leaside Visions II Limited Partnership
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfer									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24

First Leaside Group of Companies
First Leaside Visions II Limited Partnership
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	10	11	12	13	14	15	16	17	
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Total**
Week Ended	**09/07/2012**	**09/14/2012**	**09/21/2012**	**09/28/2012**	**10/05/2012**	**10/12/2012**	**10/19/2012**	**10/26/2012**	**Forecast**
Opening bank balance	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	**59,544.24**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfer									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	59,544.24	**59,544.24**

First Leaside Group of Companies
First Leaside Beverages Limited Partnership
Combined ("Beverages")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfer									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81

First Leaside Group of Companies
First Leaside Beverages Limited Partnership
Combined ("Beverages")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	**31,647.81**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfer									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	31,647.81	**31,647.81**

First Leaside Group of Companies
First Leaside Realty Limited Partnership
Combined ("Realty")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	713.51	713.51	713.51	713.51	713.51	713.51	713.51	713.51	713.51
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfers									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	713.51	713.51	713.51	713.51	713.51	713.51	713.51	713.51	713.51

First Leaside Group of Companies
First Leaside Realty Limited Partnership
Combined ("Realty")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	713.51	713.51	713.51	713.51	713.51	713.51	713.51	713.51	713.51
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfers									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	713.51	713.51	713.51	713.51	713.51	713.51	713.51	713.51	713.51

First Leaside Group of Companies
First Leaside Acquisition Limited Partnership
Combined ("Acquisition")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	35.54	35.54	35.54	35.54	35.54	35.54	35.54	35.54	35.54
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfers									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	35.54	35.54	35.54	35.54	35.54	35.54	35.54	35.54	35.54

First Leaside Group of Companies
First Leaside Acquisition Limited Partnership
Combined ("Acquisition")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	35.54	35.54	35.54	35.54	35.54	35.54	35.54	35.54	**35.54**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfers									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	35.54	35.54	35.54	35.54	35.54	35.54	35.54	35.54	**35.54**

First Leaside Group of Companies
FLWM Holdings Limited Partnership
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfers									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49

First Leaside Group of Companies
FLWM Holdings Limited Partnership
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	**175,811.49**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfers									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	175,811.49	**175,811.49**

First Leaside Group of Companies
First Leaside Select Limited Partnership
Combined ("Select")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	40.71	40.71	40.71	40.71	40.71	40.71	40.71	40.71	40.71
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfers									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	40.71	40.71	40.71	40.71	40.71	40.71	40.71	40.71	40.71

First Leaside Group of Companies
First Leaside Select Limited Partnership
Combined ("Select")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	40.71	40.71	40.71	40.71	40.71	40.71	40.71	40.71	**40.71**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfers									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	40.71	40.71	40.71	40.71	40.71	40.71	40.71	40.71	**40.71**

First Leaside Group of Companies
First Leaside Elite Limited Partnership
Combined ("Elite")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	945.47	945.47	945.47	945.47	945.47	945.47	945.47	945.47	945.47
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfers									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	945.47	945.47	945.47	945.47	945.47	945.47	945.47	945.47	945.47

First Leaside Group of Companies
First Leaside Elite Limited Partnership
Combined ("Elite")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 - Oct 26, 2012

	10	11	12	13	14	15	16	17	
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Total**
Week Ended	**09/07/2012**	**09/14/2012**	**09/21/2012**	**09/28/2012**	**10/05/2012**	**10/12/2012**	**10/19/2012**	**10/26/2012**	**Forecast**
Opening bank balance	945.47	945.47	945.47	945.47	945.47	945.47	945.47	945.47	**945.47**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfers									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	945.47	945.47	945.47	945.47	945.47	945.47	945.47	945.47	**945.47**

First Leaside Group of Companies
First Leaside Premier Limited Partnership
Combined ("Premier")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	65.62	65.62	65.62	65.62	65.62	65.62	65.62	65.62	65.62
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfers									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	65.62	65.62	65.62	65.62	65.62	65.62	65.62	65.62	65.62

First Leaside Group of Companies
First Leaside Premier Limited Partnership
Combined ("Premier")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	65.62	65.62	65.62	65.62	65.62	65.62	65.62	65.62	**65.62**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfers									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	65.62	65.62	65.62	65.62	65.62	65.62	65.62	65.62	**65.62**

First Leaside Group of Companies
First Leaside Ultimate Limited Partnership
Combined ("Ultimate")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
	Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Week Ended	**07/06/2012**	**07/13/2012**	**07/20/2012**	**07/27/2012**	**08/03/2012**	**08/10/2012**	**08/17/2012**	**08/24/2012**	**08/31/2012**
Opening bank balance	71.41	71.41	71.41	71.41	71.41	71.41	71.41	71.41	71.41
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfers									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	71.41	71.41	71.41	71.41	71.41	71.41	71.41	71.41	71.41

First Leaside Group of Companies
First Leaside Ultimate Limited Partnership
Combined ("Ultimate")
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/19/2012**	**Forecast 10/26/2012**	**Total Forecast**
Opening bank balance	71.41	71.41	71.41	71.41	71.41	71.41	71.41	71.41	**71.41**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfers									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	71.41	71.41	71.41	71.41	71.41	71.41	71.41	71.41	**71.41**

First Leaside Group of Companies
First Leaside Mortgage Fund ("Mortgages")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	1	2	3	4	5	6	7	8	9
Week Ended	**Forecast 07/06/2012**	**Forecast 07/13/2012**	**Forecast 07/20/2012**	**Forecast 07/27/2012**	**Forecast 08/03/2012**	**Forecast 08/10/2012**	**Forecast 08/17/2012**	**Forecast 08/24/2012**	**Forecast 08/31/2012**
Opening bank balance	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92
Receipts									
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									
Salaries									
Intercompany Transfers									
Capital									
Mortgage payment									
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing bank balance	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92

First Leaside Group of Companies
First Leaside Mortgage Fund ("Mortgages")
Combined
Cash Flow Projection
As at June 15, 2012 (unaudited)
For the period July 2, 2012 -
Oct 26, 2012

	10	11	12	13	14	15	16	17	
Week Ended	**Forecast 09/07/2012**	**Forecast 09/14/2012**	**Forecast 09/21/2012**	**Forecast 09/28/2012**	**Forecast 10/05/2012**	**Forecast 10/12/2012**	**Forecast 10/12/2012**	**Forecast 10/12/2012**	**Total Forecast**
Opening bank balance	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	**3,301.92**
Receipts									0.00
Disbursements:									
Operating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees									0.00
Salaries									0.00
Intercompany Transfers									0.00
Capital									0.00
Mortgage payment									0.00
Total Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Closing bank balance	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	3,301.92	**3,301.92**

APPENDIX 3 - LETTER FROM THE MONITOR'S COUNSEL TO 970877 ONTARIO INC. DATED JUNE 6, 2012

Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

Chris Burr
Dir: 416-863-3301
chris.burr@blakes.com

Reference: 88944/4

June 6, 2012

VIA E-MAIL & COURIER

David Phillips
President
970877 Ontario Inc.
430 Durham Road
Uxbridge, Ontario
L9P 1R1

Re: November 3, 2011 Transfer of $500,000

Mr. Phillips:

We are counsel to Grant Thornton Limited, in its capacity as Court-appointed monitor of First Leaside Wealth Management Inc. and certain affiliated companies and limited partnerships (the "**Monitor**"), in connection with the *Companies' Creditors Arrangement Act* proceedings involving those entities.

The Monitor is aware that on or about November 3, 2011, a transfer in the amount of $500,000 (the "**Transfer**") was made from the account of First Leaside Finance Inc. to the account of 970877 Ontario Inc. ("**970**"). It appears from the banking records of the First Leaside group of companies that this transfer was made to repay a $500,000 loan made by 970 to First Leaside Wealth Management Inc. on September 2, 2011. As it appears from corporate records, you are the sole officer and director of 970.

The Monitor notes that the Transfer was made 3 days after the First Leaside companies agreed to cease trading in securities, and on the same day that an independent committee was appointed over the First Leaside companies to assume all decision making authority with respect to the operations of those companies.

The Transfer appears to the Monitor to be either a preference, a transfer at undervalue or a fraudulent conveyance, as those terms are used in the *Bankruptcy and Insolvency Act* (Canada), *Fraudulent Conveyances Act* (Ontario) and *Assignments and Preferences Act* (Ontario). Accordingly, in the Monitor's view, the Transfer is void and the $500,000 should be returned by 970 to First Leaside Finance Inc. immediately.

The Monitor hereby requires repayment of $500,000 to First Leaside Finance Inc. immediately, failing which the Monitor will have no choice but to consider its options to compel repayment by Court order.

If you have not consulted independent legal counsel on this matter, I encourage you to do so at your earliest convenience. If you have retained counsel, please provide his or her contact information to me.

Sincerely,

Chris Burr

cc: Greg MacLeod, Chief Restructuring Officer of the First Leaside group of companies
Jon Krieger, Grant Thornton Limited
John Birch, Cassels Brock & Blackwell LLP
Shayne Kukulowicz, Fraser Milner Casgrain LLP

Appendix 4 - Letter from the Monitor's counsel to 970877 Ontario Inc. dated June 15, 2012

Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

June 15, 2012

Chris Burr
Dir: 416-863-3301
chris.burr@blakes.com

VIA E-MAIL & COURIER

Reference: 88944/4

David Phillips
President
970877 Ontario Inc.
430 Durham Road
Uxbridge, ON
L9P 1R1

Re: November 3, 2011 Transfer of $500,000

Mr. Phillips:

As you are aware, we are counsel to Grant Thornton Limited, in its capacity as Court-appointed monitor of First Leaside Wealth Management Inc. and certain affiliated companies and limited partnerships (the "**Monitor**"), in connection with the *Companies' Creditors Arrangement Act* proceedings involving those entities.

This letter is further to my letter of June 6, 2012, in which you were advised that the Monitor is aware that on or about November 3, 2011, a transfer in the amount of $500,000 (the "**Transfer**") was made from the account of First Leaside Finance Inc. to the account of 970877 Ontario Inc. ("**970**"). It appears from the banking records of the First Leaside group of companies that this transfer was made to repay a $500,000 loan made by 970 to First Leaside Wealth Management Inc. on September 2, 2011.

The Transfer appears to the Monitor to be either a preference, a transfer at undervalue or a fraudulent conveyance, as those terms are used in the *Bankruptcy and Insolvency Act* (Canada), *Fraudulent Conveyances Act* (Ontario) and *Assignments and Preferences Act* (Ontario). Accordingly, in the Monitor's view, the Transfer is void and the Monitor requires repayment of $500,000 to First Leaside Finance Inc. immediately.

I have not received a response to my June 6, 2012 letter. Please be advised that the Monitor will be including this matter in its next report to the Court, and may, in connection with such report, seek authorization and direction from the Court to formally bring a preference claim against 970 under the aforementioned legislation. The Monitor therefore requests a response from you no later than close of business on Tuesday, June 19, 2012.

12572247.1

I believe Mr. Crawley may be your counsel on this matter, and have copied him on this letter. Please confirm whether this understanding is correct, and I will ensure that future correspondence is addressed accordingly.

Sincerely,

Chris Burr

cc: Greg MacLeod, Chief Restructuring Officer of the First Leaside group of companies
Jon Krieger, Grant Thornton Limited
John Birch, Cassels Brock & Blackwell LLP
Shayne Kukulowicz, Fraser Milner Casgrain LLP
Alistair Crawley, Crawley, Meredith, Brush LLP

12572247.1

APPENDIX 5 - LETTER FROM REPRESENTATIVE COUNSEL TO THE MONITOR'S COUNSEL DATED MAY 14, 2012

FMC
LAW

Fraser Milner Casgrain LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON, Canada M5K 0A1

MAIN 416 863 4511
FAX 416 863 4592

May 14, 2012

R. Shayne Kukulowicz
Shayne.Kukulowicz@fmc-law.com
DIRECT 416 863 4740

Blake, Cassels & Graydon LLP
199 Bay Street
Suite 4000, Commerce Court West
Toronto, Ontario
M5L 1A9

Attention: Pamela L. Huff

Dear Ms. Huff,

RE: *Companies' Creditors Arrangement Act* ("CCAA") proceedings involving First Leaside Wealth Management Inc. ("FLWM") and certain of its affiliates ("First Leaside")

As you are aware, we act as representative counsel to all persons who are clients of First Leaside Securities Inc. (the "**Investors**") with respect to First Leaside's CCAA proceedings. We are writing to you as counsel to the court-appointed monitor of First Leaside, Grant Thornton Limited (the "**Monitor**"), in connection with certain transactions related to David Phillips and what we understand is a holding company owned by David Phillips ("**DP Holdco**").

The following transactions have come to our attention and we formally request that the Monitor, pursuant to section 36.1 of the CCAA, take action in respect of:

(a) the repayment by FLWM to DP Holdco of a loan in the amount of $500,000 on November 3, 2011;

(b) the compensation received by David Phillips for 2011 in the approximate amount of $1,500,000 which we understand was not approved by the Independent Committee; and

(c) the transfer of $250,000 by First Leaside, at the direction of the Independent Committee, to a trust called the "First Leaside Independent Committee Trust", for the benefit of the Independent Committee and its designates.

Please advise us whether the Monitor intends to challenge any of the above-noted transactions or any other transactions that the Monitor is aware of, which may be reviewable pursuant to section 36.1 of the CCAA.

We look forward to your response.

Yours truly,

FRASER MILNER CASGRAIN LLP

R. Shayne Kukulowicz
Partner
RSK/mk

cc: Christopher Burr, Blake, Cassels & Graydon LLP
cc: John Birch, Cassels Brock & Blackwell LLP
cc: David Ward, Cassels Brock & Blackwell LLP
cc: Jonathan Krieger, Grant Thornton Limited
cc: Greg MacLeod, G.S. MacLeod & Associates Inc.
cc: Jane Dietrich, Fraser Milner Casgrain LLP